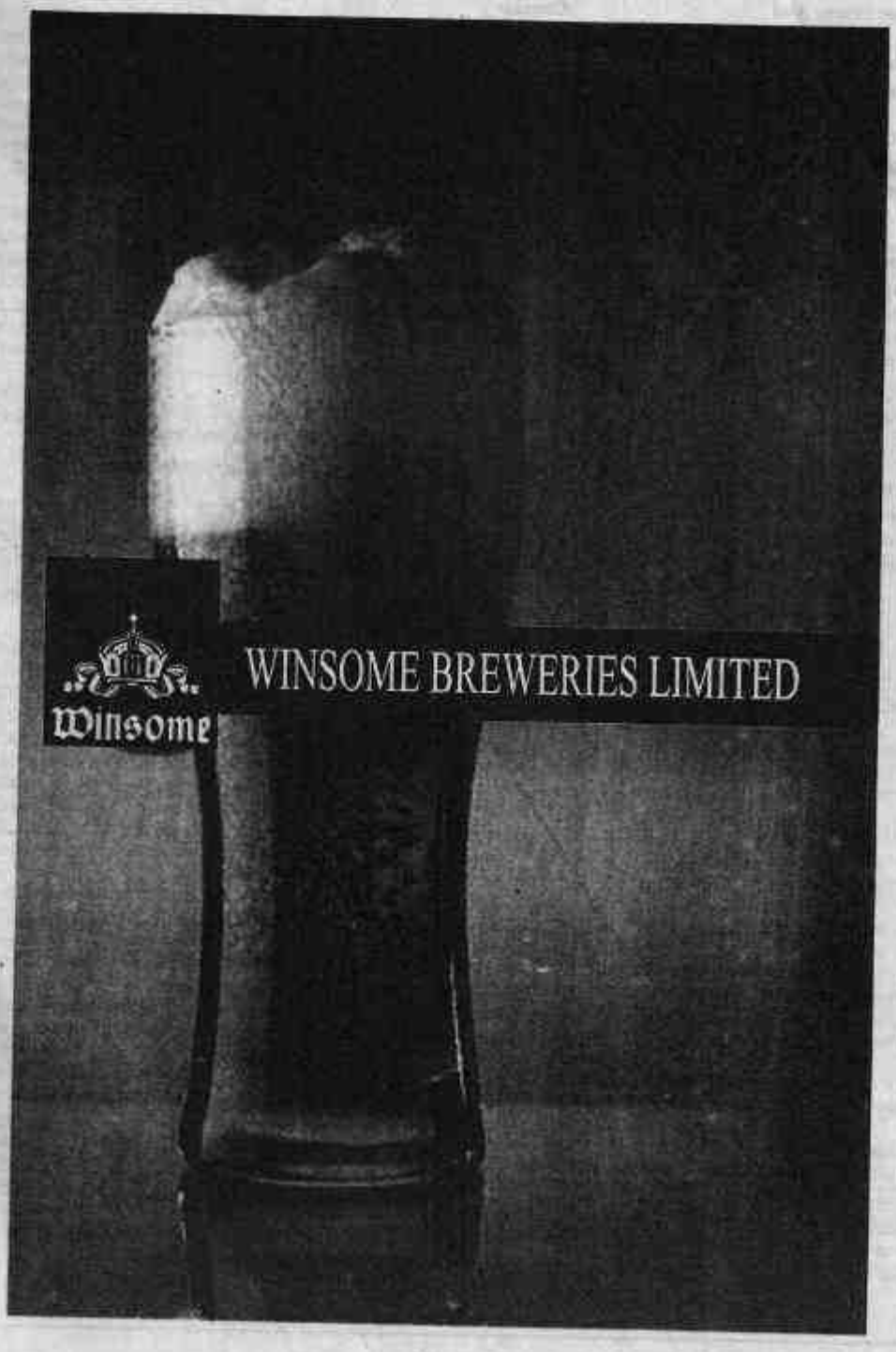
24th
ANNUAL REPORT
2015-2016



BOARD OF DIRECTORS

Sh. Rajendra Kumar Bagrodia	Chairman Cum Managing Director
Smt. Sneh Bagrodia	Whole Time Director
Sh. Sushil Kumar Jain	Director
Sh. Dipankar Sengupta	Director
Sh. Sumer Chand Jain	Director

