



The Next Level

ASSOCIATED ALCOHOLS
AND BREWERIES LIMITED
31st Annual Report 2019-20

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The big picture

India is the second most populous country at the point of a sweeping transformation in incomes, perceptions and lifestyles.

Markets that are at inflection point present the largest and most profitable opportunities.

In India, the lifestyle opportunity is likely to be the biggest; the alco-beverage industry resides at the pinnacle of this lifestyle opportunity.

India is one of the most compelling alco-beverage opportunities anywhere in the world.

This reality is expected to create a growing appetite for raw materials, products and brands.

At Associated Alcohols, we have created a business model that is addressing all three opportunities.

Associated Alcohols.

One of the most exciting alcohol-beverage companies in India.

Our ethos

Vision

To be a pioneer and become an industry leader in liquor manufacturing, distillation and bottling in India and to establish a foothold in the liquor industry as one of the most reputed manufacturing and marketing Companies.

Mission

Associated Alcohols & Breweries Limited undertakes to dedicate itself and all its resources to achieving global excellence in the present sectors of operations and seeking growth.

Values

- To cultivate the highest standards of professionalism, fairness and total customer satisfaction in all our transactions and dealings.
- To create a profound and everlasting impact on our customers through quality products, commitment and sincerity.
- To continue the ongoing journey towards honesty, sincerity and integrity with all our stakeholders.
- To spread our wings all across the country and play a dominant role in the liquor industry in India.

Background

The Company was founded by the late Shri Bhagwati Prasad Kedia in 1989. Associated Alcohols & Breweries Limited is among of the flagship companies of the Associated Kedia Group involved in the manufacture and bottling of liquor. The Company took over the distillery operations of the promoter group and extended to the manufacture of premium liquor products.

Promoters

The promoters of the Company possesses more than three decades of experience. The promoters of the Company comprise Mr. Anand Kumar Kedia (Head – Business Promotion and Development) and Mr. Prasann Kumar Kedia (Head– Operation and Business Development).

Market presence

The Company is one of the largest distillers in India. It possesses an extensive geographic presence in 4 states across the sectoral value chain. The Company's principal revenues are derived from the States of Madhya Pradesh, Kerala and Delhi, who account for more than 80% of the Company's revenues.

Big numbers

45
(mn litres) ENA manufacturing capacity

32
Bottling lines

12.5
(mn) Bottling capacity

Products

The Company widened its product portfolio to cater the various alcohol-beverage needs of people belonging to all strata of society. Its business range comprises:

- Premium extra neutral alcohol/ grain spirit
- Indian made Indian liquor (IMIL)
- Indian made foreign liquor (IMFL)
- Rectified spirit
- Contract manufacturing partnership (Diageo – USL)

Facilities

The Company's state-of-the-art manufacturing facility is located at Khodigram (Barwaha district, Khargone, Madhya Pradesh) and responsible for alcohol production, bottling and packaging liquor. All business operations are overseen from the corporate office in Indore.

Expansion

The Company has undertaken expansion initiatives to address the growing needs of domestic and international customers. The Company possesses an expanded capacity of 45 mn litres per annum.

Clients

- Diageo/ United Spirits Limited
- Kerala State Beverages Corporation
- Government-regulated retail contractors/agencies (both IMFL and IMIL)

Licensed brands/franchised brands

- Bagpiper Deluxe Whisky
- Directors Special Whisky
- Flavoured White Mischief
- Director's Special Gold Whisky
- DSP Black Special Whisky
- McDowell's No. 1 XXX Rum.

Proprietary brands

- James McGill Whisky
- Central Province Whisky
- Jamaican Magic Rum
- Bombay Special Series
- Titanium Triple Distilled Vodka with Orange and Green Apple flavor

Contracted manufacturing brands

- Black Dog Scotch Whisky
- VAT 69 Scotch Whisky
- Smirnoff Vodka
- Black & White Scotch Whisky
- Royal Challenge Whiskey
- McDowell's Platinum Whiskey
- Signature Whiskey

Credit rating

CARE reaffirmed its A-/A2 credit rating on the Company for bank borrowings.





Milestones

1989

Incorporated as public limited company

2016

Issued bonus shares in the ratio of 1:1

1990

Commenced the manufacturing and marketing of potable alcohols

2017

Embarked on an ambitious expansion project from 31.4 MLPA to 45 MLPA

1995

Modernised and expanded the distillery

2018

Completed the 45 mn litres per annum ENA expansion project

2012

Revamped manufacturing facilities and processes as per prevailing requirement

2019

Operated on the expanded ENA capacity for the first full year.

Listed on NSE

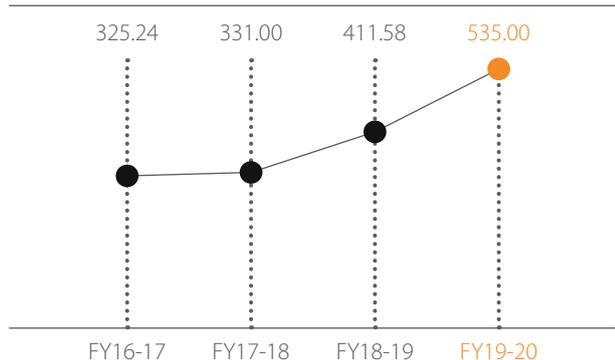
2015

Created a complete integrated system including implementation of SAP-ERP

How we grew attractively in the last few years

Revenues

(₹ crore)



Definition

Growth in sales net of GST.

Why is this measured?

It is an index that showcases the Company's ability to maximise offtake and enhance revenues.

What does it mean?

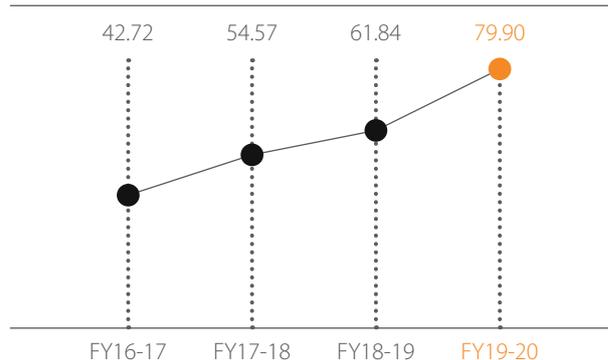
Aggregate sales increased 30% to a record ₹535 crore in 2019-20 due to higher throughput from the expanded capacity.

Value impact

The Company performed considerably better than the sectorial average.

EBITDA

(₹ crore)



Definition

Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why is this measured?

It is an index that showcases the Company's ability to generate a surplus following the expensing out of operating costs.

What does it mean?

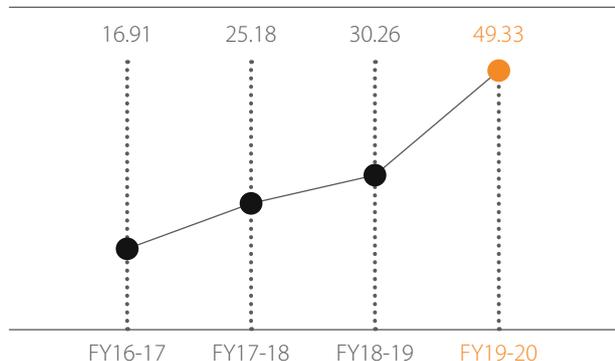
Helps create a robust growth engine and sustain profits.

Value impact

The Company reported the sharpest EBITDA increase in its existence, almost doubling from the level of 2016-17 and reporting a 29% YoY in 2019-20.

Net profit

(₹ crore)



Definition

Profit earned during the year after deducting all expenses and provisions.

Why is this measured?

This measure highlights the strength of the business model in enhancing shareholder value.

What does it mean?

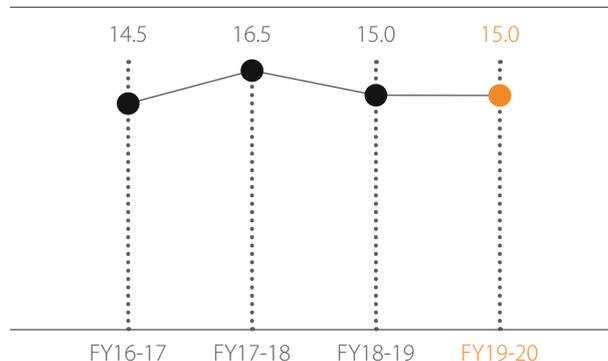
Ensures that adequate surplus is available for reinvestment.

Value impact

The Company reported a 63% increase in net profit in 2019-20, almost doubling from the level of two years ago.

EBITDA margin

(%)



Definition

EBITDA margin is a profitability ratio used to measure a Company's pricing strategy and operating efficiency.

Why is this measured?

The EBITDA margin provides a perspective of how much a Company earns (before accounting for interest and taxes) on each rupee of sales.

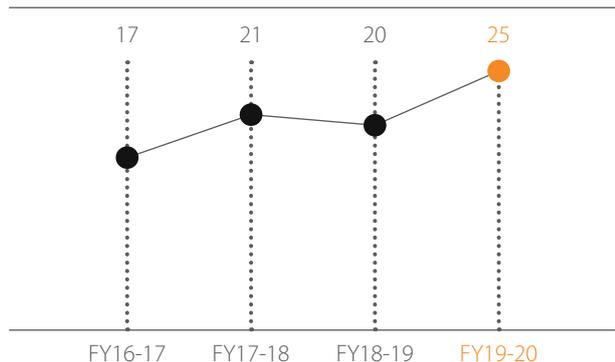
What does it mean?

This demonstrates adequate buffer in the business expressed as a percentage, which, when multiplied by scale, enhances surpluses.

Value impact

The Company reported a steady EBITDA margin during 2019-20.

ROCE (%)



Definition

It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business.

Why is this measured?

ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors.

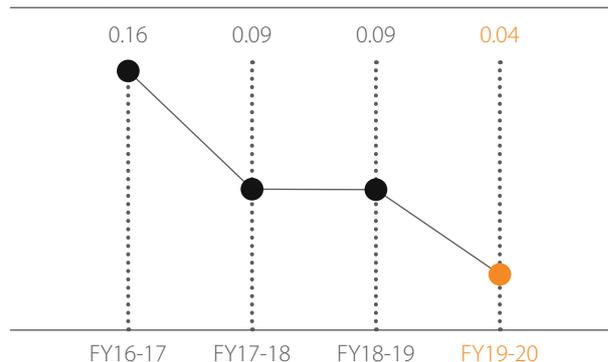
What does it mean?

Enhanced ROCE can potentially drive valuations and perception.

Value impact

The Company reported a 500 bps increase in RoCE during 2019-20 following increased surplus.

Gearing (%)



Definition

This is derived through the ratio of debt to net worth (less revaluation reserves).

Why is this measured?

This is one of the defining measures of a Company's financial solvency.

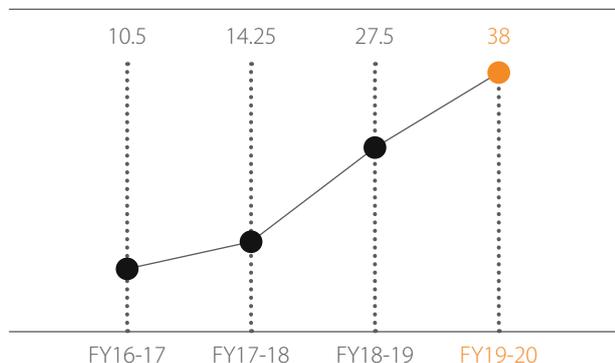
What does it mean?

This measure enhances a perception of the borrowing room within the Company, the lower the gearing the better.

Value impact

The Company's gearing improved on account of debt repayment and increased net worth, making it virtually debt-free.

Interest cover (x)



Definition

This is derived through the division of EBITDA by interest outflow.

Why is this measured?

Interest cover indicates the Company's comfort in servicing interest – the higher the better.

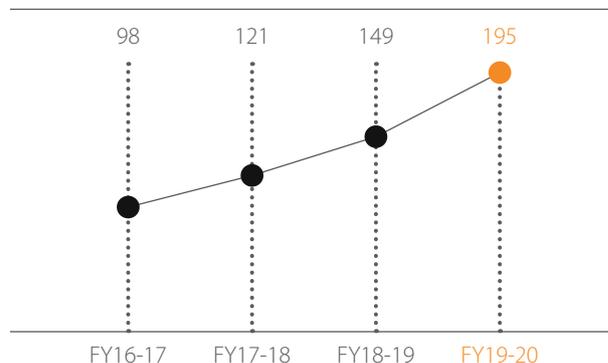
What does it mean?

A Company's ability to meet its interest obligations, an aspect of its solvency, is arguably one of the most important factors in assuring sizeable returns to shareholders.

Value impact

The Company's interest cover strengthened by 1050 bps during the year.

Net worth (₹ crore)



Definition

This is derived through the accretion of shareholder-owned funds.

Why is this measured?

Net worth indicates the financial soundness of the Company – the higher the better.

What does it mean?

This indicates the borrowing capacity of the Company and influences the gearing (which in turn influenced the cost at which the Company can mobilise debt).

Value impact

The Company's net worth strengthened 30% during the year, almost doubling in the short space of three years.



AABL and governance.

The article of our faith

At AABL, we went into business with the objective to be the best as opposed to a singular focus on being the largest.

That we are counted among the largest and most respected in our industry is a result of this commitment to quality over quantity.

Dependability

At AABL, the one word around which our business has resolved is 'Dependability'. We ask ourselves simple questions: Can we be depended upon to deliver the highest quality? Can we be depended upon to make our business sustainable enough to protect the interests of our stakeholders? Can we be depended upon to protect the integrity of our environment? Can we be depended upon to share the realities of our business with our stakeholders in a comprehensive and transparent manner?

Discipline

At AABL, we run our business with a sense of discipline: whether this is in terms of accountability, professionalised management, checks and balances, technology investments and an audit-driven cum compliance-driven approach that eliminates process deviations or the ability to manage operations around business targets. This discipline enhances the predictability of outcomes and the sustainability of our business. AABL adopted and implemented IND AS without a substantial material impact. This validated the Company's governance standard, reinforcing the credibility of financials and carrying value of assets and liabilities. The result is that the Company's Balance Sheet continues to be conservative and there is still unlocked value in the immovable properties on the Company's books.

Long-term

At AABL, we invest for the long-term (whether in equipment, people, relationships, brands and market presence). We shun short-term arbitrage; we are driven by the prospect of enduring value. The result is that some business spaces where we are present (proprietary premium branded products) can be considered nascent; we believe that this business will only grow over time, strengthening our sustainability.

Singular focus

At AABL, we believe that specialisation pays. In view of this, we have consciously selected to focus on the alco-beverages industry, resisted the temptation to extend into unrelated businesses and continuously invested in widening our value chain.

Eco-system

At AABL, we are successful only to the extent of the success of our stakeholders. This conviction has evolved us from arbitrage-driven shifting of vendors and other stakeholders. By putting a premium on competitive stability, we have secured our resources (grain etc.) and secured our revenues (working with multi-year customers).

Controlled growth

At AABL, sustainability is best derived from controlled growth that can be generated through a mix of accruals and debt without at any time compromising the Balance Sheet. The result is that we have remained a liquid Company and moderated debt through various market cycles. As an extension of this conviction, we would rather take a conservative approach.

Board of Directors

At AABL, we believe that the success of our strategic direction is largely influenced by our Board of Directors.

Environment

Over the years, we have invested in equipment, protocols and training to run our operations in an environmentally responsible manner, reinforcing our respect.

Letter to shareholders



Dear shareholders,

India and the world are passing through uncertain times following the unprecedented devastation caused by the COVID-19 pandemic. The impact of this pandemic has derailed the global economy and human life. In the current scenario, there is a premium on organisations remaining future-facing and long-term in their strategy. In this environment only the truly sustainable companies will survive.

At AABL, the COVID-19 did not impact our financials in 2019-20, but a direct effect was perceived in the first quarter of 2020-21, even as we expect business momentum to normalise once the pandemic impact recedes.

Our performance in 2019-20

Against this backdrop, I am pleased to state that your Company delivered profitable growth as revenues increased 30% and crossed the benchmark of ₹500+ crore to ₹535 crore; EBITDA strengthened to ₹79.9 crore and profit after tax improved to ₹49.33 crore.

The performance improvement was the result of multiple initiatives by the Company in the last couple of years. A principal performance driver was the full benefit of an increase in ENA installed capacity from 3 crore litres per annum to 4.5 crore litres per annum through the course of the year, validating the Company's capability in scaling output

with speed and the strength of its customer relationships in being able to market a sizable quantum. The increased output translated into an optimum allocation of fixed costs on the one hand and enhanced revenues on the other, strengthening our overall surplus.

A part of the improvement during the last financial year was derived from our terms of trade and working capital management. Even as our revenues increased 30%, our working capital outlay increased marginally. Every rupee of working capital deployed in our business generated 25 paise of revenues in 2019-20 compared with 20 paise in the previous financial year; our receivables cycle of only 26 days proved cash-accretive. This reality validated what we have always believed: that a combination

of ENA supply and service can widen the market and enhance our market share.

At AABL, we are attractively placed to capitalise on the growing market for ENA in India. The Company enjoys robust longstanding relationships with some of the largest brands across the premium and popular segments. We see our capacity increase as a trigger for these companies to buy larger volumes from us; we see our central location in India as an excellent point from where to service customers in South and Eastern India, which are ENA-deficient at this point.

The Company's objective of graduating into a value-added Company was achieved with its franchise business (Diageo-USL) delivering projected growth, proprietary brands showing better momentum and Kerala sales performing creditably.

Favourable outlook

The Company's outlook for the current year appears optimistic. Despite the extensive demand destruction during the first quarter on account of the pandemic, the Company is optimistic of recovering its sales momentum in the subsequent quarters.

At AABL, we are optimistic of our medium-term prospects for good reasons. During the last few years, we prudently moderated dividend pay-out and maximised the use of accruals in business investments. The Company possessed an extensively under-utilised working capital limit in 2019-20, indicating adequate borrowing room within the system should the Company need to mobilise afresh.

Overview

At AABL, we represent a proxy of three businesses within India's alco-beverage sector.

We are resource providers at one level, convinced that India will experience a larger grain-based demand for ENA than supply across the foreseeable future.

We are bottlers for the industry leader's prominent and prestigious brands; we are also bottlers and marketing representatives for a number of these brands, leveraging our bottling and distribution capabilities.

At another level, we are brand creators and bottlers who market proprietary brands as well.

This unique business model - resource to brand ownership - makes it possible for one end of the business to generate the cash flows and the other end of the business to consume a small part of it in responsible brand creation until the latter generates adequate resources for reinvestment.

We believe that this business model enhances our skin in each game of India's alco-beverage sector. We are optimistic that this will represent the cusp of a structural shift in value-creation and the graduation of our Company to among the three largest in India's ENA space.

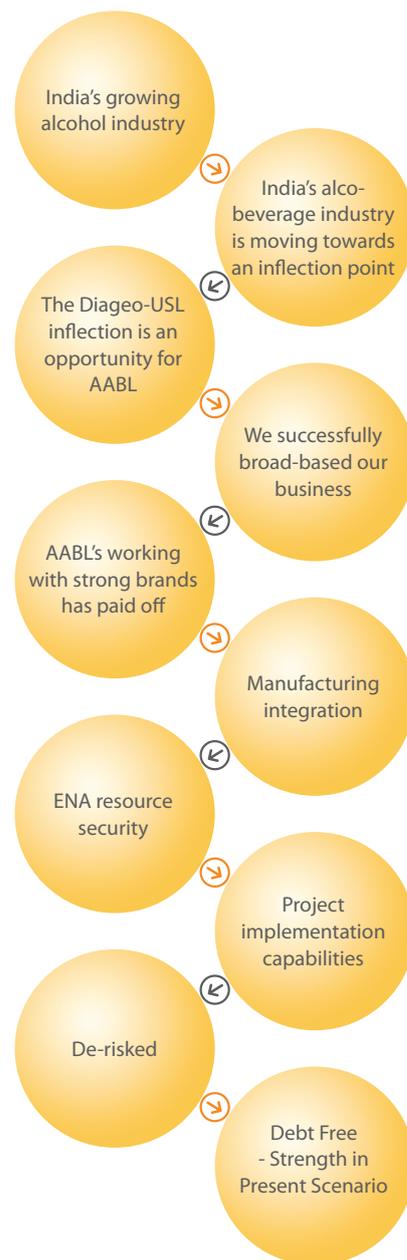
We are geared to address realities with agility complemented by our culture of quality, trust and excellence.

Our best is round the corner.

Tushar Bhandari

Whole Time Director

How we are taking AABL to the next level





A number of themes are at concurrent play in India's alcohol industry

Overview

Any overview of the prospects of Associated Alcohols must begin with the prospects of the Indian alco-beverages industry.

This Indian sector is among the most exciting in the global alco-beverages play for good reasons that are perhaps unique to the country.

The Indian alco-beverage sector is the third largest in the world.

India represents the coming together of some of the most compelling demographic upsides: the largest population in the world of those below the age of 35; a median age of around 29 years that is at least a decade younger when compared with China or developed economies; annual population accretion of around 15 mn that is possibly the largest in the world; a population quantum of upwardly mobile individuals that is again possibly the largest in the world; millennials constitute 35% of the total Indian population.

The reality then is that India is not just a growing country in a simplistic sense: it is a country at the cusp of a lifestyle breakout likely to spike per capita consumption across a range of products.

Volume and value play

There is ample evidence to suggest that among the quicker trickle-downs of affluence in any society is the increased consumption of alco-beverages. The increase is not only reflected in the enhanced quantum of offtake; it is also reflected in the improving quality of offtake, resulting in people willing to pay more for superior brands.

To see the Indian alco-beverage market through the prism of quantitative growth is then to miss the story. There are a number of themes that are concurrently being played out: quantity is the most evident; there is a preference to move from the large relatively unbranded country liquor segment towards branded varieties; there is a willingness to climb the premium ladder towards superior alco-beverage varieties.

The result of this unprecedented convergence – scale, under-penetration and gradual premiumisation – is not just helping the Indian alco-beverage market grow; it is helping prime one of the most attractive global alco-beverage markets.

There is a growing recognition that this reality will hold out disproportionately large opportunities for companies at the centre of the volume game.

India's alco-beverage sector growing attractively

8

% CAGR growth in volumes of the alco-beverage industry between 2006 to 2018. Consumption decline in only one in 12 years ending 2018

11

% CAGR growth by value of the alco-beverage industry between 2006 to 2018. No value decline in any of the 12 years ending 2018

3

% CAGR growth by minimum retail price per litre in the alco-beverage industry between 2006 to 2018. Realisation decline in only one of 12 years ending 2018

Increased premiumisation

11

% of alco-beverage industry sales of whisky brands above ₹1500, 2014

12

% of alco-beverage industry sales of whisky brands above ₹1500, 2017

Extensive under-consumption

5.9

Litres alcohol consumption per capita, per annum in India

~9.8

Litres alcohol consumption per capita, per annum in the US

Why India's alco-beverage industry is moving towards an inflection point

Overview

If you seek to look into the crystal ball of what is likely to transpire in India's alco-beverage sector across the next 20 years, all you need to do is see where the sector has come from in the last couple of decades.

The year 2000 appears to be a good point from where to pick up the story. Nearly a decade of India's liberalisation story had panned out; a part of the country's transformation story was in evidence. The per capita consumption of pure alcohol in India was estimated at 0.9 litres corresponding to a per capita income of ₹16,173.

In exactly a decade and a half something dramatic has transpired. The country's per capita income has increased to ₹1,35,000, 8.5x the number in 2000. The increase in the per capita consumption had meanwhile increased to 3 litres of pure alcohol per person, validating the theory that increased incomes lead to enhanced pure alcohol consumption.

The correlation is not as simple as it appears, for underlying that growth is a vigorous current underway that indicates something more than just a corresponding increase: it indicates that India is sitting on an inflection point.

Inflection point

One, 17% of the Indian population is yet to come to the legal drinking age in India in next 5 years - a 23 crore population opportunity. The percentage of India's population within the legal drinking age is likely to increase from 56% in 2014 to a projected 69% by 2025. India is expected to add ~17 mn people to the legal drinking community each year. The result is that alco-beverage brands are not just looking at what is; they are clearly investing on the basis of what can be.

Two, there is a dramatic income churn currently underway: the proportion of those with incomes in excess ₹25 lakh has increased from 1% of the Indian population in 2005 to around 3% a couple of years ago and likely to be 7% by 2030. But there is a bigger move happening below this population segment: the middle segment of India's population (often referred as the 'bulge') which earns between ₹2.5 lakh and ₹25 lakh per annum, has increased from 30% to 54% and likely to grow to 78% in a decade from now.

Three, the number of outbound travellers from India is increasing, being introduced to global alco-beverage brands that are refining their consumption preference. The number

of international travellers from India was 14.9 mn in 2012; this increased year-on-year to 22.5 mn by 2018.

Four, the number of pubs and bars (on-trade establishments) has increased substantially across the years, deepening the alco-beverage culture in the country – rising from around 30,314 in 2012 to around 34,768 by 2017, catalysing the consumption of alco-beverages in India.

Five, India is the fastest urbanising country. Nearly 34% of the country's population is urban; even as the country's population base will continue to broaden, the urban growth in percentage terms is likely to relentlessly increase (barring short-term reverses as happened following the Covid-19 pandemic) – to an estimated 40% by 2030. This increase is likely to strengthen the offtake of alco-beverages in India.

Six, the incidence of more working women – from 98.7 mn women in 2012 to 112.6 mn in 2018 - is likely to catalyse alcohol consumption.

This indicates that economic, lifestyle and social realities are converging to create an unprecedented opportunity related to alco-beverage consumption in India.

The transforming alco-beverage perception...

From being perceived as evil...

To being perceived as trendy and enjoyable

From being the habit of the film anti-hero...

To being consumed by the screen protagonist

From women who are admonished alcohol consumption...

To women are consumers today

From being associated with loneliness, rejection and sorrow...

To being associated with fun, festivity and celebration

From being seen as anti-society

To being seen as socially acceptable and an economic contributor (through taxes)

The inflection opportunity for AABL

Overview

When the world's largest alco-beverage brand makes a decisive shift in its India strategy, the result has a ground-shifting impact.

This is what is transpiring in India following the decision of Diageo/USL to focus on the direct manufacture of premium brands and outsource the manufacture of popular mass market brands.

This is not a knee-jerk reaction for the short-term; this is a decided long-term focus of the Company to maximise the productivity of its financial, infrastructural and managerial resources. The Company believes that as India evolves into a sophisticated alco-beverages market, extensive opportunities will emerge as the premium end; the Company's premiumisation increased manifold in past five years as an indicative trend.

Diageo/USL does not intend to vacate the popular mass market segment; it has outsourced the manufacture of these brands to five pan-India distilleries, an arrangement that is now in its fourth year. So even as the offtake of the popular brands at Diageo/USL is expected to stabilise through regular growth, the income from franchisee agreements is expected to grow attractively.

Where does AABL come into this United Spirits picture?

One, AABL has been selected among one of the five outsourcing partners of Diageo/USL.

Two, the Company has been engaged in manufacturing on behalf of United Spirits for 20 years.

