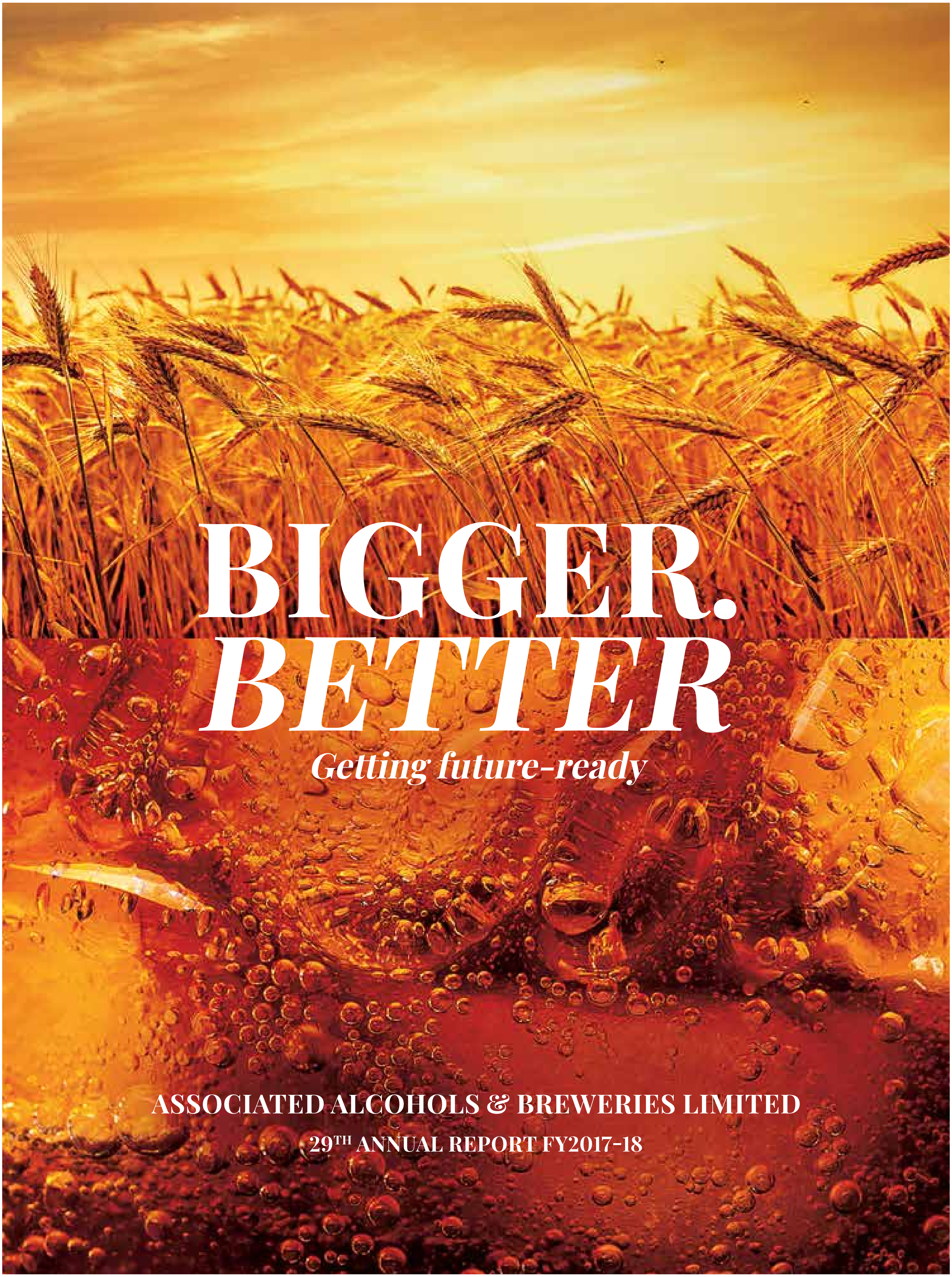


BIGGER. *BETTER*

Getting future-ready

ASSOCIATED ALCOHOLS & BREWERIES LIMITED

29TH ANNUAL REPORT FY2017-18

FORWARD-LOOKING STATEMENT

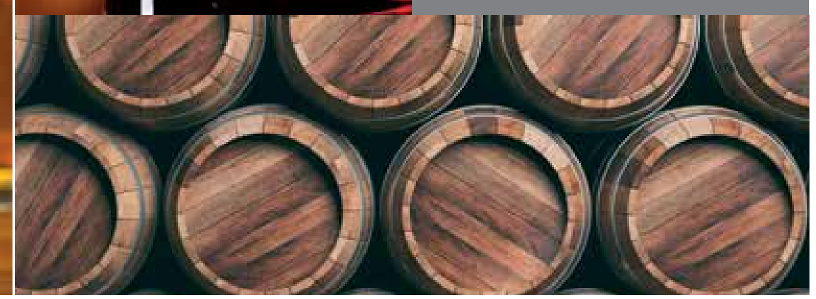
In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results 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 realized, 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.

CONTENTS

About Associated Alcohols & Breweries Limited	02
AABL and Trust	04
How we have enhanced value across the years	06
Letter to Shareholders	09
What we achieved in 2017-18 and where we expect to go	12
4 Ways by which we expect to transform AABL	13
What makes our business model different	22
Our performance ambition	24
6 Things that enhanced aabl's competitiveness	26
Enhancing value for stakeholders	28
Management Discussion and Analysis	30
Notice	43
Directors' report	50
Corporate Governance	68
Financial statements	78

www.associatedalcohols.com

Vision: To 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 liquor company



BIGGER.
BETTER

The Indian alco-beverages market is at the cusp of an attractive opportunity.

A strategic shift by the some of the largest organised players in India's alco-beverage sector is creating an unprecedented long-term opportunity for mid-sized players with strong managements and credible Balance Sheets.

At Associated Alcohols & Breweries Limited, we are responding to this reality with speed and sensitivity.

By enlarging our core manufacturing capacity.

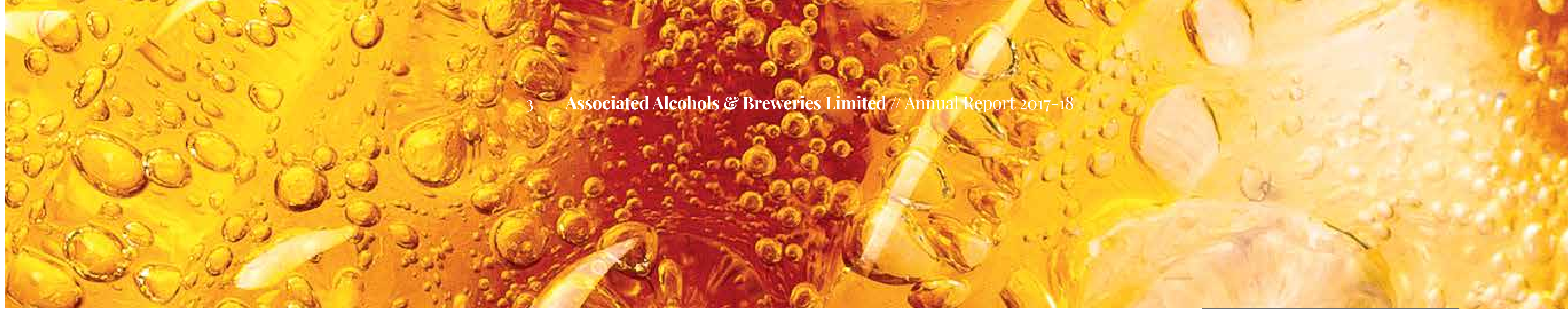
By extending into value-added products.

By strengthening our value chain.

By widening our geographic footprint.

By entering into complementary alliances.

With the objective to emerge bigger and better prepared for the future.



8 THINGS YOU NEED TO KNOW ABOUT ASSOCIATED ALCOHOLS & BREWERIES LIMITED

Corporate background

Associated Alcohols & Breweries Limited is the flagship company of the Associated Kedia Group – a ₹10,000 million business conglomerate with interests in liquor manufacturing and bottling. The Company was incorporated in 1989 by Late Shri Bhagwati Prasad Kedia. Associated Alcohols & Breweries Limited took over the existing distillery of the promoter group in 1990 and extended into the manufacture of premium liquor products.

Promoters' background

Mr. Anand Kumar Kedia and Mr. Prasann Kumar Kedia are the key promoters of the Company.

Mr. Anand Kumar Kedia, Chairman – Business Promotion & Development, possesses a rich sectoral experience across almost three decades. He spearheads the strategic initiatives of the Company.

Mr. Prasann Kumar Kedia, Vice Chairman – Operation & Business Development, has been involved with the Company for more than two decades and oversees day-to-day operations.

Presence

Associated Alcohols & Breweries Limited is one of the largest distilleries in India enjoying a wide presence across the country and a growing presence across the sectoral value chain.

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

Facilities

The Company's corporate office is situated in Indore; its state-of-the-art plant is at Khodigram (Barwaha, district Khargone, Madhya Pradesh). This plant accounts for bottling facilities, alcohol production and packaging capacity.

Expansion

The Company embarked on a large greenfield expansion to address the growing domestic and international demand. This initiative comprises the commissioning of modern alcohol plants, increasing the production capacity from 31 million liters to 90 million litres per annum by 2021 – around higher operating efficiency.

Clientele

- Diageo/ United Spirits Limited
- Allied Blender & Distillers
- Government-regulated retail contractors/agencies (for IMFL & IMIL)

Proprietary products

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

Licensed brands / franchised brands

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

Contract manufacturing brands

- Black Dog Scotch Whisky
- VAT 69 Scotch Whisky
- Smirnoff Vodka
- Black & White Scotch Whisky

Ethical pedigree

Vision: To 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 company

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

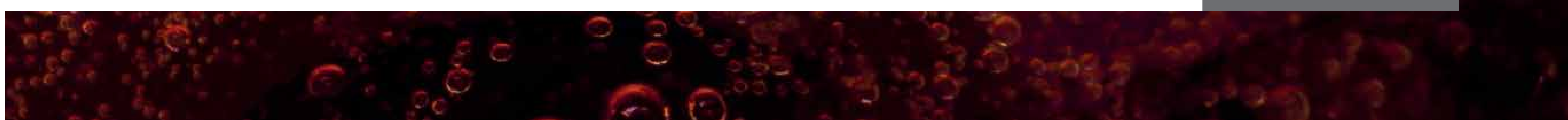
- To cultivate the highest standards of professionalism, fairness and total customer satisfaction in all our transactions and dealings.
- To create a profound and everlasting impact on our customers through commitment and sincerity.
- To continue the ongoing journey towards honesty, sincerity and integrity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

Installed capacity across two sections

25
Bottling lines facility

31
Alcohol production capacity (million litres per annum)

6.5
Packaging capacity (million cases per annum)



THIS ANNUAL REPORT IS ESSENTIALLY ABOUT ONE OVER-ARCHING AABL ATTRIBUTE. *TRUST.*

Trust in AABL makes it possible for arguably the world's largest alco-beverage brand to outsource the production of its most critical and quality-demanding brands to our company.

Trust makes it possible for vendors to provide our company with a sustainable resource supply across market cycles.

Trust makes it possible for customers to invest in their growth on the assurance that a trusted vendor like AABL will engage in corresponding and timely capacity expansion.

Trust makes it possible for our trade partners and intermediaries to work with us across the long-term.

Trust makes proximate communities believe that the Company's manufacturing practices will be completely responsible.

