

CORPORATE INFORMATION

BOARD OF DIRECTORS

- Shri Ashish Gadia - Whole Time Director
- Shri Manish Tibrewal - Non Executive Director
- Shri Nitin Tibrewal - Non Executive Director
- Shri Ranjan Tibrewal - Additional Director

STATUTORY AUDITORS

- B. K. Agrawal & Company
29-B, Rabindra Sarani
3rd Floor, Room No.12 W
Kolkata – 700 073
- M.D. Agrawal & Company
41, Jaora Compound
Opp. M.Y. Hospital
Indore – 452 001

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

- Ankit Consultancy Pvt. Ltd,
60, Electronics Complex, Pardeshipura,
Indore – 452010
e-mail : ankit_4321@yahoo.com
Phone (0731) 2551745, 2551746 Fax: 0731-4065798

BANKERS

- IDBI Bank Limited
- Canara Bank

REGISTERED OFFICE

- 106 A, Shyam Bazar Street,
Kolkata-700 005
Email: nnojha@rediffmail.com
Phone No. (033)32511422
Fax: (033)25339732

CORPORATE OFFICE

- BPK Star Tower,
4th Floor, Above Shoppers Stop,
A.B. Road, Indore – 452 008
Email: corpcompliance@associatedalcohols.com
Phone No. (0731)6662400, 500
Fax: (0731)6662410

COMPANY'S WEB SITE

- www.associatedalcohols.com

CORPORATE IDENTITY NUMBER (CIN):

- **L15520WB1989PLC047211**

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Venue of Annual General Meeting and other details:

Date	: September 2 nd , 2013
Day	: Monday
Time	: 3.30 pm
Venue	: "Shripati Singhania Hall" Rotary Sadan, 94/2, J.L. Nehru Road, Kolkata – 700020
Book Closure Date	: From August 30 th , 2013 to September 2 nd , 2013

ASSOCIATED ALCOHOLS & BREWERIES LTD.
NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of Associated Alcohols & Breweries Ltd. will be held on **Monday, the 2nd day of September, 2013, at 3.30 pm at "Shripati Singhania Hall" Rotary Sadan, 94/2, J.L. Nehru Road, Kolkata – 700020** to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet for the year ended on March 31, 2013 and the Profit and Loss Statement as at that date together with the reports of the Directors and the Auditors thereon.
2. To appoint Director in place of Shri Nitin Tibrewal, who retires by rotation and is eligible, for re-appointment.
3. To appoint Auditors and to fix their remunerations.

SPECIAL BUSINESS :

4. To consider and if thought fit to pass with or without modifications, the following resolution as ordinary resolution :

Appointment of Shri Ranjan Tibrewal as Director of the Company :

“RESOLVED that Shri Ranjan Tibrewal, who has been appointed as an Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956 and who holds office up to the date of ensuing Annual General Meeting and who is eligible for reappointment and in respect of whom the company has received notice in writing, pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company, liable to retire by rotation.”

Place : Indore

By order of the Board of Director

Date : 20th July, 2013

Registered Office :

106 A, Shyam Bazar Street,
Kolkata-700 005

Ashish Gadia
Wholetime Director

NOTES

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxy, in order to be valid must be deposited at the registered office of the company not less than 48 hrs before the time for the meeting.
2. Shareholders are requested to produce their Identity proof with copy of Annual Report at the time of entering in meeting Hall.
3. Members/ Proxies should fill the Attendance slip for attending the meeting.
4. Corporate Members intending to send their authorized representative to attend the Annual General Meeting are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is first in the order of names will be entitled to vote.
6. Members who hold shares in de-materialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
7. Members desirous of obtaining any information / details as regard accounts and operations of the Company are requested to write to the Company at least 7 days before the meeting to enable the Company to keep the required information ready at the time of meeting.
8. Members are requested to notify promptly any change in their addresses to the Registrar and Transfer Agent Ankit Consultancy Pvt. Ltd., (Unit: Associated Alcohols & Breweries Ltd.) 60, Electronics Complex, Pardeshipura, Indore – 452010.
9. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 30th day of August, 2013 to Monday, the 2nd day of September, 2013 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents.
11. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies through electronic mode. The companies can now send various notices / documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, members who hold physical shares are requested to register their e-mail addresses at ankit_4321@yahoo.com, in respect of electronic holdings kindly update / register e-mails IDs with the Depository through their concerned Depository Participants.

ASSOCIATED ALCOHOLS & BREWERIES LIMITED

Explanatory Statement, Pursuant to the provisions of Sec. 173(2) of the Companies Act, 1956.

ITEM 4

Shri Ranjan Tibrewal was appointed as an Additional Director with effect from 1st October, 2012. As per the provisions of section 260 of the Companies Act, 1956, he holds office as an additional director up to the date of ensuing Annual General Meeting. The Company has received notice under section 257 of the Companies Act, 1956 from a member, signifying his intention to propose the appointment of Shri Ranjan Tibrewal as a Director of the Company liable to retire by rotation.

Shri Ranjan Tibrewal aged about 34 years old (DOB: 10.04.1980) has done B. Com from Delhi University, young and seasoned professional associated with the company as Non Executive Director. He is graduated in Commerce from Delhi University and having varied experience in multiple functional areas.

The Board considers that his association as a Director will be beneficial to and in the interest of the Company.

The Board of Directors of the company recommends for your approval his appointment as Director of the company.

None of the Directors' except Shri Ranjan Tibrewal is in any way concerned or interested in the above resolution.

Indore, 20th July, 2013

REGISTERED OFFICE

106 A, Shyam Bazar Street,
Kolkata-700 005

By order of the Board of Director

Ashish Gadia
Wholetime Director

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 24th Annual Report together with the Audited Accounts and Auditor's Report of the Company for the year ended on 31st March 2013.

FINANCIAL RESULTS		(₹ In Lacs)	
PARTICULARS	2012-2013	2011-2012	
Sales & Other Income	15989.72	14015.80	
Profit/(Loss) before Depreciation & Tax	1045.37	734.58	
Profit/(Loss) before Tax	550.57	342.93	
Tax Expense: 1) Current Tax	115.11	80.00	
2) Deferred Taxation	102.74	3.52	
Profit after Tax	332.72	259.41	
Tax for Prior Period	1.74	0.83	
Profit for the year	330.98	258.58	
Add: Balance brought forward from previous Year	2214.74	2006.16	
Profit available for appropriation	2545.72	2264.74	

APPROPRIATIONS

General Reserve	50.00	50.00
Amount carried to next year	2495.72	2214.74

RESULTS OF OPERATIONS

Your Company has achieved a turnover of ₹15989.72 lacs in the current year against ₹ 14015.80 lacs in the previous year.

Operating Profit (EBIDTA) for the year stood at ₹ 1449.58 Lacs, an increase of 30.80% from ₹ 1108.23 Lacs in comparison to 2011-12. In view of the present scenario of the Industry, your Directors consider overall performance of the Company satisfactory.

MODERNISATION AND EXPANSION

The expansion cum modernization project of the distillery unit undertaken by the Company is on the verge of completion

DIVIDEND

In order to meet the long term funds requirement for growth of the business of your Company, your directors consider it necessary to conserve the resources of the Company and as such, have decided not to recommend dividend for the year.

DIRECTORS

During the financial year Shri Ranjan Tibrewal were appointed as an additional Director of the Company.

Shri Nitin Tibrewal, Director retire by rotation and being eligible, offer himself for reappointment. The Board of Directors recommends his re-appointment as Director.

AUDITORS' REPORT

With regard to remarks of the Auditors in Para (ii) (c), (iv) and (vii), your Directors have already taken steps to ensure regularities and/or appropriate compliances in respect of the same

AUDITORS

M/s. B. K. Agrawal & Co., Kolkata and M/s. M. D. Agrawal & Co., Indore, Chartered Accountants, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letters from them to the effect that their appointment, if made, would be within the prescribed limits under section 224 (1B) of the Companies Act 1956.

COST AUDITORS

During the financial year under review the Company was required to submit a Cost Compliance Report from practicing Cost Accountants to the Central Government as per Companies (Cost Accounting Records) Rules, 2011.

M/s. M P Turakhia & Associates, Cost Accountants, have been appointed subject to approval of Central Govt. as the Cost Auditors of the Company for the current financial year by the Board upon the recommendation of the Audit Committee.

SUBSIDIARY COMPANY:

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary company is not being attached with the Balance Sheet of the Company. However the financial information of the subsidiary company is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary company and the related detailed information to any member of the Company who may be interested in obtaining the same.

The annual accounts of the subsidiary company will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary company.

The Financial Statements for the year ended March 31, 2013 of Vedant Energy Pvt. Ltd., subsidiary of your company, is consolidated in the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the Accounting Standard 21 on Consolidated Financial Statements, this Annual Report includes Consolidated Financial Statements for the financial year 2012-13.

In pursuance of General Circular No. 2/2011 dated 8th February, 2011, issued by the Ministry of Corporate Affairs, Government of India, your Directors have opted to avail the general exemption granted under Section 212(8) of the Act from attaching individual balance sheet, statement of profit & loss and reports of the Board of Directors and Auditors of the subsidiaries along with the holding company's balance sheet.

In view of the above, your directors have presented the stand-alone financial statements of the Company; and consolidated financial statements comprising financials of the Company, its subsidiary, Vedant Energy Private Ltd., as part of this Annual Report.

Individual balance sheet, statement of profit & loss, report of Board of Directors and report of Auditors of the subsidiary is open for inspection by the shareholders at the registered office of the Company and its subsidiary's respectively, copies of which may be furnished, if desired by any shareholder.

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

Information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo is appended hereto as Annexure -II and forms part of this report.

FIXED DEPOSITS

During the year your company has not accepted any deposit from public under Section 58A of the Companies Act, 1956 in terms of Rule 4A of Companies (Acceptance of Deposit) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- (b) Appropriate accounting policies have been selected and applied consistently and that judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March 2013 and of its profit for the year ended on that date.
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records under the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

The Company has complied with the mandatory provisions of Corporate Governance as prescribed in the clause 49 of the listing agreement with the Stock Exchange. A separate report on Corporate Governance and Auditors Report there on are included as part of the Annual Report.

PERSONNEL

The relation between the employees and the management has been cordial throughout the year under review and the Directors place on record their appreciation for the efficient services rendered by the employees at all levels.

There has been no employee drawing remuneration in excess of limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

ACKNOWLEDGEMENT

Your Directors express their sincere appreciation for the co-operation and support received from shareholders, bankers, financial institutions, regulatory bodies, customers, suppliers, employees and other business constituents during the year under review.

FOR AND ON BEHALF OF THE BOARD

ASHISH GADIA

WHOLETEIME DIRECTOR

NITIN TIBREWAL

DIRECTOR

Place: Indore

Dated: 20th July, 2013

ANNEXURE - II TO THE DIRECTORS' REPORT

Information as required under the Companies (Disclosure of particulars in the Report to the Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended on 31st March 2013.

A) CONSERVATION OF ENERGY

Your Company continues to give the highest priority to the conservation of the energy. All aspects of generation and usage are regularly reviewed. The Company has been generating the Biogas from the industrial effluents of the Distillery which has resulted in substantial savings in primary fuel.

B) TECHNOLOGY ABSORPTION

The Company has adopted the latest technology in its production process. The Company has an inbuilt system of research and development and has not imported any technology.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	(₹ in Lacs)	
	2012-2013	2011-2012
Foreign Exchange Earned (Export Sales)	----	17.66
Foreign Exchange Outgo/ Expenditure in foreign currency (Professional Development Expenses) (Travelling Expenses)	70.97 6.18	12.54 4.35

FOR AND ON BEHALF OF THE BOARD

ASHISH GADIA
WHOLETIME DIRECTOR

NITIN TIBREWAL
DIRECTOR

Dated: 20th July, 2013

Place: Indore

MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD- LOOKING STATEMENTS

Your Company has been reporting financial results taking into account. This discussion, therefore, covers the financial results and other developments during April, 2012 to March, 2013 in respect of the Company Statements. Some statements in this discussion describing the projections, estimates, expectations or outlook may be forward looking. Actual results may, however, differ materially from those stated on account of various factors such as changes in government regulations, tax regimes, economic developments within India and the countries within which your Company conducts its business, exchange rates and interest rates fluctuations, impact of competition, demand and supply constraints.

INDUSTRY AND COMPANY OVERVIEW

A. OUTLOOK:

GLOBAL ECONOMIC OVERVIEW

During the year under review, the world faced several economic and political challenges ranging from the Eurozone debt crisis to continued turmoil in some of the countries in North African region. A slowdown in the global economy has taken a toll on many, but not all emerging markets. In fact, as per the 2013 Human Development Report prepared by United Nations Development Programme (UNDP), there is a profound shift in global dynamics driven by the fast-rising new powers of the developing world. The global economy grew 6.2 percent in 2011-12 and declined to 5.0 percent in 2012-13, largely owing to the Euro zone crisis, inflation, economic slowdown and currency volatility. The global economic environment continues to remain cautious.

INDIAN ECONOMIC OVERVIEW

The Indian economy is projected to grow 6.5 percent in 2012-13, relatively one of the faster-growing economies. The services sector is estimated to have grown 9.4 percent, agricultural and allied sectors 2.5 percent and the industrial sector 3.9 percent. Demographics, disposal incomes and robust consumption, peaking interest rates and large investments lined up for the 12th Five Year Plan (2012-17) augur well for domestic economic growth, going forward.

GLOBAL ALCOHOL INDUSTRY

Alcoholic beverages include beer, cider, ale, wine (including sparkling barley and rice wine) and spirits such as rum, whisky, brandy, vodka and gin. Almost 40 percent of the world's alcoholic beverage consumption involves branded drinks that are usually owned by large multinationals investing substantially in marketing and brand management.

INDIAN ALCOHOL INDUSTRY

The Indian alcohol market is estimated at around USD 15 billion. Nearly 75 percent of this market comprises spirits; the balance is accounted by beer, wines and flavoured beverages. Whisky, brandy, rum, vodka and gin manufactured in India, are referred to as 'Indian made foreign liquor' (IMFL). The branded spirits IMFL market is estimated at nearly 225 million cases (nine bulk litres each). Brown spirits (whisky, brandy and rum) account for around 96 percent of the Indian industry.

Whisky is the largest-selling alcoholic beverage in India with a 56 percent share of the IMFL market while brandy (23 percent) and rum (14 percent) represent the other large segments. The Indian spirits industry grew 8 percent in 2012-13.

