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**WINSONSBREWERYLIMITED**

## BOARD OF DIRECTORS

SH. R. K. BAGRODIA	CHAIRMAN-CUM-MANAGING DIRECTOR
LT. GEN. V. K. SOOD (RETD.)	DIRECTOR
SMT. SNEH BAGRODIA	DIRECTOR
SH. SUSHIL KUMAN JAIN	DIRECTOR
SH. PRADEEP CHATURVEDI	DIRECTOR

## COMPANY SECRETARY

VINAY PANDEY

## STATUTORY AUDITORS

LODHA & CO.  
CHARTERED ACCOUNTANTS  
NEW DELHI

## REGISTERED OFFICE

VILL. SAREHKHURD, TEHSIL TIJARA  
DISTT. ALWAR, RAJASTHAN

## CORPORATE OFFICE

S- 521, GREATER KAILASH, PART-II  
NEW DELHI- 110 048

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# WINSOME BREWERIES LIMITED

## NOTICE

**NOTICE** is hereby given that the Twelfth Annual General Meeting of the members of Winsome Breweries Limited will be held on Thursday, the 30th day of September, 2004 at 11.00 a.m. at its Registered Office at Village Sarekhurd, Tehsil Tijara, Distt. Alwar, Rajasthan to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet at 31st March 2004 and the Profit & Loss Account for the year ended on that date and report of the Directors and Auditors thereon.
2. To appoint a Director in place of Lt. Gen. V.K Sood (Retd.) who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint Statutory Auditor's & fix their remuneration. The retiring Auditor's M/S Lodha & Co. Chartered Accountants are eligible for re-appointment.

### SPECIAL BUSINESS

4. To consider and if thought fit to pass, with or without modification, following resolution as a Special Resolution "Resolved that subject to the approval of the shareholders of the company and pursuant to section 314 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, consent of the company be and is hereby accorded to increase the salary of Mr. Shantanu Bagrodia s/o Sh. R.K. Bagrodia, Managing Director of Company to Rs. 15000/- per month w.e.f. 01.08.2004."

By Authority of the Board  
For Winsome Breweries Limited

Place: New Delhi

Date: 31st July 2004

(R.K. BAGRODIA)

(Chairman-Cum-Managing Director)

### NOTES:

1. The relevant explanatory statements pursuant to the Section 173 (2) of the Companies Act, 1956 are annexed herewith and form part of the notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies in order to be effective, should be duly stamped, completed and signed and deposited at the Registered Office of the company not less than 48 Hours before the Meeting.
3. The Register of Members and Share transfer Books of the Company shall remain close from 15th September, 2004 to 30th September, 2004 (both days inclusive)
4. Members are required,
  - (i) To notify change of address, if any
  - (ii) To bring their copy of Annual Report to the meeting.
5. Members desirous of having any information on Accounts are requested to address their queries to the Company Secretary latest by 20th September 2004 so that the requisite information is available at the meeting.

### Explanatory statements

#### ITEM NO. 4

The Board of Directors at their meeting held on 31-7-2004 has increased salary of Mr. Shantanu Bagrodia S/o Sh. R.K. Bagrodia, Managing Director of the company to Rs.15000/- per month w.e.f. 1-8-2004 subject to approval of the members of the company and other statutory approvals as may be necessary.

**DIRECTOR'S REPORT**

TO THE MEMBERS,

Your Directors are pleased to present their Twelfth Annual Report together with the Audited Financial Statement of your Company for the year ended on 31 st March 2004.

**FINANCIAL RESULTS :**

	2003- 2004	(Amount in Rs.) 2002-2003
Sales	<u>245276894.15</u>	<u>387430076.60</u>
Profit/ (loss) before	<u>10680425.73</u>	<u>11429369.08</u>
Depreciation & Preliminary Expenses		
Less		
a) Depreciation	<u>9981649.35</u>	<u>10333714.39</u>
b) Preliminary Expenses written off	<u>1206207.30</u>	<u>1206207.30</u>
Net Profit/ (Loss) before Tax	<u>(507430.92)</u>	<u>(110522.61)</u>
Less: Provision for Tax		
- Current Tax	<u>0.00</u>	<u>0.00</u>
- Deferred Tax Credit (net)	<u>374420.00</u>	<u>(130808.05)</u>
Net Profit/(Loss) for the year	<u>(133010.92)</u>	<u>(241360.66)</u>

**DIVIDEND:**

In view of the above financial results, your Directors express their inability to recommend any dividend for the year under review.