Three, during this period, outsourcing volumes have grown consistently.

Four, AABL does not just manufacture on behalf of the world's largest spirits brand; it also provides ENA to the latter, validating the quality of the raw material on the one hand and providing a superior Return on Relationship (reflected in a high wallet share).

At AABL, we believe that the knowledge aggregated through this outsourcing arrangement has helped graduate the Company from resource manufacture to a deeper understanding of global alco-beverage standards. This has created an institutionalised insight, helping AABL build better proprietary branded products, whose share of revenues is only expected to increase.

By associating extensively with the best in the global space, AABL is present at the cutting-edge of practices and developments that make it one of the most responsive companies in India's alco-beverage sector.



How we have successfully broad-based our business

Overview

The alco-beverage sector is one of the most challenging in the country, marked by shifts in resource prices, availability, quality standards and government policies.

The irony is that even as the sector addresses a growing consumer appetite, it is marked by high mortality.

At AABL, if there is one word that faithfully captures the spirit of our risk mitigation, it is 'broad-basing'.

De-risking

Over the years, the Company has broad-based its business model with the objective to spread risks better, enhance resilience and strengthen agility.

Integration: As opposed to most alco-beverage manufacturers in India outsourcing their ENA requirement, AABL has selected to manufacture its raw material in-house. This proprietary manufacture has widened the Company's value chain, strengthened its quality control, provided an any-time ENA availability and deepened its sectoral understanding (by the virtue of sales to alco-beverage manufacturers). The result is that the Company possesses one of the most extensive value chains in

the country's alco-beverage sector: raw material (grain) to end product (alco-beverage) to marketing.

Portfolio: Over the years, AABL has broad-based its product mix to the manufacture of ENA, IMIL, IMFL (own and USL brands), franchise bottling and contract manufacturing. This has helped the Company mitigate an excessive dependence on any one or few products/segments that could affect overall performance.

Feedstock: The Company is principally a grain-based manufacturer, generating a superior ENA quality and reporting a lower consumption (water, power and steam), enhancing profitability. The Company made a forward-looking investment in the use of multiple grains, which empowered it to shift from one resource to another in the manufacture of ENA, a decided advantage in a country marked by changes in rainfall patterns. This feedstock flexibility has helped the Company sustain ENA supplies and commitments to its external and internal customers through various market cycles, strengthening dependability.

Power: The Company's boilers generate high pressure steam whereas manufacturing processes require low pressure steam. The Company utilises the high pressure steam to generate power, addressing 60% of the power requirement.

PET bottles: The Company's backward integration into the manufacture of packaging material (PET bottle) has enhanced benefits from GST.

By-products: The Company invested to transform process residue into monetisable by-products. These by-products accounted for 10% of the Company's revenues in 2019-20.

Location: The Company markets proprietary alco-beverage brands in four States (Madhya Pradesh, National Capital Region, Chhattisgarh and Kerala). The Company broad-based its presence cautiously following an appraisal of policy (state government) stability related to the consumption of alco-beverages, growth of market size and maturity to accept a range of premium offerings.

The result of this conscious broad-basing is that the Company reported attractive year-on-year revenue growth in the last five years; profit after tax strengthened and EBITDA margin climbed steeply during this period.

Big numbers

17

% Non-Madhya Pradesh revenues, 2017-18

26

% Non-Madhya Pradesh revenues, 2019-20

How AABL's working with strong brands has paid off

Overview

At AABL, the one word that excites us is 'relationships'.

We believe that a stable and trusting relationship does more than just generate a superior wallet share; it sends out a message to prospective customers that we can be completely trusted, that we possess products of the highest quality, that our compliance standards are robust and that we seek the sustainable over fleeting arbitrage.

Relevance

We believe that this approach is becoming increasingly relevant in India.

As incomes and aspirations rise, consumers seek to buy from organised and branded alco-beverage sources, shifting from country liquor and home-brewed alternatives.

As a result, the future in this business lies with companies that possess strong customer-facing brands. Well-managed brands endure longer, generate a large revenue throughput and enhance long-term revenue visibility. Well-managed brands enhance business sustainability; they attract superior talent; they increase

corporate respect. Well-managed brands become 'value long-term properties' that can be traded and monetised.

Increasing brands

Going ahead, the Company intends to increase the number of proprietary and franchisee brands across various segments. Besides, the Company will deepen its presence in existing markets and move into contiguous markets (wherever feasible) in a measured manner without affecting profitability and competitiveness. We plan to cover one market at a time, invest in market building, achieve critical mass and scale through progressive resource deployment. We believe that this approach will enhance effective resource utilisation, minimise our loss in the case of failure in any market and protect our overall sustainability.

The preference for superior brands is evident in that a large consumer base is gradually moving towards premium categories.

THE COMPANY WILL DEEPEN ITS PRESENCE IN EXISTING MARKETS AND MOVE INTO CONTIGUOUS MARKETS (WHEREVER FEASIBLE) IN A MEASURED MANNER WITHOUT AFFECTING PROFITABILITY AND COMPETITIVENESS

Shift in preference

This trend is not limited to the alcohol beverage sector; following the introduction of GST, the price differential between unorganised and organised players has narrowed, catalysing a quicker shift in consumer preference to the latter.

There is another interesting reason for the shift in preference towards branded alternatives. Following digitalisation in the last few years, the cost of promotion has shifted from expensive print and electronic media to the relatively lower cost social media. Besides, digitalisation has enhanced the effectiveness of brand spending; it has empowered companies to customise their pitches.

At AABL, these realities have validated what we always believed: that working with established brands (customer or proprietary) would create the consumer pull for our ENA resource and owned brands.

In line with this approach, we selected to work with the largest alcohol beverage Company in India (Diageo/USL) and the largest alcohol beverage Company in the world. The more they spend on branding, the stronger our prospects; the more they grow their Company, the stronger volumes that are likely to be generated by us.

By the virtue of these enduring relationships, we have enhanced revenue visibility and business stability.

WE SELECTED TO WORK WITH THE LARGEST ALCO-BEVERAGE COMPANY IN INDIA (DIAGEO/USL) AND THE LARGEST ALCO-BEVERAGE COMPANY IN THE WORLD.

Clients	Licensed brands/ franchised brands	Proprietary brands	Contracted manufacturing brands
<ul style="list-style-type: none"> Diageo/ United Spirits Limited Government-regulated retail contractors/agencies (both IMFL and IMIL) 	<ul style="list-style-type: none"> Bagpiper Deluxe Whisky Directors Special Whisky Flavoured White Mischief Director's Special Gold Whisky DSP Black Special Whisky McDowell's No. 1 XXX Rum. 	<ul style="list-style-type: none"> James McGill Whisky Central Province Whisky Jamaican Magic Rum Bombay Special Series Titanium Triple Distilled Vodka with Orange and Green Apple flavor 	<ul style="list-style-type: none"> Black Dog Scotch Whisky VAT 69 Scotch Whisky Smirnoff Vodka Black & White Scotch Whisky Royal Challenge Whisky McDowell's Platinum Whisky Signature Whisky



Manufacturing integration represents the heart of AABL's competitiveness

Overview

At AABL, we had two alternatives a number of years ago when it came to widening our manufacturing presence.

One, we could build locations alternative to our central position off Indore and go closer to the large consuming markets or closer to large bottlers. This approach would save us logistical costs and enhance our responsiveness to customer needs.

Two, we could consolidate our position off Indore, enhancing economies of procurement, manufacturing, regulatory clearance, infrastructure and managerial bandwidth.

Centralised location

At AABL, we selected to invest in one location – and that has made all the difference – in exchange for the following competitive advantages.

One, our location off Indore is geographically as close to perfect within the Indian context as possible. The location is equi-distant from large consuming markets: 1300 kms from Bangalore, 1500 kms from Chennai, 600 kms from Mumbai, 800 kms from the National Capital Region. Any other location in the country would have made AABL relatively regional in character; the Indore location makes the Company pan-national in presence and positioning.

Two, the Company's Indore location is proximate to diverse grain markets, strengthening not just the Company's proximity to the agrarian farm lands of Madhya Pradesh but of contiguous States as well; besides, this hinterland provides the Company with access to a basket of more grain types, enhancing its flexibility in responding to short-term resource cost volatility.

Three, the Company has invested continuously in capacity accretion at this single location, capitalising on existing regulatory clearances, employee bandwidth, established infrastructure, inherited best practices and the highest operational efficiency.

Four, by the virtue of possessing extensive land at this single location, the Company possesses headroom to grow sustainably across a number of expansion cycles and capitalise on historical land costs (purchased decades ago).

India's largest

AABL operates India's largest single-location ENA manufacturing facility, generating far greater economies that more than covers up for the relatively higher logistical costs than if it were located in regional pockets near large consuming markets.

As a result of this conscious consolidated capacity expansion, the Company's capital cost and overheads per tonne are substantially lower than the prevailing industry benchmark, moderating the break-even point to assure sustainability across market cycles.

Big number

314

Lakh litres per annum, ENA capacity, 2017-18

450

Lakh litres per annum, ENA capacity, 2019-20

The other end of the alco-beverage play: ENA resource security

Overview

In India's alco-beverage industry, a majority of the investment is downstream – into brands and distribution networks.

At AABL, we have selected to be a contrarian; we have allocated a significant part of our business-building outlay for the upstream manufacture of ENA instead. The more the sector invests downstream, the greater our commitment to provide the industry with a robust resource foundation. The result is our desired objective to emerge as the ENA provider of first choice to every serious alco-beverage brand – by the virtue of our superior location, quality, service and price-value proposition.

Specialisation

We believe that the manufacture of this building block is specialised; it warrants a deep understanding of grains, crop cycles, environment integrity, integration into customer business plans, secure transportation and service mindset.

Even as key international brands are discontinuing the direct manufacture of mid-priced alco-beverages and focusing on the premium, they are outsourcing the ENA source to be consumed, putting a premium on long-term relationships.

Over the years, AABL has helped transform the ENA space by investing in progressively larger capacities, making it relatively uncompetitive for small competitors with sub-economies of scale.

By the virtue of being among the largest ENA players in the country, the Company promises customers with an anytime-anywhere and any quantity commitment. The Company is taking this volume-driven game a decisive step ahead through the proposed doubling of its installed capacity.

We believe that following this decisive expansion in the building block of India's alco-beverage sector, we will have reduced our capital costs further and enhanced our overall competitiveness across market cycles.

BY THE VIRTUE OF BEING AMONG THE LARGEST ENA PLAYERS IN THE COUNTRY, THE COMPANY PROMISES CUSTOMERS WITH AN ANYTIME-ANYWHERE AND ANY QUANTITY COMMITMENT

AABL built around robust project implementation capabilities

In a business marked by a number of variables, there is a premium on the need for project implementation discipline.

This comprises to need to commission the largest capacity at the lowest cost, mobilise adequate resources to sustain

project investment and completion, commission the project on schedule and within the budgeted cost, scale throughput in the shortest gestation period and generate a superior throughput that translates into improved financials.

The Company has consistently demonstrated these attributes, strengthening its sustainability across market cycles.

Big number

0.09

Debt-equity ratio, 2018-19

27.71

Interest cover, 2018-19

27

Days, Receivables cycle (days of turnover), 2018-19

338.58

Lakh litres of ENA produced in 2018-19

0.04

Debt-equity ratio, 2019-20

38.38

Interest cover, 2019-20

26

Days, Receivables cycle (days of turnover), 2019-20

429.66

Lakh litres of ENA produced in 2019-20

23

% of revenues derived from customers of five years or more, 2019-20

27

% of revenues derived from the top five customers, 2019-20

61.84

₹ crore, EBITDA, 2018-19

79.90

₹ crore, EBITDA, 2019-20

Moving towards value-added products

2017-18

(share of revenues in %)

IMIL	Job-working	Licensed brands	Merchant ENA	Own brands
49%	0.5%	14%	21%	5%

2019-20

(share of revenues in %)

IMIL	Job-working	Licensed brands	Merchant ENA	Own brands
32%	2%	17%	23%	14%



How the proposed further expansion of our ENA capacity has been de-risked*

At AABL, we are embarking on the further proposed expansion of our ENA capacity to 9 crore litres per annum in the near future. This is the largest capacity expansion in our existence. Due to a convergence of various competitive advantages, we have mitigated the risks that would have been normally associated with this expansion.

Capability

We possess a proven capability in conceiving, implementing and scaling capacity expansion programmes.

We have blended manufacturing capability with marketing visibility.

Marketing

The expansion is being commissioned to respond to the additional demand of ENA from its customers in the short term followed by the vision to cement its ENA into value-added branded products with a clear visibility that the incremental ENA produced would be consumed within the Company.

There is consumption headroom within the Company's existing customers.

There is a regional skew to capitalise on - East India and South India suffer from ENA shortage while in West India there is room for grain-based ENA in a molasses-based ENA region.

Infrastructure

The expansion will be commissioned within the existing location.

The Company will capitalise on existing infrastructure (physical and people).

The commissioning will be integrated with a power co-generation unit (100% utilisation within) apart from meeting the power requirement of ancillary units.

Manufacturing

The project when announced will be estimated completion tenure of 18 months (industry benchmark 24 months) is shorter than the industry average. The Company is still in the process of finalising the project in the current financial year followed by project commissioning and execution.

Financial

The estimated project cost of the proposed expansion is ₹120 crore.

The investment will be funded by a mix of debt, accruals and promoter contribution.

Environment

All environmental and other relevant approvals are in place.

*Proposed doubling from 45 mn litres to 90 mn litres apart from power generation/other facilities.

PROPOSED DOUBLING FROM 45 MN LITRES TO 90 MN LITRES APART FROM POWER GENERATION/OTHER FACILITIES.

After proposed expansion, AABL's Balance Sheet will still be liquid

At AABL, we believe we are at the cusp of enhanced competitiveness for a good reason.

By the virtue of investments in a single location, we have capitalised on available infrastructure that has made it possible for us to commission capacities quicker and at a lower cost than the prevailing average.

Overview

This competitiveness has translated into our Balance Sheet. We embarked on a significant ENA capacity expansion by 50% following which our peak gearing was no more than 0.1. The Company is expected to embark on a 100% ENA capacity expansion from this point onwards; peak gearing for this round of expansion is not expected to exceed 0.4 range by the time the expansion is complete in the near future.

This moderate gearing on the one hand and substantial capacity reinvention are likely to empower the Company to completely transform the Balance Sheet, generate free cash flows for onwards reinvestment and build an even more sustainable growth engine.

Liquidity

The Company's liquidity is being complemented by a scenario where ENA is in shortage in the regions of the Company's supply, coupled with a virtual cash-and-carry arrangement with ENA buyers. This has enhanced cash flows or working capital efficiency. A large part of the expansions were funded through accruals, resulting in relatively short project payback tenures.

Over the last few years, the Company enhanced liquidity through alco-beverage sales in Madhya Pradesh to the government (marketing agency), relieving it from collection issues from the marketplace. Besides, the Company 'fed' its bottling partners in other states

with ENA manufactured within the Company, strengthening value-addition. The Company commissioned a PET bottling plant to moderate costs; it expects that 100% of its power needs will be addressed from within at a cost considerably lower than the state electricity grid, strengthening margins.

A complement of these realities is expected to drive the Company's free cash flows across the foreseeable future.

OVER THE LAST FEW YEARS, THE COMPANY ENHANCED LIQUIDITY THROUGH ALCO-BEVERAGE SALES IN MADHYA PRADESH TO THE GOVERNMENT (MARKETING AGENCY), RELIEVING IT FROM COLLECTION ISSUES FROM THE MARKETPLACE.

Our strategic goals and blueprint

Goal	Achievements	Strategies for the coming years
Sustainably grow our business by maximising capacity utilisation and market expansion	<ul style="list-style-type: none"> Stabilised ENA capacity expansion and achieved 90%+ capacity utilisation Strong growth reported in the newly entered Kerala market Proprietary brand offtake increased 	<ul style="list-style-type: none"> Enter new markets and grow the share of owned brands Look for franchisee agreements in other markets Embark on the next phase of expansion with vision conversion major ENA production in peer value added products
Optimise operational costs	<ul style="list-style-type: none"> Process optimisation initiatives helped in moderating operating costs Captive power sources sufficed 60% of the Company's power requirements Technical and continuous review of plant operations Direct <i>mandi</i> procurement for reduced raw material costs 	<ul style="list-style-type: none"> Further enhance automation in respect of sourcing of major raw materials, better utilisation of working capital/resources, further improvement of efficiency/operational improvement across the board by inducting hardcore professional of the industry
Sustainable business growth	<ul style="list-style-type: none"> ENA business reported 78% growth while franchise brands reported 26% revenue growth and own brands reported 21.5% revenue growth 	<ul style="list-style-type: none"> Strengthen proprietary brands contribution to drive profitability Introduce premium proprietary brands
Asset-light business model	<ul style="list-style-type: none"> Entered the Kerala market through an asset-light light model with spirit supply from the central location while bottling is outsourced Virtually debt-free company - a great strength in present economic scenario 	<ul style="list-style-type: none"> Introduce premium proprietary brands Explore franchisee agreements in other markets
Environmentally responsible manufacturers	<ul style="list-style-type: none"> More than 60% of the water used in the process is recycled Installed sewage treatment plants and other waste management systems, reducing environmental impact 	<ul style="list-style-type: none"> Achieve 100% water recycling Seek alternative water resources; minimise ground water drawal Continue to harvest water at the manufacturing unit

Management discussion and analysis

Review of the global economy

The projected global economic growth, albeit downgraded, was 2.9% in 2019. This sharp decline was precipitated by an increase in global trade disputes that affected the cross-border movement of products and services, a slowdown in the global manufacturing sector, weak growth coming out of some of the largest global economies and the impact of Brexit. Despite the economic and financial headwinds, growth in developing Asia was projected to remain a robust 5.5% during 2019 (Asian Development Outlook, Update, September 2019). However, in 2019-20, the Indian economy grew by 4.2% against 6.1% expansion in 2018-19.

The global economy grew 2.9% in 2019 compared to 3.8% in 2018. However, due to the COVID-19 pandemic, the International Monetary Fund has projected a sharp contraction of the

global economy to a status much lower than what resulted from the 2008-09 financial crisis.

(Source: World Economic Outlook, April 2020, CNN, Economic Times, trading economics, Statista, CNBC)

Indian economic overview

India continues to be one of the fastest growing emerging economies in the world. A slowdown in the manufacturing and construction sector lately affected GDP growth – below 5% in the last fiscal. An impending revival in demand, positive consumption pattern and rising disposable income make India among the most sought after of investment destinations. Already the fifth largest economy in the world, India is supposed to take its place among the world's top three economic powers in 10-15 years. The pandemic affected India, but with the right economic stimulus and the gradual opening up of the lockdown the situation can be expected to improve.

Interstate movement of goods is gradually picking up and retail financial transactions are showing a healthy trend.

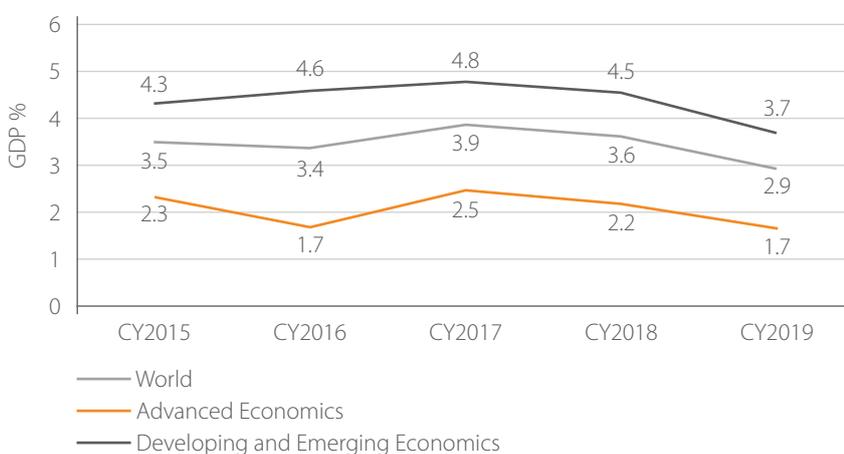
India emerged as the fifth-largest world economy in 2019, overtaking the UK and France with a GDP of US\$2.94 trn. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking, riding on reforms in seven areas and a substantial bump-up from the insolvency law rolled out in 2016. The country climbed 79 positions in five years and was among the top 10 performers for the third year running.

The outbreak of COVID-19 and the subsequent lockdown are expected to moderate aggregate demand and to create economic challenges. Along with some major economies around the world India was bound to be affected not only because of its domestic slowdown but also because of an international recession. India's estimated gross domestic product (GDP) for the fourth quarter of 2019-20 fell to 3.1% which indicated the initial impact of COVID 19 on the economy. To mitigate the reality, the Government announced the Prime Minister Gareeb Kalyan scheme worth ₹1.7 trillion, providing relief to the poor and migrant workers through measures like direct cash transfer to farmers, increased wages under MGNREGA scheme and the utilisation of welfare funds for construction workers. The Government also announced an economic package of ₹20 lakh crore, benefiting the MSME segment, agrarian sector and provision for free rations to migrant workers.

The intensification of social distancing measures is expected to lead to supply side as well as demand side shocks. Supply chain disruptions could hurt domestic production in sectors

Global economic growth

Real GDP growth



dependent on imported inputs like pharmaceuticals, autos, chemicals, power, etc. Disruption to the services sector could affect sectors like transportation, hotels and entertainment – as containment measures limit travel. Fiscal and monetary stimulus measures undertaken by the Government and Central Bank are expected to provide reasonable support to the economy. Despite linkage with global economies, India's macroeconomic situation remains considerably strong compared to other emerging economies. Falling crude oil prices are expected to favor the Balance of Payment situation. Benign inflation that allows room for monetary easing and comfortable forex reserves levels could add to the economy's resilience. In a new set of measures to mitigate the impact of corona virus lockdown on the economy, the RBI reduced the repo rate by 40 basis points from 4.4% to 4% and the reverse repo rate by 40 basis points from 3.75% to 3.35%.

Indian alco-beverage market

India is the third-largest and fastest-growing liquor market in the world. Alcoholic beverages are considered a sunrise industry owing to its high-growth potential and increasing social acceptance. According to a research report by Netscribes, the alcoholic beverages market in India is expected to grow at a CAGR of around 7.72% over a 10-year period to reach a value of ₹5.3 trillion in 2026.

An average Indian male drinker consumes three times more alcohol than an average female drinker. Region wise, south Indian states constitute the highest alcohol consuming region in the country.

There are various types of alcoholic beverages available in India, but beer is the fastest-growing segment in the country. It is expected to grow at a CAGR of 7.5% between FY 2017 and FY 2021.

Around 16 crore Indians in the age group of 10-75 are consumers of alcohol with Chhattisgarh, Tripura, Punjab, Arunachal Pradesh and Goa having the highest prevalence of liquor use, revealed a survey conducted by the Social Justice and Empowerment Ministry.

Indians are drinking more than ever, with the annual per capita alcohol consumption going up by 38% in seven years to 5.9 litres (ltr) in 2017, up from 4.3 ltr in 2010.

Extra neutral market in India

Extra Neutral alcohol or ENA is a colourless food-grade alcohol without impurities. It has a neutral smell and taste, and typically contains 96% alcohol by volume (ABV). ENA is derived from various sources – sugar cane molasses and grains among others. It is used in the production of alcoholic beverages such as whisky, vodka, gin, cane, liqueurs, and alcoholic fruit beverages and aperitifs. Apart from this, it also serves as an essential ingredient in the manufacturing of several cosmetics and personal care products, such as perfume, toiletries,

cologne, hair spray, air fresheners, detergents, etc. As a solvent, it is used in the production of lacquers, paints and ink for the printing industry, besides being used in pharmaceutical products such as antiseptics, drug, syrups and medicated sprays among others. According to IMARC Group's report, the ENA market in India reached a volume of 2.96 bn litres in 2019.

The market for ENA gained momentum in the past few years majorly as a result of the increasing consumption of alcohol in the region. In India, almost 90% of ENA is used for potable alcohol, which accounts for an annual production capacity of nearly 2.7 bn litres. These figures are further expected to increase owing to a rise in the demand for potable alcohol due to increasing disposable incomes, changing attitude towards drinking, western influence, and a gradual shift from country liquor to Indian Made Foreign Liquor (IMFL). Looking forward, IMARC Group expects the ENA market in India to exhibit moderate growth during the next five years.

Impact of COVID-19 on the Industry

A direct impact in Q1 FY 2020-21 cannot be denied as India faced a strict lockdown during this period. However, the Company expects a normal business going ahead. The Company took steps to ensure the health and safety of its employees and customers. In the face of the business environment, it also adopted a fundamental change in strategy to emerge as a resilient and an agile organisation.

Growth of India's GDP in 2019-20

	Q1, FY20	Q2, FY20	Q3, FY20	Q4, FY20
Real GDP growth (%)	5.2	4.4	4.1	3.1

(Source: Economic Times, CSO, Economic Survey, IMF, RBI, Franklin Templeton)

Demand drivers for Indian industry

Population: India with a population of more than 1.37 bn people is the second-largest in the world and is soon expected to overcome China to emerge as the largest. This is expected to drive strong growth for the alco-beverage industry.

Young population: India has one of the youngest populations. The median age of India will be just 28 compared with 37 in China and the US, 45 in Western Europe and 49 in Japan. A higher proportion of a young population having a higher preference for alcoholic beverages is expected to drive the industry.

Urbanisation: Recent studies have projected that India will face an unprecedented urbanisation as 350 mn Indians move to cities by 2030 a number likely to double to 700 mn by 2050. This is 2.5 times the size of the US's present population and will be the largest urban movement in the world. This implies that every minute during the next 20 years, 30 Indians will leave rural India for urban areas. Growing urbanisation is introducing a larger consumer group, mainly young men and women, to alcoholic beverages and has resulted in more consumers willing to try new products.

Growing income: India's per capita income has doubled in the past decade and with growing income and increasing acceptance of alcoholic beverage consumption, the market will continue to grow.

Rural consumption: There has been steady rise in the rural consumption of alcohol owing to growing rural prosperity in the past few years. The easy availability and accessibility of alcohol in rural and urban areas is an important factor in determining the growth of the alcoholic beverages market in India.

Increasing acceptance as a social beverage: Growing exposure to internet and other forms of media has resulted in a higher influence of western culture leading to a growing acceptance of alcohol beverages in social gatherings. This is expected to drive the sector.

Premiumisation: Indian consumers are increasingly preferring consumption of premium brands in the alcoholic beverage space. The growth of the premium brands remained largely unaffected despite there a slowdown in the economy.

Per capita consumption: India's per capita alcohol consumption is lower than the global average. Hence, with a percentage change in consumption, the industry is expected to benefit significantly. India ranks 101 in terms of per capita alcoholic beverages consumption in the world.

Home delivery: Keeping in mind the pandemic situation, a number of states allowed the home delivery of alco-beverage products. This is expected to drive the industry in the coming years.

Besides, the sector is also subject to a high amount of taxes by Central and State governments.

Industry structure

The Company is one the largest manufacturers of ENA in India with a state of art distillery.