The Indian IMFL industry is regulated, marked by duties, fees, customs, taxes and restrictions by state and central governments. Intelligent marketing and innovative Packaging techniques by some companies have portrayed alcohol as a lifestyle product and an integral part of most social events.

India is a lucrative destination for multinational alcoholic beverage brands, being under-penetrated compared with the mature markets of Europe and the US. Country liquor enjoys a commanding presence in North Indian states. However, its share is expected to decline by FY15, replaced by IMFL on the back of rising incomes and awareness. South Indian States, specifically Tamil Nadu and Andhra Pradesh, are the key IMFL consumption centres, accounting around 35

percent of the total IMFL volumes consumed in India. IMFL consumption in the Southern States is higher than North India because of a ban on country liquor in the South.

The Indian brandy market is the second-largest segment of the IMFL industry. Over five years, the brandy market grew at a 13.8 percent CAGR. The per capita brandy consumption was pegged at 0.3 litres in FY10, which has grown in five years at a CAGR of 12.2 percent (Source: Mindpower Solutions). Growth is propelled by an increasing consumption in South India where brandy is very popular. Vodka is the fastest-growing IMFL segment in India, catalysed by increased consumption in pubs, hotels, restaurants as well as an evolving nightlife and consumer preferences. Vodka consumption grew 44 percent CAGR over the past five years.

B. RISKS AND CONCERNS:

Your company has evolved a framework for management of business risks. Towards this end, the company performs a risk assessment in which strategic risks, operative risks, information technology risks and financial risks are considered and mitigating actions are identified. This is reviewed regularly by the internal team and the Board.

Continuity and sustainability of the business is as important to stakeholders as growing and operating the business. Managing risks and protecting the business from the effects of material adverse events are focal points on the management's agenda.

Stiff competition in the market does have an impact on the product pricing policies and put the operating margins under pressure. All the insurable interests of the Company including inventories, buildings, plants and machinery and liabilities under legislative enactments are adequately insured.

C. INTERNAL CONTROL SYSTEMS:

The internal control system evaluates adequacy of segregation of duties and reliability of management information systems, including controls in the area of authorization procedures and steps for safeguarding assets. Planned periodic reviews are carried out for identification of control deficiencies and opportunities for bridging gaps with best practices along with formalization of action plans to minimize risks.

The system of internal control is being improved to ensure that all assets are safe and protected against loss from unauthorized use or disposition, and that all transactions are authorized, recorded and reported correctly. The Company regularly conducts internal check, using external and internal resources to monitor the effectiveness of internal control in the organization.

Your Company believes that the overall internal control system is dynamic, and reflects the current requirements at all times, hence ensuring that appropriate procedures and controls, in operating and monitoring practices are in place.

D. FINANCIAL CONTROLS

The total capital employed by the Company was ₹ 10349.57.00 Lacs at the year-end 2012-13 in comparison to ₹ 8305.00 Lacs at the end of previous year. The working capital and interest costs have been managed more efficiently. The bank borrowing to sustain the business was ₹ 4846.83 Lacs at the close of 2012-13 as against ₹ 2750.83 Lacs at the end of the previous year.

The loan interest and bank charges accounted for ₹ 404.21 Lacs as against ₹ 373.65 Lacs in the previous year out of which interest outflow was ₹ 381.45 Lacs in 2012-13 as against ₹ 351.70 Lacs in 2011-12. The Company's management is committed to evolve strategy to achieve enhancement in the shareholders value through the adoption of strong fiscal discipline, improvement in operating efficiencies and resource utilization.

E. HUMAN RESOURCES:

People continue to be the focal point of the organization's development. Your Company believes in building a stimulating, conducive and transparent culture that drives high level of performance. For good performance organization, it is imperative that it has right people in the right job equipped with the right set of skills.

Human capital continues to be a vital resource for the Company. Training and development of our human resources continued to receive focused attention. The Company has a continuous process to monitor individual performance. The Company continued to have cordial and harmonious relations with its employees.

We continued to significantly improve our performance in the areas of productivity and safety by means of focused initiatives. Your Company maintained harmonious employee relations during the year.

Your Directors place on record their sincere appreciation to all employees for their contribution towards the continuous success of the organization.

F. CAUTIONARY STATEMENT

Certain statements made in the management discussion and analysis report relating to the Company's Objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the co-operation and support received from shareholders, bankers, financial institutions, regulatory bodies, customers, suppliers, employees and other business constituents during the year under review.

REPORT ON CORPORATE GOVERNANCE

MANDATORY REQUIREMENTS:

Corporate Governance refers to the systematic process by which businesses are operated, regulated and controlled to enhance their wealth generating capacity and fulfil social obligation. Good corporate governance practices provides a structure that meet the aspirations of all stakeholders including societal expectations by ensuring that the enterprise adheres to accepted ethical standards and best practices as well as to formal laws. Governance practices may vary but the principles are generic and universal, viz- constant improvement and sustainable value creation for all stakeholders. Stakeholders include everyone ranging from the board of directors, executive management, and shareholders to customers, employees, suppliers, financiers and society at large.

With the increasing complexities in business of organizations, the demand for sound governance practices have become indispensable.

Associated Alcohols & Breweries Limited (AABL) has an aspiration of becoming a global conglomerate and hence has a strong focus on adherence of corporate governance standards globally benchmarked. Besides complying with the prescribed corporate practices as per Clause 49 of the Listing Agreement, it voluntarily governs itself as per highest ethical and responsible standard of business.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports AABL's compliance with Clause 49 of Listing Agreement highlighting the additional initiatives taken in line with international best practices.

CORPORATE GOVERNANCE PHILOSOPHY

AABL's philosophy is to constantly endeavor to achieve business excellence and optimize long term value for future growth and ensure that the ambitious plans are achieved in sustainable perspective through ethical business conduct. Thus, AABL philosophy on Corporate Governance is aimed at the attainment of highest level of transparency, accountability and compliance of laws in all facets of operations, leading to best standards of Corporate Governance. This has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates. It is AABL belief that good ethics make good business sense and our business practices are in keeping with this spirit of maintaining the highest level of ethical standards.

The Company has established systems and procedures to ensure that its board of directors is well informed and well equipped to fulfil its overall responsibilities and to provide the management with the strategic direction catering to exigency of long term shareholders value. It's initiatives towards adhering to highest standards of governance include: self governance; fair and transparent processes and reporting systems and going beyond the mandated Corporate Governance code requirements of SEBI. Being a value driven organization the Company envisages attainment of the highest level of transparency, accountability and equity in all facets of its operations including everyone it works with, the community it is in touch with and the environment it has an impact on.

Corporate governance is a journey for constantly improving sustainable value creation and is an upward moving target. The Company has complied with the provisions of Clause 49 of the Listing Agreement with Stock Exchanges, which deals with the compliance of Corporate Governance requirements as detailed below:

1. BOARD OF DIRECTORS

In terms of the Company's Corporate Governance policy, all statutory and other significant and material information are being placed before the Board to enable the Board discharge its responsibilities of strategic supervision of the Company.

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic supervision. The Board ensures that the Company has clear goals relating to shareholder value and its growth. The Board, as part and parcel of its functioning, also periodically reviews its role.

Composition of the Board

The Company Board is a balanced Board, comprising Executive and Non-Executive Directors. As on 31st March 2013, the Board consisted of Four (4) Directors, out of which one (1) Executive and three (3) Non- executive and Independent Directors, who are having expertise in their respective functional areas and capable of bringing in a wide range of managerial skills and business and professional acumen.

RESPONSIBILITIES:

The Board has a formal schedule of matters reserved for its consideration and decision which includes reviewing Company's performance, ensuring adequate availability of financial resources and reporting to shareholders. During the year under review the Board met Fifteen (15) times and there was no gap exceeding 3 month between any two meetings as stipulated under Clause 49. Board members ensure that their other responsibilities do not have material impact on their responsibilities as a Director of the Company.

Number of Board Meetings

During the year, Fifteen (15) Board Meetings were held on 20th April, 2012, 30th April, 2012, 14th May, 2012, 27th June, 2012, 16th July, 2012, 14th August, 2012, 21st August, 2012, 1st October, 2012, 20th October, 2012, 12th November, 2012, 20th November, 2012, 29th December, 2012, 14th February, 2013, 11th March, 2013 and 26th March, 2013.

Directors' Attendance Record and Directorships held

As mandated by Clause 49, none of the Directors is a member of more than 10 Board level committees, or Chairman of more than 5 committees in which he is a member.

Sr. No	Name of Director	Category	Designation	Board Meetings Attended	Attendance at Last AGM	Total Number of other Directorship as on date#	No. of other Committee membership on date Member/Chairman
1.	Shri Ashish Gadia	ED	Director	15	Yes	-	- -
2.	Shri Manish Kumar Tibrewal	NED	Director	5	Yes	-	- -
3.	Shri Nitin Tibrewal	NED	Director	14	Yes	1	- -
4.	Shri Ranjan Tibrewal	NED	Add. Director	7	No	2	

Details of shares held by the Non-Executive Directors as on 31st March, 2013 are as follows:

1.	Shri Manish Kumar Tibrewal	Nil
2.	Shri Nitin Tibrewal	100
3.	Shri Ranjan Tibrewal	100

2. COMMITTEES OF THE BOARD

To enable better and more focused attention on the affairs of the Company, the Board has delegated specific matters to Committees of the Board set up for the respective purpose. The requirement that a Director shall not be a member of more than five Committees and Chairman of more than two Committees has been complied with while constituting the Committee of Directors.

(1) AUDIT COMMITTEE

The Audit Committee constituted as per the requirements of the provisions of Section 292A and in compliance of the requirements of Clause 49 of the Listing Agreement.

TERMS OF REFERENCE

To consider the scope of audit review, the effectiveness of the system of internal control, risk management and statutory compliances.

The Committee's powers and role are as stipulated in Clause 49 of the Listing Agreement and under Section 292A of the Companies Act 1956.

Sr. No	Name	Executive / Non Executive	Category
1.	Shri Manish Kumar Tibrewal	Non-Executive & Independent	Chairman
2.	Shri Nitin Tibrewal	Non-Executive & Independent	Member
3.	Shri Ashish Gadia	Executive	Member

Meeting and Attendance:

The Committee met five times during the year under review. The said meetings were held on 14th May, 2012, 14th August, 2012, 21st August, 2012, 12th November, 2012 and 14th February, 2013.

S.No	Name	Executive / Non Executive	No. of-meeting attended
1.	Shri Manish Kumar Tibrewal	Non-Executive & Independent	5
2.	Shri Nitin Tibrewal	Non-Executive & Independent	5
3.	Shri Ashish Gadia	Executive	5

(2) SHAREHOLDERS' /INVESTORS GRIEVANCES COMMITTEE

The Committee constituted to attend to and address the Shareholders' and Investors' grievances. This Committee meets periodically to approve transfer of shares and resolve investor's grievances, if any. The Committee oversees the performance of Registrars and Transfer Agents and recommends measures for overall improvement of the quantity of investor services.

S. No	Name of Directors	Category	Total Meetings 2012-2013	Nos. of meetings attended
1.	Shri Manish Kumar Tibrewal	Chairman	14	10
2.	Shri Nitin Tibrewal	Member	14	13
3.	Shri Ashish Gadia	Executive	14	13

NAME AND DESIGNATION OF THE COMPLIANCE OFFICER: Shri N. N. Ojha

DETAILS OF SHAREHOLDERS COMPLAINTS RECEIVED :

Number of Complaints - 2
 Number of Complaints unsolved - Nil
 Pending Complaints - Nil

3. ANNUAL GENERAL MEETING

Location and time where last three Annual General Meetings were held:

AGM No.	Place	Date	Time
21st	“Shripati Singhania Hall” , Rotary Sadan, 94/2, J. L. Nehru Road, Kolkata – 700 020	30-09-2010	03.00 p.m.
22 nd	“Shripati Singhania Hall” , Rotary Sadan, 94/2, J. L. Nehru Road, Kolkata – 700 020	30-09-2011	11.30 a.m.
23 rd	“Shripati Singhania Hall” , Rotary Sadan, 94/2, J. L. Nehru Road, Kolkata – 700 020	28-09-2012	3.30 p.m.

The shareholders passed all the resolutions set out in the respective notices. There was no resolution passed through postal ballots under the applicable rules.

2. DISCLOSURES:

Details of materially significant related party transactions:

The Company does not have any related party transaction that may have a potential conflict with interests of the Company. The Company has complied with all the requirements of regulatory authorities on capital market and no penalties or strictures have been imposed against it by Stock Exchange or SEBI or other Statutory Authorities during last three years.

3. MEANS OF COMMUNICATION:

Quarterly results are taken on record by the Board of Directors, and submitted the same to the Stock Exchange in terms of requirements of Clause 41 of the Listing Agreement along with Publication of Quarterly results in newspapers.

The Management Discussion and Analysis Report forms part of Directors Report.

6. GENERAL SHAREHOLDER INFORMATION.

Annual General Meeting

Date : September 2nd, 2013
 Venue : “Shripati Singhania Hall” Rotary Sadan, 94/2. J.L. Nehru Road, Kolkata-700020
 Time : 3.30 P.M.
 Book Closure Date : 30th August, 2013 to 2nd September, 2013
 Dividend payment date : N.A.

Listing on Stock Exchange : Bombay Stock Exchange and MP Stock Exchange

Annual Listing Fee: Annual listing fee for the Year 2013-14 of the both Stock Exchanges have been paid.

Custodial Fees to Depositories: Fee for the year 2013-14 to NSDL and CDSL has been paid.

MARKET PRICE DATA: HIGH / LOW OF EACH MONTH IN THE LAST FINANCIAL YEAR:

SHARE PRICE – HIGH & LOW (Rs.) – year 2012-13

Month	Apr-12	May 12	June 12	July 12	Aug 12	Sept 12	Oct 12	Nov. 12	Dec. 12	Jan 13	Feb 13	Mar 13
High	21.95	21.50	20.00	21.00	20.40	20.70	23.70	24.50	26.50	25.35	21.70	20.70
Low	18.55	17.55	17.35	17.80	17.25	18.10	19.00	20.15	21.00	20.45	19.25	17.90

REGISTRAR & TRANSFER AGENTS:

Ankit Consultancy Pvt. Ltd., 60, Electronics Complex, Pardeshipura, Indore – 452010. Phone No. 0731-2551745 / 2551746

e-mail: ankit_4321@yahoo.com

SHARE TRANSFER SYSTEM:

The Share transfer work and dematerialization/re-materialization work is assigned to M/s. Ankit Consultancy Pvt. Ltd., the Registrars and Share transfer Agent. Shares in physical form sent for transfer are normally registered and returned within a month from the date of receipt, if the documents are found in order in all respects. The Company has entered into agreement with CDSL and NSDL to facilitate holding of shares of the Company in dematerialized form.