**OPERATION:**

Even though during the fiscal under review, turnover of the Company went down from Rs. 3874.30 lacs to Rs. 2452.77, the Company actually incurred a loss of Rs. 1.33 lacs as against a loss of Rs. 2.41 lacs during the last fiscal because of improved working. However the company is striving hard to increase the utilisation of the capacity as well as profitability this year.

**FUTURE PROSPECTS:**

The company's premium brand " Henninger Premium Lager" is now being marketed in the market of Delhi with the new push and this year our own sales should also be more. This year the company has now the arrangement with United Breweries Ltd. on the same basis as Shaw Wallace Breweries Ltd. In order to have maximum capacity utilisation, your company is also discussing the possibilities of tie up with several other foreign companies, as they consider our plant as one of the best in India. Your directors strongly feel that the company's financial position and profitability will definitely increase due to all these arrangements.

**AUDITOR'S REPORT AND REAPPOINTMENT:**

With reference to the observations made by the Auditors in their report, the Director wish to state that the observation have been dealt with by making relevant notes in the Accounts and do not require any further clarification/comments. Your Company's auditor's M/s Lodha & Co. retire at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for the re-appointment. You are requested to appoint the Auditors and fix their remuneration.

**DIRECTORS:**

In accordance with the Companies Act, 1956 and Articles of Association of the Company, Lt. Gen. V. K. Sood (Retd.), Director of the Company, will retire by rotation and being eligible offer himself for the re-appointment.

**DIRECTORS RESPONSIBILITY STATEMENT:**

As required under section 217 (2AA) of the Companies Act, 1956 your Directors state that:

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to materials departures in the financial statement.
2. The accounting policies have been selected and applied consistently and judgements and estimates have been reasonably & prudently made when required so as to give a true & fair view of the state of affairs of the Company at the end of the financial year and of the profit & loss of the Company for the period.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The annual accounts for the financial year has been prepared on a going concern basis.

**PUBLIC DEPOSITS:**

Your Company has not accepted any public deposits under the provision of Section 58A of the Companies Act, 1956 and the Rules made thereunder.



# WINSOME BREWERIES LIMITED

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information pursuant to Section 217 (I) (c) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure, forming part of this report.

### PARTICULARS OF EMPLOYEES:

During the year under review no employee whether employed for the whole of the year or part of the year was drawing remuneration exceeding the limit as laid down U/s 217 (2A) of the Companies Act, 1956. Therefore, the information as required U/s. 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975, is not required to be given.

### ACKNOWLEDGEMENTS:

The directors place on record their deep appreciation for the dedication and efforts of the executives, staff and workers of the company at all levels. Your Directors are especially thankful to the esteemed shareholders for their continued trust and confidence, they have reposed in the Company.

For and on behalf the Board

Place: New Delhi

(R.K. Bagrodia)

Date: 31st July 2004

(Chairman-Cum-Managing Director)

## Annexure to the Director's Report

### A) Conservation of energy:

As the Company's product does not fall under the schedule under the Companies (Disclosure of Particulars of Board of Directors) Rules, 1988, no particulars with regard to conservation of Energy has been given.

### B) Research and Development:

The Company has established a technologically advanced laboratory within the factory premises equipped with the latest indigenous and imported equipment & instruments.

1. Specific areas in which R&D was carried out by the Company.

i) To improve malt extraction process.

ii) To ensure better recovery & reduce effluents & waste.

iii) To modify & improve process technology to achieve stringent international quality parameters and reduce cost of production.

iv) To develop new exotic brands of Beer with new tastes & flavours.

v) To develop yeast recovery system.

### 2. Benefits derived as a result of above R&D.

The company's products are carrying premium in the market because we have achieved stringent international quality standards on a sustainable basis on account of our R & D efforts. The company has also succeeded in developing products, which are now being marketed.

### 3. CAPITAL EXPENDITURE:

	year ended 31.03.2004 (in Rs.)	year ended 31.03.2003 (in Rs.)
a) Capital expenditure	Nil	Nil
b) Recurring	Nil	Nil
c) Total	Nil	Nil
d) Total R&D expenditure	Nil	Nil
as a percentage of total turnover.		

### C) TECHNOLOGY ABSORPTION:

The company has fully absorbed the brewing technology & recipe provided by the Collaborator, HENNINGER BRAU of Germany. To match its sophistication, the company has employed technically qualified engineers, chemists and microbiologists.





