

ASSOCIATED ALCOHOLS & BREWERIES LTD.
21st ANNUAL REPORT 2009-10

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of Associated Alcohols & Breweries Ltd. will be held at "Shripati Singhania Hall", Rotary Sadan, 94/2, J.L. Nehru Road, (Chouranghee Road), Kolkata - 700020, on Thursday, 30th September 2010 at 3:00 P.M. for following business:

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet of the Company as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date, together with the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Harshan Kumar Bhandari, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Manish Tibrewal who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not to be a member of the Company. Proxies in order to valid and effective must be delivered at the Registered Office of the Company not later than forty eight hours before the Commencement of the meeting.
2. The Register of Members and the Shares transfer books of the Company shall remain closed from Monday, the 27th September, 2010 to Thursday 30th September, 2010 both days inclusive.

REGISTERED OFFICE

Queens Court
8C, Queens Park,
Ballygunge, Kolkata-700019

By order of the Board

Dated: 27th August, 2010

S.K. KEDIA
DIRECTOR

ANNEXURE TO NOTICE

1. **Shri Harshan Kumar Bhandari :**
Shri Harshan Kumar Bhandari (aged about 61 years) is an Engineering Graduate having over three decades of experience in multi-functional areas. He is associated with the Company since its inception and is one of the promoter directors of the Company.
Other Directorship: Nil.
2. **Shri Manish Tibrewal :**
Shri Manish Tibrewal (aged about 34 years) is a Commerce graduate. He is young and dynamic and having rich experience in multi-functional areas.
Other Directorship: Nil.

REGISTERED OFFICE

Queens Court
8C, Queens Park,
Ballygunge, Kolkata-700019

By order of the Board

Dated: 27th August, 2010

S.K. KEDIA
DIRECTOR

DIRECTORS REPORT

To the Members,

Your Directors have pleasure in presenting their 21st Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2010.

FINANCIAL RESULTS PARTICULARS	Rupees in Lacs	
	2009-2010	2008-2009
Sales & Other Income	11000.84	9891.14
Profit/(Loss) before Depreciation & Tax	481.82	527.40
Profit/(Loss) before Tax	183.88	246.85
Provision for Current Tax	(31.94)	(35.21)
Deferred Taxation	(32.18)	(94.83)
Profit for the year	119.54	116.81
Add: Balance brought forward from previous Year	1740.77	1673.96
Profit available for appropriation	1860.31	1790.77

APPROPRIATIONS

General Reserve	50.00	50.00
Amount carried to next year	1610.31	1740.77

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.

OPERATIONS

The turnover of the Company during the year was at Rs. 110.00 Crores in comparison to Rs.98.91 Crores in the previous year. The operation profit for the year was Rs. 4.81 Crores in comparison to Rs.5.27 Crores in the previous year. In view of the present scenario of the Industry, your Directors consider overall performance of the Company satisfactory.

MODERNISATION OF DISTILLERY UNIT

The Company has undertaken modernization programme in its Distillery Unit. The Project is in progress and expected to be completed shortly.

DIRECTORS

Shri Harshan Kumar Bhandari and Shri Manish Tibrewal, Directors retire by rotation and being eligible, offer themselves for reappointment.

MANAGEMENT DISCUSSION AND ANALYSIS

PRESENT INDUSTRY SCENARIO AND DEVELOPMENTS, OPPORTUNITIES, THREATS & PERFORMANCE:

The Company is mainly operating under the bulk Alcohol segment and supplies to the Government and leading IMFL manufacturers. The liquor consumption is growing by 15% CAGR. The Company's units are operating at optimum level. The Company is further concentrating for the value added products, IMFL to increase its margins in the coming years.

A. OUTLOOK:

The Company is striving hard to improve cost efficiencies, widen its reaches to new consumer segments and consolidate further on its image. Barring unforeseen circumstances, the Company expects to improve its march towards improved profitability.

B. RISKS AND CONCERNS:

Stiff competition in the market does have an impact on the product pricing policies and put the operating margin 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 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. The Company has a well-defined organization structure and authority limits. It strictly adheres to corporate policy with respect to financial reporting and budgeting functions. The Audit Committee of the Board of Directors deals with significant control issues and instructs further areas to be covered.

D. FINANCIAL CONTROLS

The total capital employed by the Company was Rs 75.57 Crores at the year-end 2009-2010 in comparison to Rs 72.13 Crores 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 Rs. 15.63 Crores at the close of 2009-2010 as against Rs. 14.02 Crores at the end of the previous year.

The interest outflow was Rs. 2.58 Crores in 2009-2010 as against Rs. 2.20 Crores in 2008-2009, out of which working capital interest and bank charges accounted for Rs. 2.38 Crores as against Rs. 2.12 Crores in the previous year. 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:

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.

F. CAUTIONARY STATEMENT:

Statement in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectation of future events. Actual results could however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include demand-supply conditions, finished goods prices, raw materials costs and availability, changes in Government regulations and tax structure and other factors. The Company assumes no responsibility of forward looking statement herein which may undergo changes in future on the basis of subsequent developments, information or events.

G. DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- Appropriate accounting policies have been selected and applied consistently and that judgements 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 2010 and of its profit for the year ended on that date.
- 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.
- The annual accounts have been prepared on a going concern basis.

H. CORPORATE GOVERNANCE

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

I. AUDITOR'S REPORT

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

J. AUDITORS

The Auditors Mrs. B. K. Agrawal & Co., Kolkata and M/s. M. D. Agrawal & Co., Indore retire at the forthcoming Annual General Meeting and are eligible for reappointment for the period from the conclusion of the ensuing Annual General Meeting to the conclusion of the next Annual General Meeting.