SHAREHOLDING AS ON 31ST MARCH, 2013

a) Distribution of Shareholding as on 31st March 2013

Range in Shares	No. of	Number of	% to Total	No. of Shares	% to total
	Holder	Holder	Holder		Capital
000001- 001000		4260	74.02	401716	4.44
001001- 005000		1032	17.93	298321	3.31
005001- 010000		230	4.00	190722	2.11
010001- 100000		190	3.30	505512	5.59
100001 – above		43	0.75	7643329	84.55
Total		5755	100.00	9039600	100.00

b) Categories of Equity Shareholders as on 31st March, 2013:

Sr. No	Particulars	No. of Shares	% to the total Paid up Share Capital
1.	Promoters/Directors & Relatives	47,87,500	52.96
2.	Mutual Funds/ UTI, Financial Institutions, Banks	2,200	0.02
3.	Bodies Corporate	26,56,973	29.39
4.	Indian Public	15,22,674	16.85
5.	NRIs/ OCBs	70,253	0.78
	TOTAL	90,39,600	100.00

DEMATERIALIZED OF SHARES AND LIQUIDIZING:

91.596 % of the Company's share capital is held in dematerialized form as on 31st March 2013. The company's shares are being regularly traded on the Bombay Stock Exchange., ISIN in CDSL and NSDL for Company's equity shares is INE 073G 01016. The code for the Share on Bombay Stock Exchange is 507526.

DECLARATION OF CODE OF CONDUCT AND ETHICS

The Board of Directors of the company has laid down code of conduct and ethics for the company, its directors and senior employees. All the Directors and the senior employees covered by the code affirmed compliance with code on an annual basis.

The Code of Conduct enjoins that each individual in the organization must know and respect existing laws, accept and provide appropriate professional views, and be upright in his conduct and observe corporate discipline.

The Code of Conduct is available on the website of the Company www.associatedalcohols.com. All Board members and senior Management personnel affirm compliance with the Code of Conduct annually.

MANAGEMENT RESPONSIBILITY STATEMENT

The Management of Company accepts responsibility for the integrity and objectivity of these financial statements, as well as for estimates and judgements relating to matters not concluded by the year-end. The management believes that the financial statements reflect fairly the form and substance of transactions and reasonably presents the company's financial condition, and results of operations. To ensure this, the company has installed a system of internal controls, which is reviewed, evaluated and updated on an ongoing basis. Our internal auditors have conducted periodic audits to provide reasonable assurance that the company's established policies and procedures have been followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls.

These financial statements have been audited by M/s B. K. Agrawal, Kolkata and M/s M.D. Agrawal, Chartered Accountants, the Statutory Auditors of the Company.

For and on behalf of the Board of Directors

Place: Indore
Date: 20th July, 2013

Ashish Gadia
Wholetime Director

AUDITORS' REPORT ON CORPORATE GOVERNANCE TO THE MEMBERS OF ASSOCIATED ALCOHOLS & BREWERIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Associated Alcohols & Breweries Limited for the year ended March 31, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify **that subject to our observations that (i) quarterly financial results of the Company were considered and published without having them limited reviewed by the auditors and (ii) meeting of audit committee held without auditors participation**, the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by The Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, and to the best of our information and belief, there were no investor's grievance remaining unattended/pending for more than 30 days as at March 31, 2013.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **B. K. Agrawal & Co.**
Chartered Accountants

For **M. D. Agrawal & Co.**
Chartered Accountants

(CAB. K. Agrawal)
PARTNER
M. No. 51873
FRN 314202E

(CA M. P. Agrawal)
PARTNER
M.No. 016736
FRN . 001177C

Place : Indore
Date : 20th day of July, 2013

Independent Auditor's Report

To The Board of Directors of
Associated Alcohols & Breweries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Associated Alcohols & Breweries Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the institute of Chartered accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and

- (c). in the case of the Cash Flow Statement of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227 (3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211 (3C) of the Act;
 - e. On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(l)(g) of the Act.

For B. K. Agrawal & Co.
Chartered Accountants
Firm Registration No. 314202E

(CAB. K. Agrawal)
PARTNER
M. No. 51873

For M.D. Agrawal & Co.
Chartered Accountants
Firm Registration No. 001177C

(CA M.P. Agrawal)
PARTNER
M.No. 016736

Place : Indore
Dated : 20th July, 2013

Annexure to Independent Auditor's Report

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government and on the basis of such checks as were considered appropriate and according to the information and explanations given to us, we state that: -

- (i)
 - (a) The Company has maintained proper records of fixed assets to show full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, these fixed assets have been physically verified by the management under the phased programme of physical verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The frequency of verification is reasonable, the company is in the process of compilation of the reports on physical verification and discrepancies if any, have not yet been identified.
 - (c) As per the information and explanation given to us and on our enquiries, the disposals of assets during the year were not substantial so as to have an impact on the operations of the company, or affect its status of going concern.
- (ii)
 - (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories, followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company is maintaining proper records of inventory, **except for spent grain**. The discrepancies noticed on verification between physical inventories and book record have been properly dealt with in the books of accounts.
- (iii)
 - (a) The Company has not granted any loans to the parties listed in the register maintained under section 301 of the Act, accordingly, clause III (a) to (d) of the order is not applicable.
 - (b) The company has not taken any loans from the parties covered in the register maintained under section 301 of the Act, accordingly clause III (e) to (g) of the order is not applicable.

- (iv) **In our opinion and according to the information and explanations given to us, there are no adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. As there are not adequate internal control, we are unable to comment on weakness in internal control.**
- (v) (a) According to the information and explanation given to us, there are no transactions made in pursuance of contracts or arrangements, that needs to be entered into the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information and explanations given to us, there were no transactions to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (vi) According to the information and explanation given to us the company has not accepted deposits to which provisions of Section 58-A of the Companies Act, 1956 are applicable during the year. We have been informed that no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other courts or any other Tribunal.
- (vii) **The Company has no internal audit system. It needs to be implemented and to make it commensurate with the size and nature of the company's business.**
- (viii) Pursuant to Companies (Cost Accounting Records) Rules 2011 u/s 209 (1) (d) of the Companies Act, 1956, company is subjected to maintenance of Cost Accounting Records and the company is maintaining the relevant cost records.
- (ix) (a) According to the information and explanation given to us and on basis of our examination of the books of accounts of the company, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2013 for a period of more than six months from the date of becoming payable **except for Professional Tax of ₹ 42,064/-.** **However the same have since been deposited.**

- (b) According to the records of the company, dues of Sales-tax, Income-tax, Wealth-tax, Service tax, Custom duty, Excise duty/cess, which have not been deposited as on 31st March 2013 on account of any dispute are given below:-

Sr. No.	Name of the Statute	Nature of dues	Amount (Rs. in Lacs)	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax Demand - AY 2007-08	5.50	Commissioner of Income Tax (Appeals)
2	Income Tax Act, 1961	Fringe Benefit Tax – Demand AY- 2007-08	0.42	Dy. Commissioner of Income Tax
3	Income Tax Act, 1961	Income Tax Demand - AY 2009-10	70.04	Commissioner of Income Tax (Appeals)
3	Entry Tax Act 2008-09	Entry Tax	9.29	Additional Commissioner, Commercial Tax
4	Entry Tax Act 2007-08	Entry Tax	11.38	Commercial Tax Appellate Board
5	The Madhya Pradesh Excise Act	State Excise Duty	348.53	Excise Commissioner, Gwalior

- (x) The company has no accumulated losses at the year end. The company has not incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us, the company has not granted Loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund company or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable to the company.
- (xiv) According to the information and explanations given to us, the company has given guarantee aggregating to Rs. 32.00 Crores for Loans taken by a company from a bank, and

the guarantee has not been considered prima facie, prejudicial to the interest of the company.

- (xv) In our opinion and according to the information and explanations given to us, the Company has generally applied the term loans for the purpose for which the loans were obtained.
- (xvi) On the basis of the information and explanation given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, funds raised on short-term basis have not been used for long-term investment.
- (xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xviii) According to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our Audit Report. Accordingly, the provisions of clause 4 (xix) of the Companies Act (Auditor's Report) Order 2003 are not applicable to the Company.
- (xix) During the period covered by our Audit Report, the Company has not raised any money by Public Issues.
- (xx) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For B. K. Agrawal & Co.
Chartered Accountants
Firm Registration No. 314202E

(CAB. K. Agrawal)
PARTNER
M. No. 51873

For M.D. Agrawal & Co.
Chartered Accountants
Firm Registration No. 001177C

(CA M.P. Agrawal)
PARTNER
M.No. 016736

Place : Indore
Dated : 20th July, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

₹ in Lacs

PARTICULARS	NOTE NO.	31.03.2013 ₹	31.03.2012 ₹
I. EQUITY AND LIABILITIES			
1 SHAREHOLDER'S FUNDS			
SHARE CAPITAL	1	903.96	903.96
RESERVES & SURPLUS	2	4223.11	3892.14
2 NON-CURRENT LIABILITIES			
LONG TERM BORROWINGS	3	3935.88	2182.78
DEFERRED TAX LIABILITIES (NET)	4	832.41	729.67
OTHER LONG TERM LIABILITIES	5	454.22	596.60
3 CURRENT LIABILITIES			
SHORT TERM BORROWINGS	6	1703.55	1684.90
TRADE PAYABLES	7	2291.27	1915.13
OTHER CURRENT LIABILITIES	8	1940.69	1383.10
SHORT TERM PROVISIONS	9	137.00	89.61
TOTAL		16422.09	13377.89
II. ASSETS			
1 NON CURRENT ASSETS			
FIXED ASSETS			
TANGIBLE ASSETS	10	8754.54	5513.32
INTANGIBLE ASSETS	10	72.00	72.00
CAPITAL WORK-IN-PROGRESS	10	764.91	850.33
NON CURRENT INVESTMENTS			
LONG TERM LOANS & ADVANCES	11	371.34	235.01
	12	503.32	1249.44
2 CURRENT ASSETS			
INVENTORIES	13	2256.18	2095.37
TRADE RECEIVABLES	14	870.72	1005.20
CASH AND CASH EQUIVALENTS	15	1075.89	848.46
SHORT TERM LOANS AND ADVANCES	16	1753.19	1508.76
TOTAL		16422.09	13377.89

SIGNIFICANT ACCOUNTING POLICIES 0.00 0.00
 NOTES ON FINANCIAL STATEMENT 1 TO 29
 AS PER OUR REPORT OF EVEN DATE ATTACHED HERE TO

FOR B.K. AGRAWAL & CO.,

Chartered Accountants

(CA B.K. AGRAWAL)

PARTNER

M.NO. - 51873

FRN -314202E

FOR M.D. AGRAWAL & CO.,

Chartered Accountants

(CA M.P. AGRAWAL)

PARTNER

M.NO. - 16736

FRN -001177C

PLACE : INDORE

DATED : 20th July, 2013

ON BEHALF OF THE BOARD

ASHISH GADIA
 WHOLETIME DIRECTOR

NITIN TIBREWAL
 DIRECTOR

PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED ON 31ST MARCH, 2013

₹ in Lacs

PARTICULARS	NOTE NO.	2012-13 ₹	2011-12 ₹
INCOME			
I. REVENUE FROM OPERATIONS	17	15715.97	13840.70
II. OTHER INCOME	18	273.75	175.10
III. TOTAL REVENUE (I + II)		15989.72	14015.80
IV. EXPENDITURE			
COST OF MATERIALS CONSUMED	19	10311.27	9686.54
PURCHASE OF STOCK-IN-TRADE	20	5.44	0.00
CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN PROCESS	21	(429.17)	(436.54)
EMPLOYEE BENEFITS EXPENSE	22	415.63	306.21
FINANCE COSTS	23	404.21	373.65
DEPRECIATION AND AMORTISATION EXPENSE		494.80	391.65
OTHER EXPENSES	24	4236.98	3351.36
TOTAL EXPENSES		15439.16	13672.87
V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III - IV)		550.57	342.93
VI. EXCEPTIONAL ITEMS		0.00	0.00
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)		550.57	342.93
VIII. EXTRA ORDINARY ITEM		0.00	0.00
IX. PROFIT BEFORE TAX (VII + VIII)		550.57	342.93
X. TAX EXPENSE			
1) CURRENT TAX		115.11	80.00
2) DEFERRED TAX		102.74	3.52
XI. PROFIT AFTER TAX (IX - X)		332.71	259.41
XII. TAX FOR PRIOR PERIOD		1.74	0.83
XIII. PROFIT FOR THE YEAR (XI - XII)		330.98	258.59

EARNING PER EQUITY SHARE OF FACE VALUE OF ₹10/- EACH

BASIC AND DILUTED (Excluding Extra Ordinary Item)

3.66

2.86

BASIC AND DILUTED (Including Extra Ordinary Item)

3.66

2.86

SIGNIFICANT ACCOUNTING POLICIES

NOTES ON FINANCIAL STATEMENT 1 TO 29

AS PER OUR REPORT OF EVEN DATE ATTACHED HERE TO

FOR B.K. AGRAWAL & CO.,

Chartered Accountants

ON BEHALF OF THE BOARD

(CA B.K. AGRAWAL)

PARTNER

M.NO.- 51873

FRN -314202E

ASHISH GADIA
WHOLETIME DIRECTOR**FOR M.D. AGRAWAL & CO.,**

Chartered Accountants

(CA M.P. AGRAWAL)

PARTNER

M.NO.- 16736

FRN -001177C

NITIN TIBREWAL
DIRECTOR

PLACE : INDORE

DATED : 20th July, 2013

CASH FLOW STATEMENT
FOR THE YEAR ENDED ON 31ST MARCH, 2013

₹ In Lacs

A. CASH FLOW FROM OPERATING ACTIVITIES	2012-2013	2011-2012
NET PROFIT BEFORE TAX	550.57	342.93
ADJUSTMENT FOR DEPRECIATION	494.80	391.65
PROFIT ON SALE OF CAPITAL ASSETS	(60.93)	(4.15)
LOSS ON SALE OF CAPITAL ASSETS	0.09	0.59
OTHER INCOME FROM INVESTMENTS	0.00	0.00
INTEREST PAID	381.45	351.70
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1365.98	1082.71
ADJUSTMENT FOR CHANGE IN TRADE AND OTHER RECEIVABLES	636.17	575.12
INVENTORIES	(160.81)	(495.22)
TRADE PAYABLES AND OTHER PAYABLES	375.77	1146.50
CASH GENERATED FROM OPERATIONS	2217.12	2309.11
INTEREST PAID	(381.45)	(351.70)
DIRECT TAX PAID	(64.45)	(20.54)
NET CASH FLOW FROM OPERATIONS (A)	1771.21	1936.87
B. CASH FLOW FROM INVESTMENTS		
PURCHASE OF FIXED ASSETS	(3659.28)	(2661.38)
SALES OF FIXED ASSETS	66.02	6.40
PURCHASE OF INVESTMENTS	(136.33)	(35.00)
INCOME FROM INVESTMENTS	0.00	0.00
NET CASH USED IN INVESTMENTS (B)	(3729.59)	(2689.98)
C. CASH FLOW FROM FINANCE		
PROCEEDS FROM LONG TERM BORROWINGS	2168.88	800.44
PROCEEDS FROM SHORT TERM BORROWINGS	18.65	(84.58)
TAX PROVISION OF EARLIER YEAR	(1.74)	(0.83)
NET CASH FLOW FROM FINANCE (C)	2185.80	715.03
NET CASH FLOW / OUTFLOW (A+B+C)	227.43	(37.53)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	848.46	886.54
(CLOSING BALANCE)	1075.89	848.46
NET INCREASE / DECREASE IN CASH	227.43	(38.08)

Notes :

- The Cash Flow Statement has been prepared under the " Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- The following have been considered under financing activities :- Cash credit / Working capital demand loan and other borrowings being source of finance.
- Proceeds from borrowings are shown net of repayments.
- Purchase of fixed assets are shown inclusive of movements in capital work - in - progress.
- Cash and cash equivalents represent cash & bank balances and bank deposits.
- Previous year's figures have been regrouped wherever necessary.