Country Liquor (Indian Made Indian Liquor)

The promising category, where the Company enjoys a monopoly in allocated areas, is marked by cash and carry terms of trade. The Company reached a stable level and volumes are largely frozen with scope of 2-3% growth. The sector has a limitation that it is state-bound and the Company only serves country liquor in Madhya Pradesh. The Company accounts for 1/4th of the market in MP in this category.

Indian Made Foreign Liquor (IMFL)

This is the fastest growing sales category backed by the franchise of Diageo and USL brands in Madhya Pradesh, proprietary brands in MP, Delhi, Kerala and Chhattisgarh. The momentum can be contributed by IMFL sales. The Company believes that it has far to go in this segment

Rectified Spirit/Extra Neutral Alcohol

The commodity and direct sale products of the Company comprise major buyers include leading industry players. Owing to quality premiumisation preferred by the buyers, the Company enjoys a premium in its prices

- By products
- The Company markets its protein-rich by product
- Contract manufacturing

The Company owns a bottling facility used to provide its services for bottling of premium brands of the industry leader Diageo/USL.

Regulatory updates

The Indian alco-beverage industry is subject to high regulation from the central government and the respective state governments. Regulations involves restriction in production, movement and sale of alco-bev products. Licenses are required to produce, bottle, store, distribute or retail all alcobev products. Distribution is also highly controlled, both at the wholesale and retail levels. In addition, direct advertising of alco-bev products is not permitted.

Internal system and their adequacy

Your Company has laid down policies, guidelines and procedures keeping in mind the nature, size and complexity of business operations. The Company maintains a proper and adequate system of internal controls with well-defined policies, systems, process and guidelines and operating procedures.

The Company ensures strict adherence to various procedures, laws, rules and statutes. The Company has engaged the services of independent professionals to carry out the internal audit and ensure that recording and reporting are adequate and proper, the internal controls existing in the system are complied with and that sufficient measures are taken to improve, update and strengthen the internal control system.

The Board ensures the progress of the internal audit initiatives, significant and major audit observations and further planning and implementation of follow up action required.

Risk and concerns

The industry is exposed to multiple regulatory risks owing to state imposed taxes, adverse court rulings, changes in regulatory policies.

Dependence on State Government for Price escalation, margins get severely impacted in case of inflation and steep rise in raw material cost

Significant opportunities for AABL



Human resource and industrial relations

The Company regularly facilitates and encourages its employees at all levels to enhance their knowledge and skills. It firmly believes that human resource development strategies and practices will provide a sustained competitive advantage. The management of the Company deeply appreciates the spirit and commitment of its dedicated team of 453 employees as on 31st March 2020.

Cautionary statement

Estimates and expectations stated in this Management Discussion and Analysis Report may be 'forward-looking statements' within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply, price conditions in the domestic and international markets, changes in governments regulations, tax laws and other statutes, and other incidental factors.

NOTICE

NOTICE IS HEREBY GIVEN that the **31st Annual General Meeting** of the members of **Associated Alcohols & Breweries Limited** will be held on **Saturday, September 05, 2020 at 02:00 PM (IST) through Video Conferencing (VC) /Other Audio Visual Means (OAVM)** for which purposes the registered office of the company situated at 4th Floor, BPK Star Tower, A.B Road, Indore– 452008 (Madhya Pradesh) shall be deemed as the venue for the meeting and the proceedings of the Annual General Meeting shall be deemed to be made there at, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements together with Directors Report as also the Auditors Report thereon for the year ended March 31, 2020.
2. To declare dividend on Equity Shares for the financial year ending 31st March, 2020
3. To reappoint Mr. Manish Kumar Tibrewal (DIN00747559), who is liable to retire by rotation has offered himself for reappointment.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provision of Section 152 and any other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof, for the time being in force) and Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactments(s) thereof, for the time being in force), Ms. Homai Ardeshir Daruwalla (DIN:00365880) who was on the recommendation of the Nomination and Remuneration Committee appointed as an additional director of the company by the Board of Directors with effect from 16th May, 2020 in terms of section 161(1) of the Companies Act, 2013 and in accordance with the article of association of the company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the company has received a notice in writing from a member of the company under section 160 of the Companies Act, 2013 proposing her candidature be and is hereby appointed as director of the company.

RESOLVED FURTHER THAT pursuant to the provision of Section 149, 150, 152 and other applicable provisions of the Companies Act 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof, for the time being in force) read with schedule IV, of the Companies Act, 2013 and Regulation 16 and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions (including any statutory modification(s) or re-enactments(s) thereof, for the time being in force) Ms. Homai Ardeshir Daruwalla(DIN: 00365880), who has submitted a declaration that she meets the criteria for Independence and who is eligible for appointment, be and is hereby appointed as Independent Director not liable to retire by rotation of the company to hold office for a term of 3 Consecutive years from the date of appointment.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provision of Section 152 and any other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof, for the time being in force) and Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactments(s) thereof, for the time being in force), Mr. Debashis Das (DIN: 08755043), who was on the recommendation of the Nomination and Remuneration Committee appointed as an additional director of the company by the Board of Directors with effect from 16th May, 2020 in terms of section 161(1) of the Companies Act, 2013 in accordance with the article of association of the company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the company has received a notice in writing from a member of the company under section 160 of the Companies Act, 2013 proposing his candidature be and is hereby appointed as Non-Executive director of the company, whose office is liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of section 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including statutory modification(s) or re-enactment thereof for the time being in force) and as per recommendation and approval of the nomination and remuneration committee, the consent of Members be and is hereby accorded to the re-appointment and enhance salary of Mr. Harshan Kumar Bhandari who is father of Mr. Tushar Bhandari, Whole Time Director, at office or place of profit in the company, as

Senior Executive - Plant Head of the Company, w.e.f 01st October 2020 at an annual remuneration of ₹48,00,000 Lakhs (Rupees Forty Eight Lakhs only) together with other benefits, perquisites, allowances, amenities and facilities as applicable / payable to the other employees occupying similar position in the said cadre as per applicable rules, which is commensurate with his experience and as per relevant industry standards.

RESOLVED FURTHER THAT the Nomination & Remuneration Committee/Board of Directors has the liberty to alter and vary such remuneration in the range of 5,00,000-7,50,000 per month in accordance with the provisions of the Companies Act, 2013, to effect change in designation and responsibilities of Mr Harshan Kumar Bhandari holding office or place of profit, within the maximum limit approved by the shareholders.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution”

Place: Indore
Date: 29th June, 2020

By Order of the Board of Directors

Registered office

4th Floor, BPK Star Tower, AB Road,
Indore - 452008
CIN: L15520MP1989PLC049380

Sumit Jaitely
Company Secretary
FCS 9194

NOTES:

1. In view of the ongoing COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Ministry of Corporate Affairs (MCA) Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 followed by Circular No. 20/2020 dated 5th May, 2020,(collectively refer to as 'MCA Circulars') permitted the holding of AGM through VC/OAVM, without physical presence of members at common venue, and Annual General Meeting (AGM) held through Video Conferencing (VC) or Other Audio Visual Means (OAVM) stands perfectly valid. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM only and no physical presence at the meeting is required.
2. Since this AGM is being scheduled to be held through VC/OAVM, physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxy by the members is not available for the AGM and hence the proxy form, attendance slip and route map are not annexed to this notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before or after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. However, this number does not include the large Shareholders holding 2% or more share capital, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Secretarial Auditors, Scrutinizers, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation

44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the MCA dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has made an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, and independent agency for providing necessary platform for Video Conference/ OAVM and necessary technical support as may be required. Therefore, the facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by CDSL.

6. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
7. The Notice calling the AGM along with complete Annual Report has been uploaded on the website of the Company. The Notice can also be accessed from the websites of the Stock Exchanges i.e. at www.bseindia.com and www.nseindia.com and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility and providing necessary platform for Video Conference/OAVM) i.e. www.evotingindia.com.
8. The recorded transcript of the forthcoming AGM shall also be made available on the website of the Company - <https://associatedalcohols.com> as soon as possible after the Meeting is over.
9. In compliance with the aforesaid MCA Circulars dated 5th May, 2020 and SEBI Circular dated May 12, 2020, Notice of the 31st AGM along with the Annual Report for the Financial Year 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019- 20 will also be available on the Company's website - <https://associatedalcohols.com>, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and NSE on www.nseindia.com, and on the website of CDSL <https://www.evotingindia.com>. However, if any specific request received from the members for demanding of the physical copy of the Annual Report will be provided by the company but subject to time taken by the courier and Postal Department looking to the prevailing Covid-19 situation.
10. Pursuant to Finance Act, 2020, dividend income if any declared by the Company will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company shall be required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Ankit Consultancy Private Limited, the Share Transfer Agent (in case of shares held in physical mode) and to the concerned depositories. (in case of shares held in demat mode) A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to investorrelations@aabl.in by 05:00 PM IST on 29th August, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to investorrelations@aabl.in. The aforesaid declarations and documents need to be submitted by the shareholders by 05:00 PM IST on 29th August, 2020.
11. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to special business at the meeting is annexed and forms part of the Notice.
12. Register of Members and Share Transfer Books of the Company will remain closed from **Sunday, 30th August, 2020 to Saturday, 05th September, 2020 (both days inclusive)** for the Annual General Meeting and ascertainment for entitlement of payment of dividend to the members whose names appear in the Register of members and the records of the beneficiaries of the CDSL and NSDL on the date of the Annual General Meeting. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date 29th August, 2020.
13. CS Ishan Jain, Practicing Company Secretary (F.R.No. I2014MP1139600, M. No. FCS 9978 & C.P. No. 13032) and Proprietor of M/s. Ishan Jain & Co., Company Secretaries, Indore has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.

14. Members desirous of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting at its email ID investorrelations@aabl.in so that the information required may be made available at the Meeting.

15. The Company's Statutory Auditors, M/s. Singhi & Co. Chartered Accountants, registered with the Institute of Chartered Accountants of India vide registration number FRN302049E, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the 28th Annual General Meeting ("AGM") of the Members held on August 05, 2017 until the conclusion of 33rd Annual General Meeting on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.

Their appointment was subject to ratification by the members at every subsequent AGM held after the AGM held on August 05, 2017. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the members for the appointment of the Statutory Auditors has been withdrawn from the Statute.

In view of the above, ratification by the members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee

16. The Members are requested to:

- a) - Intimate changes, if any, in their registered addresses immediately.
- b) - Quote their ledger folio number in all their correspondence.
- c) - intimate their active E-Mail ID in respect of shares held in held in demat form/ physical form
to the Registrar and Share Transfer Agent Ankit Consultancy Pvt. Ltd., Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) having email Id ankit_4321@yahoo.com

17. Members are requested to notify immediately any change in their address and also intimate their active E-Mail ID to their respective Depository Participants (DPs) in case the shares are held in demat form and in respect of shares held in physical form to the Registrar and Share Transfer Agent

Ankit Consultancy Pvt.Ltd., Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) having email Id ankit_4321@yahoo.com, to receive the soft copy of all communication and notice of the meetings etc., of the Company.

18. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Board Report.

19. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the directors are interested, maintained under the Companies Act, 2013 will be available for inspection by the Members electronically during the AGM. Members seeking to inspect such documents can send an email to investorrelations@aabl.in.

20. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM / AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the EGM / AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would have any queries or like to express their views/ask questions during the meeting may request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, at investorrelations@aabl.in. The queries will be replied by the company suitably by email.

21. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise

not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

22. INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:-

(i) The voting period begins on Wednesday, 02nd September, 2020 at 09:00 AM (IST) and ends on Friday, 04th September, 2020 at 05:00 PM (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 29th August, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com

(iii) Click on Shareholders module

(iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

NOTE: Please keep the sequence number in safe custody.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Associated Alcohols & Breweries Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

23. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ID'S ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of

Aadhar Card) by email to RTA at ankit_4321@yahoo.co.in or to the company at investorrelations@aabl.in.

2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to ankit_4321@yahoo.co.in or to the company at investorrelations@aabl.in.

24. NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

Item No. 4

The Board of Directors appointed Ms. Homai Ardeshir Daruwalla (DIN 00365880) as an Additional and Independent Director of the Company with effect from 16th May, 2020 pursuant to the Section 149, 150, 152 and 161 of the Companies Act, 2013 read with the rules made thereunder and Article 112 of the Articles of Association of the Company.

Ms. Homai Ardeshir Daruwalla (DIN 00365880) holds office upto the date of AGM of the Company and is eligible to be appointed. Notice in writing has been received from a Member of the Company under Section 160 of the Companies Act, 2013 signifying the intention to propose the candidature of Ms. Homai Ardeshir Daruwalla(DIN 00365880) for the office of the Director of the Company.

Ms. Homai Ardeshir Daruwalla(DIN 00365880) is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has also received declaration from Ms. Homai Ardeshir Daruwalla(DIN 00365880) that she meets with the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, 2015. In the opinion of the Board, Ms. Homai Ardeshir Daruwalla (DIN 00365880) fulfills the conditions for appointment as Independent Director as specified in the Act and the SEBI Listing Regulations, 2015. The profile of Ms. Homai Ardeshir Daruwalla (DIN 00365880) is annexed to the Notice. The Board recommends the appointment of Ms. Homai Ardeshir Daruwalla (DIN 00365880) as an Independent Director for approval by Members of the Company by ordinary resolution. Copy of the draft letter for appointment of Ms. Homai Ardeshir Daruwalla (DIN 00365880) as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office /Executive Office of the Company during normal business hours (11:00 AM to 02:00 PM) on any working day, upto the date of AGM of the Company.

Ms. Homai Ardeshir Daruwalla (DIN 00365880) is not related to any Director of the Company. Except Ms. Homai Ardeshir Daruwalla (DIN 00365880), none of the Directors and Key Managerial Personnel of the Company, their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Resolution as set out in item no. 4 for approval of the members

Item No. 5

The Board of Directors appointed Mr. Debashis Das (DIN 08755043) as an Additional Director of the Company with effect from 16th May, 2020 pursuant to the Section 152 and 161 of the

Companies Act, 2013 read with the rules made thereunder and Article 94 of the Articles of Association of the Company.

Mr. Debashis Das (DIN 08755043) holds office upto the date of AGM of the Company and is eligible to be appointed. Notice in writing has been received from a Member of the Company under Section 160 of the Companies Act, 2013 signifying the intention to propose the candidature of Mr. Debashis Das (DIN 08755043) for the office of the Director of the Company.

Mr. Debashis Das (DIN 08755043) is not disqualified from being appointed as Director in terms of Section 164 of the Act. The profile of Mr. Debashis Das (DIN 08755043) is annexed to the Notice. Copy of the draft letter for appointment of Mr. Debashis Das (DIN 08755043) as Non Executive Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office /Executive Office of the Company during normal business hours (11:00 AM to 02:00 PM) on any working day, upto the date of AGM of the Company.

Mr. Debashis Das (DIN 08755043) is not related to any Director of the Company. Except Mr. Debashis Das (DIN 08755043), none of the Directors and Key Managerial Personnel of the Company, their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

In the light of above, you are requested to accord your approval to the Resolution as set out at Agenda Item No.5 of the accompanying Notice.

The Board recommends the Resolution as set out in item no. 5 for approval of the members

Item No. 6

Mr. Harshan Kumar Bhandari is the Senior Executive of the company and associated with company since its formation, Mr. Bhandari is in the core leadership team which drives the organisation. The salary and other facilities being enhanced that Mr. Harshan Kumar Bhandari is crossing the permissible limits and the enhancement of salary is falling under the provisions of office or place of profit falling in terms of Section 188 (1) f of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel except Mr. Tushar Bhandari including their relatives is concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Resolution as set out in item no. 6 for approval of the members

Place: Indore

Date: 29th June, 2020

Registered office

4th Floor, BPK Star Tower, AB Road,

Indore - 452008 MP

CIN: L15520MP1989PLC049380

By Order of the Board of Directors

Sumit Jaitely

Company Secretary

FCS 9194

DETAIL IN PURSUANCE OF REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015 OF DIRECTORS/PERSONS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THIS ANNUAL GENERAL MEETING.

Name of the Director	Ms. Homai Ardeshir Daruwalla	Mr. Debashis Das	Manish Kumar Tibrewal
Date of Birth	19.12.1948	04.10.1957	05.07.1977
DIN	00365880	08755043	00747559
Date of Appointment on the Board	16.05.2020	16.05.2020	20.10.2001
Qualifications	Chartered Accountant	Graduate Engineer	Graduate in Commerce
Experience and Expertise	Ms Daruwalla is a qualified Chartered Accountant. In her career in Banking, spanning more than three decades, she has worked in various capacities in Union Bank of India, Oriental Bank of Commerce and retired as Chairman & Managing Director of Central Bank of India in December 2008. She also handled prestigious assignment as Region of India Director on the Board of 'The Institute of Internal Auditors', Florida, USA. In recognition of her excellent contribution in the field of Banking, Ms Daruwalla has been conferred with many prestigious awards. Presently, Ms. Daruwalla is an Executive Advisor / Consultant, her forte being financial sector.	Mr. Debashis Das is a graduate engineer. He has around 38 years of rich experience in manufacturing operations and projects in spirit industry Mr Das has core expertise in project management, operations strategy innovation and cost control Mr Das is operating as independent consultant providing management and consultancy services to several companies.	Rich Exposure of industry and commercial transaction and wide and vivid experience of 20 years. Part of Board and Long Associated with core management team of the company.
No. of meetings of Board attended during the year.	1	1	4
List of Directorship/ Membership/ Chairmanship of Committees of other Board.	9	0	0
Shareholding in AABL (Equity)	Nil	Nil	Nil
Terms & conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person.	As per Nomination and Remuneration Policy of the Company and terms of agreement with the Independent Director as displayed on the company's website viz. www.associatedalcohols.com	As per Nomination and Remuneration Policy of the Company and terms of agreement with the Director as displayed on the company's website viz. www.associatedalcohols.com	As per Nomination and Remuneration Policy of the Company and terms of agreement with the Director as displayed on the company's website viz. www.associatedalcohols.com

Directors' Report

Dear Shareholder,

Your Directors have pleasure in presenting their 31st Annual Report together with the Audited Accounts and Auditor's Report of the Company for the year ended on 31st March, 2020.

1. FINANCIAL RESULTS

A summary of the company's results for the financial year 2019-20 is as under:

(₹ in Lakhs)

PARTICULARS	2019-2020	2018-2019
Gross Revenue from Operations	53499.91	41158.18
Profit/(Loss) before Interest, Depreciation & Tax (EBIDTA)	7989.56	6184.25
Less: Interest	208.18	223.18
Profit before Depreciation	7781.38	5961.07
Less: Depreciation	1409.72	1229.41
Profit / (Loss) before Tax	6371.66	4731.66
Provision of Tax	1438.04	1705.27
Net Profit/Loss	4933.62	3026.39

2. Financial Performance

Your Company reported a top line growth of 30% over the previous year and has achieved a turnover of ₹53499.91 lakhs in the current year against ₹41158.18 lakhs in the previous year, the increase in revenue can be majorly attributed to the higher production achieved on expanded capacity further contribution of IMFL sales and sale of Extra Neutral Alcohol.

Earnings Before Interest Depreciation & Tax (EBIDTA) for the year stood at ₹7989.56 lakhs, an increase of 29.20% from ₹6184.25 lakhs in the previous year. Operating Profit Before Tax (PBT) stood at ₹6371.66 lakhs an increase on 34.66% from ₹4731.66 lakhs in the previous year & the net profit for the year was ₹4933.62 lakhs as against ₹3026.39 lakhs an increase of about 63.01% from the previous year. The changes in key financial ratios form part of this report.

The company continues to retain and reinforce its market leadership in the allocated segments in which it operates. There are no material changes or commitments affecting the financial position of the company which have occurred between the end of the financial year and the date of this report other than the impact of Covid-19 on business operations of the company detailed in this report.

3. Material Changes from the end of Financial Year till the Date of Report

Material Changes and commitment affecting the financial position of the company from the end of financial year to the date of report.

Global Pandemic & Impact of Covid-19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lockdowns of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees and on minimizing disruption to services for all our customers. The operations of the company were shut down as per the lockdown directives except to the extent of what was permitted. The impact of COVID-19 pandemic on the overall economic environment being uncertain and as the situation is unprecedented, and while the lockdown is gradually lifting, the Company is closely monitoring the situation as it evolves in the future and expects the normal business depending on the factors caused by COVID-19 and associated issues.

4. Share Capital

The paid-up equity share capital of the company as at March 31, 2020 stood at ₹1807.92 lakhs divided into 18079200 equity shares

of ₹10/- each.

5. Dividend & Reserves

Your directors have pleasure in recommending dividend for approval of the members at the Annual General Meeting a dividend of 10% i.e ₹1.00/- each (previous year 10% i.e. ₹1.00/- each) on 18079200 Equity Shares of face value of ₹10/- each the aggregate amount being ₹180.79 lakhs, payable to shareholders whose name appear in the Register of Members as on the Book Closure Date/Record Date.

During the year under review 100 lakhs was transferred to General Reserve from retained earnings.

6. Finance & Accounts

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2020 has been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2020. The Notes to the Financial Statements adequately cover the Audited Statements and form an integral part of this report.

7. A Full Year Operated on Expanded Capacity (4.5 Crore Litres)

The company much awaited project was completed in September 2018 and Stabilized by Nov-Dec18, the year 2019-20 can be termed as the first full year of expanded capacity. The average utilization during the year was at 95%.

8. Awards & Accolades

The company product 'Titanium' Vodka has been awarded as the Best Popular Vodka (Silver) at Indspirit 2019 awards at New Delhi.

9. VAT/GST on Rectified Spirit /ENA

There exist amid confusion on the levy of GST/VAT on the sale of rectified spirit and extra neutral alcohol and in spite of repeated reminders and representation from company and industry no concrete response/clarification from state authorities has been received, the company has prudently finally taken a view that the VAT which was withhold now being deposited with the government. The company is now regular in depositing the VAT on rectified spirit/ENA.

10. Shifting of registered office of the company

The Company pursuant to Regional Director order no. RD/T/29572/S-13(4)/19/3126 dated 21st June, 2019 has shifted its registered office from Kolkata, West Bengal to Indore, Madhya Pradesh the effective date being 1st July, 2019.

11. Listing and Dealing of Equity Share Capital of The Company at National Stock Exchange of India Limited (NSE).

The company during the year has pursued the listing of its Equity Share to National Stock Exchange and moved the application on 11th December, 2019 and followed by details as seek by them which the company provided followed by final inspection and set of question answers.

It's our pleasure to inform the shareholders that the Company has got listed and admitted to dealing its equity shares at National Stock Exchange of India Limited (NSE) w.e.f. 12th February, 2020.

12. Income Tax Assessment Order In Relation to Income Tax Search

As disclosed earlier (Annual Report 2017-18) the Income Tax Search was carried in the premises and at plant locations in November, 2017 where full cooperation, explanation, information and clarification as desired were provided to the department officials and further assured.

At AABL, we follow ethical and legal standards of highest order and have robust institutional measures to monitor, further the Assessment Order in relation to above search for the Assessment Year 2012-13 to Assessment Year 2018-19 were passed in December, 2019 and no difference or addition on account of stock, work in progress or finished goods in any of these year as such were found. However, the IT department has made the additions of ₹1376.94 Lakhs in respect of amounts infused as unsecured loans by certain companies as unexplained cash credit and finally, the IT department after rectification has raised a total demand of ₹761.32 Lakhs in all the 7 years against which the company has deposited a sum of ₹118.71 Lakhs, the company has appealed against the orders before Commissioner of Income Tax (Appeals), which is pending adjudication and the company is hopeful of getting relief.

13. Hand Rub Sanitizer

During the Covid-19 Pandemic the government proactively on situations prevailing granted permission to the distillers like us to manufacture alcohol based hand sanitizer, the company look it as an opportunity and manufactured the hand rub sanitizer with recommended guidelines. The company's strategy is to place its product and stabilize its brand in the market for long run.

14. Directors' Responsibility Statement

As required under section 134(5) of the Companies Act, 2013 the Directors confirm that:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed.
- that 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,

2020 and of its profit for the year ended on that date.

- c) that 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) that the annual financial statements have been prepared on a going concern basis.
- e) that the directors had laid down internal financial control to be followed by the company and that such internal financial control is adequate and were operating effectively.
- f) that the director had devised proper system to ensure compliance with the provision of all applicable laws and that such system were adequate and operating effectively.

15. Composition of Board

Director & KMP

The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. The Board has constituted Audit Committee, Stakeholder Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee.

Mr. Tushar Bhandari (DIN 03583114) is the Whole Time Director of the company, the company has appointed adequate Key Managerial Personnel's as per requirements of Section 203 of the Companies Act, 2013

Declaration of Independence

The Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

Director liable to retire by rotation seeking reappointment

In accordance with the provisions of section 152 of the Companies Act, 2013 and Company's Articles of Association, Mr. Manish Kumar Tibrewal, Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment. The Board has recommended his appointment for the consideration of the members at the forthcoming AGM. Brief profile of Mr. Manish Kumar Tibrewal has been given in the Notice convening this AGM.

Confirmation of Additional Director

Ms. Homai Ardeshir Daruwalla (DIN: 00365880) was appointed as

an additional director on 16th May, 2020 termed as Non-executive & Independent Director and Mr. Debashis Das (DIN: 08755043) was appointed as an additional director on 16th May, 2020 termed as Non-Executive & Non-Independent Director. The confirmation of both the director's forms part of the notice convening 31st Annual General Meeting

16. Key Managerial Personnel

During the period under review following are the Key Managerial Personnel of the company

1. Mr. Tushar Bhandari - Whole Time Director
2. Mr. Sanjay Kumar Tibrewal – Chief Financial Officer
3. Mr. Sumit Jaitely – Company Secretary

17. Meeting

During the year Six Board, Four Audit Committee, Four Stakeholders Relationship committee, Two Nomination & Remuneration Committee and Two CSR Committee Meetings were convened and held.

18. Performance Evaluation of Board, Committees & Directors

Pursuant to the provisions of the Companies Act, 2013 and the Regulation 25 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors adopted a formal mechanism for evaluating its performance and as well as that of its committees and individual Directors.

The Directors were satisfied with the evaluation results, which reflected overall engagement of the Board and its Committees with the Company.

19. Corporate Social Responsibility Initiatives

As part of its initiatives under "Corporate Social Responsibility" (CSR), the company has constituted Corporate Social Responsibility Committee. The CSR Committee has framed the CSR policy of the company. The Committee has made expenditure which form part of this report.

Annual Report on CSR activities is annexed herewith as: "Annexure B"

20. Corporate Governance

The Company has complied with the mandatory provisions of Corporate Governance as prescribed in the Regulation 27 of the SEBI (LODR) Regulations, 2015 as applicable to the Company. A separate report on Corporate Governance and Auditors Report thereon are included as part of the Annual Report.

21. Related Party Transactions

All related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business and that the provision of section 188 of the Companies Act, 2013 and the Rules made thereunder are

not attracted. Thus, disclosure in form AOC-2 in terms of section 134 of the Companies Act, 2013 is not required. Further there is no material related party transaction during the year under review with the Promoter, Directors or Key Managerial Personnel.