COMPANY SECRETARY
Mr. Rahul Kumar Jain

STATUTORY AUDITORS
O. P. Bagla & Co.
Chartered Accountants
8/12 Kalkaji New Delhi-110019

CORPORATE OFFICE
D-61, Okhla Industrial Area
Phase -1, New Delhi- 110 020

REGISTERED OFFICE AND PLANT LOCATION
VILL. Sarehkhurd, Tehsil-Tijara
Distt. Alwar,
Rajasthan: 301001

REGISTRAR AND SHARE TRANSFER AGENT
Skyline Financial Services Private Limited
D-153A, First Floor, Okhla Industrial Area, Phase-I,
New Delhi – 110020

Contents

Notice....1
Directors' Report....4
Management Discussion and Analysis Report....7
Annexure to Directors Report **(Annexure A)**
Extract of Annual Return....9
Annexure to Directors Report **(Annexure B)**
Information as per sec 197(12) read with
Rule 5 of Companies (Appointment and Remuneration
of managerial Personnel)AmendmentRule2016....18
Annexure to Directors Report **(Annexure C)**
Corporate Governance Report....20
Annexure to Directors Report **(Annexure D)**
Secretarial Audit Report....31
Annexure to Directors Report **(Annexure E)**
Form AOC-2....33
Auditors' Report....34
Balance Sheet....38
Statement of profit and Loss....39
Cash Flow Statement....40
Notes to Financial Statement....41
Proxy Form....52
Attendance slip....53
Electronic Voting Particulars....
Route Map....

Dear Share holder we request you to please update your e-mail id and bank details along with full name, folio no. address, contact no. and specimen signature, in our record with our Registrar and Share transfer Agent by post at the address- Skyline Financial Service Pvt. Ltd., D-153 A, Okhla industrial Are Phase-I, New Delhi-110020 or by email at admin@skylinerta.com. Kindly quote your folio no. in all correspondence.

WINSOME BREWERIES LIMITED

NOTICE

NOTICE is hereby given that Twenty Fourth Annual General Meeting (24TH AGM) of the members of Winsome Breweries Limited will be held on Friday, 30th Day of September, 2016 at 11.00 a.m. at the registered office of the Company at Village-Sarehkhurd, Tehsil-Tijara, Distt. Alwar, Rajasthan-301001, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016 and the Profit and Loss Account for the year ended as on that date together with the report of Directors, and Auditors thereon.
2. To appoint a Director in place of Mrs. Sneh Bagrodia (DIN 00637355) who retire by rotation in terms of Section 152 (6) of Companies Act, 2013 and being eligible offer herself for re-appointment.
3. Ratification of Appointment of Auditors
   To consider and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution:

   "**RESOLVED THAT** that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s O.P. BAGLA & CO., Chartered Accountants having Firm Registration No. 000018N, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next Annual General Meeting of the Company to be held in the year 2017 to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