# WINSOME BREWERIES LIMITED

## D) FOREIGN EXCHANGE EARNING AND OUTGO :

	Year ended 31.03.2004 (in Rs.)	Year ended 31.03.2003 (in Rs.)
a) Foreign Exchange Earning	—	—
b) Foreign Exchange outgo	—	—
i) Capital goods	—	—
ii) Raw materials	—	—
iii) Packing materials & stores	—	—
iv) Travelling expenses	—	98600.00

## E) INFORMATION ON POLLUTION CONTROL MEASURES FORMING PART OF THE DIRECTORS' REPORT:

Your company on an ongoing basis is monitoring & maintaining environment and pollution control parameters at its plant site. The company is maintaining proper effluent treatment plant and has planted trees to keep the environment free from pollution. The company is regularly monitoring & submitting reports to the Rajasthan Pollution Control Board for the Air and Effluent Treatment parameters.

For and on behalf of the Board

Place: New Delhi

(R. K. Bagrodia)

Date: 31st July, 2004

Chairman-Cum-Managing Director

## CORPORATE GOVERNANCE

The company's compliance of Corporate Governance guidelines as per clause 49 of the Listing Agreement is as follows:

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

WINSOME BREWERIES LTD is a Company, which is committed in adopting the best global practices of Corporate Governance. Corporate Governance envisages commitment of the Company towards the attainment of high levels of transparency, accountability and business prosperity with the ultimate objective of realising long term shareholder value, whilst taking into account the interest of all other stakeholders for wealth creation. The company's management firmly believes that good corporate governance should be internally driven and not to be looked upon just as an issue of compliance dictated by statutory requirements.

### BOARD OF DIRECTORS

The composition of the Board of Directors is in conformity with the clause 49 of the Listing Agreement.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in clause 49) across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

Composition of the Board of Directors and other details as on 31st March 2004 is as under:

Name of Director	Executive/ Independent/ Non Executive	No. of Board Meetings Attended	Attendance at Previous AGM as on 30.09.03	*No. of outside Director- ships in Public Co.s'	*No. of outside Director- ships in Private Co.s'	**No. of Chairmanship in other Board Committee	**No. of Membership in other Board Committee
R. K. Bagrodia	Executive	5	Present	3	—	—	—
Mrs. Sneh Bagrodia	Non- Executive	5	Present	1	—	—	1
Sushil Kumar Jain	Independent Director	5	Present	3	7	3	—
Pradeep Chaturvedi	Independent Director	4	Present	Nil	—	—	3
Lt. Gen. V.K. Sood (Retd.)	Independent Director	2	Present	Nil	—	—	3

\* Directorship in foreign companies and associations are excluded.

\*\* Represents Membership/ Chairmanship of Audit Committee, Shareholders/ Investors' Grievances Committee and Remuneration Committee.

# WINSOME BREWERIES LIMITED



Board Meetings held during the year: 30th April, 2003; 31st July, 2003; 26th August, 2003; 31st October, 2003 and 31st January, 2004.

## AUDIT COMMITTEE

The Company has an Audit Committee comprising of 3 members all of whom are independent Directors. The Chairman of the Committee is Mr. Sushil Kumar Jain with Lt. Gen. V.K. Sood (Retd.) and Mr. Pradeep Chaturvedi as its members.

### Brief Description of the terms of reference:

The functioning and terms of reference of the Audit Committee are as prescribed under Section 292A of the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges including their role, powers and duties, quorum for meeting and frequency of meetings.

The Board delegates the following powers to the Audit Committee:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To take outside legal or other professional advice.
4. To secure attendance of the outsiders with relevant experience, if considers necessary.

The Audit Committee: -

1. Identifies, defines and categories all the risks that the Company faces and evaluates the steps that the company takes to mitigate such risks.
2. Reviews on a quarterly basis the compliance certificates received from each location/functional heads on compliance with company's laid down policies and practices, accounting standards, all fiscal, commercial and statutory laws, as applicable.
3. Reviews the financial results for each quarter/ period before being placed to the Board of Directors for approval.
4. Is responsible for effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and ensuring compliance with established policies and procedures.
5. Determines adequacy of internal controls and ensures its effectiveness.
6. Recommending the appointment/ removal of the external auditors, fixing audit fees and approving payment for any other services.
7. Provides an open avenue of communication between the internal audit team, the statutory auditors and the Board of Directors.
8. Discussing with the external auditor before the audit commences, the nature and scope of audit as well as post -audit discussion to ascertain any area of concern.

Three meetings of the Audit Committee were held during the year. Attendance at meetings during the year:

Director	No. of meetings attended
Lt. Gen. V.K.Sood (Retd.)	4
Sushil Kumar Jain	4
Pradeep Chaturvedi	3

## SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE

The Share Transfer and Investor Grievance Committee comprises of 3 members, of which all are independent Directors. The Chairman of the Committee is Mr. Sushil Kumar Jain with Mr. Pradeep Chaturvedi & Lt. Gen. V. K. Sood (Retd.) as its members.

