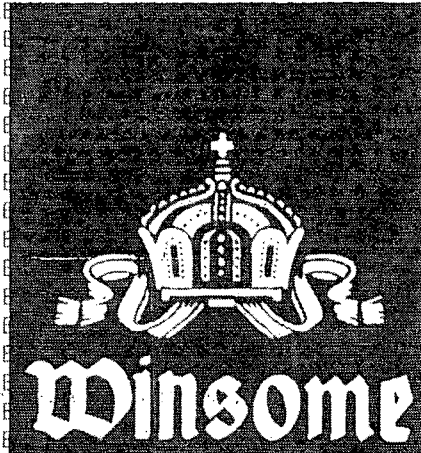


# 17th ANNUAL REPORT 2008 - 2009



**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**

DEEPIKA DHIMAN

**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 Seventieth Annual General Meeting of the members of the company M/s Winsome Breweries Limited will be held on Wednesday, the 30<sup>th</sup> day of September, 2009 at 11.00 a.m. at its Registered Office of company at Village Sarekhurd, Tehsil Tijara, Distt: Alwar, Rajasthan to transact the following business:

**DINARY BUSINESS**

To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2009 and the Profit & Loss Account for the year ended on that date and report of the Directors and Auditors thereon.

To appoint a Director in place of Mr. Sushil Kumar Jain who retires by rotation and being eligible offers himself for re-appointment.

To appoint Statutory Auditors & fix their remuneration. The retiring Auditors M/s O. P. Bagla & Co., Chartered Accountants, are eligible for re-appointment.

By Authority of the Board  
For Winsome Breweries Limited

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

ce: New Delhi  
le: 01, SEPTEMBER 2009

**NOTES:**

**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.**

The Register of Members and Share transfer Books of the Company shall remain closed from 15<sup>th</sup> September 2009 to 30<sup>th</sup> September 2009 (both days inclusive).

Members are required,

- To notify change of address, if any
- To bring their copy of Annual Report to the meeting.

Members desirous of having any information on Accounts are requested to address their queries to the Company Secretary latest by 20<sup>th</sup> September 2009 so that the requisite information is available at the meeting.





## DIRECTOR'S REPORT

TO THE MEMBERS,

Your Directors are pleased to present their Seventieth Annual Report together with the Audited Financial Statement of your Company for the year ended on 31<sup>st</sup> March 2009.

### FINANCIAL RESULTS :

	2008- 2009	(Amount in Rs. 2007-2008)
Sales	15,26,90,839.90	31,62,81,734.00
Profit/(loss) before	2,06,44,779.61	1,68,06,388.70
Depreciation		
Less		
Depreciation	2,08,09,180.02	1,76,02,618.40
Net Profit/ (Loss) for the year	(1,64,440.41)	(7,96,229.60)
Adjustments		
1. Prior Period Expenses	7350.00	0.00
2. Provision for Bad debts written off	71,31,577.95	71,54,426.00
Profit/(Loss) available for appropriation	69,59,827.54	63,58,196.30
Provision for Tax		
- Current Tax	0.00	0.00
- Fringe Benefit Tax	1,78,983.00	1,69,907.00
- Fringe Benefit Tax adjustment	13,429.00	402.00
- Deferred Tax	(58,56,585.64)	(16,73,192.50)
Net Profit/(Loss) after Tax	9,10,829.10	45,14,694.70

### DIVIDEND :

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

### OPERATIONS :

During the fiscal under review, turnover of the Company decreased from Rs. 3162.82 lacs to Rs. 1526.91 Lac reduced losses from Rs. 7.96 Lac to 1.64 Lac. However the company is striving hard to increase the utilisation of 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/comment. Your Company's auditors M/s O.P. Bagla & Co. retire at the conclusion of ensuing Annual General Meeting and are eligible to offer themselves for the re-appointment. You are requested to appoint the Auditors and fix their remuneration.



## WINSOME BREWERIES LIMITED



## DIRECTORS:

In accordance with the Companies Act, 1956 and Articles of Association of the Company, Mr. Sushil Kumar Jain, Director of the Company will retire by rotation and being eligible offers himself for the re-appointment.

## DIRECTORS RESPONSIBILITY STATEMENT:

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

In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to materials departures in the financial statement:

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.

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.

The annual accounts for the financial year have been prepared on an on-going concern basis.

## PUBLIC DEPOSITS

Our 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:

Information pursuant to Section 217 (1) (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.

## KNOWLEDGEMENTS:

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 specially thankful to the esteemed shareholders for their continued trust and confidence which they have reposed in the Company.

For and on behalf of the Board

(R.K. Bagrodia)

(Chairman-Cum-Managing Director)

Registered Office: New Delhi  
Date: 01 SEPTEMBER 2009





## Annexure to the Directors' 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 equipments & 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.

