

16th ANNUAL REPORT 2007 - 2008



WINSOME BREWERIES LIMITED

BOARD OF DIRECTORS

SH. R. K. BAGRODIA
LT. GEN. V. K. SOOD (RETD.)
SMT. SNEH BAGRODIA
SH. SUSHIL KUMAN JAIN
SH. PRADEEP CHATURVEDI

CHAIRMAN-CUM-MANAGING DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR

COMPANY SECRETARY

NITIN GAUTAM

STATUTORY AUDITORS

O. P. BAGLA & 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 Sixteenth Annual General Meeting of the members of the company M/s Winsome Breweries Limited will be held on Tuesday, the 30th day of September, 2008 at 11.00 a.m. at its Registered Office of the company at Village Sarekhurd, Tehsil Tijara, Distt. Alwar, Rajasthan to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 2008 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 Mrs. Sneh Bagrodia who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Statutory Auditors & fix their remuneration. The retiring Auditors M/s O. P. Bagla & Co., Chartered Accountants are eligible for re-appointment.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“Resolved that pursuant to the provisions of section 81(1A) of the Companies Act, 1956, the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed, the Foreign Exchange Management Act, 1999, guidelines issued by the Reserve Bank of India or other competent authorities in this behalf, the Memorandum & Articles of Association of the Company and other applicable provisions, if any, and subject to all such approvals, permissions and sanctions, as may be necessary or required, the consent of the Members of the Company be and is hereby given and the Board of Directors of the Company be and is hereby authorised to offer, issue and allot up to 10,38,400 forfeited equity shares of the Company at a price of Rs.10/- per share payable in cash, to Indfish Ltd, a Promoter Group Company and further upto 97,00,000 (Ninety Seven Lacs) equity shares of Rs.10/- each to be allotted to the following proposed allottee by way of private placement on preferential allotment basis, in one or more tranches, as per the terms and conditions given in the Explanatory Statement annexed to this notice, which, inter alia, include:

Sl. No	Name	No. of Shares proposed to be allotted	Category of Investor
1	Pentstemon Florist Pvt. Ltd	41,44,800	Strategic Investor
2	Supreme e-solutions Pvt. Ltd	8,59,100	Strategic Investor
3	Indfish Limited	46,96,100	Promoter
	Total	97,00,000	

- a. The Equity Shares shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including as to dividend with the existing equity shares of the Company except that new equity shares will be subject to lock-in requirement in terms of the provisions of the SEBI Guidelines.

Resolved further that the Board of Directors of the Company be and is hereby authorised to reduce, change or modify the number of shares to be issued, to finalize and modify the terms and conditions, quantum, increase the price at which the shares were issued, timings and all other matters relating to the issue and allotment of the aforesaid preferential issue of equity shares, to agree to such conditions or modifications that may be imposed, required or suggested by the Securities & Exchange Board of India (the SEBI), Stock Exchange(s) or other authorities, or that may otherwise be deemed fit or proper by the Board without being required to seek any further consent or approval of the Company in Equity shareholder's Meeting and to settle all questions or difficulties that may arise with regard to the aforesaid in such manner as it may determine in its absolute discretion and to take such steps and to do all such acts, deeds, matters and things as may be required, necessary, proper or expedient, to give effect to this Resolution.



Resolved further that the Board of Directors of the Company be and is hereby authorised to delegate all or any of the previously mentioned powers/authorities to any committee of Directors and/or officers or to any one or more directors and officers of the Company as it may deem fit and proper.”

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“Resolved that pursuant to section 269, 309 and 198 and schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the company be and is hereby accorded to the re-appointment of Mr. R. K. Bagrodia as Managing Director of the company and to his being paid and provided remuneration, benefits and amenities as the managing director of the company for a period of 5 years w. e. f. 01.01.2008 on the terms, conditions and stipulations contained in the agreement entered into between the company and Mr. R. K. Bagrodia a copy of which is placed before the meeting and , for the purposes of identification, initialled by the Chairman.