MILESTONES

1989
Incorporated as public limited company

1990
Started manufacturing and marketing potable alcohol

1995
Modernised and expanded the distillery

2003
Captive power plant with 60% self-sufficiency in power

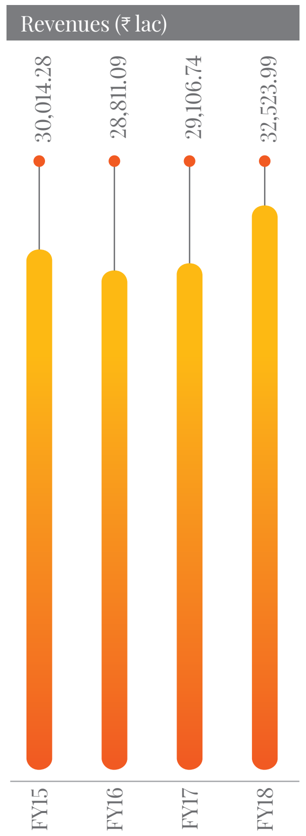
2012
Revamped manufacturing facilities and processes as per sectoral requirements

2015
Implemented SAP-ERP across all functional areas

2016
Issued bonus shares in the ratio of 1:1

2018
Embarked on an ENA capacity expansion from 31.4 million litres per annum to 45 million litres per annum

HOW WE HAVE ENHANCED VALUE ACROSS THE YEARS

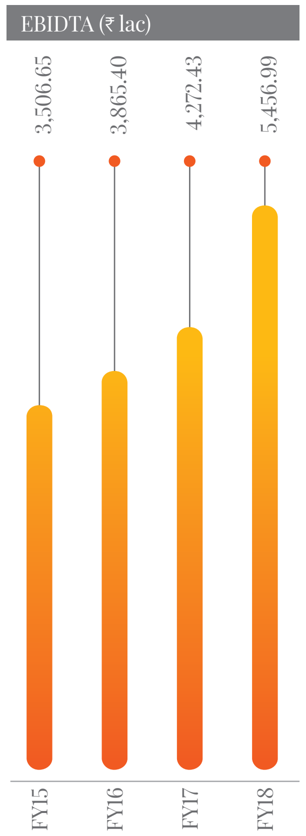


Definition
Growth in sales net of taxes and excise duties

Why this is measured
It highlights the service acceptance and reach of the Company in the market.

Performance
Aggregate sales increased 12% to ₹32523.99 lakhs in FY2017-18 on the back of a growing demand for the Company's products.

Value impact
Improved revenues helped the Company service the growing needs of customers better, strengthening overall engagement.

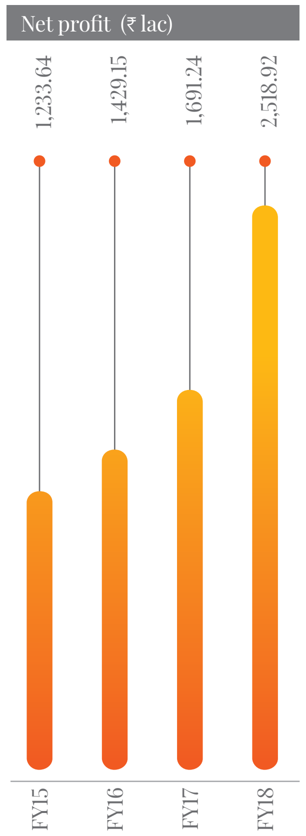


Definition
Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax)

Why this is measured
It is an index that showcases the Company's ability to optimise business operating costs despite inflationary pressures and can be easily compared with retrospective averages of sectoral peers.

Performance
The Company's EBIDTA has grown consistently. The Company reported a 29% increase in its EBIDTA in 2017-18 even as revenues increased 12% - profitable growth.

Value impact
Helped create a robust growth engine, resulting in increased reinvestment - the basis of business sustainability.

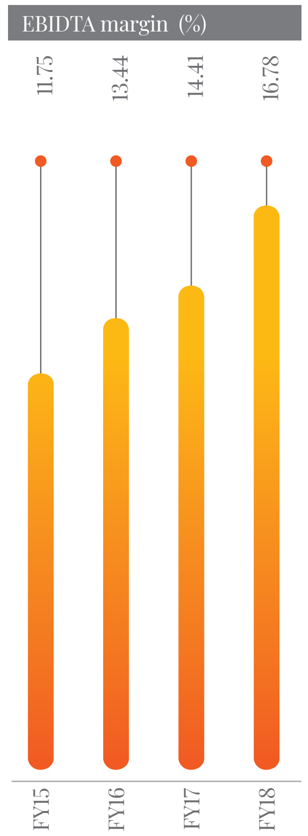


Definition
Profit earned during the year after deducting all expenses and provisions

Why this is measured
It highlights the strength in the business model in generating value for shareholders.

Performance
The Company's net profit has grown every single year during the last three years. The Company reported a 50% increase in Net Profit in 2017-18 and doubled profits in the last four years, outperforming the sectoral growth average.

Value impact
The virtuous cycle ensures that adequate cash is available for reinvestment, strengthening business momentum.

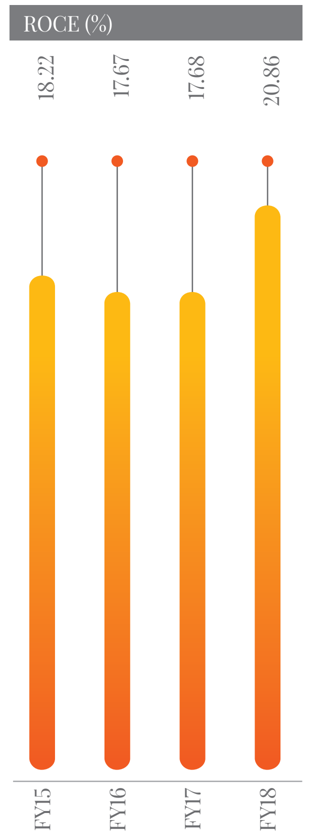


Definition
EBIDTA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency. Higher the operating margin, the better for the Company.

Why this is measured
The EBIDTA margin indicates how much a company earns (before accounting for interest and taxes) on each rupee of sale.

Performance
The Company reported a 237 bps increase in EBIDTA margin in 2017-18, its highest ever, the result of a stronger product basket and improved operating efficiencies.

Value impact
The increase in margins (on a larger turnover) showcases enhanced competitiveness derived from economies (procurement and logistics) and value-addition.

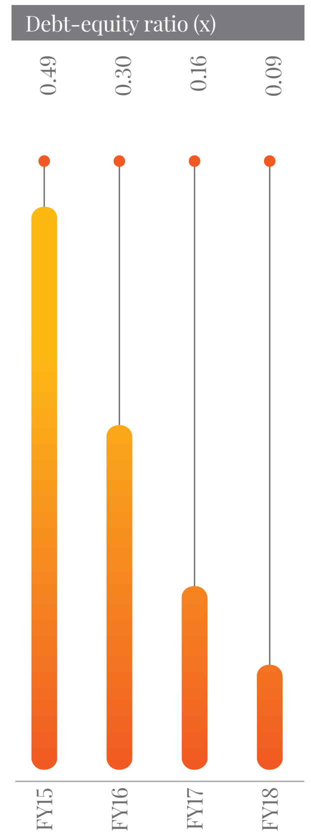


Definition
This financial ratio measures a company's profitability and efficiency with which capital is employed in the business

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

Performance
The Company reported a 318 bps increase in ROCE through prudent capital allocation spaces that generated superior business returns

Value impact
Enhanced ROCE can increase the available surplus for reinvestment and potentially drive valuations / perception.

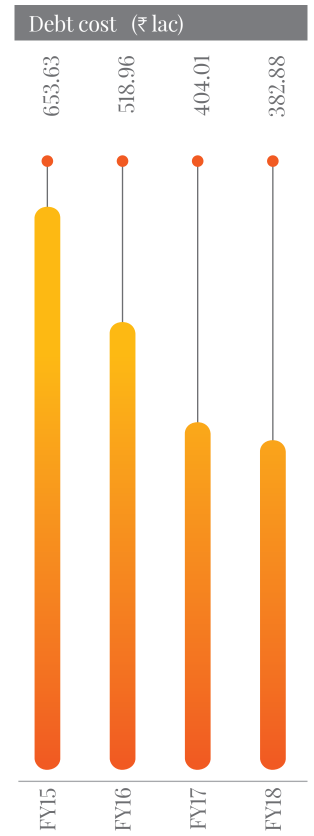


Definition
This is derived through the ratio of debt to net worth (less revaluation reserves)

Why this is measured
This is one of the defining measures of a company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers (the lower the gearing the better).

Performance
The Company's gearing moderated from 0.49 in FY2014-15 to 0.09 in FY2017-18. This ratio should be read in conjunction with an increase in EBIDTA to assess the Company's ability to service the debt obligation.

Value impact
Stronger gearing helps progressively moderate debt cost and enhance profitability.

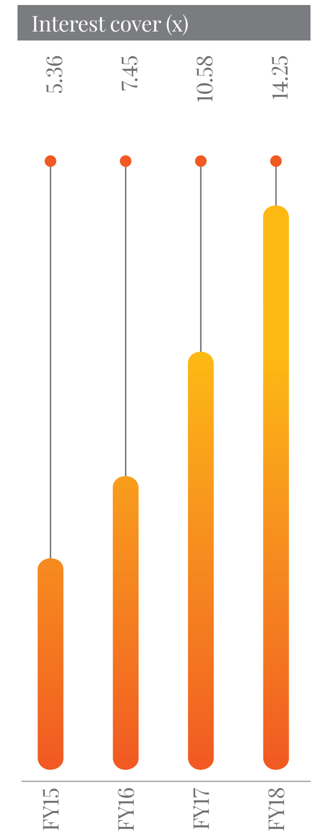


Definition
This is derived by calculating the average cost of consolidated debt

Why this is measured
This indicates the extent of a company's success when it comes to convincing bankers and other debt providers of the robustness of its business model.

Performance
The Company's interest outflow progressively declined from ₹6.53 crore (2.17 % of sales) in FY2014-15 to ₹3.82 crore (1.18 % of sales) in FY 2017-18. This should be read in conjunction with a rising interest cover.

Value impact
Enhanced cash flows and strengthened credit rating could result in a prospective decline in debt cost.



Definition
This is derived through the division of EBIDTA by interest outflow

Why this is measured
Interest cover indicates a company's comfort when it comes to servicing the debt obligation.

Performance
The Company strengthened its interest cover from 5.36 in FY15 to 14.25 in FY18.

Value impact
Enhanced cash flows, strengthening business sustainability.

BIGGER. *BETTER*

LETTER TO SHAREHOLDERS

A number of concurrent realities make India one of the most attractive liquor markets of the world.

India adds an estimated 15 mn people to its population each year, larger than any country.

This consistently growing market is now marked by relatively new and welcome developments: the population of social drinkers is increasing, the availability and accessibility of liquor is reaching wider and deeper across the consumption landmass; the incidence of women drinkers is rising; the choice of liquor products is widening; there is a graduation towards premium brands even as there is a consistent movement towards enhancing product affordability and widening the market.

India a turnaround market

Over the last decade, India has emerged as possibly the fastest-growing major liquor consuming market and still only consuming 5.1 litres of liquor per capita, one of the lowest in the world (Asian average 20.9 litres). This indicates that not only has a sleeping giant finally awakened but that India addresses a multi-year growth opportunity.

The one factor making a difference to country's consumer landscape is the emergence of the millennial generation. This generation – defined as one born after 2000 – is economically productive, frequent consumer, brand conscious and willing to pay more for premium products. The result is that even as India's overall liquor market grew by an estimated 7% in 2017-18, the country's premium segment outperformed sectoral growth at 12%.