All related party transactions are before the Audit Committee as also the Board of Directors for approval. Omnibus approval was obtained on a yearly basis for transactions which are repetitive in nature.

22. Risk Management and Adequacy of Internal Financial Controls

The Company's system of financial and compliance controls with reference to the financial statements and risk management is embedded in the business process by which the Company pursue its objectives.

Management is responsible for establishing and maintaining adequate disclosure controls and procedures and adequate internal controls over financial reporting with respect to financial statements besides its effectiveness in the context of applicable regulations.

The Internal Auditor, the Audit Committee as well as the Board of Directors conduct from time to time an evaluation of the adequacy and effectiveness of the system of internal controls for financial reporting with respect to financial statements.

23. Auditors

M/s Singhi & Co., Chartered Accountants, Kolkata FRN (302049E) were appointed as Statutory Auditors of your company at the 28th Annual General Meeting held on 05th August, 2017, for a term of five consecutive years upto the conclusion of 33rd Annual General Meeting.

In accordance with Notification No. GSR 432(E) issued on 07th May, 2018 by the Ministry of Corporate Affairs the appointment of statutory auditors is not required to be ratified at every Annual General Meeting.

The Report given by the Auditors on the financial statement of the company forms part of this Report and are self-explanatory. There has been no qualification, reservation, adverse remark or disclaimer as such given by the Auditors in their Report.

24. Secretarial Audit

The Board of Directors under section 204(1) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014 has appointed M/s K. Arun & Co. (Practicing Company Secretaries), Kolkata to conduct secretarial audit of the company for the financial year 2019-20. The Secretarial Audit report for the Financial Year ended 31st March, 2020 is annexed herewith as "Annexure C" and forms part of this report. The report is self-explanatory and do not call for any comments.

Further, the Board has appointed M/s K. Arun & Co. (Practicing Company Secretaries), Kolkata as Secretarial Auditor for the financial year 2020-21.

25. Extract of Annual Return

The detail forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure D" and forms part of this report.

26. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings / Outgo

Information required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Account) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo is annexed herewith as "Annexure E" and forms part of this report.

27. Particulars of Loans, Guarantees and Investments Under Section 186 Of The Companies Act, 2013

The particulars of Loans, Guarantees and Investment in pursuance to Section 186 of the Companies Act, 2013 are given in the Notes to the financial statements.

28. Fixed Deposits

During the year your company has not accepted any deposit from public under Section 73 of the Companies Act, 2013 and Companies (Acceptance of Deposit) Rules, 2014.

29. General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- During the year under review, there were no cases filed or reported pursuant to the sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- No instances of fraud reported by auditor under 143(12) of the Companies Act, 2013

30. Particulars of Employees and Related Disclosure

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.

Disclosures pertaining to remuneration and other details as

required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as “Annexure – A” and forms part of this report.

31. Vigil Mechanism/ Whistle Blower Policy

The company has a Vigil Mechanism/Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of

the policy is explained in the Corporate Governance Report and also posted on the website of the company.

32. Internal Complaints Committee

As per the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the company has constituted Internal Complaints Committee (ICC) as per the requirements.

33. Details of Significant changes in Key Financial Ratios

Particulars	2019-20	2018-19
Debtor Turn Over Cycle	26 Days	27 Days
Inventory Turnover Cycle	39 Days	50 Days
Interest Coverage Ratio	38.38	27.71
Current Ratio	2.24	1.47
Debt Equity Ratio	0.04	0.09
Operating Profit Margin	15%	15%
Net Profit Margin	9%	7%
Return on Capital Employed	25%	20%

34. 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

Place: Indore

Date: 29th June, 2020

Tushar Bhandari

Director

DIN: 03583114

Nitin Tibrewal

Director

DIN: 01892892

Annexure A

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULES 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- I. Ratio of the remuneration of each executive Director to the median remuneration of the Employees of the company for the financial year 2019-20, the percentage increase in remuneration of Whole Time Directors, Chief Financial Officer and Company Secretary during the financial year 2019-20.

Sr. No.	Name of Director/KMP	Designation	Ratio of remuneration	% increase in Remuneration in the Financial Year 2019-20
1	Mr. Tushar Bhandari	Whole Time Director	24x	5%
2	Mr. Sanjay Kumar Tibrewal	Chief Financial Officer	22x	14%
3	Mr. Sumit Jaitely	Company Secretary	8.2x	5.5%

- II. There were 453 permanent employees on the payroll of the company as on 31st March, 2020.
- III. Median Remuneration of the employee of the Company during the financial year was ₹1.56 Lakh and percentage increase is around 12%.
- IV. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2019-20 was approx 5%.
- V. The parameters for the variable component of remuneration availed by the directors are considered by the board of directors based on the recommendation of Nomination and Remuneration Committee as per the Remuneration Policy of the Directors, Key Managerial Personnel and other employees.
- VI. A statement of top ten employees in terms of remuneration drawn as per Rule 5(2) read with Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is annexed herewith as "Annexure – F"
- VII. It is hereby affirm that the remuneration paid is as per the Remuneration Policy for the Directors, Key Managerial Personnel and other employees.

Note: The Non-executive Directors of the company are entitled for sitting fees as per the statutory provisions, the detail of which are provided in the Corporate Governance Report.

STATEMENT OF PARTICULARS OF EMPLOYEE PURSUANT TO PROVISIONS OF SECTION 197(12) OF

THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 EMPLOYED THROUGHOUT THE FINANCIAL YEAR 2019-20.

- During the year received remuneration in excess of ₹102.00 Lakh or more per annum
Mr. Anand Kumar Kedia
Mr. Prasann Kumar Kedia
- During the year the employees received remuneration in excess of that drawn by Whole Time Director and hold more than 2% of Shares
Mr. Anand Kumar Kedia
Mr. Prasann Kumar Kedia
Mr. Anshuman Kedia

Details

- Mr. Anand Kumar Kedia, Age 55 years, Qualification Post Graduate in Commerce, Cadre Top Management – Business Promotion & Development, Joining Date 01/04/1990, Experience 30 years, Remuneration 299.78 Lakhs, Promoter Group
- Mr. Prasann Kumar Kedia, Age 48 years, Qualification MBA, Cadre Top Management – Operation & Business Development, Joining Date 01/04/1994, Experience 26 years, Remuneration 299.78 Lakhs, Promoter Group
- Mr. Anshuman Kedia, Age 27 years, Qualification Graduate, Cadre Senior Executive Joining Date 01/11/2015, Experience 5 year, Remuneration 58.78 Lakhs, Promoter Group

FOR AND ON BEHALF OF THE BOARD

Place: Indore
Date: 29th June, 2020

Tushar Bhandari
Director
DIN: 03583114

Nitin Tibrewal
Director
DIN: 01892892

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. CSR Policy & Philosophy

AABL is committed to operate and grow its business in a socially responsible way with a vision to be an environmental friendly corporate citizen. The Company is committed to Social service, ecological balance and environmental protection, AABL has taken up various Corporate Social Responsibility (CSR) initiatives earlier and will continue to do so in future.

CSR activities at AABL reflect its commitment to make things happen at every project we undertake.

Our passion in these activities make us more responsible year after year. As a responsible corporate citizen, we try to contribute for possible social, educational and environmental causes on a regular basis. We firmly believe that to succeed, an organization must maintain highest standards of corporate behavior towards its investors, stakeholders, employees and societies in which it operates.

Constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy has become mandatory under the Companies Act, 2013. Accordingly, our Company has formulated this CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs.

2. CSR Vision

Improve quality of life for all our communities through integrated and sustainable development in every possible way.

3. Constitution of CSR Committee

In terms of section 135 of the Companies Act, 2013 and the Rules made thereunder, Board of Directors of the Company has constituted a CSR Committee and the composition of its members are as;

Sr. No.	Name	Status	Designation
1	Mr. Tushar Bhandari	Executive Director	Chairman
2	Mr. Nitin Tibrewal	Independent Director	Member
3	Mr. Manish Kumar Tibrewal	Non Independent Director	Member

4. Average Net Profit of the Company for last three financial years: ₹39,40,67,021/-

5. Prescribed CSR Expenditure (Two percent of amount as in item no. 4 above): ₹78,81,340/-

6. Detail of CSR spends for the financial year:

a. Total Amount Spent for the Financial Year: ₹ 17,03,294

b. Amount Unspent if any: ₹ 61,78,046

c. Manner in which the amount spent during the financial year: (Amount in ₹)

Sr. No.	CSR Project or Activity Identified	Sector in which Covered	Area/ Location	Amount Outlay	Amount Spent	Cumulative Expenditure	Amount Spent: Direct/Through Implementation Agency
1	Promoting education	Education	Indore	76145	76145	76145	Direct
2	Environmental Sustainability	Public Park	Niwari	1477500	1477500	1553645	Nagar Parishad District Niwari
3	COVID19	Pandemic	Barwaha / Khargone/ Indore	149649	149649	1703294	En-masse distribution of sanitizer to various govt/non govt prevailing COVID-19 situation

7. Reason for amount unspent: The Company will pursue the CSR project in identifiable areas and hopeful to spent the allocated amount in coming years.

FOR AND ON BEHALF OF THE BOARD

Tushar Bhandari
Director
DIN: 03583114

Nitin Tibrewal
Director
DIN: 01892892

Place: Indore
Date: 29th June, 2020

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST DAY OF MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2015]

To,

The Members,

Associated Alcohols & Breweries Limited

CIN: L15520MP1989PLC049380

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Associated Alcohols & Breweries Limited (hereinafter called "the Company"). The Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion the Company has, during the audit period covering the financial year ended 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2020 according to the provisions of:

- I. The Companies Act, 2013(the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

V. The following Industry Specific law(s):

a. Madhya Pradesh Excise Act, 1915 and Madhya Pradesh Distillery Rules, 1995.

We have also examined the compliance by the company of the following statutory provisions/standards/regulations:

- a. The uniform Listing Agreements entered into by the Company, with BSE Limited & National Stock Exchange Limited;
- b. The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ;
- c. The Secretarial Standards (SS - 1 and SS – 2) issued by the Institute of Company Secretaries of India.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Independent Directors and Woman Director. There were no changes in the composition of the Board of Directors during the period under review and further it is to be noted that during the period under review shareholders of the company re-appointed Mr. Tushar Bhandari as whole time director, Mr. Nitin Tibrewal as Independent Director for the second consecutive term of five years and Ms. Abhijeet Nagee as Independent Director for the second consecutive term of two years. All requisite compliances were undertaken by the company in consonance with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adequate Notice is given to all Directors to schedule the Board/ Committee meetings. Information and circulation of the agenda with detailed information thereof, convening of meetings was done in compliance with the applicable laws, rules, regulations and guidelines, etc. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that, there are adequate systems and processes in the Company commensurate with the size and operations of

the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as also represented by the management.

We further report that, during the period under review the Company has shifted its registered office from the state of West Bengal to State of Madhya Pradesh. All requisite compliances were undertaken by the company in consonance with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Kolkata
Date: 29-06-2020

We further report that, during the period under review equity shares of the company was listed and admitted to dealings in the National Stock Exchange Limited w.e.f. February 12, 2020.

We further report that during the period under review, as explained and represented by the management, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., having a major bearing on the Company's affairs.

For **K. Arun & Co.**
Company Secretaries

Arun Kr. Khandelia
Partner
FCS: 3829
C.P. No.: 2270
UDIN: F003829B000392943

SECRETARIAL COMPLIANCE REPORT

of Associated Alcohols & Breweries Limited for the Financial Year Ended 31st March, 2020

[Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, K. Arun & Co., Company Secretaries, being the Secretarial Auditor of M/s. Associated Alcohols & Breweries Limited (herein after mentioned as "the Company"), have examined:

- a) all the documents and records made available to us and explanation provided by the Company.
- b) the filings/ submissions made by the Company to the stock exchanges,
- c) website of the Company and
- d) such other documents, as may be relevant, which has been relied upon to make this certification for the Financial Year ended 31st March, 2020 in respect of compliance with the provisions of:
 - I. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
 - II. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:-

- A. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with the circulars and guidelines issued there under;
- B. Securities and Exchange Board of India (Issue of Capital

and Disclosure Requirements) Regulations, 2018 along with the circulars and guidelines issued there under;

- C. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 along with the circulars and guidelines issued there under;
- D. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 along with the circulars and guidelines issued there under;
- E. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 along with the circulars and guidelines issued there under;

Based on the above examination, we hereby report that, during the Review Period:

- I. The Company has complied with all the provisions of the above Regulations and Circulars and guidelines issued there under;
- II. The Company has maintained proper records under the provisions of the above Regulations and Circulars and Guidelines issued there under in so far as it appears from my/ our examination of those records;
- III. No action has been taken against the Company or its promoters, directors, material subsidiaries either by Securities & Exchange Board of India or by Stock Exchanges under the aforesaid Acts/ Regulations and Circulars/ Guidelines;

Place: Kolkata
Date: 29-06-2020

For K. Arun & Co
Company Secretaries

Arun Kr. Khandelia
Partner

FCS: 3829
C.P. No.: 2270
UDIN: F003829B000392943

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

AS ON FINANCIAL YEAR ENDED ON 31.03.2020
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014..

I REGISTRATION & OTHER DETAILS:

I	CIN	L15520MP1989PLC049380
II	Registration Date	07.07.1989
III	Name of the Company	Associated Alcohols & Breweries Limited
IV	Category/Sub-category of the Company	Limited by Shares/Non Government Company
V	Address of the Registered office & contact details	4th Floor, BPK Star Tower, A.B. Road, Indore (MP)- 452008 Ph. No. 0731-4780400/500, E-mail – investorrelations@aabli.in
VI	Whether listed company	Yes
VII	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Ankit Consultancy Private Limited 60 Electronic Complex, Pardeshipura Indore - 452010

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sr. No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Liquor	11012	100

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No	Name & Address of the Company	Holding/Subsidiary/Associate	% Of shares Held	Applicable Section
i	NA	NA	NA	NA

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

I Category wise Shareholders

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	10566440	0	10566440	58.45	10566440	0	10566440	58.45	0
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0	0	0	0	0	0
d) Bank/Fl	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
SUB TOTAL:(A) (1)	10566440	0	10566440	58.45	10566440	0	10566440	58.45	0
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/Fl	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
SUBTOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter	10566440	0	10566440	58.45	10566440.00	0	10566440	58.45	0
(A)= (A)(1)+(A)(2)									
B. PUBLIC SHAREHOLDING									
(1). Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/Fl	0	2400	2400	0.01	16262	2400	18662	0.1	0.09
c) Central govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII/S	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds/Foreign Portfolio investor	98996	0	98996	0.55	103001	0	103001	0.57	0.02
i) Others (specify)	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(1):	98996	2400	101396	0.56	119263	2400	121663	0.67	0.11
(2) Non Institutions									
a) Bodies corporates									
i) Indian	2077236	79000	2156236	11.93	1993990	78900	2072890	11.47	-0.46
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto ₹1 lakhs	2556735	773600	3330335	18.42	2724760	725800	3450560	19.09	0.67
ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakhs	1564876	71000	1635876	9.05	1515705	71000	1586705	8.78	-0.27
c) Others (NRI/OCB)	137584	110900	248484	1.37	99052	110900	209952	1.16	-0.21
d) Any other (clearing member)	40433	0	40433	0.22	70990	0	70990	0.39	0.17
SUB TOTAL (B)(2):	6376864	1034500	7411364	40.99	6404497	986600	7391097	40.89	-0.10
Total Public Shareholding (B)=(B)(1)+(B)(2)	6475860	1036900	7512760	41.55	6523760	989000	7512760	41.55	0.00
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A+B+C)	17042300	1036900	18079200	100.00	17090200	989000	18079200	100	0.00

II. SHAREHOLDING OF PROMOTERS

Sr. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Chang in share-holding during the year
		No. of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares pledged/ encumbered to total shares	
1	Ram Dulari Kedia	1971600	10.91	0	1971600	10.91	0	0
2	Shweta Kedia	1542000	8.53	0	1542000	8.53	0	0
3	Sangita Kedia	1486400	8.22	0	1486400	8.22	0	0
4	Prasann Kumar Kedia	956200	5.29	0	956200	5.29	0	0
5	Anshuman Kedia	903800	5.00	0	903800	5.00	0	0
6	Prasann Kumar Kedia HUF	896600	4.96	0	896600	4.96	0	0
7	Bhagwati Prasad Prasann Kumar HUF	789640	4.37	0	789640	4.37	0	0
8	Anand Kumar Kedia	727400	4.02	0	727400	4.02	0	0
9	Bhagwati Prasad Kedia HUF	492400	2.72	0	492400	2.72	0	0
10	Ram Dulari Anand Kumar HUF	480000	2.66	0	480000	2.66	0	0
11	Anand Kumar Kedia HUF	320400	1.77	0	320400	1.77	0	0
	Total	10566440	58.45	0	10566440	58.45	0	0

(III) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

S r . No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	10566440	58.45	10566440	58.45
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus/sweat equity etc)	-	-	-	-
	At the end of the year	10566440	58.45	10566440	58.45

(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRs & ADRS)

S r . No	For each of the top 10 Shareholders of the year	Shareholding at the beginning of the year		Shareholding at the End of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Garnet Tradelink Private Limited	943003	5.22	943003	5.22
2	Attic Dealcom Private Limited	494339	2.73	494339	2.73
3	Dolly Khanna	170298	0.94	108203	0.6
4	Prabha Mohta	155000	0.86	155000	0.86
5	Kishan Gopal Mohta	125200	0.69	97600	0.54
6	Saint Capital Fund	96396	0.53	0	0
7	Anoop Kumar Chhawchharia	85705	0.47	85705	0.47
8	Pritty Devi Sarawagi	80160	0.44	80160	0.44
9	Anirudh Mohta	75962	0.42	58000	0.32
10	Manoj Kumar Bhura (HUF)	70900	0.39	71000	0.39

(V) SHAREHOLDING OF DIRECTORS & KMP

S r . No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	Tushar Bhandari				
	At the beginning of the year	5368	0.02	5368	0.02
1	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	5368	0.02	5368	0.02
	Nitin Tibrewal				
	At the beginning of the year	200	0	200	0
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	200	0	200	0

S r. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
Manish Kumar Tibrewal					
	At the beginning of the year	Nil	Nil	Nil	Nil
3	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	Nil	Nil	Nil	Nil
Abhijit Nagee					
	At the beginning of the year	Nil	Nil	Nil	Nil
4	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	Nil	Nil	Nil	Nil
Sanjay Kumar Tibrewal					
	At the beginning of the year	19982	0.11	19982	0.11
5	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	19982	0.11	19982	0.11
Sumit Jaitely					
	At the beginning of the year	Nil	Nil	Nil	Nil
6	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	Nil	Nil	Nil	Nil

V INDEBTEDNESS

₹ in Lakh

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2841.89	0	0	2841.89
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	13.86	0	0	13.86
Total (i+ii+iii)	2855.75	0	0	2855.75
Change in Indebtedness during the financial year				
Additions	143.02	0	0	143.02
Reduction	2106.28	0	0	2106.28
Net Change	-1963.26	0	0	-1963.26
Indebtedness at the end of the financial year				
i) Principal Amount	887.58	0	0	887.58
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	4.91	0	0	4.91
Total (i+ii+iii)	892.49	0	0	892.49

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

₹ in Lakh

Sr. No	Particulars of Remuneration	Tushar Bhandari WTD	Total Amount
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	37.81	37.81
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
	Stock option	-	-
2	Sweat Equity	-	-
3	Commission	-	-
4	as % of profit		
	others (specify)		
	Others, please specify	-	-
5	Total (A)	37.81	37.81

B. Remuneration to other directors:

₹ in Lakh

Sr. No	Particulars of Remuneration	Name of the Directors		Total Amount
		Nitin Tibrewal	Abhijit Nagee	
1	Independent Directors			
	(a) Fee for attending board committee meetings	0.14	0.09	0.23
	(b) Commission	-	-	-
	(c) Others, please specify	-	-	-
	Director Remuneration	-	-	-
	Director Remuneration	-	-	-
	Total (1)	0.14	0.09	0.23
2	Other Non Executive Directors			
	(a) Fee for attending board committee meetings	0.08		0.08
	(b) Commission	-		-
	(c) Others, please specify.	-		-
	Total (2)	0.08		0.08
	Total (B)=(1+2)	0.31		0.31
	Total Managerial Remuneration			
	Overall Ceiling as per the Act.			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

₹ in Lakh

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Sanjay Kumar Tibrewal (CFO)	Sumit Jaitely (Company Secretary)	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	34.37	12.81	47.18
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	34.37	12.81	47.18

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment					
Compounding					
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment					
Compounding					

FOR ASSOCIATED ALCOHOLS & BREWERIES LTD

Place: Indore
Date: 29th June, 2020

Tushar Bhandari
Whole Time Director
DIN: 03583114

Nitin Tibrewal
Director
DIN: 01892892

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

Information required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3)
of the Companies (Account) Rules, 2014

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 and the company is committed towards conservation of energy and aimed at improving efficiency through innovative measures.

Steps taken or impact on conservation of energy.

- I. Installation of energy efficient lighting fixtures
- II. Reducing power consumption in cooling towers
- III. Replacement of inefficient motors

B) TECHNOLOGY ABSORPTION

Your company continues to invest in research and development and as a result 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 Lakh

Particular	2019-20	2018-19
Purchase of Stores & Spares/Import of Machinery	1.99	93.72
Travelling Expenses	27.06	30.31
Expenditure in foreign currency/Professional Development Expenses	50.73	47.25

FOR AND ON BEHALF OF THE BOARD

Place: Indore
Date: 29th June, 2020

Tushar Bhandari
Director
DIN: 03583114

Nitin Tibrewal
Director
DIN: 01892892

Annexure F

Sr. No.	Name	Designation	Remuneration	Qualification	Date Of Commencement	Age	Last Employment Held
1	Anand Kumar Kedia	Head-Business Promotion & Development	299.78 Lakhs	Post Graduate 30 Years of vast Experience	01/04/1990	55	NA
2	Prasann Kumar Kedia	Head-Operations and Development	299.78 Lakhs	MBA 26 Years of vast Experience	01/04/1994	48	NA
3	Anshuman Kedia	Senior Executive	58.78 Lakhs	Graduate	01/11/2015	27	NA
4	Tushar Bhandari	Whole Time Director	37.81 Lakhs	MBA	05/01/2017 for 5 years	39	Kotak Mahindra Bank
5	Sanjay Kumar Tibrewal	Chief Financial Officer	34.37 Lakhs	Graduate	01/04/1994	46	NA
6	Ajay Gautam	Vice President	34.09 Lakhs	B. Tech, MBA	10/03/2018	53	Lahag Group
7	Sangita Kedia	Senior Executive	28.78 lakhs	Graduate	01/11/2015	56	NA
8	Shweta Kedia	Senior Executive	28.78 Lakhs	Graduate	01/11/2015	48	NA
9	Sandeep Kumar Mahendra	Head Production	28.25 Lakhs	Post Graduate	01/12/2005	50	Karan Distilleries Pvt Ltd
10	Sandeep Kumar Tibrewal	Senior Executive	26.03 lakhs	Graduate	01/11/2015	53	NA

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Associated Alcohols & Breweries Limited (AABL) is committed to the adoption of best governance practices. The company's vision document spells out a direction for the policies and procedures that ensure long-term sustainability. We believe that Corporate Governance is a voluntary and self-discipline code, thus value creation for stakeholders is a continuous endeavor at 'AABL'.

On the same lines, the Company has always followed fair business and corporate practices while dealing with the shareholders, employees, customers, creditors, lenders and the society at large. In harmony with this philosophy, the Company relentlessly strives for excellence by benchmarking itself with esteemed companies with good corporate governance.

Your company is compliant with Regulation 27 of the SEBI (LODR) Regulations, 2015 as applicable to the Company.

The details of which are as follows:

1. THE GOVERNANCE STRUCTURE:

AABL's governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility to meet the expectation of all the stakeholders. In line with these principles, the Company has formed three tiers of Corporate Governance structure, viz.:

(i) The Board of Directors - The primary role of the Board is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals & targets, policies, governance standards, reporting

mechanism & accountability and decision making process to be followed.

(ii) Committees of Directors - such as Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee, and Stakeholder Relationship Committee (SHRC) the various committees focuses on financial reporting, audit & internal controls, compliance issues, appointment and remuneration of directors and senior management employees, implementation and monitoring of CSR activities and the risk management framework.

(iii) Executive Management - The entire business including various functions and the support services being managed with demarcated responsibilities and authorities at different levels.

2. BOARD OF DIRECTORS

A. Composition of the Board

The Board of directors of the company consists of an optimum combination of Executive, Non-executive and Independent Directors, to ensure the independent functioning of the Board. The composition of the Board also complies with the provisions of the Companies Act, 2013 and the Listing Regulations. As at the end of financial year 2019-20, the total Board consists of Four (4) directors, out of which Two (2) are Non-executive Independent Directors who are having expertise in their respective functional areas and capable of bringing in a wide range of managerial skills, business and professional acumen.

The composition of the Board of directors and the number of Board/Committee in which they are chairman/ member as on 31st March, 2020 are as under:

Name of Director	Category	Total Number of other Public Ltd /Private Ltd. Directorship as on date	No. of Committee position held in other public Companies	
			Chairman	Member
Mr. Tushar Bhandari	WTD & Executive Director	Nil	Nil	Nil
Mr. Manish Kumar Tibrewal	Non Executive & Non Independent Director	Nil	Nil	Nil
Mr. Nitin Tibrewal	Non Executive & Independent Director	1	Nil	Nil
Mrs. Abhijit Nagee	Non Executive & Independent Director	Nil	Nil	Nil

Ms. Homai Ardeshir Daruwalla (DIN: 00365880) was appointed as an Additional Director on 16th May, 2020 to be termed as Non-Executive Independent Director.

Mr. Debashis Das (DIN: 08755043) was appointed as an Additional Director on 16th May, 2020 to be termed as Non-Executive & Non-Independent Director.

*The resolution of confirmation of above directors and their brief profile forms part of the Notice convening 31st AGM.

B. Selection and Appointment/Reappointment of Director:

The Nomination & Remuneration Committee have approved a policy for the selection, appointment and Remuneration of directors. In line with the said policy, the committee facilitates the Board in identification and selection of the directors who shall be of high integrity with relevant expertise and experience to have well diverse Board. The abstract of the said policy forms part of the Directors' Report. Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law and the retirement policy laid down by the Board from time-to-time.

C. Meetings, agenda and proceedings etc. of the Board Meeting:

Meetings and attendance during the year:

During the financial year 2019-20 the Board of Directors met 6 (Six) times on 28th May, 2019, 1st July, 2019, 10th August, 2019, 09th November, 2019, 14th February, 2020, and 02nd March, 2020, The details of Board attendance are as under:

Name of Director	No. of Board Meeting held during the year	No. of Board Meeting Attended	Attendance at the last AGM
Mr. Tushar Bhandari	06	06	Yes
Mr. Nitin Tibrewal	06	06	Yes
Mr. Manish Kumar Tibrewal	06	04	No
Mrs. Abhijit Nagee	06	04	No

D. Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 14th February, 2020 to review the performance of Executive Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

E. Agenda:

All the meetings are conducted as per well-defined and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board, Committees for the information of the Board.