By Authority of the Board
For Winsome Breweries Limited

(R.K. BAGRODIA)
(Chairman-Cum-Managing Director)

Place: New Delhi
Date: 01, SEPTEMBER 2008

NOTES :

- A. APPOINTMENT OF PROXY:** 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.
- B. Corporate Members:** Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the General Meeting.
- C. Members/Proxies** attending the meeting are requested to bring their copy of AGM Notice to the Meeting.
- D. Queries at the AGM:** Queries proposed to be raised at the AGM may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- E. Explanatory Statement:** The relative Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, in respect of the business is annexed hereto. Disclosures required to be made in terms of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 with respect to the proposed Resolutions for Preferential allotment are also given in the said explanatory statement and may be considered as an integral part of the Notice of AGM.
- F. Inspection of Documents:** Copies of Memorandum and Articles of Association of the Company, the Certificate of M/s O. P. BAGLA & COMPANY. Chartered Accountants, of the Company, (certifying that the proposed preferential issue of equity shares pursuant to the resolution is in accordance with the requirements contained in the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and all other documents referred to in the Notice etc., shall be open for inspection at the Registered Office of the Company on any working day between 11 A.M. and 2 P.M. up to the date of the AGM and also at the general meeting venue during the meeting.
The Register of Directors' Shareholdings, maintained under section 307 of the Companies Act, 1956, shall be available for inspection by the members at the AGM venue during the meeting.
- G. Members/ proxies** are requested to produce the enclosed attendance slips duly filled and signed as per the specimen signature recorded with the Company for admission to the Meeting Hall.
Members who hold shares in de-materialized form are requested to bring their client ID and DP ID Numbers for easier identification for their attendance at the meeting.
- H. Address Change intimation:** Members are requested to notify immediately any change in their address to the Company or its Share Transfer agent. In case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants without any delay.
- I.** In all correspondence with the Company, members are requested to quote their account/folio numbers and in case their shares are held in the dematerialized form, they must quote their client ID Numbers and their DP ID Numbers.
- J.** The Register of Members and Share transfer Books of the Company shall remain closed from 15th September, 2008 to 30th September, 2008 (both days inclusive)

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ANNEXURE TO THE NOTICE

Explanatory Statement under Section 173(2) of the Companies Act, 1956

ITEM NO. 4

Your Company proposes to make a preferential issue of equity shares of the Company.

The proposal is subject to the approval of the Members of the Company and other statutory approvals, if any. Since your Company is a listed company, the proposed issue is in terms of the provisions of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and other applicable provisions, if any. In terms of the provisions of the Companies Act, 1956, and the aforesaid SEBI Guidelines and Regulations, the relevant disclosures/details are given below:

Instrument and Numbers: The Company is proposing to issue to the promoters of the company up to 10,38,400 equity shares forfeited earlier due to non payment of call money and upto 97,00,000 further equity shares to strategic investors and promoters.

Relevant Date:

Relevant Date for the re-issue of forfeiture shares and preferential issue of shares is 31st August 2008.

Issue Price:

Minimum issue price of the equity shares, calculated as per the pricing formula prescribed in the SEBI (DIP) Guidelines (which is given below), is Rs. 10.00, being the higher of the followings.

- (A) Avg. of the weekly high & low of the closing prices of the related shares quoted on the stock exchange during six months preceding the relevant date-Rs. 7.53/-
- (B) Avg. of the weekly high & low of the closing prices of the related shares quoted on the stock exchange during two weeks preceding the relevant date-Rs.6.65/-
- (C) Face Value-Rs.10/-

The issue price of the Equity Shares is fixed at Rs. 10/- per share being higher than the price calculated in terms of the provisions of the SEBI (DIP) Guidelines for issue of shares.

Payment: In terms of the provisions of the SEBI Guidelines, the issue price of the equity shares shall be payable at the time of allotment of shares.