K. 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.

L. 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.

ACKNOWLEDGEMENT

Your Directors are thankful to the Banks, Financial Institutions and other Government agencies for their assistance, as also to the suppliers and customers for their support to the Company. Your Directors also take this opportunity to express their sincere thanks to the shareholders for their continued faith in the Company.

FOR AND ON BEHALF OF THE BOARD

SANTOSH KUMAR KEDIA
Director

HARSHAN KUMAR BHANDARI
Director

Dated: 27th August, 2010
Place: Indore

ANNEXURE - I**REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE****1. Company's Philosophy on Code of Governance**

The Company is committed to good Corporate Governance. The mandatory requirements pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges relating to "Corporate Governance" (hereinafter referred to as "the said Clause") have been implemented by the Company. The Company has always tried to adopt the good standards of disclosures so as to emphasize transparency, accountability and integrity towards all its stakeholders. The Company will continue to strive hard towards raising of standards so as to enhance the shareholders value.

2. Board of Directors ('Board')**COMPOSITION OF THE BOARD OF DIRECTORS**

The Board comprises of Executive and Non-Executive Directors. The strength of the Board as on 31st March 2009 was 6 members comprising of 3 Executive Directors and 3 Non-Executive Directors. The composition includes 3 independent Directors out of which 2 are Non-Executive Directors. The Board's composition meets with the stipulated requirement of at least half of the Board comprising independent directors and non-executive Directors.

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 29 times and there was no gap exceeding one month between any two meetings. Board members ensure that their other responsibilities do not have material impact on their responsibilities as a Director of the Company.

The Board meetings during the year were held on 5th April, 2009, 29th April, 2009, 5th May, 2009, 20th May, 2009, 5th June, 2009, 20th June, 2009, 6th July, 2009, 20th July, 2009, 30th July, 2009, 5th August, 2009, 20th August, 2009, 5th September, 2009, 20th September, 2009, 5th October, 2009, 20th October, 2009, 30th October, 2009, 5th November, 2009, 20th November, 2009, 5th December, 2009, 20th December, 2009, 4th January, 2010, 20th January, 2010, 30th January, 2010, 5th February, 2010, 16th February, 2010, 20th February, 2010, 5th March, 2010, 15th March, 2010 and 20th March, 2010.

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 Sanotsh Kumar Kedia	ED	Director	28	Yes	1	-
2.	Shri Harshan Kumar Bhandari	ED	Director	25	No	-	-
3.	Shri Ashish Gadia	ED	Director	20	Yes	-	-
4.	Shri Surendra Kumar Khetawat	NED	Director	18	Yes	5	2
5.	Shri Manish Kumar Tibrewal	NED	Director	22	Yes	-	2
6.	Shri Ranjan Tibrewal	NEO	Director	24	No	-	-

Details of shares held by the Non-Executive Directors as on 31st March 2010 are as follows:

- Shri Surendra Kumar Khetawat Nil
- Shri Manish Kumar Tibrewal 200

3. Board Committees

To enable better and more focused attention on the affairs of the Company, the Board has delegated specific matters to Committee 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 held its meeting on 29th April 2009, 30th July 2009, 30th October 2009 and 30th January 2010.

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

S. No.	Name	Executive / Non Executive	Category
1.	Shri Manish Kumar Tibrewal	Non-Executive & Independent	Chairman
2.	Shri Ranjan Tibrewal	Non-Executive	Member
3.	Shri Surendra Kumar Khetawat	Non-Executive & Independent	Member

Shri S.K. Kedla, Director along with the Statutory Auditors are invitees to the meeting

MEETING AND ATTENDANCE:

The Committee met four times during the year under review. The said meetings were held on 29th April, 2009, 30th July, 2009, 30th October, 2009 and 30th January, 2010

S. No.	Name of Directors	Category	Nos. of Meeting attended
1.	Shri Manish Kumar Tibrewal	Chairman	4
2.	Shri Ranjan Tibrewal	Member	4
3.	Shri Surendra Kumar Khetawat	Member	4

(2) SHAREHOLDERS' INVESTORS GRIEVANCES COMMITTEE

The Committee constituted to attend to and address the Shareholders' and Investors' grievances consist three members namely Shri Manish Kumar Tibrewal, Shri Ranjan Tibrewal and Shri Surendra Kumar Khetawat. This Committee meets periodically to approve transfer of shares and resolve investor's grievance if any. The Committee oversees the performance of Registrars and Transfer Agents and recommends measures for overall improvement of the quality of investor services.

S. No.	Name of Directors	Category	Nos. of Meetings 2009-2010	Nos. of Meeting attended
1.	Shri Surendra Kumar Khetawat	Chairman	10	10
2.	Shri Manish Kumar Tibrewal	Member	10	8
3.	Shri Ranjan Tibrewal	Member	10	9

NAME AND DESIGNATION OF THE COMPLIANCE OFFICER:

Mr. S.K. Kedla, Director

DETAILS OF SHAREHOLDERS COMPLAINTS RECEIVED:

Number of Complaints	-	23
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
18th	Rotary Sadan, 19/2 J.L. Nehru Road, Kolkata - 700 020	28-09-2007	4.00 P.M.
19th	Rotary Sadan, 19/2 J.L. Nehru Road, Kolkata - 700 020	25-09-2008	11.00 A.M.
20th	Hotel Himalaya, 134/1, Mahatma Gandhi Road, Kolkata - 700 007	30-09-2009	11 00 A.M

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

(4) 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.

(5) 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 alongwith 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	: 30 th September 2010
Venue	: "Shripati Singhania Hall", Rotary Sadan, 94/2, J.L. Road, (Chouranghee Road) Kolkata-700020
Time	: 03.00 P.M.
Book Closure Date	: 27 th September 2010 to 30 th September, 2010
Dividend payment date	: N.A.
Listing on Stock Exchange	: Mumbai, Annual listing fee for the Year 2010-11 has been paid.
Custodial Fees to Depositories	: Fee for the year 2010-11 to NSDL and CDSL has been paid.