Place : INDORE
DATED : 20th July, 2013

ON BEHALF OF THE BOARD
ASHISH GADIA
WHOLETEIME DIRECTOR
NITIN TIBREWAL
DIRECTOR

NOTES ON ACCOUNTS
M/S. ASSOCIATED ALCOHOLS & BREWERIES LIMITED

PART – A - SIGNIFICANT ACCOUNTING POLICIES

(a) **Basis of Preparation of Financial Statements:**

The company adopts the mercantile system of Accounting and recognizes, Income and expenditure on accrual basis except where stated specifically. The financial statements have been prepared by following a going concern approach and are in conformity with the statutory provisions, accounting standards notified under Section 211 (3C) of the Companies Act, 1956 and the relevant provisions thereof and generally accepted practices prevailing in India except as otherwise stated.

(b) **Fixed Assets :**

Fixed assets are stated at cost inclusive of inward freight, duties, taxes, financial cost and other expenses upto putting the assets in use.

(c) **Investments:**

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost, Provisions for diminution in the value of the long-term investments is made only if such a decline is other than temporary.

(d) **Inventories:**

Inventories are valued at lower of cost or net realizable value except cost of work in progress, which is determined on absorption costing method.

(e) **Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Gross turnover includes excise duty on sales but does not include Sales Tax and VAT.

Income from Services

Revenue from service contracts are recognized pro-rata over the period of the contract as and when services are rendered and are net of service tax.

Interest

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

Dividend is recognized when the shareholders' right to receive payment is established by the Balance Sheet Date.

(f) Bottling Business:

The company is having arrangement for manufacturing of the products of certain brand owners on fixed charge basis. In view of state excise laws, these transactions have taken place in the name of the company, and accordingly included in Balance Sheet and Profit & Loss account notwithstanding the risks and rewards being with respective brand owners.

(g) Depreciation:

Depreciation has been provided on straight-line method as per rates prescribed under Schedule XIV to the Companies Act, 1956. Leasehold land is amortized over the period of lease.

(h) Impairment of Assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior years is reversed if there has been a change in the estimate of recoverable amount.

(I) Employee Benefits:

(i) The company's contribution to Provident Fund and Employees State Insurance Scheme are charged to profit & loss account.

(ii) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

(iii) Post employment and other long-term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the profit and loss account.

(iv) Encashment of leave is recognized, provided and paid on yearly basis. There is no accumulation of the same except current year.

(j) Earning Per Share:

The earning considered in ascertaining the company's earning per share (EPS) comprise of the net profit after tax. The number of shares used in computing diluted EPS comprise of weighted average shares considered for deriving basic EPS and also the weighted average number of Equity Shares which could have been issued on the conversion of all dilutive potential Equity Shares.

(k) Prior Period Items:

Income and expenses, which arise in the current year as a result of errors or omissions in the preparation of financial statements of one or more prior periods, are stated as prior period adjustments in the notes of Accounts.

(l) Foreign Currency Transaction:

- (i) Foreign Currency transactions are recorded at the exchange rate prevailing on the date of transaction.
- (ii) Monetary items denominated in foreign currencies (such as cash receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable as on that date.
- (iii) Non-Monetary items denominated in foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction.
- (iv) Any gains or losses arising due to exchange differences at the time of translation or settlement are accounted for in the Profit and Loss Account.
- (m) **Provision, Contingent Liabilities and Contingent Assets:**
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
- (n) **Lease Assets:**
Leases where the lessor effectively retain substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a Straight-line basis over the lease term. Lease income is recognized in the Profit and Loss Account on an accrual basis.
- (o) **Borrowing Costs:**
Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.
- (p) **Export Benefits:**
The benefits accrued (if any) under the Duty Draw Back Scheme as per the Export and Import Policy in respect of exports made under the said Scheme are recognized.
- (q) **Taxation:**
- (i) Provisions for Income Tax and Wealth Tax are determined in accordance with the provisions of Income Tax Act, 1961 and Wealth Tax Act, 1957, respectively.
- (ii) Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred tax assets are recognized to the extent there is reasonable certainty that these assets can be realized in future.

NOTE 1
SHARE CAPITAL

(₹ In Lacs)

	PARTICULARS	31.03.2013 ₹	31.03.2012 ₹
A)	<u>AUTHORISED:</u> 1,10,00,000 (31.03.2012 - 1,10,00,000) EQUITY SHARES OF C 10/- EACH	1100.00	1100.00
	TOTAL	1100.00	1100.00
B)	<u>ISSUED</u> 90,39,600 (31.03.2012 - 90,39,600) EQUITY SHARES OF C10/- EACH	903.96	903.96
C)	<u>SUBSCRIBED AND FULLY PAID UP :</u> 90,39,600 (31.03.2012 90,39,600) EQUITY SHARES OF R10/- EACH (Refer Note 1.1, 1.2, 1.3)	903.96	903.96
	TOTAL	903.96	903.96

Note 1.1

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	31.03.2013 No. of Shares	31.03.2012 No. of Shares
Equity shares at the beginning of the year	9039600	9039600
Equity shares at the end of the year	9039600	9039600

Note 1.2

The company has only one class of equity shares having par value of R10 each. Each holder of equity share is entitled to one vote per share.

Note 1.3

Details of shares in the company held by each shareholder holding more than 5% shares

Sr. No	Name of Shareholder	31.03.2013		31.03.2012	
		No. of Equity Shares	% of total subscribed and fully paid up shares	No. of Equity Shares	% of total subscribed and fully paid up shares
1	Smt. Ramdulari Kedia	985800	10.91	985800	10.91
2	Garnet Tradelink Pvt. Ltd.	900000	9.96	900000	9.96
3	Attic Dealcom Pvt. Ltd.	800000	8.85	800000	8.85
4	Smt. Sweta Kedia	771000	8.53	771000	8.53
5	Smt. Sangita Kedia	743200	8.22	743200	8.22
6	Shri Prasann Kumar Kedia	478100	5.29	478100	5.29

NOTE 2

RESERVE & SURPLUS

(₹ In Lacs)

PARTICULARS	31.03.2013	31.03.2012
	₹	₹
A) CAPITAL RESERVE	24.00	24.00
B) SECURITIES PREMIUM RESERVE	1067.06	1067.06
C) GENERAL RESERVE		
Opening Balance	586.34	536.34
Add: Transferred from surplus	50.00	50.00
D) SURPLUS		
Opening Balance	2214.74	2006.15
Add: Profit for the year transferred from Statement of Profit & Loss	330.98	258.59
Amount available for appropriation	2545.71	2264.74
Appropriations:		
Amount transferred to General Reserve	50.00	50.00
	2495.71	2214.74
TOTAL	4223.11	3892.14

NOTE 3

LONG TERM BORROWINGS

(₹ In Lacs)

PARTICULARS	31.03.2013		31.03.2012	
	₹		₹	
	NON CURRENT	CURRENT	NON CURRENT	CURRENT
TERM LOANS FROM BANKS (Secured)	2406.69	736.59	745.13	320.80
LOANS FROM RELATED PARTIES (Unsecured)	134.92	0.00	53.78	0.00
LOANS FROM OTHERS (Unsecured) (Refer Note 3.1)	1394.27	0.00	1383.87	0.00
TOTAL	3935.88	736.59	2182.78	320.80
The above amount includes				
Secured borrowings	2406.69	736.59	745.13	320.80
Unsecured borrowings	1529.19	0.00	1437.65	0.00
TOTAL	3935.88	736.59	2182.78	320.80

Note 3.1

- a) Term loan includes ₹ 39.46 lacs (previous year ₹ 47.16 lacs) as car loan, loan repayable on monthly basis, secured by hypothecation on assets acquired under the scheme and personal guarantee of a director.
- b) Financial assistance of ₹ 3103.81 Lacs (previous year ₹ 1018.77 Lacs) as term loan, loan repayable on quarterly basis, secured by pari passu first charge on entire fixed assets of the company through hypothecation for movable and mortgage of immovable on present and future net block of the company, pledge of FDRs of ₹ 189.95 Lacs and personal guarantee of a director.
- c) Financial assistance of ₹ 1529.19 Lacs (previous year ₹ 1437.65 Lacs) as unsecured loans are repayable after one year.

NOTE 4
DEFERRED TAX LIABILITY

PARTICULARS	(₹ In Lacs)	
	31.03.2013 ₹	31.03.2012 ₹
a) DEFERRED TAX LIABILITY Fixed Assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	832.41	729.67
TOTAL	832.41	729.67

NOTE 5
OTHER LONG TERM LIABILITIES

PARTICULARS	(₹ In Lacs)	
	31.03.2013 ₹	31.03.2012 ₹
Trade Payables	185.05	297.80
Others (Refer Note 5.1)	269.17	298.80
TOTAL	454.22	596.60

Note 5.1
Others include ware house deposits

NOTE 6
SHORT TERM BORROWINGS

PARTICULARS	(₹ In Lacs)	
	31.03.2013 ₹	31.03.2012 ₹
LOANS REPAYABLE ON DEMAND FROM BANKS (Secured) (Refer Note No. 6.1)	1703.55	1684.90
TOTAL	1703.55	1684.90

Note 6.1

Financial assistance of ₹ 1703.55 Lacs (previous year ₹ 1684.89 Lacs) as cash credit facility, repayable on demand, secured by first charge by way of hypothecation of inventory and book debts and second charge by way of hypothecation of movable and mortgage of immovable on entire present and future net block and personal guarantee of a director.

NOTE 7**TRADE PAYABLES**

PARTICULARS	(₹ In Lacs)	
	31.03.2013	31.03.2012
	₹	₹
MICRO, SMALL AND MEDIUM ENTERPRISES (Refer Note 7.1)	18.24	10.47
OTHERS	2273.04	1904.67
TOTAL	2291.27	1915.13

Note 7.1: The details of amount outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:

Particulars	As at 31st March, 2013	As at 31st March, 2012
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

NOTE 8**OTHER CURRENT LIABILITIES**

PARTICULARS	(₹ In Lacs)	
	31.03.2013	31.03.2012
	₹	₹
CURRENT MATURITIES OF LONG TERM DEBT (Refer Note 3)	736.59	320.80
CREDITORS FOR CAPITAL EXPENDITURE	931.95	627.54
UNPAID DIVIDEND	1.19	1.19
UNPAID MATURED DEPOSITS AND INTEREST ACCRUED THEREON	0.00	9.48
OTHER PAYABLES (Refer Note 8.1)	270.97	424.09
TOTAL	1940.69	1383.10

Note 8.1

Other Payables includes advance from debtors, expenses and statutory liabilities payables.