Particulars of the Allottee: Present preferential issue of equity shares is proposed to be made to following strategic investors (the proposed Allottee):

Sl. No.	Name and Address	Status
1.	PENTSTEMON FLORIST PVT LIMITED 47A, CHITRANJAN AVENUE, Kolkata, West Bengal	Strategic Investor
2.	SUPREME E-SOLUTIONS PVT. LTD E-191, Second Floor, G.K.-II, New Delhi-110 048	Strategic Investor
3.	INDFISH LIMITED 24, Community Centre, East of Kailash, New Delhi	Promoter

Pre-issue holding of the proposed Allottees: The present shareholding of the proposed Allottees in the Issuer Company is given below:

Name of the proposed allottees	No. of Shares held
PENTSTEMON FLORIST PRIVATE LIMITED	0
SUPREME E-SOLUTIONS PVT. LTD	0
INDFISH LIMITED	0

None of the proposed allottees have sold any shares of the Company during the six months period prior to the relevant date.

**Post-issue holding of the proposed Allottees:**

Presuming 100% allotment, shareholding of the proposed Allottee will be as below:

Name of the proposed allottees	After the Allotment of Shares	
	No. of Shares held	% of share holding
PENTSTEMON FLORIST PRIVATE LIMITED	41,44,800	14.98
SUPREME E-SOLUTIONS PVT. LTD	8,59,100	3.10
INDFISH LIMITED & PROMOTER GROUP	1,25,94,800	45.52

Lock-in Period: The equity shares issued to the strategic investors on preferential basis shall be subject to a lock-in period of 1 year from the date of issue or such other period as may be prescribed in accordance with the SEBI guidelines and shares allotted to promoters will also be under lock-in for a period of 3 years.

Further the entire pre-preferential issue shareholding of the proposed allottees shall be under lock-in from the relevant date up to a period of six months from the date of issue of shares to the proposed allottee(s) or such other period as may be prescribed in accordance with the SEBI guidelines. However, there is no prior shareholding of the proposed allottees.

Intention of promoters/directors/key management persons to subscribe: No promoters/directors/key management persons intend to subscribe to the present preferential issue of equity shares except M/s Indfish Limited.

Pre-issue & Post-issue Shareholding Pattern of the Issuer Company: Presuming 100% allotment, shareholding pattern of the Issuer Company, after the last conversion, will be as below:

Category	Pre-issue		Post-issue	
	No. of Shares held	% of Share holding	No. of Shares held	% of Share holding
A. Promoters' holding				
1. Promoters				
♦ Indian Promoters	68,60,300	40.52	1,25,94,800	45.52
♦ Foreign Promoters	0	0	0	0
Sub-total	68,60,300	40.52	1,25,94,800	45.52
B. Non-Promoters' holding				
3. Institutional Investors				
a. Mutual Funds & UTI	56,200	0.33	56,200	0.20
b. Banks, Financial Institutions, Insurance Companies	-	-	-	-
c. FIs	-	-	-	-
Sub Total	56,200	0.33	56,200	0.20

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4. Others				
a. Private Corporate Bodies	17,26,095	10.20	67,29,995	24.32
b. Indian Public	77,23,704	45.62	77,23,704	27.92
c. NRIs/OCBs	5,35,693	3.16	5,35,693	1.94
d. Any Other Clearing Member	28,508	0.17	28,508	0.10
Sub-total	1,00,14,000	59.15	1,50,17,900	54.28
Grand Total	1,69,30,500	100	2,76,68,900	100

Objects and purpose of the Preferential Issue

The Company forfeited all partly-paid equity shares due to non-payment of call money. Accordingly, it is proposed to make a preferential offer of those forfeited shares to M/s. Indfish Limited.

Again the company is in requirement of long term funds for its business expansion and for that purpose desires to privately place its equity.

Proposed time of Allotment

The allotment of shares in the present preferential issue will be made within a period of 15 days from the date of passing of the aforesaid Special Resolution in the present AGM excluding the time taken in obtaining the necessary approvals, if any, or within such further period as may be prescribed or allowed by the SEBI, stock exchange(s) or other concerned authorities.

The Statutory Auditors of the Company has certified that the present preferential issue of shares, on the above terms and conditions, is in accordance with the requirements contained in the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended up to date. The Auditors' Certificate shall be laid before the AGM.