MARKET PRICE DATA: H/L OF EACH MONTH IN THE LAST FINANCIAL YEAR**SHARE PRICE - HIGH & LOW (Rs.) - year 2009-2010**

Month	Apr 09	May 09	June 09	July 09	Aug 09	Sept 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10
Low	14.00	17.40	21.15	19.85	18.50	23.25	19.10	20.00	30.15	34.00	29.45	26.65
High	19.50	24.80	29.00	24.95	23.85	25.00	24.75	31.70	42.70	44.75	35.80	38.50

REGISTRAR & TRANSFER AGENTS:

Ankit Consultancy Pvt. Ltd., Alankar Point, Geeta Bhawan Chauraha, Indore - 452 001. Phone No. 0731-2491298/2495229, Fax No. 0731-4065798, e-mail: ankitind@sancharnet.in.

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.

Distribution of Shareholding as on 31st March 2010

Range in Rs.	Number of Holders	% to Total Holders	Shareholding (Rs. in Lacs)	% to total Capital
000001-001000	4467	73.53	43.00	4.76
001001-005000	1122	18.47	32.03	3.54
005001-010000	255	4.20	21.19	2.34
010001-100000	188	3.09	53.50	5.92
100001-above	43	0.71	754.24	83.44
Total	6075	100.00	903.96	100

Sr. No.	Particulars	No. of Shares	% to the total Paid up Share Capital
1.	Promoters/Directors & Relatives	43,36,700	47.97
2.	Financial Institutions, Banks & M.F.	2,200	0.02
3.	Private Bodies Corporate	31,24,553	34.57
4.	Indian Public	15,76,147	17.44
	Total	90,39,600	100

DEMATERIALIZATION OF SHARES AND LIQUIDIZING:

88.96% of the Company's share capital is held in dematerialized form as on 31st March, 2010. The Company's shares are being regularly traded on the Bombay Stock Exchange Ltd., ISIN in CDSL and NSDL for Company's equity shares INE 073G 01015. The code for the Share on Bombay Stock Exchange is 507528.

DECLARATION 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.

NON-MANDATORY REQUIREMENT:

The Company is in the process of implementation of non-mandatory requirements of Corporate Governance.

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, 2010 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 procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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 observation 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, 2010.

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

(CA B. K. Agrawal)
Partner
M. No. : 51873
FRN : 314202E

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

Place : Indore
Date : 27th August, 2010

ANNEXURE - II TO THE DIRECTORS' REPORT

Information 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 2010.

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. The Company is successfully operating Turbine Gen-Set of 800 KW for co-generation of Power, which resulted in saving of power. Further the Company has installed Wind Power Generation Unit of 750 KW in Tamil Nadu.

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

	(Rs. In Lacs)	
	2009-2010	2008-2008
Foreign Exchange Earned	14.93	63.59
Foreign Exchange Outgo/ Expenditure in foreign currency	1.84	36.30

FOR AND ON BEHALF OF THE BOARD

SANTOSH KUMAR KEDIA
Director

HARSHAN KUMAR BHANDARI
Director

Dated: 27th August, 2010
Place: Indore

AUDITORS' REPORT*To the Shareholders,*

We have audited the attached Balance Sheet of M/s. Associated Alcohols & Breweries Limited as at 31st March, 2010 and the related Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 not 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 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 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 (except for the stock of bottles of country liquor lying with third parties which are considered on the basis of Excise records), 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 not maintaining any separate Stock Register. However, transaction-wise stock details are compiled for control over the stocks and necessary details are obtained from the custodians of stocks viz., excise records. Discrepancies noticed on verification have been properly dealt with.
- (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 taken unsecured loans from one party covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was 0.81 Lacs and the same was repaid during the year.
 (c) In our opinion the rate of interest and other terms and conditions on which loans have been taken from the parties listed in the registers maintained under Section 301 of the Act, are not prima facie, prejudicial to the interest of the company.
 (d) Since there has been no express stipulation regarding repayment of principal and interest amount in relation to loans taken, we are unable to make comment about their regularity and over due amount if any.
- (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. Except as stated above, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register maintained under the said section.
 (b) In our opinion and according to the information and explanations given to us, no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of any party during the year.
- (vi) According to the information and explanation given to us the company has accepted deposits aggregating to Rs.45.00 lacs to which provisions of Section 58-A of the Companies Act, 1956 are applicable during the year. requisite statement in lieu of Advertisement before accepting such deposit is yet to be filed before the appropriate authorities. As explained to us, such deposits have since been repaid by the company. 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 formally and to make it commensurate with the size and nature of the Company's business.
- (viii) As far as we are informed, the Central Government has not prescribed the maintenance of cost records by the company under section 209(1)(d) of the Companies Act, 1956 for the year ended on 31-03-2010.
- (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, Excise duties and other statutory liabilities with appropriate authorities except Provident Fund and Employees State Insurance. 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, 2010 for a period of more than six months from the date of becoming payable.
- (b) According to the records of the company, no dues of Sales-tax, Income-tax, Wealth-tax, Service tax, Custom duty, Excise duty/cass, which have not been deposited as on 31st March 2010 on account of any dispute are given below:-

Sr No.	Name of the Statute	Nature of dues	Amount (In lacs)	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax Demand - AY 2007-08	5.60	Commissioner of Income Tax (Appeals) XII - Kolkata
2	Income Tax Act, 1961	Fringe Benefit Tax - Demand AY- 2007-08	0.42	Dy. Commissioner of Income Tax, Circle XII - Kolkata.