NOTE 9**SHORT TERM PROVISIONS**

PARTICULARS	(₹ In Lacs)	
	31.03.2013	31.03.2012
	₹	₹
PROVISIONS FOR EMPLOYEE BENEFITS (Refer Note 21.1)	21.03	8.75
PROVISION FOR TAXATION	115.97	80.86
TOTAL	137.00	89.61

ASSOCIATED ALCOHOLS & BREWERIES LIMITED BALANCE SHEET AS AT 31ST MARCH, 2013

NOTE 10

FIXED ASSETS

NAME OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	AS ON 01.04.2012	ADDITION DURING THE YEAR	SALES / TRANSFER DURING THE YEAR	OTHER ADJUSTMENT	AS ON 31.03.2013	UPTO 31.03.2012	DURING THE YEAR	WRITE BACK	TOTAL UPTO 31.03.2013	AS ON 31.03.2013	AS ON 31.03.2012
A) <u>TANGIBLE ASSETS</u>											
1 <u>LAND</u>											
LEASEHOLD LAND	24.26	0.00	0.00	0.00	24.26	5.71	0.91	0.00	6.62	17.64	18.55
FREEHOLD LAND	46.60	0.31	0.00	0.00	46.92	0.00	0.00	0.00	0.00	46.92	46.60
2 BUILDINGS	808.29	147.13	5.47	0.00	949.96	207.65	29.96	1.99	235.61	714.35	600.65
3 PLANT AND EQUIPMENT	7372.52	3546.25	3.68	0.00	10915.09	2872.05	412.93	0.11	3284.86	7630.23	4500.47
4 FURNITURE AND FIXTURES	178.23	12.71	2.93	0.00	188.01	31.50	14.37	2.00	43.87	144.14	146.74
5 VEHICLES	305.84	23.74	5.87	0.00	323.70	144.88	29.99	5.87	169.00	154.70	160.96
6 OFFICE EQUIPMENT	95.88	14.54	2.16	0.00	108.27	56.53	6.65	1.47	61.71	46.56	39.35
TOTAL (A)	8831.63	3744.69	20.11	0.00	12556.20	3318.31	494.80	11.44	3801.67	8754.54	5513.32
B) <u>INTANGIBLE ASSETS</u>											
1 GOODWILL	72.00	0.00	0.00		72.00	0.00	0.00	0.00	0.00	72.00	72.00
TOTAL (B)	72.00	0.00	0.00	0.00	72.00	0.00	0.00	0.00	0.00	72.00	72.00
C) TOTAL (A + B)	8903.63	3744.69	20.11	0.00	12628.20	3318.31	494.80	11.44	3801.67	8826.54	5585.32
D) CAPITAL WORK IN PROGRESS	850.33	3283.13	3550.52	181.98	764.91	0.00	0.00	0.00	0.00	764.91	850.33
TOTAL (C + D)	9753.95	7027.82	3570.63	181.98	13393.12	3318.31	494.80	11.44	3801.67	9591.45	6435.64
PREVIOUS YEAR'S FIGURE	7142.87	2875.06	1130.75	15.16	8902.34	2974.13	371.79	47.47	3298.45	5603.89	4168.74

Note 10.1

Other adjustment represents borrowing costs capitalised in accordance with AS 16 Borrowing Costs

NOTE 11
NON-CURRENT INVESTMENT

PARTICULARS	(₹ In Lacs)	
	31.03.2013	31.03.2012
	₹	₹
A. Long Term - Trade		
INVESTMENT IN EQUITY INSTRUMENTS - (Fully Paid Up)		
Unquoted		
<u>In Others</u>		
2,00,000 (31.03.2012 - 2,00,000), M/s Mount Everest Breweries Limited (associated company) shares of ₹ 10/- each	200.00	200.00
35,000 (31.03.2012 - 35,000), M/s Narmada Distilleries Pvt. Limited shares of ₹ 10/- each	35.00	35.00
<u>In Subsidiary Company</u>		
1,36,330 (previous year Nil), M/s Vedant Energy Pvt. Ltd. of ₹ 10/- each	136.33	0.00
B. Long Term - Other than Trade		
INVESTMENT IN EQUITY INSTRUMENTS - (Fully Paid Up)		
Unquoted		
100 (previous year 100), M/s Associated Infrastructure & Housing Limited shares of ₹ 10 each	0.01	0.01
TOTAL	371.34	235.01

NOTE 12
LONG TERM LOANS & ADVANCES

(Unsecured and Considered Good)

PARTICULARS	(₹ In Lacs)	
	31.03.2013	31.03.2012
	₹	₹
CAPITAL ADVANCES	150.88	443.44
SECURITY DEPOSIT	89.39	36.38
OTHER LOAN & ADVANCES (Refer note 12.1)	263.05	769.62
TOTAL	503.32	1249.44

Note 12.1

Other loan & Advances include advances to employees, statutory receivables, unamortized expenses and loans to corporates.

NOTE 13
INVENTORIES

PARTICULARS	(₹ In Lacs)	
	31.03.2013	31.03.2012
	₹	₹
RAW MATERIAL (Refer Note 13.1)	456.35	442.12
STOCK IN PROCESS	119.73	57.65
FINISHED GOODS (Refer Note 13.1)	1164.21	797.13
STORES & SPARES (including coal)	51.96	102.67
PACKAGING MATERIAL (Refer Note 13.1)	435.40	678.90
CONSUMABLES	28.53	16.90
TOTAL	2256.18	2095.37

Note 13.1

	31.03.2013	31.03.2012
Finished Goods includes Goods In Transit	73.17	33.07
Raw Material includes Goods In Transit	0.00	51.79
Packing Material includes Goods In Transit	0.00	0.28
Stores & Spares includes Goods In Transit	0.99	0.00

Note 13.2

Inventories are valued at lower of cost or net realizable value except cost of work in progress, which is determined on absorption costing method.

NOTE 14**TRADE RECEIVABLES**

(Unsecured and Considered Good)

PARTICULARS	(₹ In Lacs)	
	31.03.2013	31.03.2012
	₹	₹
OVER SIX MONTHS	508.90	440.96
OTHERS	361.82	564.24
TOTAL	870.72	1005.20

NOTE 15**CASH & CASH EQUIVALENTS**

PARTICULARS	(₹ In Lacs)	
	31.03.2013	31.03.2012
	₹	₹
BALANCE WITH BANKS (Refer note 15.1)	442.29	230.58
CASH ON HAND	356.99	551.34
FIXED DEPOSITS WITH BANKS (Refer Note 15.2)	276.60	66.54
TOTAL	1075.89	848.46

Note 15.1

Balance of ₹ 1.18 Lacs (previous year ₹ 1.18 Lacs) with IDBI Bank Limited earmarked for unpaid dividend.

Note 15.2

Fixed Deposits with banks include deposits of ₹ 204.47 Lacs (previous year ₹ 8.08 Lacs) with maturity of more than 12 months.

Fixed Deposits with banks amount to ₹ 124.51 Lacs (previous year ₹ 66.54 Lacs) earmarked for issuance of Bank Guarantees and ₹ 189.95 Lacs (previous year Nil) earmarked for borrowings of ₹ 2622.57 Lacs (previous year Nil).

NOTE 16**SHORT TERM LOAN & ADVANCES**

(Unsecured and Considered Good)

PARTICULARS	(₹ In Lacs)	
	31.03.2013	31.03.2012
	₹	₹
OTHERS (Refer Note 16.1)	1753.19	1508.76
TOTAL	1753.19	1508.76

Note 16.1

Other loans & advances include prepaid expenses, statutory receivables, deposits with government departments, advance to employees, advance to suppliers and to service providers.

NOTE 17
REVENUE FROM OPERATIONS

PARTICULARS	(₹ In Lacs)	
	31.03.2013	31.03.2012
	₹	₹
SALE OF PRODUCTS	15624.54	13756.99
SALE OF SERVICES	60.56	69.74
OTHER OPERATING REVENUES (Refer Note 17.1)	40.46	19.24
	15725.56	13845.97
Less: Excise Duty	9.59	5.27
TOTAL	15715.97	13840.70

Note 17.1

Other operating revenue consists of compensation received from brand owner manufacturing activity.

Note 17.2

There has been a substantial increase in spent grain sale from ₹ 2.30 Crores (for the year ended 31st March, 2012) to ₹ 16.28 Crores (for the financial year ended on 31st March, 2013) in comparison to grain consumption of 0.31 lacs MT (for the financial year ended on 31.03.2012) to 0.42 lacs MT (for the financial year ended on 31st March, 2013). This has been due to non-availability of adequate buyers in earlier years for such spent grain resulting in allowed to be wasted and/or thrown out.

NOTE 18
OTHER INCOME

PARTICULARS	(₹ In Lacs)	
	31.03.2013	31.03.2012
	₹	₹
INTEREST INCOME	113.46	141.76
OTHER NON-OPERATING INCOME (Refer Note 18.1)	160.29	33.34
TOTAL	273.75	175.10

Note 18.1

Other Non-operating income includes profit on sale of fixed assets, rent income and recovery from written off debtors .

NOTE 19
COST OF MATERIAL CONSUMED

PARTICULARS	(₹ In Lacs)	
	31.03.2013	31.03.2012
	₹	₹
MATERIALS CONSUMED (Refer Note 19.1)	10311.27	9686.54
TOTAL	10311.27	9686.54

Note 19.1

Particulars of material consumed

	31.03.2013	31.03.2012
Raw Material Consumed		
Grain	5287.77	3269.30
Molasses	0.00	828.45
Spirit	979.73	1338.49
Pet Resign	1328.71	504.20
Packing Material	0.00	0.00
Bottles	1025.79	2159.39
Other Packing Material	1258.73	1213.14
Consumables	430.54	373.57
Total	10311.27	9686.54

NOTE 20**PURCHASE OF STOCK-IN-TRADE**

	(₹ In Lacs)	
PARTICULARS	31.03.2013	31.03.2012
	₹	₹
PURCHASE	5.44	0.00
TOTAL	5.44	0.00

NOTE 21**CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN PROCESS**

	(₹ In Lacs)	
PARTICULARS	31.03.2013	31.03.2012
	₹	₹
INVENTORIES (OPENING)		
FINISHED GOODS	797.13	335.64
STOCK-IN-PROCESS	57.65	82.60
INVENTORIES (CLOSING)		
FINISHED GOODS	1164.21	797.13
STOCK-IN-PROCESS	119.73	57.65
TOTAL	(429.17)	(436.54)

NOTE 22**EMPLOYEE BENEFITS EXPENSE**

	(₹ In Lacs)	
PARTICULARS	31.03.2013	31.03.2012
	₹	₹
SALARY & WAGES (Refer Note 22.1)	377.21	286.14
CONTRIBUTION TO PROVIDENT AND OTHER FUNDS	31.78	16.80
STAFF WELFARE EXPENSES	6.63	3.27
TOTAL	415.63	306.21

Note 22.1

As per Accounting Standard 15 " Employee Benefits ", the disclosures of Employee benefits as defined in the Accounting Standard are given below :

A) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:-

	(₹ in Lacs)	
	2012-13	2011-12
Employer's Contribution to Provident Fund	10.96	10.07

B) Defined Benefit Plan

i) The obligation of leave encashment is recognized, provided and paid on yearly basis. There is no accumulation of the same except current year

ii) The Company has taken Group Gratuity Policy of LIC of India. The Present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

I. Reconciliation of opening and closing balances of obligation

	(₹ in Lacs)	
	2012-13	2011-12
Liability at the beginning of the year	48.61	43.61
Current Service Cost	3.96	4.67
Interest Cost	4.25	3.60
Benefits paid	0.00	(2.80)
Actuarial (gain)/ Loss on obligations	13.74	(0.47)
Liability at the end of the year	70.56	48.61

II. Reconciliation of opening and closing balances of fair value of plan assets

	₹ in Lacs)	
Fair value of plan assets at the beginning of the year	43.80	35.00
Expected return on plan assets	3.77	2.89
Contribution by the employer	7.51	8.13
Benefits paid	0.00	(2.80)
Actuarial (gain)/Loss	0.29	0.57
Fair value of plan assets at the end of the year	55.37	43.80

III. Expenses recognized in Profit & Loss Account

	₹ in Lacs)	
Current Service Cost	3.96	4.67
Interest Cost	4.25	3.60
Expected return on plan assets	(3.77)	(2.89)
Total Actuarial (gain)/loss	13.45	(1.04)
Total Expenses included in employee cost	17.90	4.34

IV. Principal actuarial assumptions

(₹ In Lacs)

Discount rate	8.00%	8.75%
Expected rate of return on plan of assets	8.70%	8.75%
Salary increment rate	6.00%	6.00%
Composition of plan assets		
Investment with insurer	100%	100%

NOTE 23**FINANCE COST**

(₹ In Lacs)

PARTICULARS	31.03.2013	31.03.2012
	₹	₹
INTEREST EXPENSE	381.45	351.70
OTHER BORROWING COSTS	22.76	21.95
TOTAL	404.21	373.65

NOTE 24**OTHER EXPENSE**

(₹ In Lacs)

PARTICULARS	31.03.2013	31.03.2012
	₹	₹
MANUFACTURING EXPENSES		
CONSUMPTION OF STORES AND SPARE PARTS	255.13	254.13
POWER & FUEL	1953.42	1173.56
REPAIRS TO BUILDINGS	0.15	4.50
REPAIRS TO MACHINERY	80.97	112.66
INSURANCE	20.35	13.47
OTHER MANUFACTURING EXPENSES	677.96	531.12
SELLING AND DISTRIBUTION EXPENSES		
FREIGHT OUTWARD	328.88	469.42
LABOUR CHARGES	220.41	260.77
ADMINISTRATION EXPENSES		
RENT	41.19	34.76
RATES & TAXES	3.56	2.11
PAYMENT TO AUDITOR (Refer Note 24.1)	7.14	7.20
OTHER SELLING & ADMINISTRATION EXPENSES (Refer Note 24.2)	647.81	487.66
TOTAL	4236.98	3351.36

Note 24.1**Payment to Auditor as:**

(a) Auditor	4.55	4.00
(b) For taxation matters	0.24	1.03
(c) For management services	2.25	1.98
(d) For other certifications	0.10	0.18
(e) For reimbursement of expenses	0.00	0.01
Total	7.14	7.20

Note 24.2

Other Selling & Administration expenses includes foreign currency fluctuation expenses amounting to Nil (previous year ₹ 0.60 Lacs) and prior period expenses (net of income) of ₹ (0.32) Lacs/- (previous year ₹ (15.89) Lacs).

NOTE 25**CONTINGENT LIABILITIES AND COMMITMENTS**

PARTICULARS	(₹ In Lacs)	
	31.03.2013	31.03.2012
	₹	₹
Contingent Liabilities		
(A) Guarantees		
(i) Guarantees to Banks and Financial Institutions against credit facilities extended to third parties	3200.00	3100.00
(ii) Bank Guarantees to other parties	227.66	341.79
(B) Dues		
(iii) VAT payable	0.00	40.18
(iv) Entry Tax payable	49.93	34.13
(v) State Excise Duty payable	348.53	0.00
(vi) MPGATSAVA Tax	2.65	0.00
(v) Income Tax demand	75.54	5.50
(vi) Fringe Benefit Tax demand	0.42	0.42
Commitments		
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for	946.3	2849.94

NOTE 26**EARNING PER SHARE**

Particulars	31.03.2013	31.03.2012
Face Value per Share (₹)	10	10
Weighted average number of Equity Shares	9039600	9039600
Number of Equity Shares at the beginning of the year	9039600	9039600
Number of Equity Shares at the end of the year	9039600	9039600
Weighted average number of Equity Shares outstanding during the year	9039600	9039600
Net Profit after tax available for Equity Share holders (₹ in Lacs)	330.98	258.59
Net Profit after tax available for Equity Share holders (₹ in Lacs) (excluding Extra Ordinary Item)	330.98	258.59
Basic and diluted Equity per share (in ₹) annualized (excluding Extra Ordinary Item)	3.66	2.86

NOTE 27**EARNING AND EXPENDITURE IN FOREIGN CURRENCY**

PARTICULARS	(₹ In Lacs)	
	31.03.2013	31.03.2012
	₹	₹
<u>Earnings</u>		
Export Sales	0.00	17.66
<u>Expenditure</u>		
Professional Development Expenses	70.97	12.54
Travelling Expenses	6.18	4.35

NOTE 28**RELATED PARTY DISCLOUSER**

A List of Related Parties where control exists and related parties with whom transactions have taken place.