In terms of the provisions of the Companies Act, 1956, the consent of members by way of a special resolution is required. Your Directors recommend the resolution.

The Board recommends the resolution for adoption by the members.

None of the Directors except the Promoter Directors of the Company is interested or concerned in the proposed resolution.

ITEM NO. 5

The Board of Directors at their meeting held on 31.10.2007 have re-appointed Mr. R. K. Bagrodia as managing Director for a further period of 5 years w.e.f. 01.01.2008 subject to approval of the members of the company and other statutory approvals as may be necessary.

Mr. R. K. Bagrodia, the Managing Director of the company was going to retire on 31.12.2007 Mr. R. K. Bagrodia, being the capable person, is re-appointed as the managing director for a period of five years commencing from 01.01.2008

REMUNERATION: (A) Salary not exceeding 50,000/- per month.

Perquisites:

1. Contribution to Provident Fund & Superannuation fund to the extent these either singly or put together are not taxable under Income Tax Act.
2. Gratuity will be allowed at the rate of 15 days salary for each year of service.
3. Leave with full pay as per Rules of the company encashment, and unavailed leave being allowed at the end of tenure.
4. Free furnished residential accommodation with gas, electricity, water & furnishings or unfurnished accommodation with gas, electricity and furnishings, and company's furniture on a rental basis as per schedule applicable to the Senior Executives of the company.
5. Reimbursement of medical expenses incurred in India or abroad and including hospitalisation, nursing home and surgical charges for himself & family.
6. Reimbursement of actual travelling expenses for proceeding on leave from Delhi to any place in India and return therefrom once in a year in respect of himself & family.
7. Reimbursement of membership fee for clubs.
8. Personal accident insurance policy in accordance with the scheme applicable to senior employees.

By Authority of the Board
For Winsome Breweries Limited

(R.K. BAGRODIA)
(Chairman-Cum-Managing Director)

Place: New Delhi
Date: 01, SEPTEMBER 2008

**DIRECTOR'S REPORT**

TO THE MEMBERS,

Your Directors are pleased to present their Sixteenth Annual Report together with the Audited Financial Statement of your Company for the year ended on 31st March 2008.

FINANCIAL RESULTS :

	2007- 2008	(Amount in Rs.) 2006-2007
Sales	31,62,81,734.00	46,35,39,118.33
Profit/ (loss) before Depreciation	1,68,06,388.78	1,69,83,166.91
Less Depreciation	1,76,02,618.47	1,78,60,029.86
Net Profit/ (Loss) for the year	(7,96,229.69)	(8,76,862.95)
Adjustments		
1. Prior Period Expenses	00.00	6,07,592.75
2. Provision for Bad debts written off	71,54,426.00	40,91,890.79
Profit/(Loss) available for appropriation	63,58,196.31	26,07,435.09
Provision for Tax		
- Current Tax	0.00	0.00
- Fringe Benefit Tax	1,69,907.00	1,63,832.00
- Fringe Benefit Tax adjustment	402.00	5,288.00
- Deferred Tax	(16,73,192.52)	(6,24,076.07)
Net Profit/(Loss) after Tax	45,14,694.79	18,14,239.02

DIVIDEND:

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

OPERATION:

During the fiscal under review, turnover of the Company decreased from Rs. 4635.39 lacs to Rs. 3162.82 Lac and reduced losses from Rs. 8.77 Lac to 7.96 Lac. However the company is striving hard to increase the utilisation of the capacity as well as profitability this year.

FUTURE PROSPECTS:

The company is continuing its arrangement with United Breweries Limited and has continuously increased its capacity utilisation. 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 RE-APPOINTMENT:

With reference to the observations made by the Auditors in their report, the Directors wish to state that the observations have been dealt with by making relevant notes in the Accounts and do not require any further clarification/comments. Your Company's auditors M/s O.P. Bagla & 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, Mrs. Sneha Bagrodia, Director of the Company will retire by rotation and being eligible offers herself 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 have been prepared on an ongoing 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.

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