- (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.
- (xv) According to the information and explanations given to us, the company has given guarantee aggregating to Rs.25.50 Crores for Loans taken by a group company from a bank, and the guarantee have not been considered prima facie, prejudicial to the interest of the company.
- (xvi) 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.
- (xvii) 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.
- (xviii) 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.
- (xix) 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.
- (xx) During the period covered by our Audit Report, the Company has not raised any money by Public Issues.
- (xxi) 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.

Further to our above comments, we report that:

1. 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.
2. In our opinion, proper books of accounts as required by the Companies Act, 1956 have been kept by the company so far as appears from our examination of those books.
3. The Balance Sheet, the Profit & Loss Account and the Cash Flow statement dealt with by this report are in agreement with the Books of Accounts.
4. In our opinion, Profit and Loss Account, the Balance Sheet and Cash Flow statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
5. Based on the written representation made by all the Directors of the Company as on 31st March, 2010, we report that none of the Directors of the company is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of section (1) of section 274 of the Act.
6. In our opinion and to the best of information and according to the explanations given to us, annexed accounts read together with other notes on accounts given in Schedule XIV give the information required by the Companies Act, 1956 in the manner required and give a true and fair view:
 - a) In case of Balance Sheet of the state of affairs of the Company as at 31st March, 2010, and
 - b) In case of Profit & Loss Account of the Profit of the Company for the year ended on that date.
 - c) In case of cash flow statement of the cash flows of the Company for the year ended on that date.

FOR B.K.AGRAWAL & CO.
Chartered Accountants

(CA B. K. Agrawal)
Partner
M. No. : 51673
FRN : 314202E

Place : Indore
Dated : 27th August, 2010

FOR M.D.AGRAWAL & CO.
Chartered Accountants

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

Balance Sheet

As at 31st March, 2010

PARTICULARS	SCHEDULE	31.03.2010 Rs.	31.03.2009 Rs.
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
EQUITY SHARE CAPITAL	I	90396000	90396000
RESERVE AND SURPLUS	II	338771264	328917217
LOAN FUNDS			
SECURED LOANS	III	156264599	140268597
UNSECURED LOANS	IV	97198866	93895838
TOTAL		682630729	651377652
APPLICATION OF FUNDS:			
FIXED ASSETS (GROSS BLOCK)	V	635269602	560118757
LESS: DEPRECIATION		287707410	242480524
NET BLOCK		367562192	317638233
INVESTMENTS (AT COST)	VI	20001000	1000
CURRENT ASSETS, LOANS & ADVANCES :	VII		
INVENTORIES		184484791	216090184
SUNDRY DEBTORS		161245483	159229283
CASH & BANK BALANCES		59000120	21978094
LOANS & ADVANCES		158637583	190882493
		563367927	588160054
LESS: CURRENT LIABILITIES & PROVISIONS	VIII	195145997	184490506
NET CURRENT ASSETS		368221990	403669549
Less :- Differed Tax Liability (Net)		73192719	69974863
MISCELLANEOUS EXPENDITURE		38286	43733
TOTAL		682630729	651377652
NOTES TO THE ACCOUNTS	XIV		

AS PER OUR REPORT OF EVEN DATE ATTACHED HERE TO

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

(CA B.K. AGRAWAL)
PARTNER
M. No. : 61873
FRN : 314202E

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

(CA M.P. AGRAWAL)
PARTNER
M. No. : D16736
FRN : 001177C

Place : Indore
Dated : 27/08/2010

ON BEHALF OF THE BOARD

SANTOSH KUMAR KEDIA
DIRECTOR

HARSHAN KUMAR BHANDARI
DIRECTOR

Schedule

Annexed to and forming part of the accounts

SCHEDULE - I : SHARE CAPITAL :	31.03.2010 Rs.	31.03.2009 Rs.
AUTHORISED : 110,00,000 EQUITY SHARES OF RS.10/- EACH	110000000	110000000
ISSUED, SUBSCRIBED AND PAID UP 9039600 (PREVIOUS YEAR 9039600) EQUITY SHARES OF RS.10/-EACH.	90396000	90396000
TOTAL	90396000	90396000

SCHEDULE - II : RESERVES AND SURPLUS:	BALANCE AS AT 01.04.2009 RS.	ADDITIONS	DEDUCTIONS	BALANCE AS AT 31.03.2010 RS.
CAPITAL RESERVE	2400000	0	0	2400000
SHARE PREMIUM	106706000	0	0	106706000
GENERAL RESERVE	43834098	5000000	0	48834098
PROFIT AND LOSS ACCOUNT	174077119	11854047	5000000	181031166
TOTAL	326817217	16854047	5000000	338771264

SCHEDULE - III : SECURED LOANS:	31.03.2010 Rs.	31.03.2009 Rs.
FROM BANK . SECURED BY INVENTORIES, RECEIVABLES, FIXED ASSETS AND PERSONAL GUARANTEE OF DIRECTORS	156264599	140266597
TOTAL	156264599	140266597

SCHEDULE IV : UNSECURED LOANS :	31.03.2010 Rs.	31.03.2009 Rs.
FROM DIRECTORS	0	81226
FROM OTHERS	97198866	93814612
TOTAL	97198866	93895838