Name of Related Party	Relationship
Mr.Ashish Kumar Gadia	Key Managerial Personnel
Mr.Anand Kumar Kedia	Individual owning voting power giving control or significant influence.
Mr.Prasann Kumar Kedia	Individual owning voting power giving control or significant influence.
Mrs.Ram Dulari Kedia	Individual owning voting power giving control or significant influence.
Mrs.Sangita Kedia	Individual owning voting power giving control or significant influence.
Mrs.Sweta Kedia	Individual owning voting power giving control or significant influence.
Mr. Anshuman Kedia	Relative of individual owning voting power giving control or significant influence.
Miss Ravisha Kedia	Relative of individual owning voting power giving control or significant influence.
Venkareshwar Inv. & Fin. (P) Ltd	Enterprise over which persons referred hereinabove have been able to exercise significant influence.
Snehsil Hirise (P) Ltd	Enterprise over which persons referred hereinabove have been able to exercise significant influence.
Vedant Energy Pvt. Ltd.	Subsidiary Company

B Related party transaction

(₹ in Lacs)

Particulars	Key Managerial Personnel		Relatives of Individual owning voting power giving control or significant influence		Individual owning voting power giving control or significant influence		Enterprise over which persons referred hereinabove able to exercise significant influence		Subsidiary Company	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Managerial Remuneration	1.92	1.80								
Salary			3.84	1.20	18.96	7.20				
Rent					3.60	2.40				
Professional Development Expenses			26.83	12.58						
Loan Taken							134.92	53.78		
Investment									136.33	0.00

Guarantees obtained from certain key managerial personnel for the financial facilities availed from Banks/ FI's to the extend of ₹ 6675 Lacs (Previous year ₹ 6100 Lacs)

NOTE 29
SEGMENT REPORTING

(₹ In Lacs)

Particulars	2012-13				2011-12				
	Allocated		Unallocated	Total	Allocated			Unallocated	Total
	Potable Alcohol	Wind Power			Potable Alcohol	Wind Power	Others		
Segment Revenue									
External Turnover	15670.42	55.14	0.00	15725.56	13799.96	46.01	0.00	0.00	13845.97
Inter Segment Turnover	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross Turnover	15670.42	55.14	0.00	15725.56	13799.96	46.01	0.00	0.00	13845.97
Less: Excise duty	9.59	0.00	0.00	9.59	5.27	0.00	0.00	0.00	5.27
Net Turnover	15660.83	55.14	0.00	15715.97	13794.69	46.01	0.00	0.00	13840.70
Segment Result before Interest and	802.17	26.09	(9.70)	818.56	533.79	17.34	0.00	17.98	569.11
Less: Interest Expense				381.45					372.09
Add: Interest Income				113.46					145.92
Add: Extraordinary Item				0.00					0.00
Profit Before Tax				550.57					342.94
Current Tax				115.11					80.00
Deferred Tax				102.74					3.52
Profit after tax				332.71					259.42
Tax for prior period				1.74					0.83
Profit for the year				330.98					258.59
Other Information									
Segment Assets	13879.83	408.01	2134.25	16422.09	12656.44	419.63	0	301.82	13377.90
Segment Liabilities	4627.00	37.52	6630.50	11295.02	3575.84	6.95	0.00	4999.01	8581.80
Capital Expenditure	3659.07	0.00	0.21	3659.28	3741.83				3741.83
Depreciation and Amortisation	470.90	21.83	2.06	494.80	367.77	21.83		2.05	391.65
Non Cash Expenditure other than depreciation and amortisation			0.05	0.05				0.05	0.05

Independent Auditor's Report (Consolidated)

To The Board of Directors of
Associated Alcohols & Breweries Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **Associated Alcohols & Breweries Limited** (the "Company") and its subsidiary (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred in Section 211 (3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the institute of Chartered accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and the best of our information and according to the explanations given to us and based on consideration of the reports of the other auditor on the financial statements of the subsidiary as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a). in the case of the Consolidated Balance Sheet of the state of affairs of the Group as at March 31, 2013;
- (b). in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
- (c). in the case of the Consolidated Cash Flow Statement of the cash flows of the Group for the year ended on that date.

Other Matters

6. The financial statements of subsidiary is audited by M/s B.K. Agrawal & Co., Chartered Accountants, Kolkata, whose financial statements reflect total assets (net) of ₹149.53 Lakhs as at March 31, 2013, total revenues (net) of ₹ (0.10) Lakhs and net cash flows amounting to ₹ 0.07 Lakhs for the year ended on that date. These financial statements have been audited by the auditor whose report has been furnished to us and our opinion, is based solely on the report of the auditor.

Our opinion is not qualified in respect of other matters.

For B. K. Agrawal & Co.
Chartered Accountants
Firm Registration No. 314202E

(CAB. K. Agrawal)
PARTNER
M. No. 51873

For M.D. Agrawal & Co.
Chartered Accountants
Firm Registration No. 001177C

(CA M.P. Agrawal)
PARTNER
M.No. 016736

Place : Indore
Dated : 20th July, 2013

ASSOCIATED ALCOHOLS & BREWERIES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

PARTICULARS	NOTE NO.	(₹ in Lacs)
		31.03.2013 ₹
I. EQUITY AND LIABILITIES		
1 SHAREHOLDER'S FUNDS		
SHARE CAPITAL	1	903.96
RESERVES & SURPLUS	2	4223.06
MINORITY INTEREST	3	73.53
2 NON-CURRENT LIABILITIES		
LONG TERM BORROWINGS	4	3936.30
DEFERRED TAX LIABILITIES (NET)	5	832.18
OTHER LONG TERM LIABILITIES	6	454.22
3 CURRENT LIABILITIES		
SHORT TERM BORROWINGS	7	1703.55
TRADE PAYABLES	8	2291.27
OTHER CURRENT LIABILITIES	9	1940.72
SHORT TERM PROVISIONS	10	137.00
TOTAL		16495.79
II. ASSETS		
1 NON CURRENT ASSETS		
FIXED ASSETS		
TANGIBLE ASSETS	11	8754.54
INTANGIBLE ASSETS	11	132.68
CAPITAL WORK-IN-PROGRESS	11	764.91
NON CURRENT INVESTMENTS	12	381.16
LONG TERM LOANS & ADVANCES	13	503.32
2 CURRENT ASSETS		
INVENTORIES	14	2256.18
TRADE RECEIVABLES	15	870.72
CASH AND CASH EQUIVALENTS	16	1078.30
SHORT TERM LOANS AND ADVANCES	17	1753.93
TOTAL		16495.74

SIGNIFICANT ACCOUNTING POLICIES
 NOTES ON FINANCIAL STATEMENT 1 TO 31
 AS PER OUR REPORT OF EVEN DATE ATTACHED HERE TO

FOR B.K. AGRAWAL & CO.,

Chartered Accountants

(CA B.K. AGRAWAL)

PARTNER
 M.NO.- 51873
 FRN -314202E

FOR M.D. AGRAWAL & CO.,

Chartered Accountants

(CA M.P. AGRAWAL)

PARTNER
 M.NO.- 16736
 FRN -001177C

ON BEHALF OF THE BOARD

ASHISH GADIA
 WHOLETIME DIRECTOR

NITIN TIBREWAL
 DIRECTOR

PLACE : INDORE

DATED : 20th July, 2013

ASSOCIATED ALCOHOLS & BREWERIES LIMITED
CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

PARTICULARS	NOTE NO.	(₹ in Lacs)
		2012-13 ₹
INCOME		
I. REVENUE FROM OPERATIONS	18	15716.01
II. OTHER INCOME	19	273.75
III. TOTAL REVENUE (I + II)		15989.77
IV. EXPENDITURE		
COST OF MATERIALS CONSUMED	20	10311.27
PURCHASE OF STOCK-IN-TRADE	21	5.44
CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN PROCESS	22	(429.17)
EMPLOYEE BENEFITS EXPENSE	23	415.63
FINANCE COSTS	24	404.21
DEPRECIATION AND AMORTISATION EXPENSE		494.80
OTHER EXPENSES	25	4237.17
TOTAL EXPENSES		15439.35
PROFIT BEFORE EXCEPTIONAL AND		
V. EXTRAORDINARY ITEMS AND TAX (III - IV)		550.42
VI. EXCEPTIONAL ITEMS		0.00
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)		550.42
VIII. EXTRA ORDINARY ITEM		0.00
IX. PROFIT BEFORE TAX (VII + VIII)		550.42
X. TAX EXPENSE		
1) CURRENT TAX		115.11
2) DEFERRED TAX		102.70
XI. PROFIT AFTER TAX (IX - X)		332.61
XII. TAX FOR PRIOR PERIOD		1.74
PROFIT FOR THE YEAR (Before adjustment for Minority		
XIII. Interest) (XI - XII)		330.87
SHARE OF PROFIT/ (LOSS) TRANSFERRED TO		
XIV. MINORITY INTEREST		(0.05)
PROFIT FOR THE YEAR (After adjustment for Minority		
XV. Interest) (XIII - XIV)		330.92
EARNING PER EQUITY SHARE OF FACE VALUE OF Rs.10/- EACH		
BASIC AND DILUTED (Excluding Extra Ordinary Item)		3.66
BASIC AND DILUTED (Including Extra Ordinary Item)		3.66

SIGNIFICANT ACCOUNTING POLICIES

NOTES ON FINANCIAL STATEMENT 1 TO 31

AS PER OUR REPORT OF EVEN DATE ATTACHED HERE TO

FOR B.K. AGRAWAL & CO.,
Chartered Accountants

ON BEHALF OF THE BOARD

(CA B.K. AGRAWAL)
PARTNER
M.NO.- 51873
FRN -314202E

ASHISH GADIA
WHOLETIME DIRECTOR

FOR M.D. AGRAWAL & CO.,
Chartered Accountants

(CA M.P. AGRAWAL)
PARTNER
M.NO.- 16736
FRN -001177C

NITIN TIBREWAL
DIRECTOR

PLACE : INDORE

DATED : 20th July, 2013

ASSOCIATED ALCOHOLS & BREWERIES LTD.
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

		(₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		2012-2013
NET PROFIT BEFORE TAX		550.42
ADJUSTMENT FOR DEPRECIATION		494.80
PROFIT ON SALE OF CAPITAL ASSETS		(60.93)
LOSS ON SALE OF CAPITAL ASSETS		0.09
OTHER INCOME FROM INVESTMENTS		0.00
INTEREST PAID		381.45
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		1365.83
ADJUSTMENT FOR CHANGE IN TRADE AND OTHER RECEIVABLES		635.86
INVENTORIES		(160.81)
TRADE PAYABLES AND OTHER PAYABLES		375.75
CASH GENERATED FROM OPERATIONS		2216.63
INTEREST PAID		(381.45)
DIRECT TAX PAID		(64.45)
NET CASH FLOW FROM OPERATIONS	(A)	1770.73
B. CASH FLOW FROM INVESTMENTS		
PURCHASE OF FIXED ASSETS		(3659.28)
SALES OF FIXED ASSETS		66.02
PURCHASE OF INVESTMENTS		(136.33)
INCOME FROM INVESTMENTS		0.00
NET CASH USED IN INVESTMENTS	(B)	(3729.59)
C. CASH FLOW FROM FINANCE		
PROCEEDS FROM LONG TERM BORROWINGS		2169.30
PROCEEDS FROM SHORT TERM BORROWINGS		18.65
TAX PROVISION OF EARLIER YEAR		(1.74)
NET CASH FLOW FROM FINANCE	(C)	2186.22
NET CASH FLOW / OUTFLOW	(A+B+C)	227.36
CASH AND CASH EQUIVALENTS (OPENING BALANCE)		850.94
(CLOSING BALANCE)		1078.30
NET INCREASE / DECREASE IN CASH		227.36

Notes :

1. The Consolidated Cash Flow Statement has been prepared under the " Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
2. The following have been considered under financing activities :- Cash credit / Working capital demand loan and other borrowings being source of finance.
3. Proceeds from borrowings are shown net of repayments.
4. Purchase of fixed assets are shown inclusive of movements in capital work - in - progress.
5. Cash and cash equivalents represent cash & bank balances and bank deposits.
6. Previous year's figures have been regrouped wherever necessary.

ON BEHALF OF THE BOARD

Place : INDORE
DATED : 20th July, 2013**ASHISH GADIA**
WHOLETEIME DIRECTOR**NITIN TIBREWAL**
DIRECTOR

NOTES ON ACCOUNTS M/S. ASSOCIATED ALCOHOLS & BREWERIES LIMITED

PART – A - SIGNIFICANT ACCOUNTING POLICIES

(a) **Basis of Preparation of Financial Statements:**

The company adopts the mercantile system of Accounting and recognizes, Income and expenditure on accrual basis except where stated specifically. The financial statements have been prepared by following a going concern approach and are in conformity with the statutory provisions, accounting standards notified under Section 211 (3C) of the Companies Act, 1956 and the relevant provisions thereof and generally accepted practices prevailing in India except as otherwise stated.

(b) **Fixed Assets :**

Fixed assets are stated at cost inclusive of inward freight, duties, taxes, financial cost and other expenses upto putting the assets in use.

(c) **Investments:**

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost, Provisions for diminution in the value of the long-term investments is made only if such a decline is other than temporary.

(d) **Inventories:**

Inventories are valued at lower of cost or net realizable value except cost of work in progress, which is determined on absorption costing method.

(e) **Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Gross turnover includes excise duty on sales but does not include Sales Tax and VAT.

Income from Services

Revenue from service contracts are recognized pro-rata over the period of the contract as and when services are rendered and are net of service tax.

Interest

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

Dividend is recognized when the shareholders' right to receive payment is established by the Balance Sheet Date.

(f) **Bottling Business:**

The company is having arrangement for manufacturing of the products of certain brand owners on fixed charge basis. In view of state excise laws, these transactions have taken place in the name of the company, and accordingly included in Balance Sheet and Profit & Loss account notwithstanding the risks and rewards being with respective brand owners.