This divergence has resulted in a strategic shift: Diageo-USL, the country's largest liquor company, as a part of its strategy to vacate the large mid-end of the country's liquor consumption pyramid and focus on premium labels instead. Besides, the Company entered into multi-year production outsourcing relationships - market, manufacture, distil and bottle marquee products - with credible liquor manufacturers.

These twin developments represent the most exciting opportunities in India's liquor sector.

Bigger and better

These sectoral realities have opened a number of opportunities for Associated Alcohols & Breweries Limited.

Bigger

AABL recognised that if the overall Indian market continued to outperform the global average, it would require more than just the marketing of proprietary and outsourced brands: it would require a larger pool of extra neutral alcohol, the building block of India's liquor industry.

In view of this, your Company embarked on a decisive extra neutral alcohol capacity expansion programme: from 31 million litres in 2017 to 45 million litres in 2018 in the first phase and to 90 million litres per annum in the second phase by 2021.

At a time when India's extra neutral alcohol consumption of 2.7 billion litres (2017) is growing at a compounded 6.1% (2010-2017), an estimated demand of 3.8 billion litres of ENA by 2023 provides the Company with an attractive marketing opportunity.

Better

For years, the Company was the outsourcing manufacturing partner for Diageo-United Spirits, the latter inspired by our commitment to ethical cum quality practices, competitive manufacture and proactive capacity investment.

During the year under review, AABL took this prestigious engagement ahead. The company entered into a franchisee agreement with the market leader to manufacture its popular premium brands in Madhya Pradesh in lieu of a fixed royalty payment.

The result was that Company emerged as a market leader of IMFL products in the state. Besides, a deeper engagement with Diageo-USL strengthened AABL's respect, enhancing prospects of similar engagements with other premium liquor players in India.

The Company is enhancing the presence of its proprietary brands in Karnataka, Kerala and New Delhi. The Company strengthened its qualification credentials by venturing and exploring into India's large and profitable canteen store department vertical.

> An estimated demand of 3.8 billion litres of ENA by 2023 provides the Company with an attractive marketing opportunity

Reviewing FY2017-18

I am pleased to state that AABL reported a record 2017-18, which represents a robust growth foundation.

The company reported 12% growth in revenues, 29% growth in EBIDTA and 45% growth in net profit, indicating profitable growth during the year under review.

A number of factors contributed to an increase in the Company's EBIDTA margin by 237 bps during the year under review. The Company standardised yields consistently through the year. It moderated power and fuel costs through effective boiler utilisation. There was an increased focus on automation, enhancing people productivity. The increased share of premium products in the sales portfolio enhanced margins over steady merchant ENA sales.

Despite growing capex investments, the Company moderated its long-term debt-equity ration 0.09 (0.16 in FY 17).

Challenges addressed

AABL's record performance during the year under review could have been better but for a decline in revenues and profitability during Q4. During this quarter, a large number of AABL distributors (due for license renewal on 1 April 2018) opted to destock in March 2018, affecting our revenues.

Besides, the Company's bottomline could have been better but for the adoption of Ind-AS regulations, and as prudent practice the Company made a provision for the contingent liabilities in its annual accounts.

During the year, GST implementation enhanced overall costs 2-3%. This was effectively countered through AABL's robust fundamentals, economies of scale and backward integration.

The imposition of a ban on liquor sales adjacent to State and national highways temporarily affected revenues before a clarification restored status quo in municipally-governed areas.

Outlook

Even as India is already the third-largest liquor market in the world with ~30% of its population alcohol consumers, the sector is still considered sunrise.

Rural India is emerging as a larger market, the millennial population is growing, increased promotional spending by liquor majors is helping widen the market, there is a growing preference for eating and drinking out and the country is marked by larger disposable incomes. Besides, emerging trends with an impact on the demand-supply dynamics comprise the use of natural flavours and sweeteners, addressing health concerns and the growing appetite for exotic drinks.

I must assure shareholders that AABL is attractively placed to capitalise on these realities through a prudent combination of diverse strategies – manufacture of a building block (B2B) combined with franchised sale (B2C) and the marketing of proprietary brands (B2C) – that is helping moderate risk on the one hand and grow the business on the other.

At AABL, we expect to enhance value through the timely commissioning of our ENA capacity, increase in capacity at a cost lower than the industry average, push deeper into the markets of our presence with our branded products, move the organisational revenue needle towards value-addition and negotiate a lower cost funds from banks with the objective to enhanced our long-term sustainability.

I must assure our shareholders that the future is bright at our Company.

Tushar Bhandari
Whole Time Director

Multiple Indias

- **Aspiring :** Entering the consumption cycle; price-sensitive segment.
- **Middle :** Willing to pay for better brands around superior perceived value; to account for around 45% of India's population by 2025 – 80% of Europe's population, for the sake of comparison.
- **Affluent :** High spenders; world-travelling; more than double the population of Australia (say).
- **Millennials :** Two-thirds of India's population are young earners and seeking new experiences.

Cultural attitudes evolving

- Social attitudes to alcohol changing.
- LPA+ population expected to increase by 183 million in 10 years
- Rising disposable incomes
- Among the lowest per capita consumption in the world
- Increasing social acceptability (weddings, festivals, home consumption, women drinking)

Category relevance

- Spirits biggest TBA category (almost 70% of TBA value)
- Strong consumer fundamentals

Regulated

- Alcohol is a State subject (individual states regulating alcohol manufacture, distribution, sale and pricing)
- Restricted advertising and retail footprint in India
- Alcohol is sold through about 80,000 outlets (Spain 250,000+ outlets for instance).

Popular segment

- Largest segment
- Competitive segment
- Contributes moderately to industry profit pool

Premiumisation

- Need for people to be seen drinking better.
- Projected double-digit growth in prestige and above segment
- India largest whisky market in the world (200 mn cases)
- Average Indian retail price (750ml) a fifth of global average
- Large headroom
- Prestige-and-above segment expected to contribute 70% of spirits industry profits by 2021

WHAT WE ACHIEVED IN 2017-18 AND WHERE WE EXPECT TO GO

CHALLENGES	ACHIEVEMENTS, 2017-18	TARGET
Timely expansion of the ENA capacity with the objective to address growing customer needs.	Increased extra neutral alcohol production by 40% (expected to commence commercial production by August 2018).	Achieve 90 mn litre output by 2021 from 31 mn in 2017
Evolution of manufacture processes from the semi-automated to the automated .	Achieved 50% automation. Moderated operating costs. Enhanced process consistency. Enhanced quality.	Complete 100%-automation by 2020 with the objective to generate superior competitiveness
Stronger product mix through an increase in revenues from proprietary brands.	Increased gross revenues by 12% in FY18.	Target maximising revenue from proprietary brands
Need to widen the revenue base through additional revenue streams.	Entered new product segments and geographies .	Explore canteen stores department of the Indian Army and other major markets

4 WAYS BY WHICH WE EXPECT TO TRANSFORM AABL

01
By augmenting our production capacities

02
By focusing on value-added branded and premium products

03
By automating our manufacturing processes

04
By overcoming our locational barriers and expanding our presence

Expected outcome

Increased extra neutral alcohol volumes + Widened footprint + Enhanced credibility + Assured volumes + Enhanced people productivity

Sustained sales and financial outperformance

Focus on value-added products

- Premium brands outperforming popular categories
- AABL's focus on premium spirits
- AABL launched four premium brands in last three years across segments
- AABL widened its footprint beyond Madhya Pradesh
- Strong franchise agreement with Diageo
- Strengthened the complement of proprietary and franchised brands
- Exploring opportunities in the CSD supply segment (high volumes)

Enhancing ENA competitiveness

- Proposed ₹120 cr expansion programmes
- Evacuation of additional output based on organic market growth
- Part of additional output to be consumed within (value-added premium brands)

Augmenting production capacities

- Embarked on extra neutral alcohol capacity expansion in November 2017
- First expansion phase to be completed by August 2018
- To enhance capacity from 31 million litres to 45 million litres (Phase I)
- To double capacity to 90 million litres per annum by 2021 (Phase II)

Environment integrity

- Adequate water linkage in a water-intensive business
- High sectoral entry barriers
- Ongoing environmentally-clean operations

HOW WE ARE TRANSFORMING THE COMPANY

AUTOMATING OUR MANUFACTURING PROCESSES

AABL is graduating from semi-automation to complete automation of its manufacturing processes by 2020.

Automatic lines expected to shrink manufacturing cycles and improve efficiency 1.5x

Company generates ~70% of its power requirement from within

Installed state-of-the-art boilers generating high-pressure steam to generate power; low pressure steam used to manufacture extra neutral alcohol

All automation to be completed by 2020

BIGGER & BETTER

Early Payback – lower costs coupled with higher output

HOW WE ARE TRANSFORMING THE COMPANY

LEVERAGING OUR LOCATIONAL ADVANTAGE

Attractive plant location in Madhya Pradesh	Majority of India's ENA capacity is in North India; major consumption is in South India
AABL located in Central India, giving it a logistical advantage	AABL closer to Southern market is better placed to supply bulk ENA

90% of AABL's grain needs sourced from within 600 kms

BIGGER & BETTER

Company emerged as one of the largest producers of extra neutral alcohol in India

AABL is attractively placed in terms of resource access and sale of end products, the logistical savings translating into a competitive advantage.

AABL engaged in marketing, distilling, blending and bottling popular ranges of Diageo-USL products in the state of Madhya Pradesh.

HOW WE ARE TRANSFORMING THE COMPANY

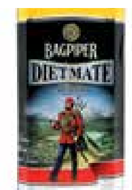
DRIVING SALES OF PREMIUM SPIRITS

Growing national focus on premiumisation	Growing need to outsource popular brands to vendors via stable franchise models	AABL preferred franchisee for Diageo-USL in Madhya Pradesh
AABL engaged in marketing, distilling, blending and bottling popular brands of Diageo-USL	Assurance offtake of 10 lac cases per annum (Diageo-USL >75% market share in Madhya Pradesh)	Expected net revenue implication of ₹90 cr in FY19 (following royalty payment to Diageo-USL)
Brands belong to Diageo-USL	Franchise agreement provides access to key retailers; helps market own brands at no additional cost	Successful Diageo-USL engagement enhanced AABL reputation as a credible partner

BIGGER & BETTER

The Company expects to generate a major share of revenue from Diageo USL in a few years from now.

KEY DIAGEO-USL BRANDS MANUFACTURED BY AABL (FRANCHISE AGREEMENT)



Bagpiper Deluxe Whiskey

Director's Special Whiskey

Director's Special Gold Whiskey

Blue Riband Premium Extra Dry Gin

White Mischief Ultra-Pure Vodka

McDowell's No. 1 Celebration Matured XXX Rum

HOW WE ARE TRANSFORMING THE COMPANY

WIDENING OUR MARKET PRESENCE

AABL now a liquor brand with a national ambition	AABL identified key markets to place its product portfolio	AABL engaged experienced professionals to drive market expansion
AABL focused on cautious expansion - one state at a time	AABL entered into back-to-back engagements with bottling units or proprietary infrastructure based on the size of opportunity.	AABL appointed a large distributors in its non-MP markets
AABL's asset-light model was replicated successfully while expanding its footprint in other states.	AABL strengthened its qualification in exploring the significant canteen stores department opportunity	AABL due to its centralised location, is better placed to service pan-India canteen store departments

AABL's asset-light model was replicated successfully in Kerala; onward replication is expected in Delhi and Chhattisgarh.