Date: 12th August 2016
Place: New Delhi

By Order of the Board of Directors
For Winsome Breweries Limited

Rajendra Kumar Bagrodia
(Chairman Cum Managing Director)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.
2. A person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other Member.
3. Corporate members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to section 113 of the Companies Act, 2013, are requested to send to the company, a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representatives authorized under the said resolution to attend and vote on their behalf at the meeting.
4. The Register of Members and Share transfer Books of the Company shall remain closed from 23rd September 2016 to 30thSeptember 2016 (both days inclusive) for payment of dividend/bonus, if any, declared/approved, at Annual General Meeting.
5. Members, Proxies and Authorised representatives are requested to bring to the meeting, the attendance slips enclosed herewith duly completed and signed mentioning therein details of DP ID and Client ID/Folio No.
6. In case of joint holders attending the meeting, the joint holder who is higher in the order of names will be entitled to vote at the meeting.
7. Pursuant to Section 72 of the Companies Act, 2013 Members holding share in dematerialized form may file Nomination in the prescribed Form SH-13 (In duplicate) with the respective DP's and in respect of shares held in the physical form, such nomination may be filed with the company's Registrar and Share transfer Agent.
8. Shareholders desiring any information as regards the Accounts are required to write to the Company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.
9. Members who wish to attend AGM are requested to Bring attendance slip sent herewith duly filled in, and the copy of Annual Report. Copies of the Annual Report will not be distributed at this AGM.

10. The members are requested to affix their signature at the place provided on the attendance slip annexed to the proxy form and handover the slip at the entrance to the place of this AGM and bring a copy of Valid ID proof, DP ID and Client ID to this AGM for recording of attendance at this AGM
11. Members are requested to intimate immediately change of address, if any, to the Company's Registrar and Transfer Agent.
12. All the documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar & Transfer Agents.
13. Route Map of Venue of the Meeting is attached.
14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the registered office of the Company during business hours except on holidays, up to and including the date of the Annual General Meeting of the Company.
15. In terms of the Circulars No. 17/2011 of 21st April, 2011 and 18/2011 of 29th April, 2011 issued by the Ministry of Corporate Affairs (MCA) as part of its "green Initiative in Corporate Governance," MCA allows paperless compliances including service of notice/documents by companies to their Members through electronic mode. Therefore, the Company proposes to send documents required to be sent to Members like Notices of General Meetings (including AGM), Audited Financial Statements, Report of the Directors, Independent Auditors' Report etc. to the Members in electronic from to the e-mail IDs provided by them and made available to the Company by the Depositories. This will also ensure prompt receipt of communication and avoid loss in transit. The physical copies of the Annual Report will be made available upon receipt of a requisition from the members, any time as a Member of the Company.

2. **Voting through Electronic mean**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies (Management and Administration) Rules, 2015, the Company is pleased to provide Members with a facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means and the business may be transacted through Electronic Voting (e-voting) Services. The facility for casting the votes by the members using electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Securities Limited (CDSL):

The instructions for shareholders for e-voting are as under:

(i). The remote e-voting period begins on Monday 26-09-2016 at 9:00 am and ends on Thursday 29-09-2016 at 5:00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) 23-09-2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on "Shareholders" tab.

(v) Select the " Winsome Breweries Limited" from the drop down menu and click on submit

(vi) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID.

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID.

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vii) Next enter the Verification Code as displayed and Click on Login.

(viii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(ix) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha -numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on separate letter. • In case the sequ ence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field
Date of Birth (DOB)	Enter the Date if Birth (DOB) as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in t ha Company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If both the details are not recorded with the depository and company please enter the member id / folio number in the Dividend Bank details field as mentioned in above instruction (vi).

(x) After entering these details appropriately, click on "SUBMIT" tab.

(xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xiii) Click on the EVSN for the relevant Company Name i.e. WINSOME BREWERIES LIMITED on which you choose to vote.

(xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting.Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xvi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xix) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xx) Note for Non-Individual Shareholders & Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates and Custodians respectively.
- A scan copy of registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on and then cast their vote on.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 23rd September,2016 may follow the same instructions as mentioned above for e-Voting.

(xxii) Mr. Ravinder Sharma, Proprietor of M/s Ravinder Sharma & Associates, Company Secretaries Membership No. 37521, Practicing Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.

(xxiii) The Scrutinizer shall with in a period of not exceeding three (3) working days from the conclusion of e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman.

(xxiv) The Results declared along with the Scrutinizer/s Report shall be placed on the Company's website **http://www.winsomeindia.in** and on the website of CDSL with in three (3) days of passing of the resolutions at the Annual General Meeting of the Company scheduled to be held on Friday 30th September, 2016.