### Brief Description of the terms of reference:

The functioning and terms of reference of the Committee are as prescribed under and in due compliance with the Listing Agreement with the Stock Exchanges with particular reference to transfer, dematerialisation, complaints of shareholders etc. The committee, inter alia, approves issue of duplicate share certificates and oversees and reviews all matters related to share transfers.

The committee oversees the performance of the Registrar and Transfer agent.

The committee also recommends the measure for overall improvement in the quality of investor services.

Four meetings of the investor Grievance Committee were held during the year. Attendance at meetings during the year:

Director	No. of meetings attended
Pradeep Chaturvedi	4
Lt. Gen. V. K. Sood (Retd.)	4
Sushil Kumar Jain	4

The total number of complaints received and replied to the satisfaction of the shareholders during the year under review were 77. The company attends to the investors correspondence expeditiously and usually a reply is sent within 15 days of receipt except in cases that are constrained by disputes or legal impediments.

**REMUNERATION COMMITTEE**

The Remuneration Committee comprises of 4 members. The Chairman of the Committee is Mr. Sushil Kumar Jain, Independent Director and the other members are Mr. Pradeep Chaturvedi, Mrs. Sneha Bagrodia and Lt. Gen. V.K. Sood (Retd.).

**Brief description of the terms of reference:**

The functioning and terms of reference of the Committee are as prescribed under the Listing Agreement with the Stock Exchanges. It recommends/ reviews the Company's policy on all elements of remuneration packages of Managing Directors including salary, benefits, bonus, pension rights and compensation payment, etc, details of fixed component and performance linked incentives alongwith performance criteria, if any.

It also reviews all other aspects of benefits and compensation to employees throughout the Company including policies on the same.

The remuneration policy is directed towards rewarding performances, based on review of achievements on a periodical basis.

Two meetings of the Remuneration Committee were held during the year. Attendance at meetings during the year:

<b>Director</b>	<b>No. of meetings attended</b>
Sneha Bagrodia	2
Lt. Gen. V.K.Sood (Retd.)	2
Sushil Kumar Jain	2
Pradeep Chaturvedi	2

**REMUNERATION PAID TO DIRECTOR IN THE YEAR 2003-04**

The salary paid to the Managing Director of the company Mr. R. K. Bagrodia amounting to.

Salary	Rs. 6,00,000.00
Gratuity	Rs. 28,846.00

Sitting fees paid to Non- Executive Directors :

<b>Sl. No.</b>	<b>Name of the Director</b>	<b>Sitting fees (Rs.)</b>	<b>Commission (Rs.)</b>	<b>Total (Rs.)</b>
1.	Lt. Gen. V.K.Sood (Retd.)	1,000/-	—	1,000/-
2	Sneha Bagrodia	1,000/-	—	1,000/-
3	Sushil Kumar Jain	1,000/-	—	1,000/-
4	Pradeep Chaturvedi	1,500/-	—	1,500/-

**ANNUAL GENERAL MEETINGS**

Location and time for the last three AGM's:

<b>Year</b>	<b>Date</b>	<b>Venue</b>	<b>Time</b>
2000-2001	29.09.2001	Village Sarekhurd, Tehsil Tijara, Distt. Alwar, Rajasthan.	11.00 A.M.
2001-2002	30.09.2002	Same	11.00A.M.
2002-2003	30.09.2003	Same	11.00A.M.

No postal ballot resolutions were passed.

**DISCLOSURE**

During the year 2003-04, the company has related party transactions as is envisaged under the corporate Governance code which have been mentioned in Note 23 under schedule 20 to the Accounts

There was no non compliance during the last three year by the company on any matter related to capital markets. There was no penalties imposed or strictures passed on the company by the Stock Exchanges, SEBI or any other statutory authority.

**MEANS OF COMMUNICATIONS****Quarterly Results**

Wide publicity is accorded to publication of quarterly results which are published in a widely circulated English daily "The Pioneer" and a Hindi daily "Adhikar" as is required under the Listing Agreement with the Stock Exchanges. The same are also faxed to the Stock Exchanges where the company is listed.

**GENERAL SHAREHOLDER INFORMATION**

Annual General Meeting :-Date time & venue

The Twelfth Annual General Meeting is scheduled to be held on 30th Sept. 2004 at 11.00 A.M. at the registered office of the company at Village Sarekhurd, Tehsil Tijara, Distt. Alwar, Rajasthan as per notice enclosed with the Annual Report.