WHAT MAKES OUR BUSINESS MODEL DIFFERENT

Sectoral relevance

Attitudes: The taboos surrounding alcohol are being progressively replaced, where it has been accepted as integral to social integration among adults and teenagers of both genders

Consumption: ~30% of India's population consumes alcohol regularly. The percentage of under-15 boys who have never had alcohol has gone down from 44% to 30% and for girls this has declined from 50% to 31%. With rising aspirations and increasing disposable incomes, consumers are upgrading towards premium spirits within the IMFL segment or to international brands.

Demographics: India is likely to emerge as the youngest country by 2020, with two-third of its population comprising people under 35. By 2025, India's population at 1.46 billion (estimated) is likely to be the largest in the world, potentially strengthening alcoholic beverage consumption.

Traction: Demand for extra neutral alcohol gained momentum as a result of increasing alcohol consumption. In India, ~90% of the extra neutral alcohol is used for manufacturing potable alcohol. ENA demand is likely to grow to 3.8 billion litres by 2023. Apart from scotch, beer and wine, most IMFL manufacturers use ENA as raw material (with blends).

AABL's response

Foresight: The Company embarked on the exercise to augment extra neutral alcohol capacity, allocating ~ ₹25 crore (funded through accruals and debt).

Omnipresent: The Company enjoys a visible presence across the liquor value chain. Its wide portfolio includes products like extra neutral alcohol, potable alcohol, grain spirit and a number of proprietary IMIL and IMFL brands.

Trusted: The Company focuses on reinforcing its position as a first-choice vendor for sectoral majors by scaling capacities, benchmarking manufacturing facilities with the best and investing in ethical uprightness.

Well-placed: The Company's Central India location helped enhance proximity to key markets over peers, The Company sourced > 90% of grain from neighbouring markets within 600 kms of the plant, a logistical edge.

Relationship-oriented: The Company has demonstrated enduring engagement with partners resulting in assured long-term offtake. The Company entered into a franchised model with Diageo-USL for marketing, distilling, blending and bottling of its popular brands.

Growth-focused: The Company identified key markets to replicate its Madhya Pradesh model. It engaged experienced professionals to drive market expansion. It selected to enter one State at a time with the complement of a handful of brands, followed by probable proprietary infrastructure investments.

Eco-friendly: The Indian alcohol manufacturing sector is marked by demanding environmental regulations. To enhance compliance, the Company invested in cutting-edge technologies. The Company's manufacture of grain-based alcohol and the decision to invest in cogeneration ensured a low carbon footprint and zero discharge.

Asset-light: The Company initiated an asset-light approach, targeting one state at a time, appointing large distributors, leveraging their capabilities to gain foothold and investing in infrastructure only when it achieved critical mass in that market.

Infrastructure

Prudent: The Company possesses substantial land bank. The expansion is likely to be implemented at a considerably lower cost than a greenfield project of the same size and scope.

Cutting-edge: The Company invested in cutting-edge manufacturing technologies with a dual objective: enhancing competitiveness to reduce costs and shrink carbon footprint.

Efficient: The Company's branded products are available in Madhya Pradesh, Delhi and Karnataka through a strong network of distributors and dealers. The Company's sales and marketing teams engage continuously with retailers to enhance product visibility, availability and offtake.

Dedicated: As of 31st March 2018, the Company had expert shopfloor workers, technologists and management professionals on its payroll. A significant proportion of employees had been associated with the Company for more than a decade.

Products

Diversified: The Company manufactures a diverse portfolio of alcoholic beverages across categories like country spirit, whisky, rum, gin and vodka, among others.

Strategic: The Company selected to invest in grain-based extra neutral alcohol (over the molasses equivalent), permitting the Company to derive a superior product in line with the requirements of marquee liquor manufacturers. Besides, this resulted in lower effluent discharge and lower raw material consumption. By shifting from single to a multiple grain mix allowed the Company to counter risks posed by reduced availability and increased prices

Business model outcome

Multiple revenues streams: The Company derived the largest proportion of its revenues from IMIL sales (55 %) in 2017-18. Looking ahead, the Company expects the proportion of revenues derived from extra neutral alcohol to increase from 18% to 25% and the proportion of revenues derived from IMFL sales to increase from 15% to 25% across the foreseeable future.

Attractive liquidity: The Company's gearing improved from 2015 to 2018 even as interest cover strengthened.

VALIDATION OF OUR BUSINESS MODEL

Revenue growth
12
(%) Y-o-Y over FY17

EBIDTA growth
28
(%) Y-o-Y over FY17

EBIDTA margin expansion
503
bps during the last four years

Debt-equity ratio
0.09
as on 31st March 2018

OUR PERFORMANCE AMBITION

Become an organisation that is respected for its ability to consistently create value for its stakeholders through innovative strategies

Goal

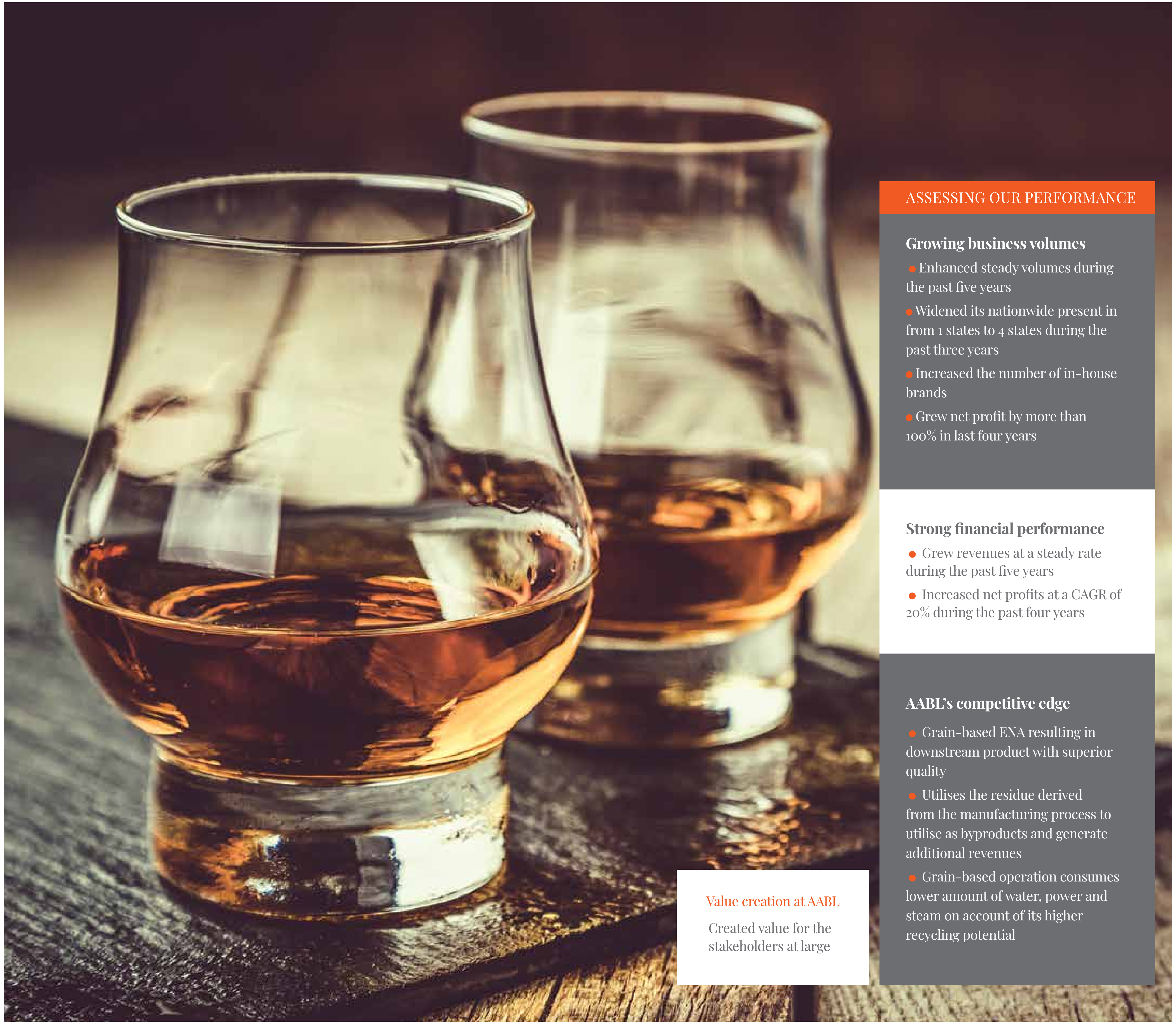
Most promising, growing and leading liquor company in Central India

DEMAND DRIVERS

Lifestyle changes driving alcohol consumption in the country	Highly under-penetrated market
Need for new and premium products	Growing young population
Exposure to global trends	

STRATEGIC ROADMAP

Capacity augmentation of extra neutral alcohol	Scale extra neutral alcohol volumes supplied to merchants
Enhance offtake of proprietary liquor brands	Leverage franchisee agreement with Diageo-USL
Increase efficiency through complete plant automation	Utilise larger quantities of extra neutral alcohol captively
Rising popularity of alcohol among women	



ASSESSING OUR PERFORMANCE

Growing business volumes

- Enhanced steady volumes during the past five years
- Widened its nationwide present in from 1 states to 4 states during the past three years
- Increased the number of in-house brands
- Grew net profit by more than 100% in last four years

Strong financial performance

- Grew revenues at a steady rate during the past five years
- Increased net profits at a CAGR of 20% during the past four years

AABL's competitive edge

- Grain-based ENA resulting in downstream product with superior quality
- Utilises the residue derived from the manufacturing process to utilise as byproducts and generate additional revenues
- Grain-based operation consumes lower amount of water, power and steam on account of its higher recycling potential

Value creation at AABL

Created value for the stakeholders at large

6 THINGS THAT ENHANCED AABL'S COMPETITIVENESS

We created one of the largest ENA manufacturing capacity in India

At AABL, we recognised that being the largest in the region would help us strengthen our brand as the provider of any quantity of ENA at any time across the largest number of customers

We created a wide range of products - with B2B and B2C impact

At AABL, we believe that the creation of commodity and proprietary brands (IMIL, IMFL, and ENA) will help us de-risk from a temporary decline in the offtake of any one segment; besides, the complement will provide value-addition

We are one of the most competitive ENA manufacturers in India

At AABL, we invested extensively in manufacturing integration (resulting in value-addition) and scale (resulting in economies) with the objective to reduce costs and enhance margins, strengthening overall competitiveness