F. Support and Role of Company Secretary:

The Company Secretary is responsible for convening the Board and Committee meetings preparation and distribution of Agenda and other documents and recording of the Minutes of

the meetings. He acts as interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

G. Board Evaluation:

During the year, the Board adopted a formal mechanism for evaluating its performance and effectiveness as well as that of its Committees and individual directors, including the Chairman of the Board. For Board and its Committees, the exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. In case of evaluation of the individual directors, one to one meeting of each Director with the Chairman of the Board and the Chairman of the Nomination & Remuneration Committee was held.

The Directors were satisfied with the evaluation results, which reflected the overall engagement and effectiveness of the Board and its Committees.

H. Code of Conduct:

All the Board members and senior management personnel have

confirmed compliance with the code. A declaration to that effect signed by the WTD & CFO is attached and forms part of the Annual Report of the Company.

I. Prevention of Insider Trading Code:

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review there has been due compliance with the said code.

J. Disclosure of Relationship between Directors inter-se:

None of the directors are related inter se.

K. No. of Shares held By Non- Executive Director

Name of Director	No. of Shares Held
Mr. Nitin Tibrewal	200
Mr. Manish Kumar Tibrewal	Nil
Mrs. Abhijit Nagee	Nil

Ms. Homai Ardeshir Daruwalla and Mr. Debashis Das was appointed as directors on 16th May, 2020 and hold nil shares as on the date of appointment

L. Familiarization programme for the Independent Directors:

With a view to familiarize the Independent Directors with the Organization Functions and set up and their roles, rights and responsibilities in the company and nature of industry in which the company operates etc. The web link www.associatedalcohols.com/Investor Relations can be access for details.

M. List of core skills/expertise/competence identified by the Board as required in the context of its business to function and those actually available with the board.

The Board of Directors has identified key skills/ expertise/ competencies such as understanding the company's business, policies and culture, knowledge of the industry, experience in planning and policy making, risk management and financial affairs, strategic thinking and decision making, managing relationships with the Board, Management Team, Regulators, Bankers, Industry representative and other stakeholders.

All the above required skills/expertise/competencies are available

with the Board, the company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

N. Independent Directors confirmation by the Board:

All independent directors have given declaration that they meet the criteria of Independence as laid down and in the opinion of Board the Independent Directors fulfill the conditions of independence specified in section 149(6) of the Companies Act, 2013 and regulation 16(1)(b) of the listing regulations.

3. AUDIT COMMITTEE

(a) Terms of reference:

The Board has constituted a well-qualified Audit Committee. All the members of the Committee are Non-Executive Directors (except Mr. Tushar Bhandari) with majority of them are Independent Directors including Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc.

The term of reference of Audit Committee inter alia includes the following;

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013,
 - b. Changes, if any, in accounting policies and practices and reasons for the same,
 - c. Major accounting entries involving estimates based on the exercise of judgment by management,
 - d. Significant adjustments made in the financial statements arising out of audit findings,
 - e. Compliance with listing and other legal requirements relating to financial statements,
 - f. Disclosure of any related party transactions,
 - g. Modified opinion(s) in the draft audit report;

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
7. Approval or any subsequent modification of transactions of the company with related parties; Provided that the Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the conditions prescribed under the Act and the Listing Regulations.
8. Scrutiny of inter-corporate loans and investments;
9. Evaluation of internal financial controls and risk management systems;
10. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
12. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
13. To review the functioning of the Whistle Blower/ Vigil mechanism;
14. To review the system for storage, retrieval, display or printout of the electronic records, if the Books of Accounts are kept in electronic mode;
15. Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, at least once in a financial year;
16. To perform such other functions as may be delegated by the Board and/or mandated by any regulatory provisions from time to time.

The Audit Committee has adequate powers and detailed terms of reference to play effective role as required under the provisions of section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Audit Committee reviews reports of the internal auditor, meets statutory auditors as and when required and discuss their findings, suggestions, observations, and other related matters.

(b) Composition, Meeting and Attendance during the year:

The Audit Committee of the Company as on 31st March, 2020 comprises of the following Directors of the Company. The Committee met 4 (four) times during the year under review. The

said meetings were held on 28th May, 2019, 10th August, 2019, 09th November, 2019 and 14th February, 2020.

Name	Designation	No. of meeting attended
Mr. Nitin Tibrewal	Chairman	4
Mr. Tushar Bhandari	Member	4
Mrs. Abhijit Nagee	Member	4

Two out of three members of the audit committee are Non-Executive Independent Directors.

The Management, Chief Financial Officer, Head of Accounts and Audit, Senior Executives (in relation to agenda item concerning respective function/department) and representative of Statutory Auditors are permanent invitees to the Audit Committee Meetings.

The Company Secretary acts as secretary to the committee.

4. NOMINATION & REMUNERATION COMMITTEE

(a) Terms of reference:

The Remuneration Committee recommends remuneration, promotions, increments etc. for the whole time directors to the Board for approval.

The terms of reference of the Committee are as follows:

- (i) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key management personnel and other employees;
- (ii) formulation of criteria for evaluation of performance of Independent Directors and the Board;
- (iii) devising a policy on Board's diversity;
- (iv) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance;
- (v) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (vi) recommendations to board on all the payments made, in whatsoever form, to the senior management;
- (vii) assess the list who shall make disclosures to the board of directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity at large.

(b) Composition, Meeting and attendance during the year:

The Remuneration Committee of the Company as on 31st March,

2020 comprises of the following Directors of the Company. The Committee met 2 (Two) times during the year under review. The said meetings were held on 28th May, 2019, and 14th February, 2020.

Name of Directors	Designation	Nos. of meetings attended
Mr. Nitin Tibrewal	Chairman	2
Mr. Manish Kumar Tibrewal	Member	2
Mrs. Abhijit Nagee	Member	2

(c) Performance Evaluation for Independent Directors:

Pursuant to the Provisions of the Companies Act, 2013 and as stipulated under regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors

adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors. A structured evaluation process covering various aspects of the Boards functioning such as Composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc.

(d) Remuneration Policy:

The Company follows a policy on remuneration of Directors and Senior Management Employees.

Details of Remuneration to Whole Time Director & Non-Executive Director:

The terms of remuneration of Mr. Tushar Bhandari, Whole Time director was approved by the Board of Director and approved by shareholders in the 28th Annual General Meeting of the company.

During the financial year 2019-20, the particulars of remuneration paid to Whole-time Director is as under:

Name of the Director	Salary (₹ in Lakh)	Perquisites	Commission	Stock option Details	Period of Contract
Mr. Tushar Bhandari	37.81	-	-	-	5 years from 05.01.2017

Remuneration/Sitting fee to Other Non Executive Directors:

The details of sitting fee paid to each of the other non executive/Independent Directors during the year ended on 31st March, 2020 are given below:

Name	Sitting Fee	Other Payment	Total
Mr. Nitin Tibrewal	0.14	-	0.14
Mr. Manish Kumar Tibrewal	0.08	-	0.08
Mrs. Abhijit Nagee	0.09	-	0.09

(₹ in Lakh)

5. STAKEHOLDER RELATIONSHIP COMMITTEE:

a) Terms of reference:

The Committee constituted under section 178(5) of the companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to attend 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 investor services.

Stakeholders Relationship Committee has been empowered to deal with and dispose of the instruments of transfer of shares in the Company including the power to reject transfer of shares in terms of the provisions of the Companies Act, 2013, Securities Contract

(Regulations) Act, Listing Regulations and the Company's Articles of Association and take necessary actions for all of the matters effecting the interest of the shareholders such as:-

- (i) Resolving the grievances of the security holders including complaints related to transfer/ transmission of shares, non receipt of annual reports, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.
- (ii) Review of measures taken for effective exercise of voting rights by the shareholders.
- (iii) Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (iv) Review of the various measures and initiatives for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants, annual reports and statutory Notices etc.

The Stakeholder Relationship Committee of the Company as on 31st March, 2020 comprises of the following Directors of the Company. The Committee met 4 (Four) times during the year under review. The said meetings were held on 06th May, 2019, 05th June, 2019, 09th November, 2019 and 14th February, 2020.

Name of Directors	Category	Total Meetings held during the year	Nos. of meetings attended
Mr. Nitin Tibrewal	Chairman	4	4
Mr. Manish Kumar Tibrewal	Member	2	2
Mr. Tushar Bhandari	Member	4	4

b) Compliance Officer: Mr. Sumit Jaitely, Company Secretary of the company is designated as compliance officer.

c) Share holder Compliant Status during the financial year 2019-20:

No. of Shareholder Compliant received	No. of Complaint resolved	No. of Compliant Pending.
57	57	0

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Committee constituted under section 135(1) of the companies Act, 2013, for consideration and approval of fund to be decided and application thereof.

The CSR Committee of the Company as on 31st March, 2020 comprises of the following Directors. The Committee met 2 (Two) times during the year under review. The said meetings were held on 28th May, 2019, and 14th February, 2020.

Sr. No	Name of Directors	Category	Total Meetings held during the year	Nos. of Meetings attended
1.	Mr. Tushar Bhandari	Chairman	2	2
2.	Mr. Manish Kumar Tibrewal	Member	2	2
3.	Mr. Nitin Tibrewal	Member	2	2

7. WTD CERTIFICATION

The Whole Time Director(WTD) have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI(LODR) Regulations, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

8. INFORMATION ON GENERAL BODY MEETINGS

The details of location and time where last three Annual General Meetings were held:

AGM No.	Place	Date	Time
30th	"Phoenix", Brilliant Convention Centre, Plot No. 5, Scheme No. 78 Part-II, Vijay Nagar, Indore - 452010	14.09.2019	03:00 PM
29th	"Shripati Singhanian Hall", Rotary Sadan, 94/2, Chowranghee Road, Kolkata – 700 020	24.08.2018	10:00 AM
28th	"Shripati Singhanian Hall", Rotary Sadan, 94/2, Chowranghee Road, Kolkata – 700 020	05.08.2017	10:00 AM

9. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. They are widely published in following newspapers. These results are simultaneously posted on the website of the Company at www.associatedalcohols.com and also uploaded on the website of the BSE Ltd. and NSE Ltd.

Quarterly Results	News papers Publication	Displayed at Website
31.03.2020	Financial Express & Naidunia	www.associatedalcohols.com
31.12.2019	Financial Express & Naidunia	www.associatedalcohols.com
30.09.2019	Financial Express & Naidunia	www.associatedalcohols.com
30.06.2019	Financial Express & Naidunia	www.associatedalcohols.com

10. GENERAL SHAREHOLDER INFORMATION.

a. Annual General Meeting by VC/OAVM

Date	05th September, 2020
Venue	4th Floor BPK Star Tower AB Road, Indore -452008
Time	02:00 PM

b. Dividend payment date:

Dividend will be paid within 30 days of approval of the same in the Annual General Meeting.

c. Financial Year:

Financial Year 2020-21 from April 01, 2020 to March 31, 2021

The tentative due dates for declaration of quarterly results

Unaudited Financial Results for the 1st Quarter ended 30th June, 2020	Within 45 days*
Unaudited Financial Results for the 2nd Quarter ended 30th September, 2020	Within 45 days*
Unaudited Financial Results for the 3rd Quarter ended 31st December, 2020	Within 45 days*
Audited Financial Results for the 4th Quarter ended 31st March, 2021	Within 60 days*

*Except to the extension or time limit granted if any, looking to Covid-19 situations.

d. Book Closure date :

30th August,2020 to 05th September,2020

e. Listing in Stock Exchange:

BSE Ltd. & National Stock Exchange of India Limited

SCRIP Code : 507526	NSE Symbol : ASALCBR
ISIN : INE073G01016	ISIN : INE073G01016

f. Annual Listing Fee: Annual listing fee for the Year 2020-21 of the Stock Exchanges have been paid

g. Custodial Fees to Depositories:

Fee for the year 2020-21 to NSDL and CDSL has been paid.:

h. Market Price Data:

High & Low of each month in the Financial Year- 2019-20

Months	BSE		NSE (w.e.f. 12.02.2020)	
	High	Low	High	Low
April 2019	268.75	227.50	NA	NA
May 2019	247.00	203.90	NA	NA
June 2019	225.90	165.65	NA	NA
July 2019	185.50	133.05	NA	NA
August 2019	189.95	140.15	NA	NA
September 2019	222.50	172.60	NA	NA
October 2019	215.75	166.20	NA	NA
November 2019	230.00	190.00	NA	NA
December 2019	212.80	178.00	NA	NA
January 2020	223.40	180.00	NA	NA
February 2020	298.00	198.10	297.75	191.00
March 2020	233.95	122.00	229.95	123.05

i. Registrar & Transfer Agents:

Ankit Consultancy Private Ltd. 60, Electronics Complex, Pardeshipura, Indore – 452010 (M.P.)

Phone No. 0731- 4281333 /2551745 /2551746, E-mail: ankit_4321@yahoo.com

j. Share Transfer System:

The Share transfer/transmission work and dematerialization/re-materialization work is assigned to M/s. Ankit Consultancy Private Limited, the Registrars and Share Transfer Agent. Shares in physical form for transfer/transmission are normally registered and issued within 15 days from lodgment, subject to the documents being in order. The board has delegated the authority for approval of transfer, transmission etc. to stakeholder relationship committee comprising two non-executive directors and one executive director. A summary of transfer/transmission of shares so approved by committee is placed before the Board. The Company has entered into agreement with CDSL and NSDL to facilitate holding of shares of the Company in dematerialized form.

k. Distribution of Shareholding as on 31st March, 2020:

Range in No. of shares	Number of Holders	% to Total Holders	Nominal Value in ₹ of No. of Shares held	% to total Capital
Up to 1000	6543	49.37	2848080	1.58
1001 to 2000	3860	29.13	7299610	4.04
2001 to 3000	533	4.02	1410650	0.78
3001 to 4000	547	4.13	2094960	1.16
4001 to 5000	285	2.15	1380320	0.76
5001 to 10000	760	5.73	5893940	3.26
10001 to 20000	357	2.69	5482680	3.03
20001 to 30000	123	0.93	3204750	1.77
30001 to 40000	57	0.43	2037160	1.13
40001 to 50000	35	0.26	1579970	0.87
50001 to 100000	68	0.51	5021490	2.78

Range in No. of shares	Number of Holders	% to Total Holders	Nominal Value in ₹ of No. of Shares held	% to total Capital
100000 above	84	0.63	142538390	78.84
Total	13252	100.00	180792000	100.00

I. Categories of Equity Shareholders as on 31st March, 2020:

Sr. No	Particulars	No. of Shares	% to the total Paid up Share Capital
1	Promoters/ Promoter Group	10566440	58.45
2	FIs, Banks	18662	0.10
3	Bodies Corporate	2072890	11.47
4	Foreign Portfolio Investors	103001	0.57
5	Indian Public	5037265	27.86
6	NRIs/ OCBs	209952	1.16
7	Any other (clearing member)	70990	0.39
	Total	18079200	100.00

m. Dematerialization of shares and liquidity:

94.53 % of the Company's share capital is held in dematerialized form as on 31st March, 2020 the Company's shares are being regularly traded on the BSE Ltd and National Stock Exchange of India Limited, ISIN in CDSL and NSDL for Company's equity shares is INE073G01016. The scrip code for the Share on BSE LTD is 507526 and symbol for the shares on National Stock Exchange of India Limited is ASALCBB.

n. Plant Location:

Distillery: Khodigram, Tehsil- Barwaha, Distt. Khargone – 451115 (Madhya Pradesh)

Bottling Plant: Udyog Vihar, Chorhata, Rewa, (Madhya Pradesh)

Contract Manufacturing Unit: Trichur, Kerala

o. Registered Office and Correspondence address: :

4th Floor, BPK Star Tower, A. B. Road, Indore – 452008 (Madhya Pradesh)

11. DISCLOSURES:

a. Details of materially significant related party transactions:

All transactions entered into with related parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year 2019-20 were in the ordinary course of business and do not attract the provisions of section 188 of the Companies Act, 2013.

The Company does not have any related party transaction that may have a potential conflict with interests of the Company.

b. Accounting Treatment

In the preparation of the financial statements, the company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 the Companies Act, 2013 and has also adopted IND-AS. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

c. Strictures and Penalties.

The Company has complied with all the requirements of regulatory authorities on capital market except that the Regulation 17(1) of SEBI (LODR) Regulations, 2015 as amended state that the Board of top 1000 listed company shall comprise of at least 6 directors, the company eventually fall in 1000 listed company criteria and in absence of regular monitoring mechanism for movement of market cap, it was inadvertent on the part of the company, the company has received a fine of ₹5,42,800/- (including GST) from BSE,

which was duly deposited. However, the company on 16th May 2020 has appointed two additional directors and the Board now comprises of 6 directors and that apart from this no penalties or strictures have been imposed against it by Stock Exchange or SEBI or other Statutory Authorities during last three years.

d. Vigil Mechanism/Whistle Blower Policy:

The company has laid down a Whistle Blower Policy/Vigil Mechanism for employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the company's code of conduct, if any.

The fraud risk management policy ensures that strict confidentiality is maintained while dealing with concern and also that no discrimination will be meted out to any person for genuinely raised concern.

e. Secretarial Compliance Report and Certificate of Non Disqualification of Directors

SEBI Circular mandated the Secretarial Compliance Report in addition to the Secretarial Audit Report by Practicing Company Secretary required to be submitted to the Stock Exchanges within stipulated time, which is duly submitted.

Further a certificate of Non Disqualification of Directors is also required to be submitted and in this regard a certificate from M/s K Arun & Co., Practicing Company Secretaries that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as director by SEBI/MCA or any such authority is attached and forms part of this report.

f. The total fees for all services paid by the company to M/s Singhi & Co. Statutory Auditor of the company is ₹19.73 Lakhs

g. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 Number of Complaints Filed/Disposed/Pending – Nil

h. The company timely disseminates the Audited/UnAudited Financial Results to stock exchanges immediately after the approval of Board, these are published in Financial Express(English) and Naidunia (Hindi) and are also available at www.associatedalcohols.com

i. Web link where, policy for determining material subsidiaries, policy on dealing with related party transactions, Code of Conduct for Senior Management is disclosed and can be viewed at www.associatedalcohols.com/InvestorRelations

j. There have been no instances of non-compliance of any requirement of corporate governance report and the company has duly complied with the applicable requirements of the listing regulation except to the mentioned in point (c) above.

k. SEBI SCORES: SEBI Scores is web based centralized grievance redress system, which enables the investor to lodge and track their complaints online, your company is also registered on SCORES and is prompt in redressing investor grievances.

l. A quarterly reconciliation of Share Capital as required by Securities and Exchange Board of India (SEBI) is being carried out by Independent Professional.

FOR AND ON BEHALF OF THE BOARD

Place: Indore

Date: 29th June, 2020

Tushar Bhandari

Director

DIN: 03583114

Nitin Tibrewal

Director

DIN: 01892892

CERTIFICATION

[Issued in accordance with the provisions of Regulation 17(8) of SEBI (LODR), 2015]

To

**The Board of Directors,
Associated Alcohols & Breweries Limited.**

Dear Sirs,

We have reviewed the financial statements and the cash flow statement for the quarter and year ended 31st March, 2020 to the best of our knowledge and belief,

- a) (i) These statements do not contain any material untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting, and that we have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or propose to be taken for rectifying these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - (iii) There have been no instances of fraud.

For **Associated Alcohols & Breweries Limited**
Tushar Bhandari **Sanjay Kumar Tibrewal**
Whole Time Director *Chief Financial Officer*
DIN: 03583114

DECLARATION REGARDING CODE OF CONDUCT

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

Place: Indore
Date: 29th June, 2020

For **Associated Alcohols & Breweries Limited**
Tushar Bhandari **Sanjay Kumar Tibrewal**
Whole Time Director *Chief Financial Officer*
DIN: 03583114

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Associated Alcohols & Breweries Ltd.,
CIN: L15520MP1989PLC049380

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Associated Alcohols & Breweries Ltd. having CIN L15520MP1989PLC049380 and having registered office at 4th Floor, BPK Star Tower A.B. Road Indore (MP)-452008, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number) (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Tushar Bhandari	03583114	05/01/2017
2.	Manish Kumar Tibrewal	00747559	20/10/2001
3.	Nitin Tibrewal	01892892	28/01/2011
4.	Abhijit Nagee	07724108	04/02/2017

Ensuring the eligibility for the appointment or continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the same based on the verification conducted. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For K. Arun & Co
Company Secretaries

Arun Kumar Khandelia
Partner
FCS:3829
C.P. No.: 2270
UDIN: F003829B000393231

Place: Kolkata
Date: 29th June, 2020

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

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of

Associated Alcohols & Breweries Limited.

1. This Certificate is issued in accordance with the terms of our engagement with Associated Alcohols & Breweries Limited ('the Company').
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31st March, 2020 as stipulated in regulations 17 to 27 and clause (b) to (i) of regulation 46(2) and Para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

MANAGEMENTS' RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), to the extent relevant, the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2020 except non compliance of regulation 17 (1)(c) of "Listing Regulations" where the total strength of the Board was lower than the required Six directors for the period from 01st April 2019 to 31st March 2020. However the company has fulfilled the requirements of regulation 17(1)(C) and appointed two additional directors on 16th May 2020 i.e. before the date of signing of the financial statements/date of this certificate.

RESTRICTION ON USE

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

(Gopal Jain)
Partner

Membership No. 59147

UDIN No: 20059147AAAABP3740

Place: Kolkata

Date: 29th June, 2020

Independent Auditors' Report

To the Members of
Associated Alcohols & Breweries Limited

Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of Associated Alcohols & Breweries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below as Key audit matters and for each matter, our description of how our audit addressed the matter is provided in that context.

Key audit matters	How our audit addressed the key audit matter
<p>Inventory physical verification and existence</p> <p>The company deals with various types of bulk material & Finished goods such as Spirit, Liquor, Grains, etc. The company has inventory of Finished Goods & Raw materials at various locations amounting to ₹4004.45 Lakhs as at March 31, 2020 as detailed in Notes 12 to the financial statements.</p> <p>Inventories valuation and existence has been determined to be a key audit matter as inventories may be held for long periods of time at various locations before being sold and thus makes it vulnerable to obsolescence. This could result in an overstatement of the value of the inventories if the cost is higher than the net realisable value. Further the measurement of these inventories involved certain estimations/assumption and also involved volumetric measurements.</p> <p>Due to pandemic "Covid-19", the company could not undertake the year-end verification hence the existence of inventories became more vulnerable to the fair presentation of financial statements. We determined this to be a matter of significance to our audit due to quantum of the amount & estimation involved.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> ➤ Obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to inventory valuation and existence. ➤ Observed the physical verification of significant inventories count for certain locations through the involvement of independent Firm of Chartered Accountants before the date of signing the financial statements and applying the roll back procedure as an alternative procedure and thus assessed the adequacy of controls over the existence of inventories. ➤ Obtained statutory certificates confirming the stock lying at various locations. ➤ We have reviewed the report submitted by external agency and obtained reasons/explanation for such differences and also confirmed the adjustment made by the company in accordance with the policy confirmed by the board of directors. ➤ Evaluated management judgment with regards to the application of provisions to the inventories.

Key audit matters	How our audit addressed the key audit matter
<p>Disclosure of Contingency , litigation & Taxation</p> <p>The Company is exposed to different laws, regulations and interpretations thereof. The company is also subject to number of significant claims, litigations, regulatory including Income tax {refer note no.42.1(a)} and various matters require legal interpretation that arise from time to time in the ordinary course of business. The assessment of the likelihood and quantum of any liability in respect of these matters can be judgmental due to the uncertainty inherent in their nature. The Company is required to assess the need to make provision or disclose a contingency on a case-to-case basis considering the underlying facts of each litigation</p> <p>We have considered this to be a key audit matter, since the accounting and disclosure of claims and litigations is complex and judgmental, and the amounts involved are, or can be, material to the financial statements.</p>	<p>Our audit procedures included among others:</p> <ul style="list-style-type: none"> ➤ Understanding and assessing the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities; ➤ Analysed significant changes/update from previous periods and obtained a detailed understanding of such items. Assessed recent judgments passed by the court authorities affecting such change; ➤ Discussed the status of significant known actual and potential litigations with the management & noted that information placed before the board for such cases and ➤ Assessment of the management's assumptions and estimates related to the recognized provisions for disputes and disclosures of contingent liabilities in the financial statements.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, for example Corporate Overview, Key Highlights, Board's Report, Report on Corporate Governance, Management Discussion & Analysis Report, etc., but does not include the Financial Statements and our auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of

adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional

judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the

audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;
- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanation given to us, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as stated in Note 42 to the financial statement;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Singhi & Co.

Chartered Accountants
Firm Registration No.302049E

(Gopal Jain)

Partner

Place: Kolkata
Dated: 29th June 2020

Membership No. 059147
UDIN: 20059147AAAABO1376

Annexure "A" to the Independent Auditor's Report

Referred to our report of even date to the members of Associated Alcohols & Breweries Limited as at and for the year ended March 31, 2020:

- i. In respect of Company's fixed assets:
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a program of physical verification of its property, plant and equipment in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. Pursuant to the program, certain property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties in the nature of land at the balance sheet date are held in the name of the Company.
- ii. As informed to us, the inventories of the Company except for materials in transit and finished goods lying with third parties have been physically verified by the management and/or by an independent agency at the reasonable intervals. The year-end physical verification of inventories was carried out a firm of Chartered Accountants subsequent to Balance sheet date and performed the roll back procedure to confirm any discrepancies at the year-end stock. For stocks lying with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. The Company has not granted any loans secured or unsecured to companies, firms, limited liability partnership or parties covered in the register maintained under Section 189 of the Act. Accordingly, clause 3 (iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the company has not given any loans or provided any guarantees or securities to parties covered under section 185 of the Companies Act, 2013.

Further the provision of section 186 of the Companies Act, 2013 in respect of loans and advances given, investments made and guarantees & securities given have been complied with by the Company.

- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. To the best of our knowledge and according to information and explanations given to us, the Government has not specified maintenance of the cost records under section 148(1) of the Companies Act, 2013 in respect of company's product.
- vii. (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory

dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in depositing the same in few cases.