(xxv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to **helpdesk.evoting@cdslindia.com.**

Date: 12th August 2016
Place: New Delhi

By Order of the Board of Directors
For Winsome Breweries Limited

Rajendra Kumar Bagrodia
(Chairman Cum Managing Director)

DIRECTOR'S REPORT

THE MEMBERS,

Your Directors have pleasure in presenting the Twenty Fourth Annual Report of Winsome Breweries Limited along with audited financial statements for the financial year (FY) ended March 31, 2016.

HIGHLIGHTS OF PERFORMANCE

Income for the year increased from Rs. 753604326.26 in 2015 to Rs. 792402484.45 in 2016.Profit before tax increased from Rs. 19997664.63 in the previous year 2015 to Rs. 24502104.15 in the current year 2016. However Net Profit decreased from Rs. 15454026.63 in the previous year 2015 to Rs. 14081444.73 in the current year 2016.

1. **Financial Results**
The financial performance of Winsome Breweries Limited for the financial year ended March 31, 2016 is summarised below:

Particulars	Current Year 31st March 2016 (in Rupees)	Previous Year 31st March 2015 (in Rupees)
Total income	792,402,484.45	753,604,326.26
Profit before depreciation	31,141,000.11	22,747,428.19
Profit before tax	24,502,104.15	19,997,664.63
Less: Provision For Tax	10,420,659.43	4,543,638.00
Profit after tax	14,081,444.73	15,454,026.63
Less :Transfer To General Reserves	NIL	NIL

2. **Future Prospects**
The company is making efforts continuously to improve its business operations. In view of the above, prospectus of the Company appears bright in near future.
3. **Transfer to Reserves**
The Company has not transferred any amount to the General Reserve out of amount available for appropriations.
4. **Dividend**
In view of the inadequate profits, the Directors express their inability to recommend any dividend for the year under review.
5. **Deposits**
The company has not accepted any public deposits during FY 2015-16 from the members or the general public. There are no small depositors in the company.
6. **Change in the Nature of Business**
The Company has not undergone any changes in the nature of the business during the financial year.
7. **Subsidiary Company.**
The Company has no Subsidiary Company.
8. **Internal Process & Financial Control**
The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The Company's internal controls are tested for adequacy and effectiveness by the Internal Auditor and Statutory Auditors on a regular basis.
9. **Listing Fees**
The Annual Listing Fee for the year 2015-16 had been paid to those Stock Exchanges where the company's shares are listed.
10. **Corporate Social Responsibility (CSR)**
Provision related CSR under Section 135 of the Companies Act, 2013 are not applicable to the Company.
11. **Vigil Mechanism/ Whistle Blower Policy**
The Company has a vigil mechanism by way of internal reviews. The Company also has a "Whistle Blower Policy", the copy of which is available on the website of the Company, namely http://www.winsomeindia.in/news_events.php

12. **Prevention Of Sexual Harassment At Work Places**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under.

Further, the Company's Audit Committees look into the matter for its office and factory of the Company in compliance with the above mentioned Act and Rules. For the financial year 2015-16, no case of sexual harassment was pending at the beginning, no case was received during the year nor did any case remain pending at the close of the year.

13. **Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo.**

Information pursuant to section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given below:

A. **Conservation Of Energy:**

The Company has taken measures in consultation with the technical experts to conserve use of power by

I. More Emphasis on elimination of waste.

ii. Improved efficiency of own generator by usage of diesel generator only for emergencies and as stand by

iii. Preventive maintenance of various equipments for efficient utilization of energy.

B. **Technology Absorption:**

Disclosure of particulars with respect to technology absorption:-

Research & Development

I. Specific Areas In Which R&D Carried out by the Company

a. Quality Up gradation.

b. Productivity enhancement.

c. Quality Control Management.

ii. Benefits Derived as Result of the above R&D: Increase in production.

iii. Future plan of action: Cost efficiency in manufacturing operations through better methods and techniques of production.

iv. Expenditure in R & D: Specific expenditure of recurring or capital nature in not involved.