We provide a high product quality and integrity

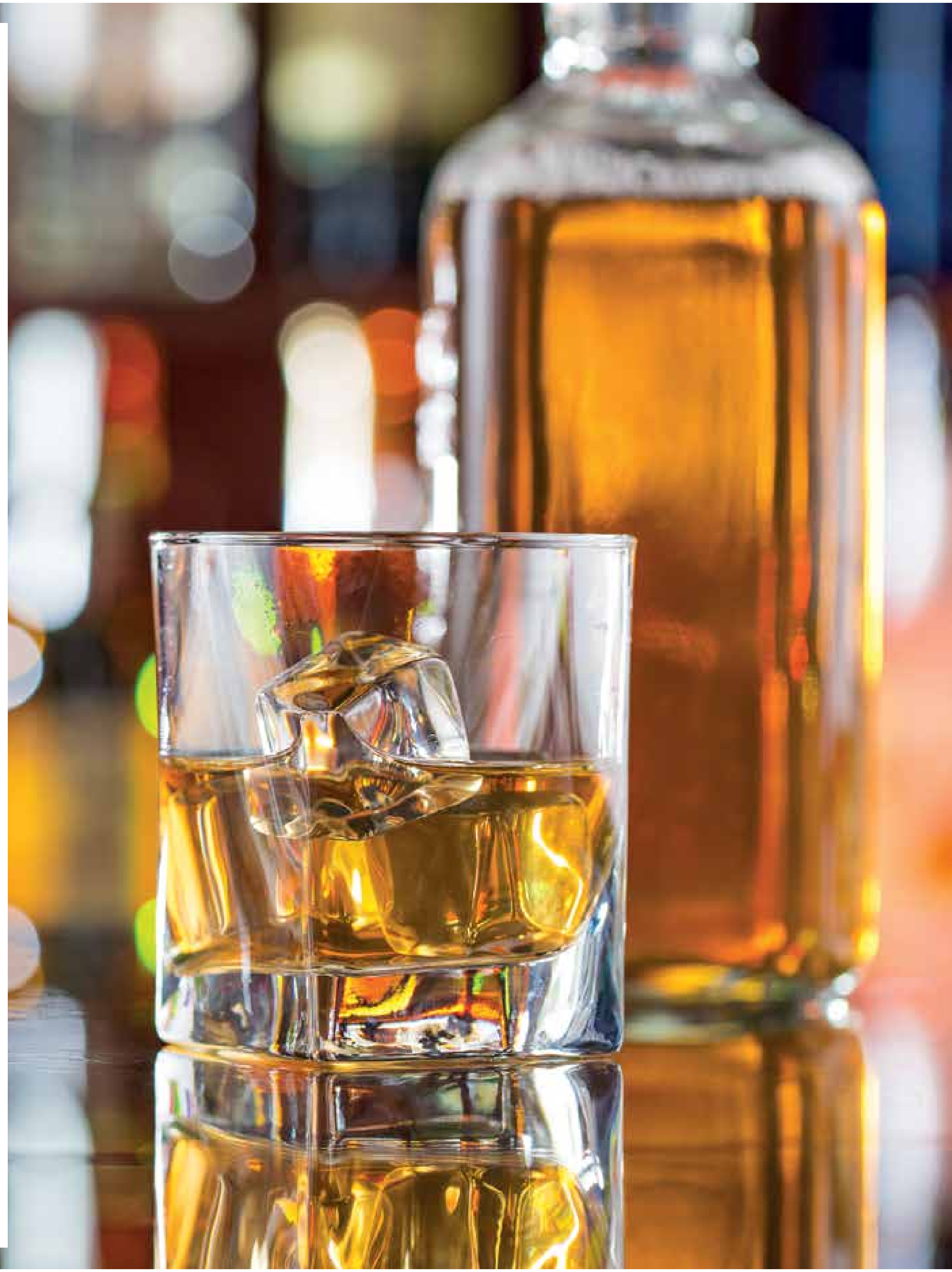
At AABL, we are committed to unmatched quality, which is helping us become a preferred manufacturer for major international liquor brands in India

We are largely asset-light

At AABL, we have invested in an asset-light model to enter new markets followed by subsequent investment in infrastructure after reaching critical mass

We are an environmentally-responsible manufacturer

At AABL, we invested in systems and processes to emerge as a responsible manufacturer with zero discharge i.e. low carbon footprint



3 THINGS THAT MAKE INDIA AN ATTRACTIVE ALCO BEVERAGE DESTINATION

- India's per capita consumption is a fraction of the global average
- Growing per capita incomes leading to higher spending habits
- There is an increasing share of premium brands in India's liquor consumption

4 WAYS AABL IS ADDRESSING THE GROWING INDIA ALCO-BEVERAGE MARKET

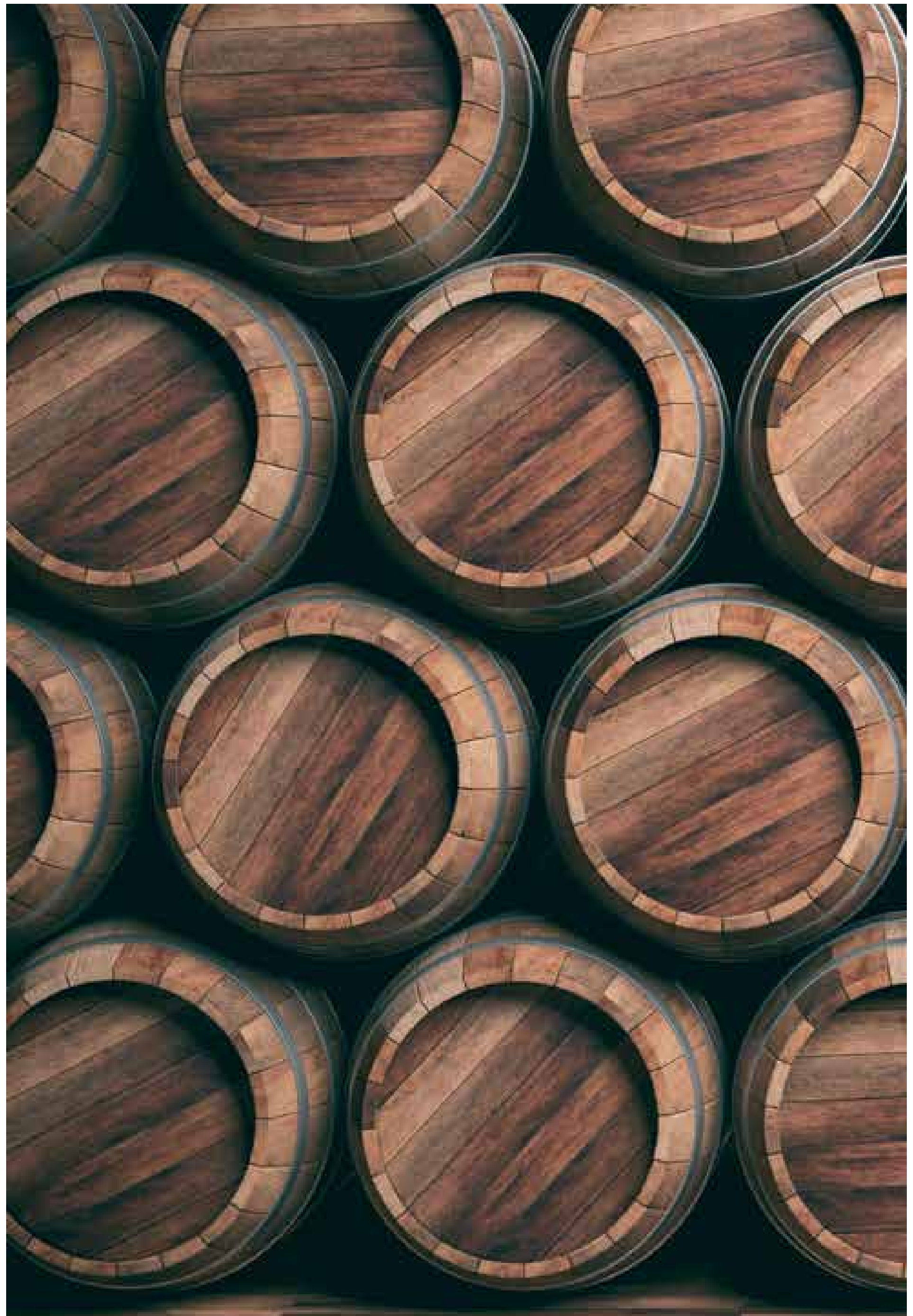
- AABL entered into a franchise agreement with Diageo-USL to bottle and market its popular brands in Madhya Pradesh
- AABL is considering expansion of its ENA capacity, the basic resource in liquor manufacture
- AABL is consideing investment in a power plant for captive power sourcing
- The Company is investing in expansion of alcohol production capacity.

3 WAYS AABL STRENGTHENED ITS PROFESSIONAL CAPABILITY

- The Company employed a team of vibrant professionals as on 31st March 2018
- The Company's HR team focuses on employee welfare, culture, training and practices
- AABL followed systemic protocols coupled with adequate documentation

WE ARE TRANSFORMING WITH A SINGULAR OBJECTIVE: ENHANCING VALUE OF OUR STAKEHOLDERS

AABL is pushing boundaries to emerge as a bigger and better company – better controlled, more efficient, enhanced liquidity and adequately derisked.



THE FOUR PILLARS OF VALUE ADDITION

Increased capacity	Proprietary and franchised brands	Gradual pan-India presence	Stronger Balance Sheet

WE POSSESSED A MODEST ENA CAPACITY OF 31 MN LITRES (FY17)

We are increasing our capacity to 45 million ltrs by August 2018	The capacity will scale existing customer volumes and enhance captive ENA consumption	Increased capacity will drive superior economies of scale

WE WERE LARGELY A MERCHANT ENA AND IMIL MANUFACTURER

We have tied up with MNCs to bottle premium brands for them	We launched premium proprietary brands in categories like whisky, vodka and rum, among others	We have entered into a franchisee agreement with USL to manufacture and sell their brands	Non-ENA revenues now comprise approx 80% of total revenues FY17-18

WE ENJOYED BETTER GEARING AS ON 31ST MARCH 2018

Major long term debt has been repaid	We brought down our long- term debt-equity ratio to 0.09 in FY18	We strengthened our Balance Sheet to create a base for sustainable growth	We intent to fund capacity through accruals and debt

ENHANCING VALUE FOR STAKEHOLDERS

Shareholders
- Steady dividend
- Attractive market capitalisation growth
- Focus on free cash generation

People
- Employee and vendor engagement
- Promote strong work environment
- Industry-best compensation

Customers
- Quality and seamless product supply
- Top-notch service

Business
- Multiple business drivers
- Profitable growth
- Continuous business strengthening initiatives

Society
- Significant contribution to exchequer
- Job creation

Environment
- Higher level of recycling
- Moderated carbon footprint

MANAGEMENT DISCUSSION AND ANALYSIS

Global economic overview

In 2017, a decade after the global economy spiralled into a meltdown, a revival became visible. Every major economy expanded and a growth wave created jobs. This reality was marked by ongoing Euro-zone growth, modest growth in Japan, late revival in China and improving realities in Russia and Brazil leading to an estimated 3.7% global economic growth in 2017, some 60 bps higher than the previous year. Crude oil prices increased in 2017, the prices at the beginning of the year bring US$54.13 per barrel, declining to a low of US$46.78 per barrel in June 2017 and closing the year at US$61.02 per barrel, the highest since 2013.

Outlook

The outlook for advanced economies improved, notably for the Euro area, but in many countries inflation remained weak, indicating that slack was yet to be eliminated, and prospects for growth in GDP per capita were held back by weak productivity growth and rising old-age dependency ratios. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting improved momentum and the impact of tax policy changes in the US. (Source: WEO, IMF)

Indian economic overview

After registering GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for slower growth estimated at 6.7% in 2017-18. Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period 2014-15 to 2017-18, achieved through lower inflation, improved current account balance and reduction in fiscal deficit to GDP. The year under review was marked by various structural reforms by the Government. In addition to GST introduction, the year witnessed significant resolution of problems associated with bank non-performing assets, FDI liberalisation, bank recapitalisation and privatisation of coal mines. After remaining in negative territory for a couple of years, export growth rebounded during 2016-17 and strengthened in 2017-18; foreign exchange reserves rose to US$ 414 billion as on January 2018. (Source: CSO, economic survey 2017-18)

Global alcoholic beverages industry overview

The global alcoholic beverages market is pegged to cross the US$1.9-trillion mark by 2025, growing from US$1.2 trillion in 2017 at a CAGR of 6.4%. Globally, beer is expected to remain the largest sub-segment by value with a 42.7% share. Global revenues from alcoholic beverages industry amounted to US$67,661 million in 2018 and this is expected to grow at a CAGR of 10.4% during 2019.