- (b) According to information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, sales tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding at the year end, for a period of more than six months from the date they become payable except non payment of income tax amounting to ₹0.16 lakhs & interest on delayed payment of VAT amounting to ₹117.70 Lakhs.
- (c) As per the record of the company, the dues of sales tax, income tax, duty of customs, goods & service tax duty of excise, service tax and value added tax which have not been deposited on account of any dispute and the forum where the dispute is pending as on 31st March, 2020 are as under :-

Sr. No.	Name of the Statute	Nature of Case	Amount (₹ In Lakh)	Period to which Amount Relates	Forum at which case is pending
1	Income tax Act, 1961	Income Tax Demand	7.63	AY 2011-12	Commissioner of Income Tax (Appeals), Kolkata
2	Entry tax Act, 1976	Entry Tax Demand	60.86	2008-09, 2012-13 & 2013-14	M.P Commercial Tax Appellate Board, Indore Bench
3	The Madhya Pradesh VAT Act, 2002	VAT Demand	491.98	2013-14, 2014-15 & 2016-17	M.P Commercial Tax Appellate Board, Indore Bench
			329.96	2015-16	Hon'ble Supreme Court of India, Delhi
4	The Central sales tax Act, 1956	Central Sales Tax Demand	13.04	2013-14 to 2016-17	M.P Commercial Tax Appellate Board, Indore Bench
5	The Madhya Pradesh Excise Act, 1915	Excise Duty Demand	6.05	2011-12 to 2013-14	Board of Revenue (department of M.P.)
			70.95	2011-12, 2013-14 to 15-16	State Excise Commissioner, Gwalior
			39.32	2009-10 to 2012-13	Hon'ble High Court at M.P.
6	Income tax Act, 1961	Income Tax Demand	642.61	AY 2012-13 to 2018-19	Commissioner of Income Tax (Appeals), Bhopal

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to banks. Based on our audit procedures and as per the information and explanations given by the management, the Company did not have any outstanding dues to a financial institution or government or due to debentures holders.
- ix. The company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year. In our opinion, the term loans have been applied for the purpose for which they were obtained.
- x. In our opinion and according to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi

Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, during the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the

Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the company.

For Singhi & Co.

Chartered Accountants
Firm Registration No.302049E

(Gopal Jain)

Partner

Place: Kolkata
Dated: 29th June 2020

Membership No. 059147
UDIN: 20059147AAAABO1376

Annexure “B” to the Independent Auditor’s Report

“Annexure B” to the Independent Audit Report of even date on the Financial Statements of Associated Alcohols & Breweries Limited.

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

We have audited the internal financial controls over financial reporting of Associated Alcohols & Breweries Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and

operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion

or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Singhi & Co.

Chartered Accountants
Firm Registration No.302049E

(Gopal Jain)

Partner

Place: Kolkata
Dated: 29th June 2020

Membership No. 059147
UDIN: 20059147AAAABO1376

Balance Sheet as at 31st March, 2020

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2020		As at 31st March, 2019	
ASSETS					
1 NON-CURRENT ASSETS					
a Property, Plant and Equipment	5	10,695.69		11,628.79	
b Capital Work-In-Progress		1,119.04		192.74	
c Intangible Assets	6	12.62		11.46	
d Right of Use Assets	5A	245.66	12,073.01	-	11,832.99
e Financial Assets					
i Investments	7	219.00		308.42	
ii Loans	8	113.14		98.47	
iii Other Financial Assets	9	42.92		40.59	
f Non-Current Tax Assets	10	118.71		-	
g Other Non-Current Assets	11	429.73	923.50	648.13	1,095.61
2 CURRENT ASSETS					
a Inventories	12	5,735.48		5,592.45	
b Financial Assets					
i Trade Receivables	13	3,896.83		3,070.73	
ii Cash and Cash Equivalents	14	272.11		174.93	
iii Bank balances other than Cash and Cash Equivalents	15	1,920.25		366.26	
iv Loans	16	2,127.40		1,634.68	
v Other Financial Assets	17	23.34		194.93	
c Other Current Assets	18	380.73	14,356.14	468.27	11,502.25
Total Assets			27,352.65		24,430.85
EQUITY AND LIABILITIES					
1 EQUITY					
a Equity Share Capital	19	1,807.92		1,807.92	
b Other Equity	20	17,719.13	19,527.05	13,107.89	14,915.81
2 LIABILITIES					
NON-CURRENT LIABILITIES					
a Financial Liabilities					
i Borrowings	21	467.81		753.06	
ii Lease Liabilities	21A	163.05		-	
b Provisions	22	114.89		66.38	
c Deferred Tax Liabilities (Net)	23	639.60		874.92	
d Non-Current Tax Liabilities (Net)	24	21.64	1,406.99	7.64	1,702.00
CURRENT LIABILITIES					
a Financial Liabilities					
i Borrowings	25	114.17		1,474.06	
ii Lease Liabilities	25A	77.08		0.90	
iii Trade Payables	26				
- Total outstanding dues of micro enterprises and small enterprises; and		139.65		197.61	
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,508.96		2,859.88	
iv Other Financial Liabilities	27	1,268.59		1,512.79	
b Other Current Liabilities	28	1,307.65		1,546.80	
c Provisions	29	2.51		2.08	
d Current tax liabilities (Net)	30	-	6,418.61	218.92	7,813.04
Total Equity and Liabilities			27,352.65		24,430.85
Basis of Accounting	2				
Significant Accounting Policies	3				
Significant Judgement & Key Estimate	4				

Accompanying notes form an integral part of the financial statements.

As per our report of even date

For Singhi & Co.

Chartered Accountants

(Firm Registration No.302049E)

(Gopal Jain)

Partner

(Membership No.059147)

Kolkata/Indore

June 29, 2020

For and on behalf of the Board of Directors

Tushar Bhandari

Whole Time Director

DIN:03583114

Sanjay Kumar Tibrewal

Chief Financial Officer

Nitin Tibrewal

Director

DIN: 01892892

Sumit Jaitely

Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2020

(₹ in Lakhs unless otherwise stated)

Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
INCOME			
Revenue from Operations	31	53,499.91	41,158.18
Other Income	32	327.87	420.56
Total Income	(A)	53,827.78	41,578.74
EXPENSES			
Cost of Materials Consumed	33	27,227.70	21,659.14
Purchases of Stock -in- Trade	34	141.42	78.13
Changes in Inventories of Finished Goods & Work-in-Progress	35	53.14	(1,193.25)
Excise Duty		1,241.66	1,304.12
Employee Benefits Expense	36	2,421.67	1,963.29
Finance Costs	37	208.18	223.18
Depreciation and Amortisation Expense	38	1,409.72	1,229.41
Power and Fuel		4,892.38	3,687.26
Other Expenses	39	9,860.25	7,895.80
Total Expenses	(B)	47,456.12	36,847.08
Profit before Exceptional Items and Tax		6,371.66	4,731.66
Exceptional Items	(C)	-	-
Profit before Tax	(D)=(A-B-C)	6,371.66	4,731.66
Tax Expense:	40		
Current Tax		1,673.24	1,600.72
Deferred Tax		(243.57)	86.40
Taxes for earlier years		8.37	18.15
Total Tax Expenses	(E)	1,438.04	1,705.27
Profit after Tax	(F)=(D-E)	4,933.62	3,026.39
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss</i>			
a) Remeasurement of defined benefit plan		(6.76)	(16.03)
b) Equity instrument through Other Comprehensive Income		(89.42)	40.86
c) Income tax relating to above items		1.70	5.60
Other Comprehensive Income for the Year (Net of Tax)	(G)	(94.48)	30.43
Total Comprehensive Income for the Year	(F+G)	4,839.14	3,056.82
Earnings per Equity Shares of par value of ₹10 each			
Basic & Diluted Earnings Per Share (₹)	41	27.29	16.74
Basis of Accounting	2		
Significant Accounting Policies	3		
Significant Judgement & Key Estimate	4		

Accompanying notes form an integral part of the financial statements.

As per our report of even date

For Singhi & Co.

Chartered Accountants

(Firm Registration No.302049E)

(Gopal Jain)

Partner

(Membership No.059147)

Kolkata/Indore

June 29, 2020

For and on behalf of the Board of Directors

Tushar Bhandari

Whole Time Director

DIN:03583114

Sanjay Kumar Tibrewal

Chief Financial Officer

Nitin Tibrewal

Director

DIN: 01892892

Sumit Jaitely

Company Secretary

Cash Flow Statement for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	6,371.66	4,731.66
Adjustments for:		
Depreciation / Amortisation	1,409.72	1,229.41
Finance Cost	208.18	223.18
Impairment allowances	55.90	130.60
Bad debts	73.07	0.90
Interest Income	(235.32)	(152.56)
Loss on disposal of Property, Plant & Equipment	116.72	3.82
Sundry Balances Written Back	(31.82)	(230.50)
Advances written off	41.80	-
Other Provisions Created/(utilised)	49.86	9.64
Operating Profit before Working Capital Changes	8,059.77	5,946.15
Movement in Working Capital :		
(Increase)/Decrease in Trade Receivables	(955.07)	(1,286.65)
(Increase)/Decrease in Inventories	(186.13)	(1,794.72)
(Increase)/Decrease in Financial Assets	14.76	(172.46)
(Increase)/Decrease in Other Assets	46.37	2.40
Increase/(Decrease) in Trade Payables	622.94	1,330.48
Increase/(Decrease) in Financial Liabilities	459.08	(113.93)
Increase/(Decrease) in Other Liabilities & Provisions	(196.97)	729.30
Cash Generated from Operations	7,864.75	4,640.57
Direct Taxes Paid	(2,023.36)	(2,159.71)
Net Cash Flow generated from Operating Activities	5,841.39	2,480.86
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment, CWIP and Intangibles	(1,752.83)	(3,400.89)
Proceed from the Sale of Property, Plant & Equipment	143.85	81.82
Loan (Given)/Refund (Net)	(187.99)	486.84
Bank balances other than Cash and Cash Equivalents	(1,578.09)	(166.47)
Interest Income received	94.52	152.56
Net Cash Flow used in Investing Activities	(3,280.54)	(2,846.14)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Non Current Borrowings	26.00	427.03
Repayment of Non Current Borrowings	(620.42)	(79.94)
Proceeds from/(Repayment) of Current Borrowings (Net)	(1,359.89)	351.22
Proceeds from/(Repayment) of Lease Liabilities	(65.91)	-
Finance Cost paid	(199.01)	(188.09)
Interest Paid on Lease Liabilities	(26.49)	-
Dividend paid to equity shareholders	(180.79)	(171.11)
Dividend Distribution tax	(37.16)	(37.16)
Net Cash Flow used in Financing Activities	(2,463.67)	301.95
Net increase/(decrease) in Cash and Cash equivalent (A+B+C)	97.18	(63.33)
Cash & Cash equivalent at the beginning of the year	174.93	238.26
Cash & Cash equivalent at the end of the year	272.11	174.93

Cash Flow Statement for the year ended 31st March, 2020

Notes:

- a) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
- b) The composition of Cash & Cash Equivalent has been determined based on the Accounting Policy No. 3.2.
- c) Figures for the previous year have been re-grouped wherever considered necessary.
- d) Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

Basis of Accounting 2

Significant Accounting Policies 3

Significant Judgement & Key Estimate 4

Accompanying notes form an integral part of the financial statements.

As per our report of even date

For Singhi & Co.

Chartered Accountants

(Firm Registration No.302049E)

(Gopal Jain)

Partner

(Membership No.059147)

Kolkata/Indore

June 29, 2020

For and on behalf of the Board of Directors

Tushar Bhandari

Whole Time Director

DIN:03583114

Sanjay Kumar Tibrewal

Chief Financial Officer

Nitin Tibrewal

Director

DIN: 01892892

Sumit Jaitely

Company Secretary

Statement of Change in Equity for the year ended 31st March, 2020

a) Equity Share Capital

(₹ in Lakhs)

Balance as at 1st April 2018	1,807.92
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at 31st March 2019	1,807.92
Balance as at 1st April 2019	1,807.92
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at 31st March 2020	1,807.92

b) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Other Comprehensive Income		Total
	Securities Premium	General Reserve	Retained Earnings	Remeasurements of defined benefit plans	Equity instrument through Other Comprehensive Income	
Balance as at 1st April, 2018	163.10	989.07	9,049.29	-	67.56	10,269.02
Profit for the year	-	-	3,026.39	-	-	3,026.39
Other Comprehensive Income	-	-	-	(10.43)	40.86	30.43
Total Comprehensive Income for the year	-	-	3,026.39	(10.43)	40.86	3,056.82
Dividend including Dividend Distribution Tax	-	-	(217.95)	-	-	(217.95)
Transfer from Retained Earnings to General Reserve	-	100.00	(100.00)	-	-	-
Transfer of Remeasurements of defined benefit plans to Retained Earnings	-	-	(10.43)	10.43	-	-
	-	100.00	(328.38)	10.43	-	(217.95)
Balance as at 31st March, 2019	163.10	1,089.07	11,747.30	-	108.42	13,107.89
Profit for the year	-	-	4,933.62	-	-	4,933.62
Other Comprehensive Income	-	-	-	(5.06)	(89.42)	(94.48)
Total Comprehensive Income for the year	-	-	4,933.62	(5.06)	(89.42)	4,839.14
Dividend including Dividend Distribution Tax	-	-	(217.95)	-	-	(217.95)
Transfer from Retained Earnings to General Reserve	-	100.00	(100.00)	-	-	-
Impact of new Tax regime on Opening Deferred Tax (Refer Note No. 40.1)	-	-	(9.95)	-	-	(9.95)
Transfer of Remeasurements of defined benefit plans to Retained Earnings	-	-	(5.06)	5.06	-	-
	-	100.00	(332.96)	5.06	-	(227.90)
Balance as at 31st March, 2020	163.10	1,189.07	16,347.96	-	19.00	17,719.13
Basis of Accounting			2			
Significant Accounting Policies			3			
Significant Judgement & Key Estimate			4			

Accompanying notes form an integral part of the financial statements.

As per our report of even date

For Singhi & Co.

Chartered Accountants

(Firm Registration No.302049E)

(Gopal Jain)

Partner

(Membership No.059147)

Kolkata/Indore

June 29, 2020

For and on behalf of the Board of Directors

Tushar Bhandari

Whole Time Director

DIN:03583114

Sanjay Kumar Tibrewal

Chief Financial Officer

Nitin Tibrewal

Director

DIN: 01892892

Sumit Jaitely

Company Secretary

Notes to Financial Statements for the year ended 31st March, 2020

1. CORPORATE AND GENERAL INFORMATION

Associated Alcohols & Breweries Limited ("the Company") is a public limited company domiciled and incorporated in India under the Companies Act 1956 and has its listing on the NSE Limited & BSE Limited. The registered office of the Company is situated at Indore, Madhya Pradesh. The Company is one of the leading and largest liquor manufacturers in Central India. The Company's principal business is manufacturing and trading of ENA, Indian Made Indian Liquor (Country Liquor), Indian Made Foreign Liquor and Hand sanitizer.

The Board of Directors have approved the financial statements for the year ended March 31, 2020 and authorised for issue on June 29, 2020.

2. BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENT

2.1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

2.2. BASIS OF MEASUREMENT

The Company maintains accounts on accrual basis following the historical cost convention, except for followings:

- Certain Financial Assets and Liabilities is measured at Fair value/ Amortized cost (refer accounting policy regarding financial instruments);
- Defined Benefit Plans – Plan assets measured at fair value.

2.3. FUNCTIONAL AND PRESENTATION CURRENCY

The Financial Statements are presented in Indian Rupee (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs (with two places of decimal) as per the requirements of Schedule III, unless otherwise stated.

2.4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with Ind AS requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

2.5. PRESENTATION OF FINANCIAL STATEMENTS

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Indian Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

2.6. OPERATING CYCLE FOR CURRENT AND NON-CURRENT CLASSIFICATION

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;

Notes to Financial Statements for the year ended 31st March, 2020

- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.7. MEASUREMENT OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurements unobservable.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

2.8. APPLICATION OF NEW ACCOUNTING PRONOUNCEMENTS EFFECTIVE FROM 01ST APRIL 2019

The company had adopted Ind AS 116 "Leases" w.e.f 01st April 2019.

2.9. RECENT ACCOUNTING DEVELOPMENTS – STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes to Financial Statements for the year ended 31st March, 2020

2.10. ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC FROM COVID-19 (COVID-19)

The spread of COVID-19 pandemic has impacted the regular business operations of the company post lock-down from March 24, 2020, which includes suspension of production facilities, disruptions in supply chain & adopting work from home policies across the locations. The volumes for the month of March 2020 were impacted partially. The Company is monitoring the situation closely and operations are being resumed/ramped up in a phased manner from May 2020 considering various directives from GOI. The management has considered various internal and external sources of information up to the date of approval of its annual financial statements by the Board of Directors in determining the impact of pandemic on the various elements of financial statements. The management has used the principles of prudence in applying judgments, estimates & assumptions and based on the current estimates and expects to fully recover the carrying amount of various non-current & current assets. In case of inventories, the management has performed the year end verification by engaging a third party subsequent to the year end to obtain the comfort over existence & condition of the inventories including roll back procedure. Further Considering the uncertainties involved, the eventual outcome of impact of the pandemic may be different from those estimated as on the date of approval of annual financial statements. The Company will continue to closely monitor any material changes in future economic conditions.

3. ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

3.1. INVENTORIES

Inventories are valued at the lower of cost and net realizable value (NRV). Cost is measured by including, unless specifically mentioned below, cost of purchase and other costs incurred in bringing the inventories to their present location and condition. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost is ascertained on weighted average basis for all inventories except for by products and scrap materials which are valued at net realizable value.

3.2. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investments, net of bank overdrafts as they are considered an integral part of the Company's cash management. Bank overdrafts are shown within short term borrowings in the balance sheet.

3.3. INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in the statement of profit & loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

3.3.1. Current Tax:

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

3.3.2. Deferred Tax:

- Deferred Tax assets and liabilities is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for

Notes to Financial Statements for the year ended 31st March, 2020

financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.4. PROPERTY, PLANT AND EQUIPMENT

3.4.1. Tangible Assets

3.4.1.1. Recognition and Measurement:

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any), except for freehold land which are carried at historical cost.
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

3.4.1.2. Subsequent Measurement:

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

3.4.1.3. Depreciation and Amortization:

- Depreciation on Property, Plant & Equipment is provided on Straight Line Method in terms of life span of assets prescribed in Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation.
- In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components.

Notes to Financial Statements for the year ended 31st March, 2020

Category	Useful life (Years)
Buildings	
Non-Factory Building (RCC Frame Structure)	30/60
Fences	5
Factory Building	30
Plant and machinery	
Other than Continuous Process Plant	5/10/15/20
Wind Power Plant	22
Computer equipment	
Servers and networks	6
Others	3
Furniture and Fixtures	10
Office equipment	5
Vehicles	
Motor cycles, scooters	10
Others	8

- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.4.1.4. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

3.4.1.5. Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

3.5. LEASES

3.5.1. Company as a lessee

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

Notes to Financial Statements for the year ended 31st March, 2020

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

3.5.2. Company as a lessor

➤ Finance Lease

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

➤ Operating Lease

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

3.6. REVENUE RECOGNITION

Revenue from contract with customers is recognized when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognized as per the terms of relevant contractual Agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

A refund liability is recognized for expected returns in relation to sales made corresponding assets are recognized for the products expected to be returned.

3.6.1. Revenue from tie-up manufacturing arrangements:

The company has entered into arrangement with Contract Manufacturing Unit (CMU), where-in CMU manufactures and sells on behalf of the Company. Accordingly, the transactions of the CMU under such arrangements have been recorded as gross revenue, excise duty and expenses as they were transactions of the Company.

3.7. EMPLOYEE BENEFITS

3.7.1. Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

Notes to Financial Statements for the year ended 31st March, 2020

3.7.2. Other Long Term Employee Benefits

The liabilities for earned/privilege leave that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

3.7.3. Post-Employment Benefits

The Company operates the following post-employment schemes:

➤ Defined Contribution Plan

Defined contribution plans such as Provident Fund, Employee State Insurance etc. are charged to the statement of profit and loss as and when incurred and paid to Authority.

➤ Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurements recognized in other comprehensive income are reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

3.8. FOREIGN CURRENCY TRANSACTIONS

- Foreign currency (other than the functional currency) transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.
- Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

3.9. BORROWING COSTS

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes foreign exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

Notes to Financial Statements for the year ended 31st March, 2020

3.10. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.10.1. Financial Assets

➤ Recognition and Initial Measurement:

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

➤ Classification and Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments designated at Fair Value through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

- **Measured at Amortized Cost:** A debt instrument is measured at the amortized cost if both the following conditions are met:
 - » The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
 - » The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the profit or loss.

This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company.

- **Measured at FVTOCI:** A debt instrument is measured at the FVTOCI if both the following conditions are met:
 - » The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
 - » The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- **Measured at FVTPL:** FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Equity instruments which are, held for trading are classified as at FVTPL.
- **Equity Instruments designated at FVTOCI:** For equity instruments, which has not been classified as FVTPL as above, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial

Notes to Financial Statements for the year ended 31st March, 2020

recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

➤ **Derecognition:**

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

➤ **Impairment of Financial Assets:**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3.10.2. Financial Liabilities

➤ **Recognition and Initial Measurement:**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

➤ **Subsequent Measurement:**

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

➤ **Financial Guarantee Contracts:**

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

➤ **Derecognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

3.10.3. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

3.11. EARNINGS PER SHARE

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Notes to Financial Statements for the year ended 31st March, 2020

3.12. IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

3.13.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.13.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.13.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

3.14. INTANGIBLE ASSETS

3.14.1. Recognition and Measurement

Intangible asset are stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

3.14.2. Amortization

- Software's are amortized over a period of three years.
- The amortization period and the amortization method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

3.15. OPERATING SEGMENT

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

The Company has identified one reportable segment "Potable Alcohol" based on the information reviewed by the CODM.

Notes to Financial Statements for the year ended 31st March, 2020

4. SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION IN APPLYING ACCOUNTING POLICIES

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Information about Significant judgments and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Recognition of Deferred Tax Assets: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits.
- Classification of Leases: The Company has exercised judgement in determining the lease term as the noncancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised.

Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation."

- Defined Benefit Obligation (DBO): Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- Provisions and Contingencies: The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgment by management regarding the probability of exposure to potential loss.
- Impairment of Financial Assets: The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- Allowances for Doubtful Debts: The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- Fair value measurement of financial Instruments: When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgments' is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

Notes to Financial Statements for the year ended 31st March, 2020

5 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Year Ended 31st March 2020								
	Gross Carrying Amount			Accumulated Depreciation					
	As at 1st April 2019	Additions	Disposals	As at 31st March 2020	As at 1st April 2019	Depreciation charged during the year	Deductions	As at 31st March 2020	Net Carrying Amount
Freehold Land	420.01	-	1.30	418.71	-	-	-	-	418.71
Sub-Total	420.01	-	1.30	418.71	-	-	-	-	418.71
Buildings	1,695.34	158.82	1.29	1,852.87	181.77	83.69	0.75	264.71	1,588.16
Plant and Equipment	10,843.17	452.59	72.37	11,223.39	2,602.55	1,049.30	5.21	3,646.64	7,576.75
Furniture & Fixtures	728.49	14.14	-	742.63	104.75	76.25	-	181.00	561.63
Office Equipment	81.36	16.58	-	97.94	34.88	15.62	-	50.50	47.44
Vehicles	675.69	54.40	24.65	705.44	163.92	82.98	19.93	226.97	478.47
Wind Power Plant	291.80	-	291.80	-	51.93	13.01	64.94	-	-
Computer	78.57	6.65	-	85.22	46.63	14.06	-	60.69	24.53
Sub-Total	14,394.42	703.18	390.11	14,707.49	3,186.43	1,334.91	90.83	4,430.51	10,276.98
Total	14,814.43	703.18	391.41	15,126.20	3,186.43	1,334.91	90.83	4,430.51	10,695.69

(₹ in Lakhs)

Particulars	Year Ended 31st March 2019								
	Gross Carrying Amount			Accumulated Depreciation					
	As at 1st April 2018	Additions	Disposals	As at 31st March 2019	As at 1st April 2018	Depreciation charged during the year	Deductions	As at 31st March 2019	Net Carrying Amount
Leasehold Land	0.82	-	-	0.82	0.02	0.01	-	0.03	0.79
Freehold Land	420.01	-	-	420.01	-	-	-	-	420.01
Sub-Total	420.83	-	-	420.83	0.02	0.01	-	0.03	420.80
Buildings	1,282.38	412.96	-	1,695.34	120.79	60.98	-	181.77	1,513.57
Plant and Equipment	7,348.59	3,611.39	116.81	10,843.17	1,670.28	970.18	37.91	2,602.55	8,240.62
Furniture & Fixtures	113.02	615.47	-	728.49	34.94	69.81	-	104.75	623.74
Office Equipment	62.05	19.56	0.25	81.36	22.72	12.34	0.18	34.88	46.48
Vehicles	392.83	299.64	16.78	675.69	111.38	62.65	10.11	163.92	511.77
Wind Power Plant	291.80	-	-	291.80	34.62	17.31	-	51.93	239.87
Computer	72.90	5.67	-	78.57	31.69	14.94	-	46.63	31.94
Sub-Total	9,563.57	4,964.69	133.84	14,394.42	2,026.42	1,208.21	48.20	3,186.43	11,207.99
Total	9,984.40	4,964.69	133.84	14,815.25	2,026.44	1,208.22	48.20	3,186.46	11,628.79

Notes:

- Refer note no. 43 for information on property, plant and equipment pledged as securities by the Company .
- Opening gross carrying amount as on 1st April, 2019 doesn't include leasehold land amounting to ₹0.82 Lakhs which has been treated as Right of Use asset separately.

Notes to Financial Statements for the year ended 31st March, 2020

5A RIGHT OF USE ASSETS

(₹ in Lakhs)

Particulars	Year Ended 31st March 2020										
	Gross Carrying Amount					Accumulated Depreciation					Net Carrying Amount
	As at 1st April 2019	Transfer from PPE on adoption of Ind AS 116	Additions during the year	Disposals	As at 31st March 2020	As at 1st April 2019	Transfer from PPE on adoption of Ind AS 116	Depreciation charged during the year	Deductions	As at 31st March 2020	
Leasehold Land	-	0.82	28.22	-	29.04	-	0.03	0.85	-	0.88	28.16
Sub-Total	-	0.82	28.22	-	29.04	-	0.03	0.85	-	0.88	28.16
Buildings	-	-	290.37	-	290.37	-	-	72.87	-	72.87	217.50
Sub-Total	-	-	290.37	-	290.37	-	-	72.87	-	72.87	217.50
Total	-	0.82	318.59	-	319.41	-	0.03	73.72	-	73.75	245.66

Notes:

5A.1 The Company has adopted Ind AS 116 'Leases' effective April 1, 2019 and applied the Standard to its leases, pursuant to which it has reclassified its leased asset as Right-of-Use Assets. The impact of such adoption is not material.

5A.2 The Company has taken land and building on leases for lease period ranging from 5 to 90 years. Lease term includes non-cancellable period and expected lease period.

5A.3 Refer note no. 43 for information on Right of Use Assets pledged as securities by the Company.