C. **Foreign Exchange Earning And Outgo :-**

Expenditure in Foreign Currency (on Accrual basis):

a. Travelling Expenses Rs. 650876

14. **Management Discussion Analysis Report (MDAR):**

The Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section which forms part of the Annual Report.

15. **Extract Of Annual Return**

The extract of the Annual Return as provided under Section 92(3) of the Companies Act, 2013 in the prescribed Form MGT - 9 is annexed herewith as Annexure-A.

16. **Particulars of Employees**

The particulars of employees are given in Annexure-B to this Report as required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

17. **Director(s) and KMP**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mrs. Sneh Begrodia, Whole Time Director, retires by rotation at the forthcoming Annual General Meeting and, being eligible offers herself for re-appointment.

During the year under review, there is no change in the Board of Directors of the Company.

Mr. Bagga Singh Company Secretary has taken over as Compliance Officer w.e.f 15 Sept. 2014. He has been appointed under Section 203 of the Companies Act, 2013 as a Key Managerial Personnel and Compliance officer. Mr. Bagga Singh resigned from the post of Company Secretary w.e.f. 15 May 2015 consequently to fill the vacate position of Company Secretary Mr. Anupam Agr, member of the Institute of Company Secretaries of India was appointed as Company Secretary & Compliance Officer of the company w.e.f. 22nd May,2015. Mr. Anupam Agr, resigned w.e.f 9 Sept. 2015 and Mr. Rahul Kumar Jain, was appointed as Company Secretary and Compliance officer w.e.f 9 Sept., 2015.

18. **Declaration Given by Independent Directors**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

19. **Directors' Responsibility Statement**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

a) in the preparation of annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any

b) the directors have selected such accounting policies and applied them consistently and made judgments and

estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2015-16 and of the profit of the company for that period;

c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors have prepared the annual accounts on a going concern basis;

e) the directors had laid down proper internal financial controls and such internal financial controls are adequate and were operating effectively;

f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. Board Evaluation

The Board has carried out an annual performance evaluation of its own performance and that of its Committees and individual directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

21. Independent Directors Meeting

During the year under review, the Independent Directors met on 11th February 2016, inter alia, to:

a) Review the performance of Non Independent Directors, and the Board of Directors as a whole;

b) Review the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.

c) Assess the quality, content and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

d) All the Independent Directors were present at this meeting.

The Independent director authorised the company Secretary of the Company to Act as Secretary to the Committee and to do all such deed and acts necessary for the calling, conducting of meeting, preparation of minutes and other formalities in consultancy with the chairman of the Committee.

The details of Familirisation Programme of the Independent Directors have been uploaded on the website of the Company which can be found at http://www.winsomeindia.in/news_events.php

The observations made by the Independent Directors have been adopted and put into force.

22. Appointment and Remuneration Policy for Directors, Key Managerial Personnel and Other Employees

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management Personnel and Key Managerial Personnel ("KMP") and their remuneration. This Policy is described in the Corporate Governance Report.

23. Meetings of the Board

During the year Four (4) Meeting of the Board and Four (4) Meeting of the Audit Committee were held details of which are given in the Corporate Governance Report. The gap between the meetings was within the period prescribed under the Companies Act, 2013 / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All other Committees also have met during the year and have helped the Board to provide direction to the management.

24. Corporate Governance report

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance, together with a certificate from the Company's Statutory Auditors confirming compliance forms part of this Report as Annexure-C.

25. Auditors

A. Statutory Auditors

M/s O.P. Bagla & Co., Chartered Accountants, (Registration Number : 000018N) who are Statutory Auditors of the Company were appointed until the conclusion of 25° Annual General Meeting subject to ratification by the Members at every Annual General meeting.

The Board recommend the members for re-appointment of the Statutory Auditor for conducting audit of financial statements of the Company for financial year 2016-17. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s O.P. Bagla & Co., Chartered Accountants that their appointment, if made, would be in conformity with the limits specified in the said Section.