Many alcoholic beverage manufacturing companies are

Global economic growth for 6 years

Year	2014	2015	2016	2017 (e)	2018 (f)	2019 (f)
Real GDP Growth (%)	3.5	3.2	3.1	3.7	3.9	3.0

[Source: World Economic Outlook, January 2018] e: estimated f: forecasted

Estimation for the FY2017-18 versus FY2016-17

Year	2017-18*	2016-17
GDP growth	6.7%	7.1%
GVA growth	6.4%	9.0%
Farm growth	3%	9.0%
Manufacturing growth	5.1%	9.3%
Power and gas growth	7.3%	6.5%
Mining growth	3%	1.9%
Construction growth	4.3%	3.5%
Trade, hotel, transport, telecom growth	8.3%	9.8%
Financials, realty growth	7.2%	9.8%
Public, admin, defence growth	10.1%	16.6%
Per capita income growth	8.3%	9.7%

*Estimated (Source: PIB)

Mr. Anshuman Kedia from Associated Alcohols & Breweries Limited receiving Award for Best Popular Vodka (Silver) – Titanium Triple Distilled Vodka

increasing their customer base through e-commerce platforms. It facilitates online alcoholic drink sales and also gives companies access to new markets without heavy investment in distribution channels. Alcohol e-commerce is a well-developed market in European countries such as the UK, Germany, France and Italy. (Source: Business Wire, Transparency Market Research, Statista)

Indian alcoholic beverages industry overview

India is the third-largest and fastest-growing liquor market in the world with ~30% of India's population consuming alcohol. The industry is considered a sunrise industry owing to its high-growth potential and the increasing social acceptance of alcohol as a recreational beverage.

The alcoholic beverages market in India is expected to grow at a CAGR of ~7.72% to ₹5.3 trillion by 2026. Consumption of liquor is also increasing in rural areas thanks to easy availability of alcohol. Though India is one of the largest consumers of alcohol in the world, the per capita alcohol consumption of India is lower than Western countries. The per capita consumption of alcohol per week for the year 2016 was estimated at 147.3 millilitres and is expected to grow at a CAGR of 7.5% to 227.1 millilitres. An average Indian male drinker consumed 3x more alcohol than an average female drinker each year. Andhra Pradesh, Telangana, Kerala, Karnataka, Sikkim, Haryana and Himachal Pradesh were among the largest consumers of alcohol in India. The most popular channel of alcohol sale in India were liquor stores as alcohol consumption was primarily an outdoor activity and supermarkets and malls were primarily present in Tier-I and II cities.

IMFL accounts for 93.1% of the alcohol consumed in India with beer being the fastest-growing segment in the country (CAGR of 7.5% between 2017 and 2021). The Indian whiskey market grew at a CAGR of >7% between FY2010-11 to FY2016-17, and is expected to reach new heights in the near future. The growing Indian whisky market is the result of the economic development translating into higher purchasing power. Moreover, changing demographics and consumption patterns strengthened whiskey offtake.

Southern India accounted for a >33% share of the total whisky consumed in the country. The year 2017 was riddled with policy changes that put volumes under the pump. Those changes included demonetisation, the Supreme Court's liquor sales ban proximate to highways and GST implementation that enhanced input costs. The result: sales volumes declined 1-3% in 2017. Few companies in the premium space with smaller bases grew at a healthy pace. (Source: Business Wire, PR Newswire)

GLOBAL BEVERAGE MARKET

3%
CAGR between 2016 and 2021

$1.9
trillion
Estimated size by 2021

GLOBAL ALCOHOLIC BEVERAGE MARKET

$1.2
trillion
Size of the industry in 2017

$1.9
trillion
Estimated size of the industry by 2025

6.4%
CAGR between 2017 and 2025

42.7%
Market share of beer

ENA

2.7
billion litre
Indian market size on 2017

6.1%
CAGR between 2010 and 2017

3.8
billion litre
Estimated market size by 2023

(Source: Business wire)

ENA

7.9%
Revenue in the alcoholic beverages market CAGR between CY2018 and 2021

12,001.5
(ml) Estimates volume of market for alcoholic beverages by CY2021

7.5%
CAGR between 2017 and 2021

ALCOHOLIC BEVERAGE MARKET IN INDIA

30%
India's population consuming alcohol

7.72%
CAGR in a 10 year period ending in 2026

₹5.3
trillion
Estimated industry value by 2026

147.3 ML
Per capita consumption of alcohol per week for the year 2016

227.1 ML
Estimated per capita consumption of alcohol per week by 2022

7.5%
CAGR of per capita consumption of alcohol per week between 2016 and 2022

93.1%
Drinkers consuming IMFL/IMIL in India

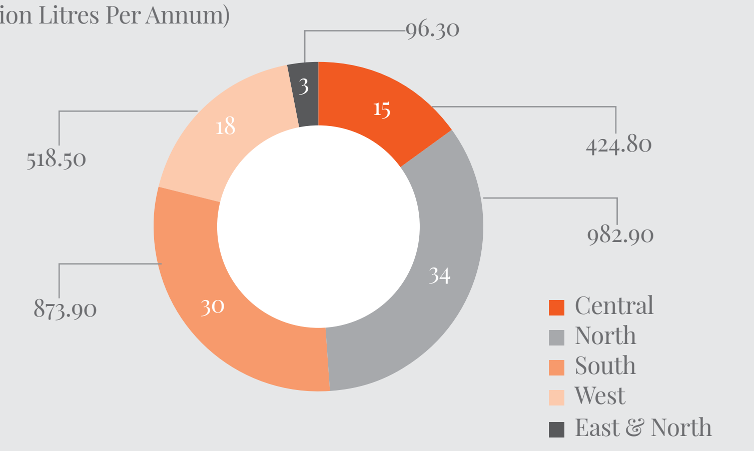
6.8%
Drinkers consuming beer

0.1%
Drinkers consuming wine

Outlook

From 2018 onwards, India's premium spirits space is expected to grow at ~12% while the regular range is expected to grow at ~5-7%. In value terms, the spirits industry is expected to grow at a CAGR of 2.9% till 2021, slower than the CAGR of 6.6% registered between 2011 and 2016. It is also slower than the overall volume growth of ~4.2% between 2016 and 2021. Haryana, Punjab and Uttar Pradesh could possibly change the way alcohol is distributed to give the respective State Governments more control over the process. This could pose a challenge for organised liquor firms as sometimes those managing state-run alcohol outlets are lowly-paid employees, leading to grafting. Also, election years have traditionally been good for liquor consumption as political parties provide incentives and policies. (Source: Euromonitor, Edelweiss, Livemint)

Extra Neutral Alcohol (ENA) Capacity in India
(Million Litres Per Annum)



- The Supreme Court issued restrictions on the sale of alcohol near both state and national highways leading to the closure of ~33% of the country's liquor vendors, and a drop in the demand for whiskey, brandy, rum, vodka and gin. The decline was sharper when it came to price-sensitive products, causing sales to fall by 1-3% after the previous year's sales dip of 2.2%.

- The Indian spirits market was valued at ₹1.84 trillion in 2016. Whiskey accounted for more than 60% of this figure. The country is not only the largest market for the spirit but also the largest global producer of whiskey. Whiskey consumption in India has grew by >2x, from 80.2 million nine-litre cases in 2007 to 193.1 million nine-litre cases in 2016. During the same decadal period, global whiskey consumption rose from 242.8 million to 399.2 million nine-litre cases. Of all the whiskey consumed in India last year, 189.7 million nine-litre cases, or 98.24%, was Indian-made. (Source: Global Data, International Wine and Spirits Research)

IMFL industry overview

Imported alcohol accounted for a meagre ~0.8% share of the Indian market. Heavy import duties and taxes levied on imported alcohol put it beyond the reach of most individuals. Though the popularity of wine and vodka is increasing at a remarkable CAGR of 21.8% and 22.8%, respectively, India remains the largest consumer of whiskey in the world consuming almost half the whisky produced worldwide, accounting for ~60% of the IMFL market. From the cheapest IMFL variant to limited-edition single-malt Scotch, Indians are drinking more whisky today than ever. Demand growth had been most conspicuous in the entry-level IMFL category (all alcoholic spirits made in India, except beer and wine). (Source: businesswire, Livemint)

ENA industry overview

The output of the extra neutral alcohol industry in India reached 2.7 billion litres in 2017, a CAGR of ~6.1% over the previous few years. Punjab was the largest producer of extra neutral alcohol in India The market for extra neutral alcohol gained momentum majorly as a result of the increasing consumption of alcohol in the region. In India, ~90% of the extra neutral alcohol is used for manufacturing potable alcohol. This figure is expected to reach 3.8 billion litres by 2023 owing to a rise in the demand for potable alcohol. Extra neutral alcohol is a >₹30,000-crore industry and, apart from scotch, beer and wine, most IMFL manufacturers use extra neutral alcohol as raw material with other blends. (Source: IMARC, Times of India)

DEMAND DRIVERS

Growing urbanisation: The urbanisation of India stands at 33.2% and is expected to reach 36.2% by 2025. Growing urbanisation has resulted in more consumers willing to try new products. (Source: Worldometers)

Rural push: Although a large number of people from rural India consume country liquor, the scenario in these areas is changing swiftly. With the so-called barriers between rural and urban India slowly dissipating, consumption levels are forecasted to skyrocket.

Rising incomes: With rise in earnings people are gradually shifting their preferences. Per capita incomes during FY2017-18 was estimated at ₹1,11,782, rising by 8.3% compared to FY2016-17. Rising disposable incomes will lend support to greater discretionary spending and spending on alcoholic drinks, (Source: Economic Survey)

Youthful population: India is prepared to become the youngest country in the world by 2020, with two-third of its population consisting of people under the age of 35. This, in turn, will boost the consumption of alcoholic beverages across the nation. (Source: Bloomberg)

Demographic dividend: By 2025, India's population is expected to be 1.46 billion and is projected to overthrow China as the most populous country in the world. (Source: Population Pyramid)

Social acceptance: The taboos surrounding alcohol are progressively being disbanded across India, especially in metro cities, where it has been accepted as a way of socialising, not only among adults but also teenagers.

Consumption levels: ~30% of India's population consumes alcohol regularly. The percentage of under-15 boys who have never had alcohol has gone down from 44% to 30% and for girls it has decreased from 50% to 31%. (Source: World Health Organisation, Organisation for Economic Cooperation and Development)

Emerging trends: Easy availability of liquor, access to alcohol at home, curiosity, peer pressure and its association with a certain kind of lifestyle have contributed to a shift in drinking patterns. With rising aspirations and increasing disposable incomes, consumers are upgrading towards premium segments in the country, within the IMFL segment or to international brands.

STRENGTHS

Strict regulations: Due to a strict regulatory regime, obtaining a license for manufacturing as well as distributing liquor is difficult, reducing competition from new entrants

Brand loyalty: It has been observed that generally consumers do not believe in switching their preferred brands

Growing population: Because of India's demographic dividend, there is always sufficient demand for various categories of liquor

CHALLENGES

High taxes: Liquor companies have heavy taxes levied on them, which vary from state to state. The decision to keep liquor out of the GST regime has been a concern as input costs are going up and cascading taxes will need to be eventually passed on to the consumers thereby leading to higher prices.

Brand creation: Advertising alcoholic beverages is prohibited in India and hence a large section of the Indian population lacks brand awareness, most people only know a couple of liquor brands and their variants. Surrogate advertising has managed to raise awareness of brands and this trend will continue to hold away over the medium-term.