Schedule

Annexed to and forming part of the accounts

**SCHEDULE V :
FIXED ASSETS AS AT 31/03/2010 :**

NAME OF ASSETS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	AS ON 01.4.2009	ADDITIONS DURING THE YEAR Rs.	SALES DURING THE YEAR Rs.	AS ON 31.03.2010 Rs.	UPTO 01.04.2009 Rs.	DURING THE YEAR Rs.	WRITTEN BACK Rs.	TOTAL UP TO 31.03.2010 Rs.	AS ON 31.03.2010 Rs.	AS ON 31.03.2009 Rs.	
GOODWILL	7200000	0	0	7200000	0	0	0	0	7200000	7200000	
LAND	5130764	129600	0	5260364	180000	270000	0	450000	4810364	4950764	
BUILDING	41970409	0	0	41970409	16181469	1359621	0	17541690	24429319	25788909	
PLANT & MACH.	472500546	45365083	5595941	512269667	207958153	24873702	4564691	228267164	284002523	264542393	
FURNITURE & FIXT.	11078568	637724	68200	11840092	5825114	817689	24104	6618698	5021394	5245454	
VEHICLES	22246471	5534015	0	27780486	12333788	2484670	0	14830457	12950628	9970583	
CAPITAL W.I.P.	0	29148564	0	29148564	0	0	0	0	29148564	0	
TOTAL	560118757	80814885	5694141	635269602	242480524	29815682	4688795	267707410	367562192	317638233	
PREVIOUS YEAR	538670664	21286493	38400	560118757	214449574	28055257	19307	242480524	317638233	324426090	

Schedule
Annexed to and forming part of the accounts

SCHEDULE VI : INVESTMENTS :	31.03.2010 Rs.	31.03.2009 Rs.
LONG TERM		
UNQUOTED :		
ASSOCIATED HOUSING & INFRASTRUCT. LTD. 100 EQUITY SHARES OF RS.10/- EACH	1000	1000
MOUNT EVEREST BREWERIES LIMITED 200000 EQUITY SHARES OF RS.10/- EACH	20000000	0
TOTAL	20001000	1000
SCHEDULE VII :		
CURRENT ASSETS, LOANS AND ADVANCES :	31.03.2010	31.03.2009
	Rs.	Rs.
CURRENT ASSETS, LOANS AND ADVANCES : (AS TAKEN VALUED AND CERTIFIED BY THE MANAGEMENT)		
INVENTORIES :		
FINISHED GOODS	51171294	33038156
RAW MATERIALS	35269086	110453750
STOCK IN PROCESS	3017944	4939517
PACKING MATERIAL	80609501	63177365
CONSUMABLE STORES	14416936	4481387
TOTAL (A)	164484761	216090184
SUNDRY DEBTORS (UNSECURED- CONSIDERED GOOD) DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS OTHER DEBTS	67580493 93664960	71254169 87975114
TOTAL (B)	161245463	169229283
CASH & BANK BALANCES :		
-CASH IN HAND	45475770	15908962
-BALANCE WITH SCHEDULED BANKS IN INDIA	13624350	8069132
TOTAL (C)	59000120	21978094
LOANS & ADVANCES (UNSECURED- CONSIDERED GOOD)		
-ADVANCES (RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED)	129229350	123410478
-DEPOSITS	16052988	33564869
-OTHER RECEIVABLES	13355247	33687046
TOTAL (D)	158637583	190862493
TOTAL (A+B+C+D)	563357927	688160054

Schedule

Annexed to and forming part of the accounts

SCHEDULE - VIII: CURRENT LIABILITIES AND PROVISIONS:	31.03.2010 Rs.	31.03.2009 Rs.
SUNDRY CREDITORS :		
FROM MICRO, SMALL AND MEDIUM ENTERPRISES	1280078	2872683
FROM OTHERS	92763475	97076885
LIABILITIES TOWARDS INVESTOR EDUCATION AND PROTECTION FUND		
UNPAID DIVIDEND	239098	239098
OTHER LIABILITIES	97668774	80878707
	181951426	180969473
PROVISION:		
INCOME TAX	3121372	2796802
FBT	0	724230
WEALTH TAX	73140	0
TOTAL	195146937	184490505

SCHEDULE - IX: TURNOVER:	31.03.2010 Rs.	31.03.2009 Rs.
SALES	1081257886	967721599
MANUFACTURING CHARGES	4444716	4922245
TOTAL	1085702602	972643844

SCHEDULE - X: INCREASE/DECREASE IN STOCK:	31.03.2010 Rs.	31.03.2009 Rs.
FINISHED GOODS:		
-OPENING STOCK	33038155	26555901
-CLOSING STOCK	51171284	33038155
INCREASE/DECREASE IN STOCK:	18133139	6482254

Schedule

Annexed to and forming part of the accounts

SCHEDULE - XI: MANUFACTURING EXPENSES:	31.03.2010 Rs.	31.03.2009 Rs.
RAW MATERIAL	434381119	326226189
CONSUMABLES & PACKING MATERIALS	143231262	128965270
POWER AND FUEL	14009479	23558875
REPAIR AND MAINTENANCE	13728331	15255010
SALARY AND WAGES	9596602	8575710
INSURANCE	1803765	340438
ENTRY TAX	2202876	3208671
BRAND OWNERS ENTITLEMENT	3275172	6684135
MISCELLANEOUS EXPENDITURE	303023238	294205580
TOTAL	925051645	808020886

SCHEDULE - XII: OFFICE, ADMINISTRATION AND SELLING EXPENSES:	31.03.2010 Rs.	31.03.2009 Rs.
DIRECTOR'S REMUNERATION	960000	748000
SALARY AND BONUS	7078075	6788256
PROVIDENT FUND AND ESF	872347	1009027
RENT, RATES AND TAXES	2695235	3033243
VEHICLE REPAIR AND MAINTENANCE	2690918	2759325
ELECTRICITY REPAIR AND MAINTENANCE	688510	573443
TRAVELLING EXPENSES	5225222	5378408
FREIGHT AND CARTAGE	17984741	16132975
AUDITOR'S REMUNERATION	388410	376600
MISCELLANEOUS EXPENSES	80570961	75029248
TOTAL	119162419	111628528

SCHEDULE - XIII: FINANCIAL CHARGES:	31.03.2010 Rs.	31.03.2009 Rs.
INTEREST ON TERM LOAN	1971722	751735
OTHER INTEREST	22162012	18933779
BANK COMMISSION AND CHARGES	1682445	2315823
TOTAL	25826179	22001337

Schedule

Annexed to and forming part of the accounts

SCHEDULE - XIV

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 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) **Loans :**
Loans are stated inclusive of interest accrued thereon.
- (f) **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 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
Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
Dividend
Revenue is recognized when the shareholders' right to receive payment is established by the Balance Sheet Data.
- (g) **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 been 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.
- (h) **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.
- (i) **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 which an asset is identified as impaired. The impairment loss recognised in prior accounting is reversed if there has been a change in the estimate of recoverable amount.
- (j) **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.
- (k) **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.
- (l) **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 shown as prior period adjustments.
- (m) **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.
- (n) **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.
- (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) **TAXATION :**
(i) Current Tax Provisions for Income Tax and Wealth Tax are as 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.