6 INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Year Ended 31st March 2020									
	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 1st April 2019	Additions	Disposals	As at 31st March 2020	As at 1st April 2019	Amortisation charged during the year	Deductions	As at 31st March 2020		
Computer Software	154.81	2.25	-	157.06	143.35	1.09	-	144.44	12.62	
Total	154.81	2.25	-	157.06	143.35	1.09	-	144.44	12.62	

(₹ in Lakhs)

Particulars	Year Ended 31st March 2019									
	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 1st April 2018	Additions	Disposals	As at 31st March 2019	As at 1st April 2018	Amortisation charged during the year	Deductions	As at 31st March 2019		
Computer Software	152.34	2.47	-	154.81	122.16	21.19	-	143.35	11.46	
Total	152.34	2.47	-	154.81	122.16	21.19	-	143.35	11.46	

Notes:

6.1 Refer Note No. 43 for information on Intangible Assets pledged as securities by the Company.

Notes to Financial Statements for the year ended 31st March, 2020

7 NON - CURRENT INVESTMENTS

(Fully Paid up except otherwise stated)

(₹ in Lakhs)

Particulars	Face Value (₹)	As at 31st March 2020		As at 31st March 2019	
		Qty	Amount	Qty	Amount
INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME					
Investments in Unquoted Equity Instruments					
Mount Everest Breweries Limited	10	2,00,000	219.00	2,00,000	308.42
			219.00		308.42
Aggregate Amount of Unquoted Investments			219.00		308.42

8 LOANS

(₹ in Lakhs)

Particulars	Refer Note No.	As at	As at
		31st March 2020	31st March 2019
Security deposits (Unsecured & Considered good)	8.1	113.14	98.47
		113.14	98.47

8.1 Refer Note No. 43 for information related to loans pledged as securities by the Company.

9 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	Refer Note No.	As at	As at
		31st March 2020	31st March 2019
Fixed Deposits with Banks (Maturities over 12 months)	9.1	42.92	18.82
Other deposits and advances			
Considered good	9.2	-	21.77
Considered doubtful		-	167.62
Less: Impairment allowances for doubtful advances	9.3	-	(167.62)
		42.92	40.59

9.1 Includes deposit of ₹42.92 Lakhs (PY 2019: ₹18.82 Lakhs) held as margin money & security against tender and label registration.

9.2 Deposit amounting to ₹ Nil (at amortized cost) (PY 2019 ₹21.77 Lakhs) lying with Reserve Bank of India under Pradhan Mantri Garib Kalyan Yojana 2016.

9.3 Movement in Impairment allowances for doubtful advances:

(₹ in Lakhs)

Particulars	Amount
As on 1st April, 2018	167.62
Add: Created	-
Less: Utilized/ Reversed	-
As on 31st March, 2019	167.62
As on 1st April, 2019	167.62
Add: Created	-
Less: Utilized/ Reversed	(167.62)
As on 31st March, 2020	-

9.4 Refer Note No. 43 for information related to other financial assets pledged as securities by the Company.

Notes to Financial Statements for the year ended 31st March, 2020

10 NON-CURRENT TAX ASSET (NET)

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Income Tax Appeal Deposit [Refer Note No. 42.1 (a)]	118.71	-
	118.71	-

11 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Capital Advances			
Considered good		77.05	282.57
Considered doubtful		-	18.53
		77.05	301.10
Less: Impairment allowances for doubtful advances	11.1	-	(18.53)
		77.05	282.57
Advances other than Capital Advances			
Deposit - Appeals		352.68	350.92
Prepaid Expenses		-	14.64
		429.73	648.13

11.1 Movement in Impairment allowances for doubtful advances:

(₹ in Lakhs)

Particulars	Amount
As on 1st April, 2018	-
Add: Created	18.53
Less: Utilized/ Reversed	-
As on 31st March, 2019	18.53
As on 1st April, 2019	18.53
Add: Created	-
Less: Utilized/ Reversed	(18.53)
As on 31st March, 2020	-

11.2 Refer Note No. 43 for information related to other non current assets pledged as securities by the Company.

12 INVENTORIES

(At lower of cost or net realisable value)

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Raw Materials		630.61	598.14
Work-in-Progress /Semi Finished goods		559.25	603.79
Finished Goods		2,814.59	2,823.19
Stores and Spares	12.1	666.32	523.48
Packing Materials (net of obsolescence)	12.3	1,064.71	1,043.85
		5,735.48	5,592.45

12.1 The above includes goods-in-transit as under:

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Stores & Spares	6.95	-
	6.95	-

12.2 Refer Note No. 43 for information on inventories pledged as securities by the Company.

12.3 The net provision on Obsolete & Non moving item is, recognized as expense during the year and included in Other manufacturing expenses in Statement of Profit & Loss, amounting to ₹43.10 Lakhs (PY 2019 ₹9.64 lakhs).

Notes to Financial Statements for the year ended 31st March, 2020

13 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Trade Receivables	13.1		
(a) Trade Receivables Considered good - Secured		-	-
(b) Trade Receivables Considered good - Unsecured		3,896.83	3,070.73
(c) Trade Receivables which have significant increase in Credit Risk; and		-	-
(d) Trade Receivables - credit impaired		109.75	237.47
		4,006.58	3,308.20
Less: Impairment allowances for Doubtful Receivables	13.3	(109.75)	(237.47)
		3,896.83	3,070.73

13.1 Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

13.2 Refer Note No. 43 for information on Trade Receivables pledged as securities by the Company.

13.3 Movement in Impairment allowances for Doubtful Receivables:

(₹ in Lakhs)

Particulars	Amount
As on 1st April, 2018	148.06
Add: Created	104.23
Less: Utilized/ Reversed	(14.82)
As on 31st March, 2019	237.47
As on 1st April, 2019	237.47
Add: Created	55.90
Less: Utilized/ Reversed	(183.62)
As on 31st March, 2020	109.75

14 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Balances With Banks :	14.1		
In Current Accounts		255.89	167.40
Cash on Hand		16.22	7.53
		272.11	174.93

14.1 Refer Note No. 43 for information related to cash and cash equivalents pledged as securities by the Company.

15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Fixed Deposits with Banks (having maturity of more than 3 months but less than 12 months)	15.1	1,886.20	338.73
Balance in :-			
-Unpaid Dividend Accounts		33.33	25.02
-Current Accounts	15.2	0.72	2.51
		1,920.25	366.26

15.1 Includes deposit of ₹357.92 Lakhs (PY 2019: ₹336.51 Lakhs) held as margin money & security against tender and label registration.

15.2 These Current accounts are in the nature of collection account and are operated by Madhya Pradesh State Excise Department for the collection of IMFL proceeds.

15.3 Refer Note No. 43 for information related to bank balances other than cash and cash equivalents pledged as securities by the Company.

Notes to Financial Statements for the year ended 31st March, 2020

16 LOANS (Unsecured & Considered good)

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Security Deposit		412.34	248.41
Loans to body corporates/ others	56	1,663.17	1,352.36
Loans and advances to employees	16.1	51.89	33.91
		2,127.40	1,634.68

16.1 ₹1.36 Lakhs (PY 2019 "Nil") is due from a director of the company.

16.2 Refer Note No. 43 for information related to loans pledged as securities by the Company.

17 OTHERS FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Other Receivables	17.1	23.34	194.93
		23.34	194.93

17.1 Refer Note No. 43 for information related to other financial assets pledged as securities by the Company.

18 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Advances for supply of goods and rendering of services			
Considered good		169.57	222.17
Considered doubtful		7.84	7.84
		177.41	230.01
Less: Provision for doubtful advances	18.1	(7.84)	(7.84)
		169.57	222.17
Balances with Government & Statutory Authorities		63.66	62.79
Prepaid Expenses		147.50	183.31
		380.73	468.27

18.1 Movement in Impairment allowances for doubtful advances:

(₹ in Lakhs)

Particulars	Amount
As on 1st April, 2018	-
Add: Created	7.84
Less: Utilized/ Reversed	-
As on 31st March, 2019	7.84
As on 1st April, 2019	7.84
Add: Created	-
Less: Utilized/ Reversed	-
As on 31st March, 2020	7.84

18.2 Refer Note No. 43 for information related to other current assets pledged as securities by the Company .

Notes to Financial Statements for the year ended 31st March, 2020

19 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	Amount	No. of Shares	Amount
19.1 Authorised Share Capital				
Equity Shares:				
Equity Shares of ₹10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
	2,50,00,000	2,500.00	2,50,00,000	2,500.00
19.2 Issued Share Capital				
Equity Shares of ₹10/- each	1,80,79,200	1,807.92	1,80,79,200	1,807.92
	1,80,79,200	1,807.92	1,80,79,200	1,807.92
19.3 Subscribed and Paid-up Share Capital				
Equity Shares of ₹10/- each fully paid-up	1,80,79,200	1,807.92	1,80,79,200	1,807.92
	1,80,79,200	1,807.92	1,80,79,200	1,807.92

19.4 Reconciliation of the number of shares at the beginning and at the end of the year

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

19.5 Terms/ Rights attached to Equity Shares :

The Company has only one class of issued shares i.e. Equity Shares having par value of ₹10/- per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

19.6 Shareholding Pattern with respect of Holding or Ultimate Holding Company

The Company does not have any Holding Company or Ultimate Holding Company.

19.7 Details of Equity Shareholders holding more than 5% shares in the Company

Name of Shareholders	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of ₹10/- each fully paid				
Smt. Ramdulari Kedia	19,71,600	10.91%	19,71,600	10.91%
Smt. Shweta Kedia	15,42,000	8.53%	15,42,000	8.53%
Smt. Sangita Kedia	14,86,400	8.22%	14,86,400	8.22%
Shri Prasann Kumar Kedia	9,56,200	5.29%	9,56,200	5.29%
M/s Garnet Tradelink Pvt. Ltd.	9,43,003	5.22%	9,43,003	5.22%

19.8 No equity shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

19.9 No equity shares have been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.

19.10 No securities convertible into equity shares have been issued by the Company during the year.

19.11 No calls are unpaid by any Director or Officer of the Company during the year.

Notes to Financial Statements for the year ended 31st March, 2020

20 OTHER EQUITY

(₹ in Lakhs)

Particulars	Refer Note No.	As at	As at
		31st March 2020	31st March 2019
Securities Premium	20.1	163.10	163.10
General Reserve	20.2	1,189.07	1,089.07
Retained Earnings	20.3	16,347.96	11,747.30
Other Comprehensive Income	20.4	19.00	108.42
		17,719.13	13,107.89

Nature/ Purpose of each reserve

- Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This reserve is utilised in accordance with the provisions of the Companies Act 2013.
- General Reserve: The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of Companies Act 1956.
- Retained Earning: Generally represents the undistributed profit/amount of accumulated earnings of the company.
- Other Comprehensive Income (OCI) : Other Comprehensive Income (OCI) represents the balance in equity for items to be accounted under OCI and comprises of the following:
 - Equity Instruments through OCI: The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income.
 - Remeasurement of defined benefit obligations: The actuarial gains and losses arising on defined benefit obligations have been recognised in OCI. The amount is subsequently transferred to retained earnings as per the Schedule III requirement.

(₹ in Lakhs)

Particulars	As at	As at
	31st March 2020	31st March 2019
20.1 Securities Premium		
Balance at the beginning and at the end of the year	163.10	163.10
20.2 General Reserve		
Balance at the beginning of the year	1,089.07	989.07
Add: Transfer from Retained Earnings	100.00	100.00
Balance at the end of the year	1,189.07	1,089.07
20.3 Retained Earnings		
Balance at the beginning of the year	11,747.30	9,049.29
Add: Profit for the year	4,933.62	3,026.39
	16,680.92	12,075.68
Less: Transfer to General Reserve	(100.00)	(100.00)
Less: Impact of new Tax regime on Opening Deferred Tax (Refer Note No. 40.1)	(9.95)	-
Less: Dividend including Dividend Distribution Tax	(217.95)	(217.95)
Add/(Less): Other Comprehensive Income arising from Remeasurements of defined benefit obligation (net of tax)	(5.06)	(10.43)
	(332.96)	(328.38)
Balance at the end of the year	16,347.96	11,747.30
20.4 Other Comprehensive Income		
Equity instrument through Other Comprehensive Income		
Balance at the beginning of the year	108.42	67.56
Add/(Less): Change in Fair Value (net of tax)	(89.42)	40.86
Balance at the end of the year	19.00	108.42
Remeasurement of Defined Benefit Obligation		
Balance at the beginning of the year	-	-
Add/(Less): Changes during the year (net of tax)	(5.06)	(10.43)
Add/(Less): Transferred to Retained Earnings	5.06	10.43
Balance at the end of the year	-	-
	17,719.13	13,107.89

Notes to Financial Statements for the year ended 31st March, 2020

21 NON CURRENT BORROWINGS

(₹ in Lakhs)

	Refer Note No.	Non-Current Portion		Current Maturities	
		As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Secured					
Term loan from banks	21.1 (a)	375.00	625.00	250.00	561.71
Vehicle loan from banks	21.1 (b)	92.81	128.06	55.60	53.06
		467.81	753.06	305.60	614.77
Less: transfer to other current financial liability	27	-	-	(305.60)	(614.77)
		467.81	753.06	-	-

21.1 Details of Security:

- Rupee Term loan of ₹625.00 Lakhs (PY 2019 ₹875.00 Lakhs) from a bank is secured/ to be secured by pari passu charge over entire Property, Plant and Equipment (except certain freehold land) of the Company and second pari passu charge over entire current assets of the Company. The loan is repayable in remaining equal ten quarterly instalments. The interest rate is varying from 9% p.a to 9.20% p.a during the year. The loan is further secured by personal guarantees of certain KMPs/ Employees of the Company.
- Vehicle loans from various banks are secured against hypothecation of vehicles purchased against the loan. The loans are repayable on monthly instalments as per the terms of loans which are ranging from 36 to 60 months. The interest rates are varying from 8.5% p.a. to 10.22% p.a.

21.2 The Carrying amount of the Financial and Non financial assets pledged as security for current and non current borrowings is given in Note 43.

21.3 There has been no default in repayment of the term loan during the year based on the repayment schedule.

21A Unsecured

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Lease Liabilities	21A.1	163.05	-
		163.05	-

21A.1 Lease liability represents present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

22 PROVISIONS

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Provision for Employee Benefits			
Gratuity	46.2.5 & 29.1	48.48	11.37
Leave encashment	29.1	66.41	55.01
		114.89	66.38

Notes to Financial Statements for the year ended 31st March, 2020

23 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Deferred Tax Liabilities		
Arising on account of:		
Property, Plant & Equipment & Intangible Assets	730.12	1,174.61
	730.12	1,174.61
Less: Deferred Tax Assets		
Arising on account of:		
Impairment allowances for Doubtful Receivables	27.62	150.77
Amount deductible on payment basis	62.90	148.92
	90.52	299.69
Deferred Tax Liabilities (Net)	639.60	874.92

23.1 Movement in deferred tax liability/(asset) during the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	As at 1st April, 2019	Remeasurment through retained earnings (Refer Note No 40.1)	Charge/ (credit) in Statement of Profit & Loss	Charge/ (credit) in Other Comprehensive Income	As at 31st March, 2020
Deferred tax liability/(asset)					
Property, Plant & Equipment & Intangible Assets	1,174.61	-	(444.49)	-	730.12
Impairment allowances for Doubtful Receivables	(150.77)	9.95	113.20	-	(27.62)
Amount deductible on payment basis	(148.92)	-	87.72	(1.70)	(62.90)
	874.92	9.95	(243.57)	(1.70)	639.60

Movement in deferred tax liability/(asset) during the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at 1st April, 2018	Charge/ (credit) in Statement of Profit & Loss	Charge/ (credit) in Other Comprehensive Income	As at 31st March, 2019
Deferred tax liability/(asset)				
Property, Plant & Equipment & Intangible Assets	933.07	241.54	-	1,174.61
Impairment allowances for Doubtful Receivables	(110.31)	(40.46)	-	(150.77)
Amount deductible on payment basis	(28.64)	(114.68)	(5.60)	(148.92)
	794.12	86.40	(5.60)	874.92

24 NON CURRENT TAX LIABILITY (NET)

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Provision for tax (net)	126.56	7.64
Add : Provision for current year Tax (Including interest of ₹18.12 Lakhs)	1,691.36	-
Less : Advance Income Tax for current year	1,796.28	-
	21.64	7.64

Notes to Financial Statements for the year ended 31st March, 2020

25 CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Secured			
Working Capital loans from Banks repayable on demand	25.1	114.17	1,474.06
		114.17	1,474.06

25.1 Details of Security

Working capital facilities from the banks (fund based and non fund based) are secured/ to be secured by first pari passu charge over entire current assets of the Company and second pari passu charge over entire Property, Plant and Equipment (except certain freehold land) of the Company. The facilities are also secured by personal guarantees of certain KMPs/Employees of the Company. The interest rates are 9.00% - 9.90% p.a. as at the balance sheet date.

25.2 Refer Note No. 43 for information on the carrying amounts of financial and non-financial assets pledged as security for current borrowings.

25A Unsecured

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Lease Liabilities	21A .1	77.08	0.90
		77.08	0.90

26 TRADE PAYABLES

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Trade Payables for goods and services			
-Total outstanding dues of micro enterprises and small enterprises; and	44	139.65	197.61
-Total outstanding dues of creditors other than micro enterprises and small enterprises		3,508.96	2,859.88
		3,648.61	3,057.49

27 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Current maturities of long term debts	21	305.60	614.77
Amount payable for Capital Goods		119.65	504.81
Security Deposit		20.00	-
Interest accrued and not due on Borrowings		4.91	13.86
Unpaid dividends	27.1	33.33	25.02
Employees related dues		205.84	112.47
Other Payable		579.26	241.86
		1,268.59	1,512.79

27.1 There are no amounts due for payment to the Investor Education and Protection Fund at the end of the year.

28 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Statutory Dues Payable	1,257.28	1,498.14
Advances Received from Customers	50.37	48.66
	1,307.65	1,546.80

Notes to Financial Statements for the year ended 31st March, 2020

29 PROVISIONS

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Provision for Employee Benefits			
Leave encashment	29.1	2.51	2.08
		2.51	2.08

29.1 Movement of Provision (Current and Non Current)

(₹ in Lakhs)

Particulars	Employee Benefit	
	Gratuity	Leave encashment
As on 1st April, 2018	-	76.79
Add: Created	11.37	55.01
Less: Utilized/ Reversed	-	(74.71)
As on 31st March, 2019	11.37	57.09
As on 1st April, 2019	11.37	57.09
Add: Created	39.18	17.50
Less: Utilized/ Reversed	(2.07)	(5.67)
As on 31st March, 2020	48.48	68.92

30 CURRENT TAX LIABILITY (NET)

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for tax	-	1,644.17
Less: Advance Income Tax	-	1,425.25
	-	218.92

31 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Sale of Products (including Excise Duty)	31.1	52,257.47	40,412.08
Sale of Services		929.00	495.18
Sale of Wind power		28.20	30.03
Other Operating revenues			
- Miscellaneous Sales		273.24	208.89
- Miscellaneous Rent Income		12.00	12.00
		53,499.91	41,158.18

31.1 Disclosure pursuant to IND As 115, Revenue from contract with Customer:

(₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Revenue from operations (A)	53,214.67	40,937.29
Excise duty on sale (B)	1,241.66	1,304.12
Revenue from operations excluding excise duty on sale (A-B)	51,973.01	39,633.17

Notes to Financial Statements for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
(I) Revenue from contracts with customers disaggregated based on nature of product or services		
Revenue from Sale of products (Transferred at point in time)		
Manufacturing		
Packed Portable Alcohol	33,867.84	29,711.22
Spirit	12,109.09	6,814.94
By Product	5,807.41	3,598.59
Sanitizer	124.99	-
Others	195.07	202.77
Trading		
Packing Material	153.07	84.56
Revenue from Sale of services		
Job Work Charges	929.00	495.18
Sale of Wind power	28.20	30.03
Other operating revenues		
- Miscellaneous Sales	273.24	208.89
- Miscellaneous Rent Income	12.00	12.00
	53,499.91	41,158.18
(II) Revenue from contracts with customers disaggregated based on geography		
India	53,499.91	41,158.18
Outside India	-	-
(III) Revenue from contracts with customers disaggregated based on type of customer		
Direct Sale	38,340.96	29,991.53
Through distribution channel/ Intermediary	15,158.95	11,166.65

Information about major customers:

Revenue from operation includes ₹8182.70 Lakhs (PY 2019 ₹4351.58 Lakhs) being spirit sales to one customer.

The amounts receivable from customers become due after expiry of credit period which on an average between 30-90 days. There is no significant financing component in any transaction with the customers. The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. All contracts entered by the company are Fixed-price contracts.

32 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest Income from Financial Asset measured at amortised cost		
on Fixed deposits	70.76	36.38
on Loans	164.56	116.18
Other Non Operating Income		
Excess Liabilities Written Back	31.82	230.50
Guarantee Commission Received	3.90	7.80
Claim Receipts	15.31	13.64
Miscellaneous Receipts	41.52	16.06
	327.87	420.56

Notes to Financial Statements for the year ended 31st March, 2020

33 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Raw Materials	18,914.38	13,671.20
Packing Materials	8,313.32	7,987.94
	27,227.70	21,659.14

34 PURCHASE OF STOCK - IN -TRADE

(₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Purchases of Stock -in- Trade	141.42	78.13
	141.42	78.13

35 CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Inventories at the beginning of the year		
Finished Goods	2,823.19	1,883.63
Work in progress	603.79	350.10
	3,426.98	2,233.73
Inventories at the end of the year		
Finished Goods	2,814.59	2,823.19
Work in progress	559.25	603.79
	3,373.84	3,426.98
	53.14	(1,193.25)

36 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries, Wages & Bonus		2,282.95	1,853.67
Gratuity	46.2.5	32.42	26.90
Contribution to Provident & Other funds		78.17	69.08
Staff Welfare expenses		28.13	13.64
		2,421.67	1,963.29

37 FINANCE COST

(₹ in Lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest Expenses	37.1	117.02	168.20
Other Borrowing Costs		64.67	54.98
Interest on lease liabilities		26.49	-
		208.18	223.18

37.1 Borrowing cost capitalised during the year is ₹ Nil (PY 2019 ₹ "Nil")

38 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
On Tangible Assets	38.1	1,408.63	1,208.22
On Intangible Assets		1.09	21.19
		1,409.72	1,229.41

38.1 Depreciation on tangible assets includes ₹73.72 Lakhs (PY 2019 "Nil") for Right of Use Assets.

Notes to Financial Statements for the year ended 31st March, 2020

39 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Manufacturing, Administrative & Selling Expenses		
Consumption of Stores and Spares	719.99	563.70
Insurance	100.96	39.83
Brand Franchise fees	677.33	567.08
Bottling Fees	2,238.73	1,756.31
Bottling Expenses	1,159.91	966.45
Obsolete, Non Moving, Slow Moving Stock	33.46	0.09
Other Manufacturing Expenses	416.39	446.16
Rent	22.17	107.73
Rates & Taxes	1,212.29	964.71
Repairs & Maintenance:		
Building	30.59	10.10
Plant & Machinery	231.78	182.63
Others	36.67	7.66
Warehouse Handling Charges	270.41	257.71
Freight, Forwarding & Transportation	928.91	792.08
Corporate Social Responsibility Expenditure (Refer Note No. 47)	17.03	5.40
Impairment allowance for Doubtful Receivable/Advances	55.90	130.60
Loss on Sales/Discard of Property, Plant & Equipment	116.72	3.82
Bad debts	73.07	0.90
[net of write back of allowance of ₹183.62 Lakhs (PY 2018-19 ₹14.82)]		
Advances written off	41.80	-
[net of write back of allowance of ₹186.15 Lakhs (PY 2018-19 ₹ Nil)]		
Payment to the Auditors:		
Audit Fees	10.00	10.00
Certification / Other services	9.35	8.90
Reimbursement of expenses	0.38	0.65
Other Expenses	1,456.41	1,073.29
	9,860.25	7,895.80

40 TAX EXPENSE

(₹ in Lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Current Tax	40.1	1,673.24	1,600.72
Deferred Tax	40.1	(243.57)	86.40
Taxes for earlier years		8.37	18.15
		1,438.04	1,705.27

40.1 Section 115BAA of the Income Tax 1961 has been introduced by the Taxation Laws (Amendment) Ordinance 2019 on 20th September, 2019 and the same was effective from April 01, 2019. The section provides an option to opt for a lower rate of Corporate Income Tax Rate subject to certain conditions. The company had exercised the above option and accordingly the deferred Tax liability (net) recognised till March 31, 2019 has been re-measured on the basis the rates prescribed under the new tax regime and impact of ₹9.95 lakhs (charge) and ₹254.67 lakhs (credit) have been given effect in the equity and deferred tax expenses respectively in line with the requirements of relevant accounting standards.

Notes to Financial Statements for the year ended 31st March, 2020

40.2 Reconciliation of estimated Income Tax expense at Indian statutory Income tax rate to income tax expense reported in statement of Profit & Loss:

(₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Profit before income tax expense	6,371.66	4,731.66
Indian Statutory Income Tax rate*	25.17%	34.94%
Estimated Income Tax Expense	1,603.75	1,653.43
<i>Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense</i>		
Effect of Deferred Tax created at different rate	(254.67)	-
Expenses not Deductible	20.04	15.70
Effect of Income Tax for Earlier Years	8.37	18.15
Others	60.55	17.99
	(165.71)	51.84
Income tax expense in Statement of Profit & Loss	1,438.04	1,705.27

* Applicable Indian Statutory Income Tax rate for Financial Year 2020 & 2019 is 25.17% & 34.944% respectively.

41 EARNING PER SHARE

	For the year ended 31st March 2020	For the year ended 31st March 2019
Nominal Value of Equity Share (₹)	10.00	10.00
Profit attributed to the Equity shareholders of the Company	4,933.62	3,026.39
Weighted average number of equity share (₹ in Lakhs)	1,80,79,200	1,80,79,200
Basis and diluted earning per share (₹)	27.29	16.74

There are no dilutive equity shares in the Company.

42 CONTINGENT LIABILITIES & COMMITMENT TO THE EXTENT NOT PROVIDED FOR:

42.1 Contingent Liabilities

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March 2020	As at 31st March 2019
A	Claims/Disputes/Demands not acknowledged as debts -		
i.	Entry Tax demand under dispute	84.40	84.40
ii.	Income Tax demand	761.32	2.68
iii.	Central Sales Tax demand under dispute	17.42	10.46
iv.	M.P. VAT demand under dispute	928.41	928.41
B	Guarantee -		
i.	Guarantee given to the Banks amounting to ₹ Nil (PY 2019 ₹5200.00 Lakhs) against credit facilities extended to a company. The amount of outstanding credit facility lying in the books of beneficiary:	-	2,725.00
ii.	Bank Guarantees outstanding at the Year end	729.06	565.99

42.1 (a) During the year, the company had received the income tax assessment orders under Section 153A of the Income Tax Act 1961 for the assessment years 2012-13 to 2017-18 in respect of a search carried out u/s Section 132 of the Income Tax Act 1961 in the financial year 2017-18 and the Income Tax assessment order u/s 143(3) for the assessment year 2018-19. The Income tax department has raised a revised total tax demand including interest thereon amounting to ₹761.32 Lakhs, after giving impact of rectification order under section 154(2) of the Income Tax Act, on account of certain additions under Section 68 read with Section 115BBE of the Income Tax Act against which a sum of ₹118.71 Lakhs has been deposited during the year for the stay of demand. The company has contested the demand of the department in an appellate authority and the matter is pending adjudication.

42.2 In respect of above, future cash flows are determinable only on receipt of judgements pending at various forums/authorities which in the opinion of the Company is not tenable and there is no possibility of any future cash outflow in case of above.