Reply To Auditor's Report

The Auditor's Report to the members does not contain any qualification or adverse remarks on the financial Reporting and disclosure of the Company. The Notes to Accounts forming part of the financial statements are self-explanatory and need no further explanation.

B. Secretarial Audit

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s Ravinder Sharma & Associates, Company Secretaries a company Secretaries in practice to undertake the Secretarial Audit of the Company for the Financial Year 2015-16. The Secretarial Audit report is annexed herewith as Annexure-D.

C. **Cost Audit**
Provision related to Cost Audit is not applicable to the Company.

D. **Internal Auditor**
M/s RPB and Associates, Chartered Accountants is appointed as Internal Auditor of the Company for the Financial year 2016-17.

26. **Disclosures With Respect To Employees Stock Option Scheme**
The Company does not have any Employees Stock Option Scheme.

27. **Related Party Transaction.**
All the related party transaction entered into by the company during the financial year was on Arm Length basis and were in the ordinary course of the business. There are no materially significant related party transaction made up by the company with the promoters, Key Managerial personnel or other designated person which may have potential conflict in interest of the Company at large.
The Particulars of related party transactions are stated in Note No. 38 of the Financial Statement of the Company. Form ACO-2 is attached as Annexure-E.

28. **Risk Management**
The Company has a Risk Management framework in place to identify, assess, monitor and mitigate various risks to the business. This framework seeks to minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The framework also defines the risk management approach across the enterprise at various levels.
Risk Management forms an integral part of the Company's planning process. Audit Committee of the Board reviews the process of risk management.

29. **Significant And Material Orders Passed By The Regulatory Bodies / Courts**
Company has filed Compounding petition under Section 621A for few matters and Six Compounding order have been passed by the Regional Director, North Western Region Ahmedabad. For further details kindly refer MGT-9.

30. **Particulars of Loans, Guarantees or Investments by the Company**
Details of Loans, Guarantees and Investments are given in the notes to Financial Statements.

31. **Acknowledgment**
The Board takes this opportunity to sincerely thank all its stakeholders namely, shareholders, customers, suppliers/contractors, bankers, employees, Government agencies, local authorities, and the immediate society for their un-stinted support and co-operation during the year.

Date: 12th August 2016
Place: New Delhi

On Behalf of the Board of Director
For Winsome Breweries Limited

Rajendra Kumar Bagrodia
(Chairman Cum Managing Director)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Directors have pleasure in presenting the Management Discussion and Analysis report for the year ended on March 31, 2016.

(A) **Industry Structure and Development**
Beer industry in India has been experiencing growth rates of about 10% in the past decade. Although India isn't a typical beer gulping nation but the winds of change might just be around the corner with growth projections of the industry hovering at much higher levels.
Change in demography, a better standard of living and a myriad of choices that 21st century Indian enjoys, beer industry is expected to grow in double digits in the coming years. Its consumption in India has increased into double digits in last decade.
India is the fourth largest beer consumer in the Asia-Pacific region by volume. According to the statistics, nation's 120 Crore population consumed at an average rate of just more than 2.5 Crore hectoliters of beer during the last three years.
Indian Alcohol Industry is basically comprised of IMFL (Indian made foreign liquor), beer and country liquor.
Indian liquor market is dominated by IMFL at 70% whereas beer holds 11% and country liquor holds 19% of the market. But in terms of volume IMFL is 36%, beer 33% and country liquor 31%.
Beer is a rapidly expanding segment in the Indian Alcoholic Beverages industry. It is the third largest market and second fastest growing market in the Indian alcoholic beverages industry. Beer market has been segmented into strong beer and mild beer on the basis of their alcohol content.
The market size of Indian Beer Industry is expected to touch 45.2 crore cases by 2017, driven by various factors like growing acceptability of social drinking, easy and convenient availability of beer along with burgeoning varieties on

offer. Escalating disposable incomes, rising influence of urbanization and low per capita consumption are also anticipated to drive the consumption of beer in the nation.