PART - B - NOTES ON ACCOUNTS

1. Subscribed and Paid up Share Capital includes 16,38,700 Equity shares (Previous Year-16,38,700 Equity shares) allotted earlier as fully paid bonus shares by capitalization of revaluation reserve of Rs. 163.87 lacs.
2. Estimated amount of capital contracts remaining to be executed on capital accounts not provided for Rs.466.99 Lacs (Previous Year Rs.33.87 Lacs)
3. Contingent Liabilities in respect of following not provided for -
 - i) Bank guarantee amounting to Rs. 102.66 Lacs (Previous Year Rs.130.66 Lacs).
 - ii) Corporate Guarantee amounting to Rs.25.50 Crores (Previous year Rs.25.50 Crores) given to secure borrowings of M/s. Everest Breweries Ltd.
 - iii) Contingent Liability not provided for (a) Rs. 5.50,167/- being Income tax demand for the year ended on 31st March, 2007 against which an appeal has been preferred, (b) Rs.42,146/- being Fringe Benefit Tax for the year ended on 31st March, 2007, against which a rectification petition has been filed.
4. Other Liabilities include Rs. 515.74 lacs/- (31.03.2009 Rs. 398.08 lacs) being amount received from customers in the ordinary course of business as refundable deposits against bottles issued to them in case of country liquor business of the company
5. Depreciation includes Rs.2,70,000/- (Inclusive of prior period amount of Rs.2,40,000/-) (previous year Rs.30000/-) being proportionate amount of Lease Premium divided over the tenure of lease amortized for the year
6. Loan given includes Rs. 5.17 Crores (31.03.2009 Rs. 5.82 Crores) given free of interest to a company within the group.

7. The Company has filed a case under Section 138 of Negotiable Instrument Act, for recovering of dues from M/s. Jaipur Distilleries Ltd. for dishonour of cheque of Rs. 70 lacs.
8. Advances, creditors and debtors accounts have been taken as per books of accounts and these are subject to confirmation
9. In the opinion of the Board, the current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance sheet and provision of know liabilities is adequate and not in excess of the amount, reasonable and necessary.
10. Tax deducted at source on interest income Rs. 8,11,786/- (Previous Year Rs. 13,65,037/-)
11. Other Income includes Rs 70,88,886/- (Previous Year Rs. 65,46,834/-). Interest income, Rs.94,400/- (Previous Year Rs. 4,18,800/-) Duty Draw Back, Rs.2681/- (Previous year Rs 2,569 /-) on account of foreign currency fluctuation and Profit on Sales of Assets Rs. 2,65,360/- (Previous Year Nil). Interest Income includes the interest amount of Rs 25,97,469/- for the prior period provided during the year.
12. Directors' remuneration represents aggregate amount of salary paid to Whole-Time Directors.
13. Miscellaneous office, administrative and selling expenses include loss on sale of capital assets Rs.36,598/- (Previous Year Rs 12,083/-), Warehouses expenses of Rs. 5,06,49,546/- (Previous year Rs. 4,10,83,506/-) and loss on impairment assets Rs. 4,90,496/- (Previous year Nil).
14. Manufacturing expenses includes Rs. 1,44,735/- (Previous Year Rs. 8,13,742/-), Office and administrative Expenses includes Rs. 2,82,210/- (Previous Year Rs. 2,74,085/-) and Depreciation Includes Rs. 2,51,150/- (Previous Year Nil) for the prior period.
15. Miscellaneous manufacturing expenses includes Excise Duty of Rs.27,89,83,043/- (Previous year of Rs. 26,28,75,510/-).
16. As per Accounting Standard 16 " Employee Benefits ", the disclosures of Employee benefits as defined in the Accounting Standard are given below :

DEFINED CONTRIBUTION PLAN

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:-
 Employer's Contribution to Provident Fund Rs. 8,02,789/- (8,60,291/-)

DEFINED BENEFIT PLAN

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,	2009-10 (Rs.)	2008-09 (Rs.)
Liability at the beginning of the year (refer note)	23,54,688	23,43,004
Current Service Cost	1,38,068	1,42,473
Interest Cost	1,88,375	1,87,440
Benefits paid	(1,92,300)	-
Actuarial (gain)/Loss on obligations	8,05,165	(3,18,229)
Liability at the end of the year	32,94,014	23,54,688
II. Reconciliation of opening and closing balances of fair value of plan assets,	(Rs)	(Rs.)
Fair value of plan assets at the beginning of the year (refer note)	24,09,123	19,44,821
Expected return on plan assets	2,17,342	1,75,461
Contribution by the employer	1,70,559	2,66,841
Benefits paid	(1,92,300)	---
Actuarial (gain)/Loss	-----	---
Fair value of plan assets at the end of the year (refer note)	26,04,724	24,09,123