THREATS

Agricultural prices: The liquor industry is heavily dependent on the agriculture industry for raw materials and any fluctuation on upper side in prices directly impacts the liquor industry.

Regulatory issues: The fragmented tax structure for Indian liquor industry leads to various inefficiencies, as most states impose high 'import' duties on alcohol made in other parts of the country. Manufacturers are thus forced to operate small plants to serve every state instead of a handful of bigger ones serving larger regions, making logistics and quality control difficult.

Newly launched premium whisky (May 2018)

Internal control systems and their adequacy

The company has engaged the services of independent professional to carry out the internal audit and ensure that recording and reporting are adequate and proper, the internal controls existing in the system and further that sufficient measures are taken to improve, update and strengthen the internal control system.

In addition to statutory audit, the financial controls are also reviewed by the Internal auditors, who report their findings to the Board and the Audit Committee. The committee ensures the progress of the internal audit initiatives, significant and major audit observations and further planning and implementation of follow up action required.

Information technology

In line with overall growth objectives and strengthening of infrastructure base, the Company continues to invest in IT (Information Technology) viz SAP Enterprising Resource Planning System and with the implementation of these software's the Company has improved its operational efficiencies through various functional integration.

Human resources and industrial relations

The company constantly facilitates and encourages its employees at all levels to enhance their knowledge and skills and also firmly believes that Human Resource Development (HRD) strategies and practices will continue to provide a sustained competitive advantage. The management of your company deeply appreciate the spirit and commitment of its dedicated team of [] Employees as on 31.03.2018

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 your company's operations include economic conditions affecting demand / supply and price conditions in the domestic and international markets, changes in the governments regulations, tax laws and other statutes and incidental factors.

SEGMENT-WISE PERFORMANCE

The company has only one major operational business segment encompassing liquor and related products, which accounts for around 90% of the total turnover of the Company.

IMIL / COUNTRY LIQUOR

The company observed steady volume growth in the category, the Company continues to enjoy the monopoly over the allotted districts. This business mainly composes of cash & convey. However geographical boundary is the limitation in this category.

IMFL

The Company's market share on account of franchise agreement has increased, the own brands category also showed a moderate growth. The company's objective is to maintain the percentage of the IMFL in sales mix.

ENA/RS

The company continued to be a sectoral leader in supply of ENA/RS and enjoyed premium owing to superior quality ENA.

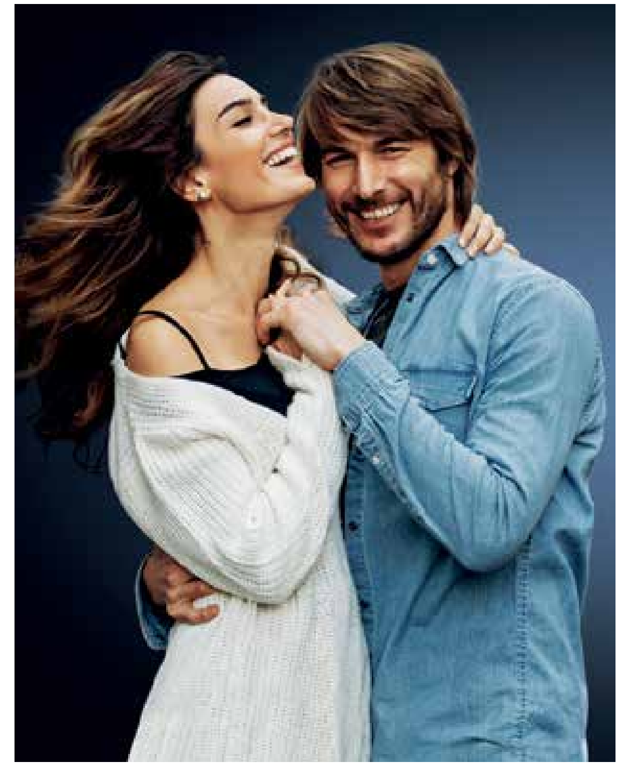
BY PRODUCTS

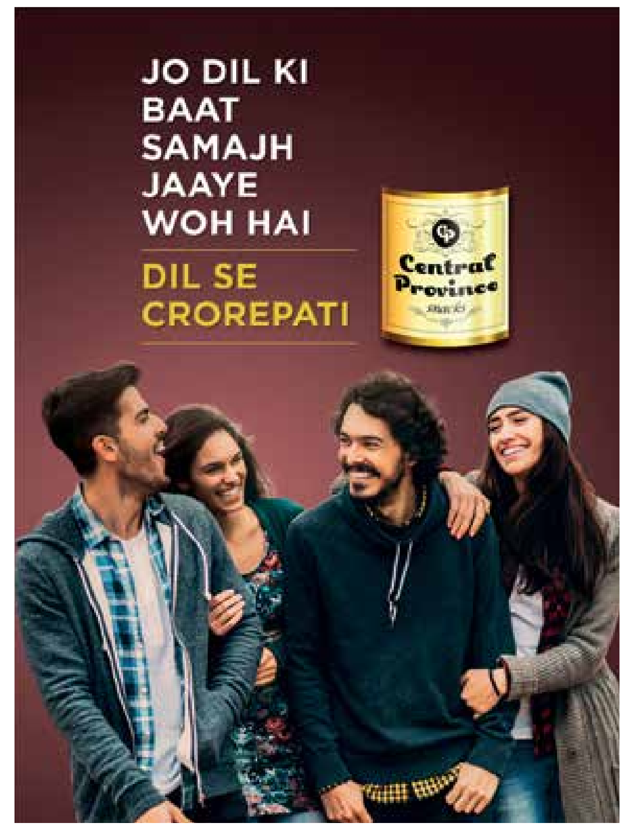
The company's byproducts are commonly known as poultry feed, cattle feed which continued to add to its top line. These byproducts are protein-rich and in high demand throughout the year. Besides, the Company also sold CO_2 and fusel oil as byproducts.

EXPERIENCE MASTERPIECES

Franchise Brands

Own Brands





CSR ACTIVITIES AT AABL

Promoting education of differently-abled child: Session and seminar by Team AABL

NOTICE

NOTICE IS HEREBY GIVEN that the 29th Annual General Meeting of the members of Associated Alcohols & Breweries Limited will be held on Friday, August 24, 2018 at 10:00 AM at Shripati Singhania Hall, 'Rotary Sadan, 94/2, Chowranghee Road, Kolkata-700020 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, 2018.
2. To declare dividend on Equity Shares for the financial year ending 31st March, 2018
3. To reappoint Mr. Manish Kumar Tibrewal (DIN 00747559) as Director, who is liable to retire by rotation has offered himself for reappointment.
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 provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by Members at the Twenty Eighth Annual General Meeting appointing M/s. Singhi & Co., Chartered Accountants, Kolkata (Firm Registration No. 302049E) as Statutory Auditors of the Company to hold office until the conclusion of Thirty Third Annual General Meeting of the Company, the Company hereby ratifies and confirms the appointment of M/s. Singhi & Co., as Statutory Auditors of the Company for the financial year ending 31st March, 2019 on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS

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

   "**RESOLVED THAT** pursuant to the provision of Section 13 read with Section 12 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) thereof or re-enactment thereof for the time being in force) read with Company (Incorporation) Rules 2014 and subject to the approval/sanction/permission of the Central Government, Registrar of Companies, Regional Director, Eastern Region Kolkata or any other appropriate authorities, statutory or otherwise, as are required, consent of the members of the company be and is hereby accorded to shift the registered office of the company from 106 A Shyam Bazaar Street, Kolkata -700005 State of West Bengal to 4th Floor, BPK Star Tower, A.B. Road, Indore – 452008, State of Madhya Pradesh i.e from jurisdiction of ROC-West Bengal to the jurisdiction of ROC-Madhya Pradesh and that clause II of the Memorandum of Association be altered accordingly to read as under:

   II. The registered office of the company will be situated in the state of Madhya Pradesh."
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 provisions of section 20 of the Companies Act, 2013 and other applicable provisions, if any of the said Act and relevant rules prescribed thereunder, whereby a document may be served on any member by the company by sending it to him by post or by registered post or by speed post or by courier or by delivery to his office address or by such electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the member in advance equivalent to the estimated actual expenses of delivery of the documents pursuant to any request made by the shareholder for delivery of such document to him through a particular mode of service mentioned above provided such request along with the requisite fee had been duly received by the company at least one week advance of the dispatch of the document by the company and that no such request shall be entertained by the company to post the dispatch of such document by the company to the shareholder.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Directors or Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matter and things as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all such acts, deeds, and things as may be necessary, proper or desirable or expedient to give effect to the above resolution."

Place: Indore
Date: 28th May, 2018

By Order of the Board of Directors

Registered office
106A, Shyam Bazar, Street
Kolkata – 700 005
CIN: L15520WB1989PLC047211

Sumit Jaitely
Company Secretary
FCS 9194

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts and reasons for the proposed resolutions at Item Nos. 5 & 6 above, are appended herein for your consideration.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   A person can act as a proxy on behalf of a member not exceeding 50 and holding in the aggregate not more than 10%of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person/ shareholder.
3. The instrument of proxy in order to be effective must be received by the company not less than 48 hours before the commencement of the meeting. A proxy so appointed shall not have any right to speak at the meeting. A Proxy form is attached hereto.
4. Corporate members intended to send their authorised representative to attend the meeting are requested to send to the company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. The Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 11:00 AM to 01:00 PM on all working days except Saturdays, Sundays and public holidays, up to the date of the Annual General Meeting.
6. Members/Proxies/Authorised Representatives are requested to bring the Attendance Slip duly filled in for attending the meeting and also their copy of the Annual Report.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM

8. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
9. The Register of Members and Share Transfer Books will remain closed from 18th August, 2018 to 24th August, 2018 for the purpose of payment of the dividend for the financial year ended March 31, 2018 and the AGM
10. Subject to the provisions of the companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the AGM, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as on 24th August, 2018.
11. Members whose shareholding is in electronic mode are requested to direct change of address notifications and updates of saving bank account details to their respective Depository Participant (s). Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends. An ECS mandate form attached herewith.
12. Members are requested to address all correspondence, including dividend-related correspondence, to the Registrar and Transfer Agent, M/s Ankit Consultancy Private Limited, Unit; Associated Alcohols & Breweries Ltd. 60, Electronic Complex, Pardeshipura, Indore – 452010.
13. With a view to using natural resource responsibly, we request shareholders to update their email address with their Depository Participant to enable the company to send communication electronically.
14. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) amendment Rules 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by the Central Depository Securities Limited. The facilities to voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.
15. The Annual Report 2017-18, the Notice of the 29th AGM and instruction for e-voting, along with the attendance slip and proxy form, are being sent by electronic mode to all members whose email address are registered with the company / Depository Participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their e-mail address, physical copies of the documents are being sent by the permitted mode.
16. Members may also note that the Notice of the 29th AGM and the Annual Report 2017-18 will be available on the Company's website, www.associatedalcohols.com members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at investorrelations@aabl.in.
17. Additional information, pursuant to regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/re-appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent/declaration for their appointment/re-appointment as required under the Companies Act, 2013 and the rules made thereunder.
18. The Security Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding share in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Member holding share in physical form are required to submit their PAN details to the Company's Registrar and Transfer Agent viz. Ankit Consultancy Pvt. Limited, 60, Electronic Complex, Pardeshipura, Indore – 452010.
19. E-voting: The e-voting instructions for members receiving an e-mail or a physical copy of this notice of Annual General Meeting are as under:

Instructions for E-Voting

(i) The voting period begins on Monday 20th August, 2018 at 09:00 AM (IST) and ends on Thursday 23rd August, 2018 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 17th August, 2018 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.