In keeping with Indian consumer tastes, about 80% of the beer consumed in India is 'strong beer', i.e. beer with alcohol content above 5%, mild beer accounts for the remaining 20%. The strong beer segment is also the faster growing of the two and this is likely to continue, in keeping with Indian tastes.

Winsome Breweries Limited is engaged in the manufacture of beer, located 70 km from New Delhi in the state of Rajasthan. The brewery was set up in technical collaboration with Henninger Brau with imported equipment and is equipped with all regulations and licenses. It has large water reservoir (unique since Rajasthan restricting issuance of new licenses). Its manufacturing capabilities confirm to the highest German standards with efficient operations of international standards with high levels of automation, monitoring devices and testing equipment. It is currently in agreement with UB Group for bottling various brands of the Group. Major markets in North India including Delhi, Haryana, Punjab, Himachal Pradesh, Uttar Pradesh and northern Madhya Pradesh are within efficient logistics range. Rajasthan is the largest beer market in North India (fourth largest in India). For more than two decades, the company is consistently maintaining the good quality of its beer products. The Company has been making impressive progress in the business of beer during the last few years. The company contributes about 20% of the total beer sale in the whole of Rajasthan.

(B) Opportunities, Threats and Concerns.

The Company's beer is directly sold to Rajasthan State Breweries Corporation Limited (RSBCL), there is no sale to the private authorities and the company enjoys sale of beer primarily in the state of Rajasthan. The company has a production capacity to manufacture about 50 Lakhs cases of beer per annum. India's young and growing population, coupled with increasing wealth and urbanisation will also help increase alcoholic beverage consumption. Gradually increasing social acceptance of alcohol consumption will also support volume growth in bars and restaurants.

The business outlook continuing to be dampened by an unfavorable regulatory environment. Alcohol production, distribution and sales are regulated by each state in India and the different regulations and existence of the central state tax (CST) payable on goods moving from one state to another are the biggest limit on growth.Competition from major foreign companies such as Carlsberg, Molson Coors etc. which are coming into India will also affect the Company's market share, though at the same time, tough conditions for new entrants into the market means existing players have lesser challenges.

The Company has been facing difficulty due to very high levels of taxation, rising cost of production, stringent Government policies and frequent charges in laws. The high levels of fluctuations in the prices of its main raw material and availability of raw material at higher cost are also major constraints being faced by the Company during the past few years.

(C) Out Look

The growing market demand based on the increasing youth population in the country along with higher living standards and increasing purchasing power will result in good market growth and good revenue generation for the company. The existing capacity should take care of the company's requirement at least for the next Five years and the Company also has expansion plans to double its manufacturing capacity in the coming years to cater to the growing market demand.

We estimate an overall beer industry to register a growth of 12% year-on-year across India and reach a size of 4.5 Crore cases by 2017. The growth rate of 12% is a conservative estimate; the industry has all triggers in place for exceeding the projected growth rate.

(D) Internal Control System and Their Adequacy

The Company has engaged the services of an independent Chartered Accountant to carry out the internal audit and ensure that recording and reporting are adequate and proper, the internal controls exist in the system and that sufficient measures are taken to update the internal control system. The system also ensures that all the transaction are appropriately authorized, recorded and reported. Steps for safeguarding assets and protection against unauthorized use are undertaken from time to time.

All these measures are continuously reviewed by the management and improvements also made as and when required.

(E) Discussion on Financial Performance With Respect To Operational Performance

The financial performance during the year under reference has been impressive in terms of sales and profitability which was mainly due to moderate price levels of Raw materials and packing materials throughout the year and better realizations for the company's products.

(F) Human Resources/Industrial Relations Front, Including Number of People Employed.

As on March 31, 2016, the company had Thirty Two permanent employees at its manufacturing plant and administrative office.

The company recognizes the importance of human value and ensures that encouragement both moral and financial is extended to each individual for motivating them to perform to the maximum capacity, to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. The company Industrial relations are cordial and satisfactory during the year under review.