- (g) **Depreciation:**
Depreciation has been provided on straight-line method as per rates prescribed under Schedule XIV to the Companies Act, 1956. Leasehold land is amortized over the period of lease.
- (h) **Impairment of Assets:**
An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior years is reversed if there has been a change in the estimate of recoverable amount.
- (i) **Employee Benefits:**
- (i) The company's contribution to Provident Fund and Employees State Insurance Scheme are charged to profit & loss account.
 - (ii) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
 - (iii) Post employment and other long-term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the profit and loss account.
 - (iv) Encashment of leave is recognized, provided and paid on yearly basis. There is no accumulation of the same except current year.
- (j) **Earning Per Share:**
The earning considered in ascertaining the company's earning per share (EPS) comprise of the net profit after tax. The number of shares used in computing diluted EPS comprise of weighted average shares considered for deriving basic EPS and also the weighted average number of Equity Shares which could have been issued on the conversion of all dilutive potential Equity Shares.
- (k) **Prior Period Items:**
Income and expenses, which arise in the current year as a result of errors or omissions in the preparation of financial statements of one or more prior periods, are stated as prior period adjustments in the notes of Accounts.
- (l) **Foreign Currency Transaction:**
- (i) Foreign Currency transactions are recorded at the exchange rate prevailing on the date of transaction.
 - (ii) Monetary items denominated in foreign currencies (such as cash receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable as on that date.
 - (iii) Non-Monetary items denominated in foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction.
 - (iv) Any gains or losses arising due to exchange differences at the time of translation or settlement are accounted for in the Profit and Loss Account.
- (m) **Provision, Contingent Liabilities and Contingent Assets:**
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

- (n) **Lease Assets:**
Leases where the lessor effectively retain substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a Straight-line basis over the lease term. Lease income is recognized in the Profit and Loss Account on an accrual basis.
- (o) **Borrowing Costs:**
Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.
- (p) **Export Benefits:**
The benefits accrued (if any) under the Duty Draw Back Scheme as per the Export and Import Policy in respect of exports made under the said Scheme are recognized.
- (q) **Taxation:**
- (i) Provisions for Income Tax and Wealth Tax are determined in accordance with the provisions of Income Tax Act, 1961 and Wealth Tax Act, 1957, respectively.
 - (ii) Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred tax assets are recognized to the extent there is reasonable certainty that these assets can be realized in future.

NOTE 1
SHARE CAPITAL

PARTICULARS	(₹ In Lacs)
	31.03.2013
	₹
A) <u>AUTHORISED:</u>	
1,10,00,000 (31.03.2012 - 1,10,00,000) EQUITY SHARES OF ₹ 10/- EACH	1100.00
TOTAL	1100.00
B) <u>ISSUED</u>	
90,39,600 (31.03.2012 - 90,39,600) EQUITY SHARES OF ₹ 10/- EACH	903.96
C) <u>SUBSCRIBED AND FULLY PAID UP :</u>	
90,39,600 (31.03.2012 - 90,39,600) EQUITY SHARES OF ₹ 10/- EACH (Refer Note 1.1, 1.2, 1.3)	903.96
TOTAL	903.96

Note 1.1

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	31.03.2013
	No. of Shares
Equity shares at the beginning of the year	9039600
Equity shares at the end of the year	9039600

Note 1.2

The company has only one class of equity shares having par value of ₹ 10 each. Each holder of equity share is entitled to one vote per share.

Note 1.3

Details of shares in the company held by each shareholder holding more than 5% shares

Sr. No	Name of Shareholder	31.03.2013	
		No. of Equity Shares	% of total subscribed and fully paid up shares
1	Smt. Ramdulari Kedia	985800	10.91
2	Garnet Tradelink Pvt. Ltd.	900000	9.96
3	Attic Dealcom Pvt. Ltd.	800000	8.85
4	Smt. Sweta Kedia	771000	8.53
5	Smt. Sangita Kedia	743200	8.22
6	Shri Prasann Kumar Kedia	478100	5.29

NOTE 2

RESERVE & SURPLUS

(₹ In Lacs)

PARTICULARS	31.03.2013
	₹
A) CAPITAL RESERVE	24.00
B) SECURITIES PREMIUM RESERVE	1127.53
C) GENERAL RESERVE	
Opening Balance	586.34
Add: Transferred from surplus	50.00
	636.34
D) SURPLUS	
Opening Balance	2214.54
Add: Profit for the year transferred from Statement of Profit & Loss	330.92
Amount available for appropriation	2545.46
Appropriations:	
Amount transferred to General Reserve	50.00
	2495.46
TOTAL	4283.34
Less: Minority Interest	60.28
TOTAL	4223.06

NOTE 3

MINORITY INTEREST

(₹ In Lacs)

PARTICULARS	31.03.2013
	₹
Share Capital	13.25
Share Premium	60.47
Opening Balance of Surplus/ (Loss)	(0.20)
Surplus/ (Loss) for the year	0.00
TOTAL	73.53

NOTE 4

LONG TERM BORROWINGS

(₹ In Lacs)

PARTICULARS	31.03.2013	
	₹	
	NON CURRENT	CURRENT
TERM LOANS FROM BANKS (Secured)	2406.69	736.59
LOANS FROM RELATED PARTIES (Unsecured)	134.92	0.00
LOANS FROM OTHERS (Unsecured) (Refer Note 4.1)	1394.69	0.00
TOTAL	3936.30	736.59
The above amount includes		
Secured borrowings	2406.69	736.59
Unsecured borrowings	1529.61	0.00
TOTAL	3936.30	736.59

Note 4.1

- a) Term loan includes ₹ 39.46 Lacs (previous year ₹ 47.16 Lacs) as car loan, loan repayable on monthly basis, secured by hypothecation on assets acquired under the scheme and personal guarantee of a director.
- b) Financial assistance of ₹ 3103.81 Lacs (previous year ₹ 1018.77 Lacs) as term loan, loan repayable on quarterly basis, secured by pari passu first charge on entire fixed assets of the company through hypothecation for movable and mortgage of immovable on present and future net block of the company, pledge of FDRs of ₹ 189.95 Lacs and personal guarantee of a director.
- c) Financial assistance of ₹ 1529.19 Lacs (previous year ₹ 1437.65 Lacs) as unsecured loans are repayable after one year.

NOTE 5**DEFERRED TAX LIABILITY**

	(₹ In Lacs)
PARTICULARS	31.03.2013
	₹
a) DEFERRED TAX LIABILITY	
Fixed Assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	832.18
TOTAL	832.18

NOTE 6**OTHER LONG TERM LIABILITIES**

	(₹ In Lacs)
PARTICULARS	31.03.2013
	₹
Trade Payables	185.05
Others (Refer Note 6.1)	269.17
TOTAL	454.22

Note 6.1

Others include ware house deposits

NOTE 7**SHORT TERM BORROWINGS**

	(₹ In Lacs)
PARTICULARS	31.03.2013
	₹
LOANS REPAYABLE ON DEMAND	
FROM BANKS (Secured)	1703.55
(Refer Note No. 7.1)	
TOTAL	1703.55

Note 7.1

Financial assistance of ₹ 1703.55 Lacs (previous year ₹ 1684.89 Lacs) as cash credit facility, repayable on demand, secured by first charge by way of hypothecation of inventory and book debts and second charge by way of hypothecation of movable and mortgage of immovable on entire present and future net block and personal guarantee of a director.

NOTE 8
TRADE PAYABLES

PARTICULARS	(₹ In Lacs)
	31.03.2013
	₹
MICRO, SMALL AND MEDIUM ENTERPRISES (Refer Note 8.1)	18.24
OTHERS	2273.04
TOTAL	2291.27

Note 8.1: The details of amount outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:

Particulars	As at 31st March, 2013
Principal amount due and remaining unpaid	-
Interest due on above and the unpaid interest	-
Interest paid	-
Payment made beyond the appointed day during the year	-
Interest due and payable for the period of delay	-
Interest accrued and remaining unpaid	-
Amount of further interest remaining due and payable in succeeding years	-

NOTE 9
OTHER CURRENT LIABILITIES

PARTICULARS	(₹ In Lacs)
	31.03.2013
	₹
CURRENT MATURITIES OF LONG TERM DEBT (Refer Note 3)	736.59
CREDITORS FOR CAPITAL EXPENDITURE	931.95
UNPAID DIVIDEND	1.19
OTHER PAYABLES (Refer Note 9.1)	271.00
TOTAL	1940.72

Note 9.1

Other Payables includes advance from debtors, expenses and statutory liabilities payables.

NOTE 10
SHORT TERM PROVISIONS

PARTICULARS	(₹ In Lacs)
	31.03.2013
	₹
PROVISIONS FOR EMPLOYEE BENEFITS (Refer Note 23.1)	21.03
PROVISION FOR TAXATION	115.97
TOTAL	137.00

**ASSOCIATED ALCOHOLS & BREWERIES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013**

NOTE 11

FIXED ASSETS

(₹ in Lacs)

NAME OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	AS ON 01.04.2012	ADDITION DURING THE YEAR	SALES / TRANSFER DURING THE YEAR	OTHER ADJUSTMENT	AS ON 31.03.2013	UPTO 31.03.2012	DURING THE YEAR	WRITE BACK	TOTAL UPTO 31.03.2013	AS ON 31.03.2013	AS ON 31.03.2012
A) TANGIBLE ASSETS											
1 LAND											
LEASEHOLD LAND	24.26	0.00	0.00	0.00	24.26	5.71	0.91	0.00	6.62	17.64	18.55
FREEHOLD LAND	46.60	0.31	0.00	0.00	46.92	0.00	0.00	0.00	0.00	46.92	46.60
2 BUILDINGS	808.29	147.13	5.47	0.00	949.96	207.65	29.96	1.99	235.61	714.35	600.65
3 PLANT AND EQUIPMENT	7372.52	3546.25	3.68	0.00	10915.09	2872.05	412.93	0.11	3284.86	7630.23	4500.47
4 FURNITURE AND FIXTURES	178.23	12.71	2.93	0.00	188.01	31.50	14.37	2.00	43.87	144.14	146.74
5 VEHICLES	305.84	23.74	5.87	0.00	323.70	144.88	29.99	5.87	169.00	154.70	160.96
6 OFFICE EQUIPMENT	95.88	14.54	2.16	0.00	108.27	56.53	6.65	1.47	61.71	46.56	39.35
TOTAL (A)	8831.63	3744.69	20.11	0.00	12556.20	3318.31	494.80	11.44	3801.67	8754.54	5513.32
B) INTANGIBLE ASSETS											
1 GOODWILL	72.00	60.68	0.00	0.00	132.68	0.00	0.00	0.00	0.00	132.68	72.00
TOTAL (B)	72.00	60.68	0.00	0.00	132.68	0.00	0.00	0.00	0.00	132.68	72.00
C) TOTAL (A + B)	8903.63	3805.36	20.11	0.00	12688.88	3318.31	494.80	11.44	3801.67	8887.21	5585.32
D) CAPITAL WORK IN PROGRESS	850.33	3283.13	3550.52	181.98	764.91	0.00	0.00	0.00	0.00	764.91	850.33
TOTAL (C + D)	9753.95	7088.50	3570.63	181.98	13453.80	3318.31	494.80	11.44	3801.67	9652.13	6435.64

Note 11.1

Other adjustment represents borrowing costs capitalised in accordance with AS 16 Borrowing Costs

NOTE 12**NON-CURRENT INVESTMENT**

	(₹ In Lacs)
PARTICULARS	31.03.2013
	₹
A. Long Term - Trade	
INVESTMENT IN EQUITY INSTRUMENTS - (Fully Paid Up) Unquoted	
2,00,000 (31.03.2012 - 2,00,000), M/s Mount Everest Breweries Limited (associated company) shares of ₹ 10/- each	200.00
35,000 (31.03.2012 - 35,000), M/s Narmada Distilleries Pvt. Limited shares of ₹ 10/- each	35.00
JEMTEC TRADERS PVT LTD 77500(31.03.2012 - 77,500) Shares of ₹10/- each	1.67
N.N PLANTATION & PROPERTIES PVT LTD 80000(31.03.2012 - 80,000) Shares of ₹10/- each	1.72
SUNIKET DEVELOPERS PVT LTD 180000(31.03.2012 - 1,80,000) Shares of ₹10/- each	3.87
ACCORD VANIJYA PVT LTD 266000(31.03.2012 - 2,66,000) Shares of ₹10/- each	5.32
ASSOCIATED INFRASTRUCTURE & HOUSING LTD 28000(31.03.2012 - 28,000) Shares of ₹10/- each	2.80
HIGHGROWTH MERCHANT PVT LTD 20000(31.03.2012 - 20,000) Shares of ₹10/- each	0.40
LINGRAJ HOUSING PVT LTD 10000(31.03.2012 - 10,000) Shares of ₹10/- each	0.20
MAYFAIR MERCANTILES PVT LTD 57000(31.03.2012 - 57,000) Shares of ₹10/- each	11.40
OCEANIC DEVELOPERS PVT LTD 402000(31.03.2012 - 4,02,000) Shares of ₹10/- each	40.20
RABISHA HOLDINGS PVT LTD 60000(31.03.2012 - 60,000) Shares of ₹10/- each	5.28
SAFFRON PLANTATION PVT LTD 2040(31.03.2012 - 2,040) Shares of ₹10/- each	2.55
SMILINGTON HOLDINGS PVT LTD 235000(31.03.2012 - 2,35,000) Shares of ₹10/- each	15.82
SPRINGBOK PROPERTIES PVT LTD 145000(31.03.2012 - 1,45,000) Shares of ₹10/- each	24.14
VENEERS MERCANTILES PVT LTD 151000(31.03.2012 - 1,51,000) Shares of ₹ 10/- each	15.10
VENKATESHWAR INV.& FIN. PVT LTD 18750(31.03.2012 - 18,750) Shares of ₹10/- each	0.19
WELPLAN TRADERS PVT LTD 200000(31.03.2012 - 2,00,000) Shares of ₹10/- each	15.50

B. Long Term - Other than Trade

INVESTMENT IN EQUITY INSTRUMENTS - (Fully Paid Up)
Unquoted

100 (31.03.2012 - 100), M/s Associated Infrastructure &
Housing Limited shares of ₹ 10 each 0.01

TOTAL 381.16

NOTE 13**LONG TERM LOANS & ADVANCES**

(Unsecured and Considered Good)

	(₹ In Lacs)
PARTICULARS	31.03.2013
	₹
CAPITAL ADVANCES	150.88
SECURITY DEPOSIT	89.39
OTHER LOAN & ADVANCES (Refer note 13.1)	263.05
TOTAL	503.32

Note 13.1

Other loan & Advances include advances to employees, statutory receivables, unamortized expenses and loans to corporates.