	(Rs.)	(Rs.)
III. Expenses recognized in Profit & Loss Account		
Current Service Cost	1,38,088	1,42,473
Interest Cost	1,88,376	1,87,440
Expected return on plan assets	(2,17,342)	(1,75,461)
Total Actuarial (gain)/loss	8,05,165	(3,18,229)
Total Expenses included in employee cost	9,14,284	(1,63,777)
IV. Amount recognized in the Balance Sheet.	(Rs.)	(Rs.)
Defined benefit obligation as at the end of the year	32,94,014	23,54,886
Fair Value of Plan Assets at the end of the year	26,04,724	24,09,123
Surplus / (Deficit)	(6,89,290)	54,435
V. Principal actuarial assumptions	(Rs.)	(Rs.)
Discount rate	8%	8%
Expected rate of return on plan of assets	8%	8%
Salary Increment rate	8%	8%
Composition of plan assets Investment with Insurer	100%	100%

17. Related parties disclosure as per Accounting Standard 18 is given hereunder.

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

S.No.	Name of the Related Party	Relationship
01.	Mr.Santosh Kumar Kedia	Key Managerial Personnel
02.	Mr.Harshan Kumar Bhandari	Key Managerial Personnel
03.	Mr.Ashish Kumar Gadia	Key Managerial Personnel
04.	Mrs.Chandadevi Kedia	Relative of Key Managerial Personnel
05.	Mrs. Udita Bhandari	Relative of Key Managerial Personnel
06.	Mr.Anand Kumar Kedia	Individual owning voting power giving control or significant influence
07.	Mr.Prasann Kumar Kedia	Individual owning voting power giving control or significant influence
08.	Mrs.Ram Dulari Kedia	Individual owning voting power giving control or significant influence.
09.	Mrs.Sangita Kedia	Individual owning voting power giving control or significant influence.
10.	Mrs.Sweta Kedia	Individual owning voting power giving control or significant influence.
11.	Mount Everest Breweries Limited	Enterprise over which persons referred hereinabove able to exercise significant influence.
12.	Millennium Urja Limited	Enterprise over which persons referred hereinabove able to exercise significant influence.

B. Related party transaction

(Rs. In Lacs)

Particulars	Key Managerial personnel		Relatives of Key managerial personnel		Individual owning voting power giving control or significant influence		Enterprise over which persons referred hereinabove able to exercise significant influence	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sales	-	-	-	-	-	-	-	-
Managerial Remuneration	9.60	7.48	-	-	-	-	-	-
Salary payments	-	-	3.24	3.24	7.20	7.20	-	-
Rent expenses	-	-	0.96	0.96	1.20	1.20	-	-
Loan Given	-	-	-	-	-	-	962.04	916.62
Loan taken	-	0.81	-	-	-	-	-	-
Share Application	-	-	-	-	-	-	-	-
Guarantee given	-	-	-	-	-	-	2550	2550

Guarantees obtained from certain Key Managerial personnel for the financial facilities availed from Banks / FI's to extent of Rs.2700 Lacs.

18. Reporting of earning per shares as required with Accounting Standard 20 is given hereunder:

Particulars	Financial Year	
	2009-2010	2008-2009
Face Value per Share (Rs.)	10/-	10/-
a. Weighted average number of Equity Shares		
1. Number of Equity Shares at the beginning of the year	9039600	8839600
2. Number of Equity Shares at the end of the year	9039600	9039600
3. Weighted average number of Equity Shares outstanding during the year (on annualized basis)	9039600	7695400
b. Net profit after tax available for Equity Share holders. (Rs. in lacs.)	119.54	118.81
c. Basic and diluted Equity per share (in Rs.) annualized	1.32	1.52

19. Deferred Tax Liability Comprise of the following

	As at 31 st March' 10	As at 31 st March'09
	(Rs. in Lacs)	
a. Deferred Tax Liability Related to Fixed Assets	731.93	699.75
b. Deferred Tax Assets Disallowance under Income Tax Act, 1961	Nil	Nil
Total	731.93	699.75

20. SEGMENT REPORTING :

The Company has identified two reportable segments viz. Potable Alcohols & Wind Power. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprises as a whole and not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Particulars	CURRENT YEAR (Rs. IN LACS)			PREVIOUS YEAR (Rs. IN LACS)		
	Potable Alcohol	Wind Power	Total	Potable Alcohol	Others (Derivatives)	Total
REVENUE :						
External Revenue :	11000.85	-	11000.85	9876.25	14.89	9891.14
Un-allocated revenue :	-	-	-	-	-	-
Total Revenue :	11000.85	-	11000.85	9876.25	14.89	9891.14
Allocated Expenses	10568.81	0.12	10558.83	9199.54	224.74	9424.28
RESULT :						
Segment Result :	442.04	(0.12)	441.92	676.71	(208.85)	466.86
Unallocated expenditure net of un-allocated income :	-	-	-	-	-	-
Interest Expenses :	(258.14)	(0.12)	(258.26)	-	-	220.01

Particulars	CURRENT YEAR (Rs. IN LACS)			PREVIOUS YEAR (Rs. IN LACS)		
	Potable Alcohol	Wind Power	Total	Potable Alcohol	Others (Derivatives)	Total
Profit before taxation but after prior period adjustments :	183.90	(0.24)	183.66	-	-	246.85
Provision for Taxation :	-	-	-	-	-	27.97
Current :	-	-	31.94	-	-	7.24
Fringe Benefit Tax :	-	-	-	-	-	94.83
Deferred Tax :	-	-	32.18	-	-	116.81
Profit / (Loss) after tax	-	-	119.54	-	-	-