### 3. CAPITAL EXPENDITURE :

	year ended 31.03.2009 (in Rs.)	year ended 31.03.2008 (in Rs.)
a) Capital expenditure	Nil	Nil
b) Recurring	Nil	Nil
c) Total R&D expenditure as a percentage of total turnover.	Nil	Nil

### C) TECHNOLOGY ABSORPTION:

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

### D) FOREIGN EXCHANGE EARNING AND OUTGO :

	year ended 31.03.2009 (in Rs.)	Year ended 31.03.2008 (in Rs.)
a) Foreign Exchange Earning	—	—
b) Foreign Exchange outgo	—	—
i) Capital goods	—	—
ii) Raw materials	—	—
iii) Packing materials & stores	—	—
iv) Travelling expenses	489245.00	0.00
(v) Education Expenses	0.00	168790.00
(vi) London Business School	1775853.00	0.00

### 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 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

(R. K. Bagrodia)

Chairman-Cum-Managing Director

Place: New Delhi

Date: 01 SEPTEMBER 2009



## WINSOME BREWERIES LIMITED



## CORPORATE GOVERNANCE

The company's compliance of Corporate Governance for the financial year April 1, 2008 to March 31, 2009 as per clause 49 of the Listing Agreement is as follows:

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

WINSOME BREWERIES LTD has an unwavering commitment to uphold sound corporate governance standards and highest business conduct. The company has always worked together building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of corporate governance- integrity, equity, transparency, fairness, disclosure, accountability and commitment to values.

The company has developed the practices to fulfill its corporate responsibilities to various stakeholders and believes in following good governance. The good governance process consists of commitment in doing business in an efficient, honest, responsible and ethical manner.

The company is committed to best Corporate Governance and has fully complied with the requirements of clause 49 of the Listing Agreement with the Stock Exchange. The company firmly believes that good corporate governance is founded upon the principles of transparency, independent monitoring and accountability for performance and environmental consciousness including growth-oriented approach.

## 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 31<sup>st</sup> March 2009 is as under:

Name of Director	Executive/ Independent/ Non Executive	No. of Board Meetings Attended	Attendance at Previous AGM as on 30.09.2008	*No. of outside Director- ships in Public companies	*No. of outside Director- ships in Private Companies	**No. of Chair- manship in other Board Committe	**No. of Member- ship in other Board Committe
R. K. Bagrodia	Executive	7	Present	3	4	—	—
Mrs. Sneha Bagrodia	Non-Executive	7	Present	3	—	—	—
Sushil Kumar Jain	Independent Director	5	Present	—	17	3	—
Pradeep Chaturvedi	Independent Director	5	Present	Nil	—	—	3
Lt. Gen. V.K. Sood (Retd.)	Independent Director	4	Absent	Nil	—	—	3

\* Directorship in foreign companies and associations are excluded.

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

There are no Nominee Directors or Institutional Directors on the Board.

Board Meetings held during the year: 30<sup>th</sup> April 2008, 30<sup>th</sup> July 2008, 01<sup>st</sup> September, 2008, 25<sup>th</sup> October, 2008, 22<sup>nd</sup> December, 2008, 31<sup>st</sup> January, 2009 and 25<sup>th</sup> February, 2009.

## 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:

All the members of the Audit Committee have good sound knowledge of finance and accounts. The role and terms of reference of the Audit Committee covers area as mentioned under clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956 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 oversee financial reporting processes.
2. To monitor the financial reporting system within the company.
3. To review the quarterly, half-yearly and annual financial results and submitting the observations to the Board of Directors.
4. To discuss with the external auditors about the scope of the audit.
5. To seek information from any employee and to take outside legal or other professional advice.
6. To review the annual budget, annual audit plan, legal compliance reporting system, implementation of policies in





accounting and financial requirements.

7. To advise the management where great attention is required with respect to audit.

#### The Audit Committee:-

1. To check the Company's financial reporting system and the disclosure of its financial information to ensure that the financial statement is true and correct.
2. To recommend to the Board the appointment, re-appointment, if required, of statutory auditor and fixation of audit fees and other remuneration.
3. To Review the quarterly compliance certificates received on compliance with company's laid down policies and practices, accounting standards, all fiscal, commercial and statutory laws, as applicable.
4. To review with the management the financial results for each quarter/ period before being placed to the Board of Directors for approval.
5. To review with the management the annual financial statement before submission to the Board for approval.
6. Responsible for effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and ensuring compliance with established policies and procedures.
7. To discuss 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.
8. To determine adequacy of internal controls and ensures its effectiveness.
9. To provide an open means of communication between the internal audit team, the statutory auditors and the Board of Directors.
10. To carry out such other function as may be specifically referred to the Committee by the Board of Directors and/or other Committees of the Directors of the company.

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

Director	No. of meetings attended
Sushil Kumar Jain	4
Pradeep Chaturvedi	4
Lt. Gen. V.K. Sood (Retd.)	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 matters relating to registration of share transfer, transmission, issue of duplicate share certificates, forfeiture, approving the split and consolidation requests etc.

The committee, inter alia, oversees and reviews all matters related to shares. The Company also redresses the shareholders and investors complaints like transfer, dematerialisation, non receipt of balance sheet, change of addresses of the shareholders etc.

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

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

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

The total number of complaints received and replied to the satisfaction of the shareholders during the year under review were 5 and from SEBI were 7 and the NSDL were 1. The company attends to the investors, stock exchange and SEBI, NSDL 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 3 members. The Chairman of the Committee is Mr. Sushil Kumar Jain, Independent Director and the other members are Mr. Pradeep Chaturvedi and Lt. Gen. V.K. Sood (Retd.).

Brief description of the terms of reference:

The remuneration committee has been constituted for the recommendation for fixation and periodic revision of the remuneration of Managing Director and Executive Directors of the company based on the performance and defined assessment criterion.