NOTE 14**INVENTORIES**

	(₹ In Lacs)
PARTICULARS	31.03.2013
	₹
RAW MATERIAL (Refer Note 14.1)	456.35
STOCK IN PROCESS	119.73
FINISHED GOODS (Refer Note 14.1)	1164.21
STORES & SPARES (including coal)	51.96
PACKAGING MATERIAL (Refer Note 14.1)	435.40
CONSUMABLES	28.53
TOTAL	2256.18

Note 14.1

	31.03.2013
Finished Goods includes Goods In Transit	73.17
Stores & Spares includes Goods In Transit	0.99

Note 14.2

Inventories are valued at lower of cost or net realizable value except cost of work in progress, which is determined on absorption costing method.

NOTE 15**TRADE RECEIVABLES**

(Unsecured and Considered Good)

(₹ In Lacs)

PARTICULARS	31.03.2013
	₹
OVER SIX MONTHS	508.90
OTHERS	361.82
TOTAL	870.72

NOTE 16**CASH & CASH EQUIVALENTS**

(₹ In Lacs)

PARTICULARS	31.03.2013
	₹
BALANCE WITH BANKS (Refer note 16.1)	442.50
CASH ON HAND	359.20
FIXED DEPOSITS WITH BANKS (Refer Note 16.2)	276.60
TOTAL	1078.30

Note 16.1

Balance of ₹ 1.18 Lacs (previous year ₹ 1.18 Lacs) with IDBI Bank Limited earmarked for unpaid dividend.

Note 16.2

Fixed Deposits with banks include deposits of ₹ 204.47 Lacs (previous year ₹ 8.08 Lacs) with maturity of more than 12 months.

Fixed Deposits with banks amount to ₹ 124.51 Lacs (previous year ₹ 66.54 Lacs) earmarked for issuance of Bank Guarantees and ₹ 189.95 Lacs (previous year Nil) earmarked for borrowings of ₹ 2622.57 Lacs (previous year Nil).

NOTE 17**SHORT TERM LOAN & ADVANCES**

(Unsecured and Considered Good)

(₹ In Lacs)

PARTICULARS	31.03.2013
	₹
OTHERS (Refer Note 17.1)	1753.93
TOTAL	1753.93

Note 17.1

Other loans & advances include prepaid expenses, statutory receivables, deposits with government departments, advance to employees, advance to suppliers and to service providers.

NOTE 18**REVENUE FROM OPERATIONS**

	(₹ In Lacs)
PARTICULARS	31.03.2013
	₹
SALE OF PRODUCTS	15624.54
SALE OF SERVICES	60.61
OTHER OPERATING REVENUES (Refer Note 18.1)	40.46
	<u>15725.60</u>
Less: Excise Duty	9.59
TOTAL	15716.01

Note 18.1

Other operating revenue consists of compensation received from brand owner manufacturing activity.

Note 18.2

There has been a substantial increase in spent grain sale from ₹ 2.30 Crores (for the year ended 31st March, 2012) to ₹ 16.28 Crores (for the financial year ended on 31st March, 2013) in comparison to grain consumption of 0.31 lacs MT (for the financial year ended on 31.03.2012) to 0.42 lacs MT (for the financial year ended on 31st March, 2013). This has been due to non-availability of adequate buyers in earlier years for such spent grain resulting in allowed to be wasted and/or thrown out.

NOTE 19**OTHER INCOME**

	(₹ In Lacs)
PARTICULARS	31.03.2013
	₹
INTEREST INCOME	113.46
OTHER NON-OPERATING INCOME (Refer Note 19.1)	160.29
TOTAL	273.75

Note 19.1

Other Non-operating income includes profit on sale of fixed assets, rent income and recovery from written off debtors.

NOTE 20**COST OF MATERIAL CONSUMED**

	(₹ In Lacs)
PARTICULARS	31.03.2013
	₹
MATERIALS CONSUMED (Refer Note 20.1)	10311.27
TOTAL	10311.27

Note 20.1

Particulars of material consumed

	31.03.2013
Raw Material Consumed	
Grain	5287.77
Spirit	979.73
Pet Resign	1328.71
Packing Material	
Bottles	1025.79
Other Packing Material	1258.73
Consumables	430.54
Total	10311.27

NOTE 21**PURCHASE OF STOCK-IN-TRADE**

	(₹ In Lacs)
PARTICULARS	31.03.2013
	₹
PURCHASE	5.44
TOTAL	5.44

NOTE 22**CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN PROCESS**

	(₹ In Lacs)
PARTICULARS	31.03.2013
	₹
INVENTORIES (OPENING)	
FINISHED GOODS	797.13
STOCK-IN-PROCESS	57.65
INVENTORIES (CLOSING)	
FINISHED GOODS	1164.21
STOCK-IN-PROCESS	119.73
TOTAL	(429.17)

NOTE 23**EMPLOYEE BENEFITS EXPENSE**

	(₹ In Lacs)
PARTICULARS	31.03.2013
	₹
SALARY & WAGES (Refer Note 22.1)	377.21
CONTRIBUTION TO PROVIDENT AND OTHER FUNDS	31.78
STAFF WELFARE EXPENSES	6.63
TOTAL	415.63

Note 23.1

As per Accounting Standard 15 " Employee Benefits ", the disclosures of Employee benefits as defined in the Accounting Standard are given below :

A) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:-

	(₹ In Lacs)
	2012-13
Employer's Contribution to Provident Fund	10.96

B) Defined Benefit Plan

- i) The obligation of leave encashment is recognized, provided and paid on yearly basis. There is no accumulation of the same except current year
- ii) The Company has taken Group Gratuity Policy of LIC of India. The Present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

I. Reconciliation of opening and closing balances of obligation

	(₹ In Lacs)
	2012-13
Liability at the beginning of the year	48.61
Current Service Cost	3.96
Interest Cost	4.25
Benefits paid	0.00
Actuarial (gain)/ Loss on obligations	13.74
Liability at the end of the year	70.56

II. Reconciliation of opening and closing balances of fair value of plan assets

	(₹ In Lacs)
Fair value of plan assets at the beginning of the year	43.80
Expected return on plan assets	3.77
Contribution by the employer	7.51
Benefits paid	0.00
Actuarial (gain)/Loss	0.29
Fair value of plan assets at the end of the year	55.37

III. Expenses recognized in Profit & Loss Account

	(₹ In Lacs)
Current Service Cost	3.96
Interest Cost	4.25
Expected return on plan assets	(3.77)
Total Actuarial (gain)/loss	13.45
Total Expenses included in employee cost	17.90

IV. Principal actuarial assumptions

	(₹ In Lacs)
Discount rate	8.00%
Expected rate of return on plan of assets	8.70%
Salary increment rate	6.00%
Composition of plan assets	
Investment with insurer	100%

NOTE 24
FINANCE COST

	(₹ In Lacs)
PARTICULARS	31.03.2013
	₹
INTEREST EXPENSE	381.45
OTHER BORROWING COSTS	22.76
TOTAL	404.21

NOTE 25
OTHER EXPENSE

	(₹ In Lacs)
PARTICULARS	31.03.2013
	₹
MANUFACTURING EXPENSES	
CONSUMPTION OF STORES AND SPARE PARTS	255.13
POWER & FUEL	1953.42
REPAIRS TO BUILDINGS	0.15
REPAIRS TO MACHINERY	80.97
INSURANCE	20.35
OTHER MANUFACTURING EXPENSES	677.96
SELLING AND DISTRIBUTION EXPENSES	
FREIGHT OUTWARD	328.88
LABOUR CHARGES	220.41
ADMINISTRATION EXPENSES	
RENT	41.19
RATES & TAXES	3.56
PAYMENT TO AUDITOR (Refer Note 25.1)	7.17
OTHER SELLING & ADMINISTRATION EXPENSES (Refer Note 25.2)	647.97
TOTAL	4237.17

Note 25.1**Payment to Auditor as:**

(a) Auditor	4.58
(b) For taxation matters	0.24
(c) For management services	2.25
(d) For other certifications	0.10
(e) For reimbursement of expenses	0.00
Total	7.17

Note 25.2

Other Selling & Administration expenses includes foreign currency fluctuation expenses amounting to Nil (previous year ₹ 0.60 Lacs) and prior period expenses (net of income) of ₹ (0.32) Lacs/- (previous year ₹ (15.89) Lacs).

NOTE 26**CONTINGENT LIABILITIES AND COMMITMENTS**

PARTICULARS	(₹ In Lacs)
	31.03.2013
	₹
Contingent Liabilities	
(A) Guarantees	
(i) Guarantees to Banks and Financial Institutions against credit facilities extended to third parties	3200.00
(ii) Bank Guarantees to other parties	227.66
(B) Dues	
(iii) VAT payable	0.00
(iv) Entry Tax payable	49.93
(v) State Excise Duty payable	348.53
(vi) MPGATSAVA Tax	2.65
(v) Income Tax demand	75.54
(vi) Fringe Benefit Tax demand	0.42
Commitments	
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for	946.3

NOTE 27**EARNING PER SHARE**

Particulars	31.03.2013
Face Value per Share (₹)	10
Weighted average number of Equity Shares	9039600
Number of Equity Shares at the beginning of the year	9039600
Number of Equity Shares at the end of the year	9039600
Weighted average number of Equity Shares outstanding during the year	9039600
Net Profit after tax available for Equity Share holders (₹)	331
Net Profit after tax available for Equity Share holders (₹) (excluding Extra Ordinary Item)	331
Basic and diluted Equity per share (in ₹) annualized (excluding Extra Ordinary Item)	0.00

NOTE 28**EARNING AND EXPENDITURE IN FOREIGN CURRENCY**

PARTICULARS	(₹ In Lacs)
	31.03.2013
	₹
<u>Earnings</u>	
Export Sales	17.66
<u>Expenditure</u>	
Professional Development Expenses	12.54
Travelling Expenses	4.35

NOTE 29**RELATED PARTY DISCLOSURE**

A List of Related Parties where control exists and related parties with whom transactions have taken place.

Name of Related Party	Relationship
Mr.Ashish Kumar Gadia	Key Managerial Personnel
Mr.Anand Kumar Kedia	Individual owning voting power giving control or significant influence.
Mr.Prasann Kumar Kedia	Individual owning voting power giving control or significant influence.
Mrs.Ram Dulari Kedia	Individual owning voting power giving control or significant influence.
Mrs.Sangita Kedia	Individual owning voting power giving control or significant influence.
Mrs.Sweta Kedia	Individual owning voting power giving control or significant influence.
Mr. Anshuman Kedia	Relative of individual owning voting power giving control or significant influence.
Miss Ravisha Kedia	Relative of individual owning voting power giving control or significant influence.
Venkareshwar Inv. & Fin. (P) Ltd	Enterprise over which persons referred hereinabove have been able to exercise significant influence.
Snehsil Hirise (P) Ltd	Enterprise over which persons referred hereinabove have been able to exercise significant influence.

B Related party transaction

(₹ In Lacs)

Particulars	Key Managerial Personnel	Relatives of Individual owning voting power giving control or significant influence	Individual owning voting power giving control or significant influence	Enterprise over which persons referred hereinabove able to exercise significant influence
	Current Year	Current Year	Current Year	Current Year
Managerial Remuneration	1.92			
Salary	0.00	3.84	18.96	
Rent		0.00	3.60	
Professional Development Expenses		26.83		
Loan Taken				134.92

Guarantees obtained from certain key managerial personnel for the financial facilities availed from Banks/ FI's to the extend of ₹ 6675 Lacs (Previous year ₹ 6100 Lacs)

NOTE 30**SEGMENT REPORTING**

(₹ In Lacs)

Particulars	2012-13			
	Allocated		Unallocated	Total
	Potable Alcohol	Wind Power		
1) Segment Revenue				
External Turnover	15670.42	55.14	0.05	15725.60
Inter Segement Turnover	0.00	0.00	0.00	0.00
Gross Turnover	15670.42	55.14	0.05	15725.60
Less: Excise duty	9.59	0.00	0.00	9.59
Net Turnover	15660.83	55.14	0.05	15716.01
2) Segment Result before Interest and Taxes	802.17	26.09	(9.85)	818.41
Less: Interest Expense				381.45
Add: Interest Income				113.46
Add: Extraordinary Item				0.00
Profit Before Tax				550.42
Current Tax				115.11
Deferred Tax				102.70
Profit after tax				332.61
Tax for prior period				1.74
Profit after Tax (before adjustment for Minority Interest)				330.87
Add: Share of (Profit)/ Loss transferred to Minority				0.05
Profit after Tax (after adjustment for Minority Interest)				330.92
3) Other Information				
Segment Assets	13879.83	408.01	2207.90	16495.74
Segment Liabilities	4627.00	37.52	6630.95	11295.47
Capital Expenditure	3659.07	0.00	0.21	3659.28
Depreciation and Amortisation	470.90	21.83	2.06	494.80
Non Cash Expenditure other than depreciation and amortisation			0.05	0.05

NOTE 31**Subsidiary Company considered in the consolidated financial statements**

Name of Subsidiary	Country of Incorporation	Proportion of ownership interest
Vedant Energy Private Limited	India	50.71%

FINANCIAL INFORMATION OF SUBSIDIARY COMPANY

Name of Subsidiary Company Vedant Energy Pvt. Limited

(₹ in Lakhs)

Capital	26.88
Reserves	122.19
Total Assets	149.53
Total Liabilities	0.45
Investments	146.15
Turnover	0.05
Profit before taxation	(0.15)
Provision for taxation	(0.05)
Profit after taxation	(0.10)
Proposed dividend	0.00

ASSOCIATED ALCOHOLS & BREWERIES LTD.

Registered Office : 106A, Shyam Bazar, Kolkata – 700 005

PROXY FORM

Reg. Folio No. _____

No. of Shares held _____

I/We _____ of _____

Being a member/members of Associated Alcohols & Breweries Limited appoint _____ of

_____ or failing him _____ of _____

as my/our proxy to vote for me/us on my/our behalf at the 24th ANNUAL GENERAL MEETING of the Company to be held on 2nd September, 2013 and at any adjournment thereof.

Signed this _____ Day of _____ 2013.

Signature
(Affix a Revenue Stamp)

Note - This Form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

ASSOCIATED ALCOHOLS & BREWERIES LTD.

Registered Office : 106A, Shyam Bazar, Kolkata – 700 005

ATTENDANCE SLIP

(To be handed over the entrance of the meeting hall)

I hereby record my presence at the Twenty Third Annual General Meeting of the Company held at "Shripati Singhanania Hall", Rotary Sadan, 94/2, J.L. Nehru Road, (Chouranghee Road), Kolkata – 700 020 on Monday, 2nd day of September 2013 at 3.30 p.m.

Full name of Member (in block letters) _____

Reg. Folio No. _____ No. of Shares held _____

Full name of Proxy (in block letters) _____

Member's / Proxy's signature _____