OTHER INFORMATION						
Particulars	CURRENT YEAR (Rs. IN LACS)			PREVIOUS YEAR (Rs. IN LACS)		
	Potable Alcohol	Wind Power	Total	Potable Alcohol	Others (Derivatives)	Total
Segment Assets :	9057.99	414.71	9509.70	9057.99	-	9057.99
Un-allocated Assets :	-	-	-	-	-	-
Total Assets :	9057.99	414.71	9509.70	9057.99	-	9057.99
Segment Liabilities :	4173.79	312.31	4486.10	4186.56	-	4186.56
Unallocated Liabilities	-	-	-	-	-	-
Total Liabilities :	4173.79	312.31	4486.10	4186.56	-	4186.56
Segment Capital Expenditure	393.32	414.83	808.15	212.86	-	212.86
Un-allocated Capital Expenditure	-	-	-	-	-	-
Segment Depreciation and Amortization	298.04	0.12	298.16	280.65	-	280.65
Un-allocated Depreciation and Amortization	-	-	-	-	-	-
Segment Non-cash expenses other than Depreciation and Amortization :	-	-	-	-	-	-
Unallocated Non-cash expenses other than Depreciation and Amortization	-	-	-	-	-	-

21. Payment to auditors represents:

	2009-2010	2008-2009
- Audit fee	3,86,410/-	3,76,600/-
- Other Services	58,950/-	53,372/-
	4,45,360/-	4,29,972/-

22. Dues to Micro, Small and Medium Enterprises.

Based on, and to the extent of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at 31.03.2010 and 31.03.2009 are furnished below:

Particulars	(Rs. in Lacs)	
	2009-10	2008-09
Principal amount due to suppliers under MSMED Act, as at 31st March	12.80	26.73
Interest accrued and due to suppliers under MSMED Act, on the above amount as at 31st March	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act, (other than section 16)	-	-
Interest paid to suppliers under MSMED Act, (section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payment already made.	-	-
Interest accrued and remaining on paid at the end of the year to suppliers under MSMED Act.	-	-

23. Earning & Expenditure in Foreign Currency:

Particulars	(Rs. in Lacs)	
	2009-10	2008-09
I) Earnings	14.93	63.59
II) Expenditure :		
Travelling	-	4.01
Professional Development Exp.	1.84	32.29

24. ADDITIONAL INFORMATION UNDER PART II SCHEDULE VI TO THE COMPANIES ACT, 1956.**A) CAPACITY & PRODUCTION**

PRODUCT	Unit	Licensed Capacity		Installed Capacity		Production	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
POTABLE ALCOHOL	Lacs Ltr.	778.15	778.15	420.00	420.00	137.53	246.66
WIND POWER GENERATION	KW	750	-	750	-	-	-

B) TURNOVER & STOCK

TURNOVER PRODUCT	UNIT	2009-2010		2008-2009	
		QTY	Rs.Lacs	QTY	Rs.Lacs
POTABLE ALCOHOL	Lacs Ltr.	222.81	10896.87	258.71	9527.64
OTHERS			215.71		149.58
MFG. CHARGES			44.45		49.22
WIND POWER GENERATION	Lacs Units	-	-	-	-
STOCK		QTY	AMT.	QTY	AMT.
		(M.T.)	Rs.Lacs.	(M.T.)	Rs.Lacs
OPENING STOCK	Lacs Ltr.	12.78	330.38	10.99	265.56
CLOSING STOCK	Lacs Ltr.	21.19	511.70	12.78	330.38

C) MATERIALS CONSUMED

RAW MATERIAL

PARTICULARS	UNIT	2009-2010		2008-2009	
		QTY.	Rs.Lacs	QTY.	Rs.Lacs
MOLASSES	Lacs MT.	0.10	570.51	0.49	2217.97
GRAIN	Lacs MT	0.20	1770.92	0.11	833.34
SPIRIT	Lacs Ltr.	97.47	2002.38	13.79	231.55

CONSUMABLES AND PACKING MATERIALS

PARTICULARS	UNIT	2009-2010		2008-2009	
		QTY.	Rs.Lacs	QTY.	Rs.Lacs
COAL	Lacs MT.	0.12	376.90	0.17	508.90
OTHER CONSUMABLES	-	-	223.71	-	91.59
PACKING MATERIALS	-	-	831.70	-	691.16

24. Previous Year's figures have been regrouped, re-casted and/or rearranged wherever necessary.

FOR B.K.AGRAWAL & CO.
Chartered Accountants

(CA B. K. Agrawal)
Partner
M. No. : 51873
FRN : 314202E

Place : Indore
Dated : 27th August, 2010

FOR M.D.AGRAWAL & CO.
Chartered Accountants

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

Balance Sheet , Abstract and Company's General Business Profile

(AS PER SCHEDULE VI, PART IV OF THE COMPANIES ACT, 1956)

i) REGISTRATION DETAILS			
Registration Details	47211	State Code	21
Balance Sheet	31.03.2010		
ii) A CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSAND)			
Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
iii) POSITION OF MOBILISATION AND DEPLOYMENT OF FUND (AMOUNT IN THOUSAND)			
Total Liabilities	755823	Total Assets	755823
SOURCES OF FUNDS			
Paid up Capital	90398	Reserves & Surplus	338771
Secured Loans	166264	Unsecured Loans	97199
Deferred Taxes	73193	Share Warrants	0
APPLICATION OF FUNDS			
Net Fixed Assets	367562	Investments	20001
Net Current Assets	368222	Misc. Expenditure	38
iv) PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)			
Turnover	110008	Total Expenditure	91642
(including other income)			
Profit / Loss before tax	16366	Profit / Loss After Tax	11954
Earning per share	1.32	Dividend Rate	0.00%
v) GENERIC NAMES OF PRINCIPAL PRODUCTS / SERVICES OF COMPANY			
1. Item Code No. (ITC Code)	22071.01		
Product Description	Rectified Spirit		
2. Item Code No. (ITC Code)	220710.09		
Product Description	Other Spirit		
3. Item Code No. (ITC Code)	220830		
Product Description	Whiskies		

Place : INDORE
Dated : 27th August 2010

ON BEHALF OF THE BOARD

SANTOSH KUMAR KEDIA
DIRECTOR

HARSHAN KUMAR BHANDARI
DIRECTOR