Notes to Financial Statements for the year ended 31st March, 2020

42.3 Commitments

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March 2020	As at 31st March 2019
i.	Estimated amount of contracts remaining to be executed on Capital Account (net of advances)	872.08	1,120.21

43 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for borrowings are:

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Current		
Financial assets		
First charge/ Second charge		
Trade Receivables	3896.83	3,070.73
Cash and cash equivalents	272.11	174.93
Bank balances other than cash and cash equivalents	1920.25	366.26
Other Financial Asset	2150.74	1,829.61
Non-financial assets		
First charge/ Second charge		
Inventories	5735.48	5592.45
Other Current Assets (excluding Balances with Government Authorities & pre-paid expenses)	169.57	222.17
Total current assets pledged as security	14,144.98	11,256.15
Non-current		
First charge/ Second charge		
Right of use Assets (Leasehold land)	0.76	0.79
Freehold land	1.27	1.27
Buildings	1,588.16	1,513.57
Plant & Machinery	7,576.75	8,240.62
Furniture, fittings and equipment	633.60	702.16
Vehicle	478.47	511.77
Capital Work-In-Progress	1,119.04	192.74
Intangible assets (Computer software)	12.62	11.46
Other Non Current Assets (excluding Deposits (Appeals) & pre-paid expenses)	77.05	282.57
Financial Asset		
Other Financial Asset	156.06	139.06
Total non-currents assets pledged as security	11,643.78	11,596.01
Total assets pledged as security	25,788.76	22,852.16

44 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information received by the company from the suppliers regarding the status under the Act.

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March 2020	As at 31st March 2019
i	Principal & Interest amount remaining unpaid but not due as at year end	139.65	197.61
ii	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
iii	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv	Interest accrued and remaining unpaid as at year end	3.91	1.90
v	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Notes to Financial Statements for the year ended 31st March, 2020

45 LEASES

The company has elected to apply IND AS 116 to its leases with modified retrospective approach. Under this approach, the company has recognized lease liabilities and corresponding equivalent right of use assets. In the statement of profit & loss for the year ended, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expenses on right of use assets and finance cost for interest accrued on such lease liability.

45.1 Movement in Lease Liabilities during the year ended 31st March 2020

(₹ in Lakhs)

Particulars	As at 31st March 2020
Balance at the beginning of the year	0.90
Additions	305.14
Interest Cost accrued during the period	26.49
Deletions	-
Payment of lease liabilities	92.40
Balance at the end of the year	240.13

45.2 Future Payment of Lease liabilities on an undiscounted basis

At 31st March 2020, the future payment of lease liabilities on an undiscounted basis are as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2020
Less than one year	89.82
One to five years	168.16
More than five years	63.41
Total undiscounted lease liabilities at 31 March 2020	321.39
Lease liabilities included in the statement of financial position at 31 March 2020	240.13
Current Lease Liabilities	77.08
Non- Current Lease Liabilities	163.05

45.3 Amounts recognized in Profit or Loss

(₹ in Lakhs)

Particulars	For the year ended 31st March 2020
Interest expense on lease liabilities	26.49
Depreciation expense of right-of-use assets	73.72
Expense relating to short-term leases (included in other expenses)	22.17
Total	122.38

46 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

46.1 Defined Contribution Plan:

46.1.1 Provident Fund & Employee's State Insurance Contribution

Provident Fund as per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

Employee State Insurance contribution as per the provisions of the Employees State Insurance Act, 1948.

46.1.2 The amount recognized as an expense for the Defined Contribution Plans are as under:

(₹ in Lakhs)

Sr. No.	Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
a	Provident Fund	53.32	42.77
b	Employee State Insurance contribution	19.11	20.87

Notes to Financial Statements for the year ended 31st March, 2020

46.2 Defined Benefit Plan:

The following are the types of defined benefit plans

46.2.1 Gratuity Plan

Every employee who has completed five years or more of service is entitled to Gratuity as per the provisions of the Payment of Gratuity Act, 1972. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

46.2.2 Risk Exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

INTEREST RATE RISK	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
SALARY INFLATION RISK	Higher than expected increases in salary will increase the defined benefit obligation
DEMOGRAPHIC RISK	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

46.2.3 Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

Particulars	Gratuity	
	2019-20	2018-19
Balance at the beginning of the year	202.73	156.60
Current Service Cost	31.64	29.29
Interest Cost on Defined Benefit Obligation	15.05	11.86
Actuarial Gain and Losses arising from		
Changes in demographic assumptions		-
Changes in financial assumptions	14.96	3.20
Experience Adjustment	(10.63)	10.18
Benefits Paid from the Plan Assets	(9.52)	(8.40)
Balance at the end of the year	244.23	202.73

46.2.4 Reconciliation of the Plan Assets

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components:

Particulars	Gratuity	
	2019-20	2018-19
Balance at the beginning of the year	191.36	186.65
Interest Income on Plan Assets	14.27	14.25
Remeasurements of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	(2.43)	(2.65)
Employer Contributions to the Plan	2.07	1.51
Benefits Paid from the Plan Assets	(9.52)	(8.40)
Balance at the end of the year	195.75	191.36

Notes to Financial Statements for the year ended 31st March, 2020

46.2.5 Amount recognized in Balance sheet

(₹ in Lakhs)

Particulars	Gratuity	
	2019-20	2018-19
Present value of Benefit Obligation at the end of the year	(244.23)	(202.73)
Fair value of Plan Assets at the end of the year	195.75	191.36
Funded Status (Surplus)/(Deficit)	(48.48)	(11.37)
Net (Liability)/Asset recognized in the Balance sheet	(48.48)	(11.37)

Expenses recognized in Profit or Loss

(₹ in Lakhs)

Particulars	Gratuity	
	2019-20	2018-19
Current Service Cost	31.64	29.29
Interest Cost	15.05	11.86
Interest Income on Plan Assets	(14.27)	(14.25)
Expenses recognized	32.42	26.90

46.2.6 Remeasurements recognized in Other Comprehensive Income

(₹ in Lakhs)

Particulars	Gratuity	
	2019-20	2018-19
Actuarial (gain)/ Loss on defined benefit obligation	4.33	13.38
Return on plan assets greater/ (lesser) than discount rate	2.43	2.65
Net(income)/ Expense for the period recognized in OCI	6.76	16.03

46.2.7 Major Categories of Plan Assets

Particulars	Gratuity	
	2019-20	2018-19
Qualified Insurance Policy	100%	100%

The Gratuity Scheme is invested in a New Group Gratuity Cash Accumulation Plan Policy offered by Life Insurance Corporation (LIC). The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for returns over the entire life of the related obligation.

46.2.8 Asset-Liability Matching Strategy

The Company's investment are being managed by Life Insurance Company and at the year end interest is being credited to the fund value. The company has not changed the process used to manage its risk from previous periods. The Company's investment are fully secured and would be sufficient to cover its obligations.

46.2.9 Actuarial Assumptions

Particulars	Gratuity	
	2019-20	2018-19
Financial Assumptions		
Discount Rate	6.70%	7.60%
Salary Escalation Rate	5.00%	7.00%
Demographic Assumptions		
Mortality Rate	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)
Attrition rate	2%	2%

Notes to Financial Statements for the year ended 31st March, 2020

46.2.10 The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

46.2.11 At 31st March 2020, the weighted average duration of the defined benefit obligation was 9 years (previous year 10 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

Expected benefits payment for the year ending on	Gratuity
31st March 2021	15.44
31st March 2022	13.51
31st March 2023	18.90
31st March 2024	22.27
31st March 2025	15.54
31st March 2026 to 31st March 2030	213.32

(₹ in Lakhs)

46.2.12 The Company expects to contribute ₹20.00 Lakhs to its gratuity fund in 2020-21.

46.2.13 Sensitivity Analysis

The sensitivity analysis below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	Gratuity	
	2019-20	2018-19
Effect on DBO due to 1% increase in Discount Rate	(20.21)	(16.75)
Effect on DBO due to 1% decrease in Discount Rate	23.62	19.42
Effect on DBO due to 1% increase in Salary Escalation Rate	20.46	16.86
Effect on DBO due to 1% decrease in Salary Escalation Rate	(17.81)	(15.71)

(₹ in Lakhs)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

47 In accordance with the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, the requisite disclosure as follows:

Particulars	2019-20		2018-19	
	In Cash	Yet to be paid in cash	In Cash	Yet to be paid in cash
Gross Amount required to be spent by the Company during the year	78.81		62.18	

(₹ in Lakhs)

Particulars	2019-20		2018-19	
	In Cash	Yet to be paid in cash	In Cash	Yet to be paid in cash
Amount spent during the year on:				
Construction/ Acquisition of any asset	-	-	-	-
On purpose other above	17.03	-	5.40	-
Unspent Amount	61.78	-	56.78	-

(₹ in Lakhs)

Notes to Financial Statements for the year ended 31st March, 2020

48 RELATED PARTY DISCLOSURES

48.1 Name of the related parties and description of relationship

A) Key Management Personnels (KMP)

- Mr. Tushar Bhandari, Whole Time Director
- Mr. Manish Kumar Tibrewal, Director
- Mr. Nitin Tibrewal, Director
- Ms. Abhijeet Nagee, Director
- Ms. Homai A. Daruwalla, Director (with effect from 16th May, 2020)
- Mr. Debashish Das, Director (with effect from 16th May, 2020)
- Mr. Sanjay Kumar Tibrewal, CFO
- Mr. Sumit Jaitely - Company Secretary
- Mr. Anand Kumar Kedia (KMP as per the definition of IND AS)
- Mr. Prasann Kumar Kedia (KMP as per the definition of IND AS)

Relatives:

- Mr. H.K. Bhandari (Father of Mr Tushar Bhandari)
- Mrs. Uditia Bhandari (Mother of Mr Tushar Bhandari)
- Mrs. Ram Dulari Kedia (Mother of Mr Anand Kumar Kedia & Mr Prasann Kumar Kedia)
- Mrs. Sangita Kedia (Spouse of Mr Anand Kumar Kedia)
- Mrs. Shweta Kedia (Spouse of Mr Prasann Kumar Kedia)
- Mr. Anshuman Kedia (Son of Mr Anand Kumar Kedia)
- Mrs. Ravisha Sanghi (Daughter of Mr Anand Kumar Kedia)
- Mr. Vedant Kedia (Son of Mr Prasann Kumar Kedia)

48.2 Summary of transactions with the related parties

(₹ in Lakhs)

Particulars	2019-20		2018-19	
	Key Management Personnels	Relatives of KMP's	Key Management Personnels	Relatives of KMP's
Remuneration	684.55	183.98	473.81	135.00
Rent Expenses	31.23	19.23	30.60	18.60
Advances Given (Net)	-	-	-	0.32
Sitting fees	0.31	-	0.21	-

48.3 Summary of Outstanding balances with the related parties

(₹ in Lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Key Management Personnels	Relatives of KMP's	Key Management Personnels	Relatives of KMP's
Remuneration payable	92.00	18.75	-	-
Balances Receivable	3.46	1.73	5.32	1.09

48.4 Key Management Personnel compensation

(₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Short-term employee benefits	684.55	473.81
Post-employment benefits *	-	-
Long term benefits *	-	-
Total compensation	684.55	473.81

* Post-employment benefits and other long-term benefits is being disclosed based on actual payment made on retirement/resignation of services, but does not includes provision made on actuarial basis as the same is available for all the employees together.

Notes to Financial Statements for the year ended 31st March, 2020

48.5 Major terms and conditions of transactions with related parties

Transactions with related parties are carried out in the normal course of business.

49 SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on only one segment i.e. manufacturing and trading of Potable Alcohol.

50 FAIR VALUE MEASUREMENT

Categories of Financial Assets & Financial Liabilities as at 31st March 2020 and 31st March 2019

(₹ in Lakhs)

Particulars	As at 31st March 2020			As at 31st March 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investment						
- Equity Instruments	-	219.00	-	-	308.42	-
Trade Receivables	-	-	3,896.83	-	-	3,070.73
Cash and Cash Equivalents	-	-	272.11	-	-	174.93
Bank Balance other than above	-	-	1,920.25	-	-	366.26
Loans to Employees	-	-	51.89	-	-	33.91
Loans to Body corporates	-	-	1,663.17	-	-	1,352.36
Security Deposits	-	-	525.48	-	-	346.88
Other Financial Assets	-	-	66.26	-	-	235.52
Total Financial Assets	-	219.00	8,395.99	-	308.42	5,580.59
Financial Liabilities						
Borrowings	-	-	887.58	-	-	2,841.89
Lease Liabilities	-	-	240.13	-	-	0.90
Trade Payables	-	-	3,648.61	-	-	3,057.49
Other Financial Liabilities	-	-	962.99	-	-	898.02
Total Financial Liabilities	-	-	5,739.31	-	-	6,798.30

51 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

51.1 The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost:

(₹ in Lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Trade Receivables	3,896.83	3,896.83	3,070.73	3,070.73
Cash and Cash Equivalents	272.11	272.11	174.93	174.93
Bank Balance other than above	1,920.25	1,920.25	366.26	366.26
Loans to Employees	51.89	51.89	33.91	33.91
Loans to Body corporate	1,663.17	1,663.17	1,352.36	1,352.36
Security Deposits	525.48	525.48	346.88	346.88
Other Financial Assets	66.26	66.26	235.52	235.52
Total Financial Assets	8,395.99	8,395.99	5,580.59	5,580.59
Financial Liabilities				
Borrowings	887.58	887.58	2,841.89	2,841.89
Lease Liabilities	240.13	240.13	0.90	0.90
Trade Payables	3,648.61	3,648.61	3,057.49	3,057.49
Other Financial Liabilities	962.99	962.99	898.02	898.02
Total Financial Liabilities	5,739.31	5,739.31	6,798.30	6,798.30

Notes to Financial Statements for the year ended 31st March, 2020

- 51.2** The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, current borrowings, current loans and other financial assets & liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.
- 51.3** The management considers that the carrying amounts of Financial assets and Financial liabilities recognised at nominal cost/ amortised cost in the Financial statements approximate their fair values.
- 51.4** Non current borrowings has been contracted at floating rates of interest, which are reset at short intervals. Fair value of floating interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost.

52 FAIR VALUE HIERARCHY

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables.

52.1 Assets and Liabilities measured at Fair Value - recurring fair value measurements

(₹ in Lakhs)

Particulars	31st March 2020			31st March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment						
- Equity Instruments	-	-	219.00	-	-	308.42
Total Financial Asset	-	-	219.00	-	-	308.42
Financial Liability						
Financial Guarantee	-	-	-	-	-	-
Total Financial Liability	-	-	-	-	-	-

Note:

No financial guarantee was outstanding as on 31st March, 2020.

52.2 Description of significant unobservable inputs to Valuation

(₹ in Lakhs)

Particulars	31st March 2020	31st March 2019
Fair Value of Equity Instrument	219.00	308.42
Significant unobservable input - Cost of Equity	12.25%	13.69%
Sensitivity Factor (+/-)	1%	1%
Sensitivity of input on Fair Value of Equity Instrument		
Increase	(26.93)	(39.35)
Decrease	33.03	48.45

- 52.2.1** During the year ended March 31, 2020 and March 31, 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

52.3 Explanation to the Fair Value hierarchy

The Company measures Financial instruments, such as, unquoted investments and financial guarantee at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The valuation of unquoted shares and financial guarantee have been made based on level 3 inputs as per the hierarchy mentioned in the Accounting Policies. The valuation of unquoted equity instrument and financial guarantee have been valued based on the valuation technique applicable.

Notes to Financial Statements for the year ended 31st March, 2020

53 FINANCIAL RISK MANAGEMENT

Financial management of the Company has been receiving attention of the top management of the Company. The management considers finance as the lifeline of the business and therefore, financial management is carried out meticulously on the basis of detailed management information systems and reports at periodical intervals extending from daily reports to long-term plans. Importance is laid on liquidity and working capital management with a view to reduce over-dependence on borrowings and reduction in interest cost. Various kinds of financial risks and their mitigation plans are as follows:

53.1 Credit Risk

The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit duration for customers on continuous basis. Further, in order to manage the credit risk, the security deposits are obtained from customers where ever considered necessary. On account of adoption of Ind AS 109, the Company uses an expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables.

a. Trade receivables

As on 31st March, 2020

(₹ in Lakhs)

Ageing schedule	0-365 days	366-720 days	Above 720 days
Gross carrying amount	3891.34	10.98	104.26
Expected loss rate	-	50.00%	100.00%
Expected credit losses (Loss allowance provision)	-	5.49	104.26
Carrying amount of trade receivables (net of impairment)	3891.34	5.49	0.00

As on 31st March, 2019

(₹ in Lakhs)

Ageing schedule	0-365 days	366-720 days	Above 720 days
Gross carrying amount	3032.78	50.60	224.82
Expected loss rate	-	25.00%	100.00%
Expected credit losses (Loss allowance provision)	-	12.65	224.82
Carrying amount of trade receivables (net of impairment)	3032.78	37.95	-

(₹ in Lakhs)

Reconciliation of loss allowance provision	Amount
Loss allowance on 1 April 2019	237.47
Changes in loss allowance	55.90
Bad Debts adjutsed	(183.62)
Loss allowance on 31 March 2020	109.75

53.2 Liquidity Risk

The Company determines its liquidity requirement in the short, medium and long term. This is done by drawing up cash forecast for short term and long term needs.

The Company manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for funding from banks and inter corporate and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain fixed deposits which provides flexibility to liquidate.

Notes to Financial Statements for the year ended 31st March, 2020

53.2.1 Maturity Analysis for financial liabilities

a The following are the remaining contractual maturities of financial liabilities as at 31st March 2020

(₹ in Lakhs)

Particulars	On Demand	Less than 6 months	6 months to 1 year	More than 1 year	Total
Borrowings	-	-	-	-	-
Term loan from banks	-	153.28	152.32	467.81	773.41
Current Borrowings	114.17	-	-	-	114.17
Lease Liabilities	-	32.11	44.95	163.07	240.13
Trade payables on demand	-	3,648.61	-	-	3,648.61
Other financial liabilities on demand	-	962.99	-	-	962.99
Total	114.17	4,796.99	197.27	630.88	5,739.31

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2019

(₹ in Lakhs)

Particulars	On Demand	Less than 6 months	6 months to 1 year	More than 1 year	Total
Borrowings	-	-	-	-	-
Term loan from banks*	-	464.89	149.88	753.06	1367.83
Current Borrowings	1,474.06	-	-	-	1474.06
Trade payables on demand	-	3,057.49	-	-	3,057.49
Other financial liabilities on demand	-	898.02	-	-	898.02
Total	1474.06	4420.40	149.88	753.06	6797.40

* represents actual unamortised contractual cash outflows.

** The Company did not avail the option of moratorium in respect of repayment of Principal/interest vide RBI circular dated 27th March, 2020.

c The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements (if any). The interest payments on variable interest rate loans in the tables above reflect market forward interest rates at the respective reporting dates and these amounts may change as market interest rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

53.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of Foreign Exchange Risk and Interest Rate Risk.

53.3.1 Foreign Exchange Risk

Foreign Exchange Risk is the exposure of the Company to the potential impact of the movement in foreign exchange rate. The Company does not have any foreign currency exposure at the balance sheet date.

53.3.2 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The company's exposure to the risk of changes in market interest rate relates primarily to company's borrowing with floating interest rates. The Company do not have any significant interest rate risk on its current borrowing due to their short tenure. The Company is also exposed to interest rate risk on surplus funds parked in loans. To manage such risks, such loans are granted for short durations with fixed interest rate in line with the expected business requirements for such funds.

Notes to Financial Statements for the year ended 31st March, 2020

a Exposure to interest rate risk

(₹ in Lakhs)

Particulars	31st March 2020	31st March 2019
Non current Borrowing at floating rate	625.00	1,186.71
TOTAL	625.00	1,186.71

b Sensitivity Analysis

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. This analysis assumes that all other variables, in particular exchange rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in Lakhs)

Particulars	As at 31st March 2020			As at 31st March 2019		
	Sensitivity Analysis	Impact on		Sensitivity Analysis	Impact on	
		Profit before tax	Other Equity		Profit before tax	Other Equity
Interest Rate Increase by	1%	-6.25	-4.68	1%	-11.87	-7.72
Interest Rate Decrease by	1%	6.25	4.68	1%	11.87	7.72

54 CAPITAL MANAGEMENT

The Company objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt (total borrowings less cash and cash equivalents) to equity ratio is used to monitor capital.

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Net Debt	615.47	2,666.96
Total Equity	19,527.05	14,915.81
Net Debt to Equity Ratio	0.03	0.18

55 REVENUE RECOGNITION UNDER AGENCY ARRANGEMENT

The arrangement with M/s Kalpatharu Breweries & Distilleries Private Limited has been considered an agency relationship based on principles of Ind AS 115 and accordingly its trial balance, relating to operations of the Company, have been consolidated on line by line basis. The summary of adjustments made are as below:

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Non-current assets		
Financial assets -Loans	0.30	0.30
Other non-current assets	-	-
Current assets		
Inventories	-	176.20
Trade receivables	23.03	12.97
Other current assets	0.03	0.03
Current liabilities		
Trade payables	0.12	1.00
Financial liabilities - Others	185.97	209.16

(₹ in Lakhs)

Particulars	2019-20	2018-19
Revenue from operations (gross of excise duty)	110.21	184.09
Cost of materials consumed	22.20	11.10
Increase in inventories of finished goods, work-in-progress and stock-in-trade	154.00	(56.91)
Other expenses	34.15	271.83

Notes to Financial Statements for the year ended 31st March, 2020

56 DETAILS OF LOANS GIVEN, INVESTMENT MADE AND GUARANTEE GIVEN COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013

(₹ in Lakhs)

Company	Refer Note No.	Nature of facility	31st March 2020	31st March 2019
Mount Everest Breweries Limited	56.1 & 56.2	Investment	219.00	308.42
Mount Everest Breweries Limited	56.1 & 56.2	Loan	1,330.80	1,034.00
Millennium Urja Ltd.	56.2	Loan	-	-
Malwa Realities Pvt. Ltd.	56.2	Loan	178.64	160.54
Manjit Singh Bhatia	56.2	Loan	152.92	137.43
Anita Singh	56.2	Loan	0.81	20.39
Mount Everest Breweries Limited		Guarantee	-	5,200.00

56.1 The company is having an unsecured exposure towards loans receivable to Mount Everest Breweries Limited. Mount Everest Breweries Limited is also dealing with the similar line of business & complements the company's sales distribution channels. Based on the performance of Mount Everest Breweries Limited, the company does not foresee any adverse impact on its financial statements.

56.2 All loans are given for the borrowers normal business purpose.

57 During the year, the company has disposed off its Wind Power Plant having capacity of 750 KW situated in the state of Tamilnadu. There has been no material income & expenses from the above asset during the year ended 31st March, 2020. Further a sum of ₹38.64 lakhs representing trade receivable from the income generated from the above asset, has been provided in the books as an abundant caution.

58 During the year the Registered office of the company has been shifted to Indore, Madhya Pradesh from Kolkata, West Bengal with effect from 1st July, 2019.

59 The Board of Directors at its meeting held on 29th June, 2020 recommended final dividend of ₹1 per equity share of face value of ₹10 each for the financial year ended 31st March, 2020. The same amounts to ₹180.79 Lakhs. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence not recognized as a liability.

60 The figures for the previous period/year have been regrouped/reclassified/rearranged, wherever necessary, to correspond with the current period's classification/disclosure.

61 The Board of Directors have approved the financial statements for the year ended March 31, 2020 and authorised for issue on June 29, 2020.

As per our report of even date

For Singhi & Co.

Chartered Accountants

(Firm Registration No.302049E)

(Gopal Jain)

Partner

(Membership No.059147)

Kolkata/Indore

June 29, 2020

For and on behalf of the Board of Directors

Tushar Bhandari

Whole Time Director

DIN:03583114

Sanjay Kumar Tibrewal

Chief Financial Officer

Nitin Tibrewal

Director

DIN: 01892892

Sumit Jaitely

Company Secretary

ASSOCIATED ALCOHOLS & BREWERIES LIMITED

Regd. Office: "4th Floor, BPK Star Tower, A.B. Road, Indore – 452008

ECS MANDATE FORM

I hereby authorised you to make all payment in respect of my holding in your Company to my bankers for crediting to my account as detail below:

1. Shareholder Name : _____
(In Block Letters) (First holder)
2. FolioNumber/DPID&: _____
Client ID No. (Joint holder, if any)
3. No. of shares held : _____
4. Name of the Bank : _____
5. Branch Name & Address : _____
6. Account type : SB A/c Current A/c Other _____
(Please Specify)
7. Bank Account Number : _____
8. IFSC Code : _____
9. PAN : _____
10. E-mail ID : _____

I/We hereby declare that the particulars given above are correct and complete, if credit is not effected for the reason (s) of incomplete or incorrect information I/We would not hold the Company responsibility.

Note: Please attach cancelled cheque issued by your bank relating to your above account for verifying the accuracy of the Account & code number.

Date:

Signature of the first holder
(As appearing in the Company records)

Certificate of the Investor's Bank

Certified that the particulars of the bank account furnished above are correct as per our records.

Signature of the first holder
(As appearing in the Company Records)

Corporate Information

Board of Directors

Mr. Tushar Bhandari,
Whole Time Director

Mr. Nitin Tibrewal,
Independent Director

Mr. Manish Kumar Tibrewal,
Non Independent Director

Mrs. Abhijit Nagee,
Independent Director

Ms Homai Ardeshir Daruwalla,
Independent Director (w.e.f. 16th May 2020)

Mr Debashis Das,
*Non Executive Director, Non Independent Director
(w.e.f. 16th May 2020)*

Chief Financial Officer

Mr. Sanjay Kumar Tibrewal

Company Secretary

Mr. Sumit Jaitely

Statutory Auditors

M/s. Singhi & Co.,
Chartered Accountants
161, Sarat Bose Road, Kolkata - 700026

Secretarial Auditors

K Arun & Co.
Shantiniketan, 8 Camac Street, 8th Floor,
Kolkata - 700017

Registrar and Share Transfer Agent (RTA)

Ankit Consultancy Private Limited
60, Electronic Complex,
Pardeshipura, Indore 452010
Email: ankit_4321@yahoo.com
Phone No.: (0731) 2551745/46

Bankers

HDFC Bank Limited
IDBI Bank Limited
Kotak Mahindra Bank Limited

Registered Office

4th Floor, BPK Star Tower,
A.B. Road, Indore 452008
Phone No.: (0731) 4780400/490

Plant Distillery Complex

Khodigram, Tehsil- Barwaha,
Distt. Khargone - 451115
(Madhya Pradesh)

Bottling Plant

Udyog Bihar, Chorhata
Rewa, Madhya Pradesh

Company's Website

www.associatedalcohols.com

Corporate Identity Number (CIN)

L15520MP1988PLC049380

Disclaimer

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions.

We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



ASSOCIATED

Dreams Determination Dexterity

ASSOCIATED ALCOHOLS & BREWERIES LIMITED

Registered Office:

4th Floor, BPK Star Tower, A.B. Road, Indore 452008

CIN: L15520MP1989PLC049380