(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.

(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) • 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. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 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. • 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.

(xix) 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.

(xx) In case you have any queries or issues regarding e-voting, 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.

Other Instructions

(1) The Chairman shall, at the AGM at the end of discussion on the resolution on which voting is to be held, allow voting with the assistance of the scrutinizer, by use of "poling Paper" for all those member who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

(2) Mr. Arun Kumar Khandelia, Practicing Company Secretary (CP No. 2270), has been appointed as the Scrutinizer to scrutinize the e-voting process as well as the voting by way of poll, to be conducted at the Annual General Meeting, in a fair and transparent manner.

(3) The results declared along with the Scrutinizer's report shall be communicated to BSE Limited and website of CDSL viz. www.evotingindia.com Limited and made available on the Company's website viz.: www.associatedalcohols.com within two days of passing of the resolutions at the Annual General Meeting of the Company.

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

Item No. 5

The registered office of the company is presently situated at 106A Shyam Bazaar Street, 1st Floor Kolkata. The corporate office is situated at 4th Floor, BPK Star Tower, A.B. Road, Indore – 452008 and all the operations of the company and administrative activities of the company are carried out from the corporate office. Almost all the meetings of the Board of Directors are held at the Corporate Office

In order to facilitate effective and efficient management of the day to day affairs of the company, optimal utilization of resources and with a view to consolidate administrative activities and operation so as to lead to synergies and to eliminate duplication / multiplication of legal and regulatory compliances and in the existing circumstances, to carry on the business more economically and more efficiently, the Board of Directors of the company at their meeting held on 28th May, 2018 proposed to shift the registered office of the company from 106 A Shyam Bazar Street, 1st Floor, Kolkata – 700005 to BPK Star Tower 4th Floor A.B. Road, Indore – 452008 State of Madhya Pradesh i.e from jurisdiction of ROC-West Bengal to the jurisdiction of ROC-Madhya Pradesh

In terms of the provisions of Section 12 of the Companies Act, 2013 and the rules made thereunder, approval of the members is required by passing a Special Resolution and subsequent approval for the approval of the CentralGovernment is also required pursuant to the provisions of Section 13(4) of the Companies Act and the Rules made thereunder.

Accordingly, consent of the members is sought by passing a Special Resolution as set out in Notice for shifting of Registered Office of the company from Kolkata, West Bengal to Indore, Madhya Pradesh

None of the Directors or Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned to interested in the proposed resolution as set out in Notice. The Board recommends the special resolution as set out in item no. 5 for approval of the members

Item No 6

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or deliver at his office r address of by such electronic or other mode as may be prescribed. Further a member may request for delivery of any document through a particular mode, for which he shall pay fees in advance as may be determined in its Annual General Meeting.

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

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

Place: Indore
Date: 28th May, 2018

By Order of the Board of Directors

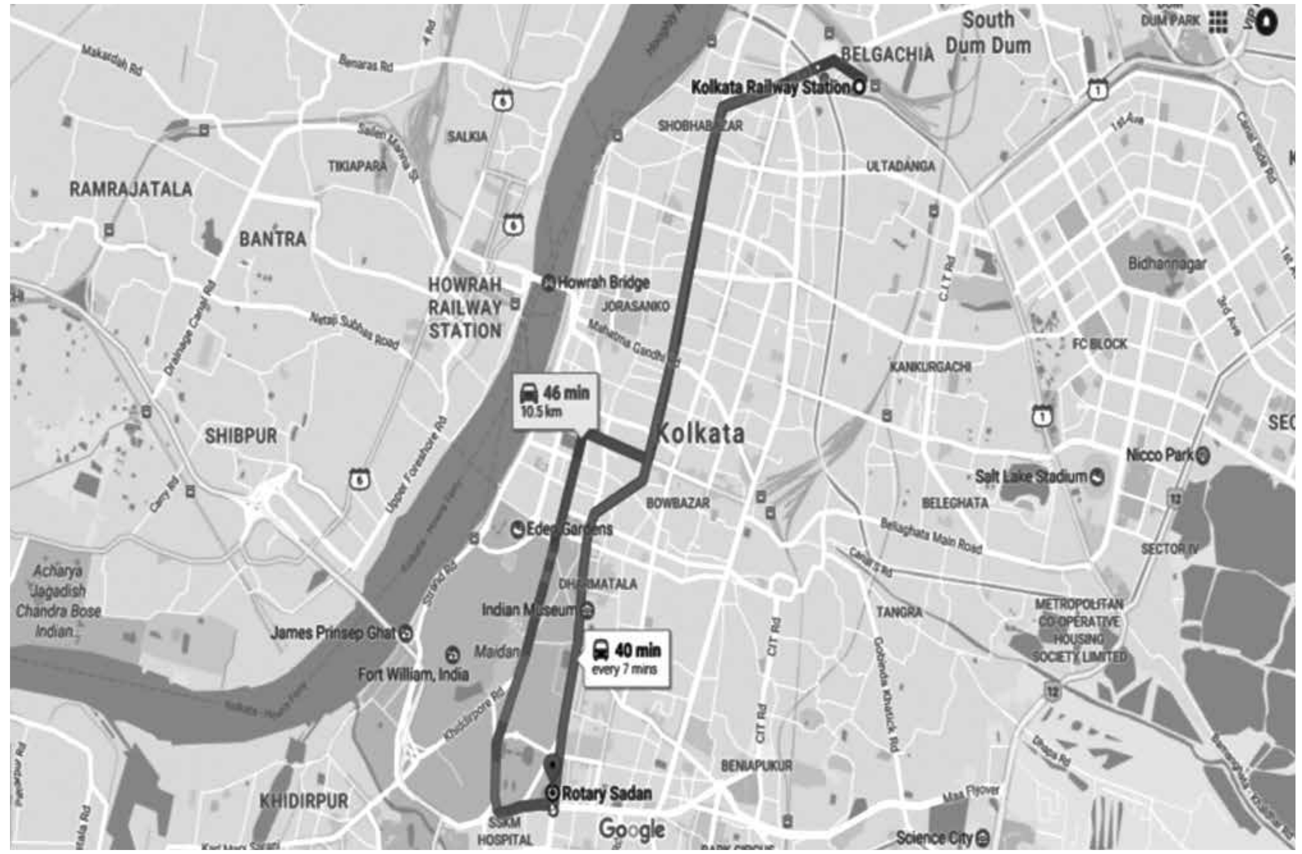
Registered office
106A, Shyam Bazar, Street
Kolkata – 700 005
CIN: L15520WB1989PLC047211

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	Mr. Manish Kumar Tibrewal
Date of Birth	05.07.1977
DIN	00747559
Date of Appointment on the Board	20.10.2001
Qualifications	Graduate in Commerce
Experience and Expertise	Rich exposure of industry and commercial transactions and having wide and vivid experience of 18 years of multi-dimensional and functional areas. Part of the Board and long associated with Core Management Team of the company.
No. of meetings of Board attended during the year.	5
List of Directorship/Membership/ Chairmanship of Committees of other Board.	Nil
Shareholding in AABL (Equity)	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 Whole Time Director as displayed on the company's website viz. www.associatedalcohols.com

The route map for the venue of AGM



Directors Report

Dear members

Your Directors have pleasure in presenting their 29th Annual Report together with the Audited Accounts and Auditor's Report of the Company for the year ended on 31st March 2018.

1. FINANCIAL RESULTS

A summary of the company's financial result year 2017-18 is as under:

FINANCIAL RESULTS (₹ in Lakhs)

Particulars	2017-2018	2016-2017 *
Gross Revenue from Operations	32523.99	29106.74
Profit/(Loss) before Interest, Depreciation & Tax	5456.99	4224.98
Less: Interest	382.88	410.24
Profit before Depreciation	5074.11	3814.74
Less: Depreciation	1131.71	1094.72
Profit / (Loss) before Tax	3942.40	2720.02
Provision of Tax	1423.48	1028.78
Net Profit/Loss	2518.92	1691.24

*The figures are restated as per Ind-AS

2. FINANCIAL PERFORMANCE

Your Company reported a top line growth of 12% over the previous year and has achieved a turnover of ₹32523.99 lakhs in the current year against ₹29106.74 lakhs in the previous year, the increase in revenue can be majorly attributed to the IMFL sales on account of franchise arrangements with Diageo-USL brands.

Earnings Before Interest Depreciation & Tax (EBIDTA) for the year stood at ₹5456.99 lakhs, an increase of 29% from ₹4224.98 lakhs in the previous year. Operating Profit before tax (PBT) stood at ₹3942.4 lakhs an increase on 45% from ₹2720.02 lakhs in the previous year & the net profit for the year was ₹2518.92 lakhs as against ₹1691.24 lakhs an increase of about 49% from the previous year.

The company has achieved better economies of scale in Power and Fuel and saved substantial cost when compared on year on year basis

There has been a substantial increase in the other expenses which is because of fixed royalty paid to Diageo-USL for franchise agreement, substantial hike in bottling fees, franchise duty other state excise levy of MP State Excise on IMFL production (franchise brands), further on account of provisions of contingent liabilities with certain estimates and write offs made in the Q4 2017-18, and also on account of increase Brand marketing overheads on IMFL.

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.

3. SHARE CAPITAL

The paid-up equity share capital of the company as at March 31, 2018 stood at ₹1807.92 lakhs divided into 18079200 equity shares of ₹10/- each.

4. 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.

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

5. FINANCE & ACCOUNTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2018 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. 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 and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2018

6. USL – DIAGEO FRANCHISE AGREEMENT

The company has backed the USL-Diageo Franchise Agreement from May 2017 manufacture and market its popular range brands for the state of Madhya Pradesh (MP). With the franchise agreement the company became one of the strongest IMFL player in the Central Region, the company was doing the job work of these popular brands earlier but post arrangements the brands are now distilled, manufactured and marketed by the company in the state of MP.

The market leader Diageo as part of its strategy where they believe the local partners can maximize the value they have started appointing franchises and as a result we being the loyal trusted partner been entrusted with the franchise agreement.

7. EXPANSION PROJECT

The company's much awaited capacity expansion project of the first phase of expansion is on the verge of completion and the existing capacity will be increased from 31.4 Million Bulk Liters per annum to 45 Million Bulk Liters per annum. As the company has been operating at optimum capacity from the last 3 years the additional capacity will increase the market base of the products of the company. The second phase of capacity expansion from 45 Million Bulk Liters to 90 Million Bulk Liters will be commencing upon the stabilization of the production in due course.

8. AWARDS & ACCOLADES

The company product 'Titanium' Vodka has been awarded as the Best Popular Vodka (Silver) at Indspirit 2018 awards at New Delhi

9. VAT/GST ON RECTIFIED SPIRIT

The industry is in the dilemma awaiting clarification from the state authority and central authority on levy of GST or VAT on the sale of Extra Neutral Alcohol (ENA)/ Rectified Spirit.

In absence of any clarity in respect to levy of Goods & Service Tax (GST) on sale of Rectified spirit (RS) & Extra Neutral Alcohol (ENA), the company continued to collect Value Added Tax (VAT) and Central Sales Tax (CST) for intra state and interstate respectively on sale of these products w.e.f. 01st July 2017. Pending clarification, VAT collected during the year (from 01st July 2017 to 31st March 2018) on sales of RS & ENA amounting to ₹197.23 lakhs have been withheld by the company and would be deposited upon receipt of necessary clarification.

The company has approached Commissioner and other senior officers at state and is awaiting clarification on the issue from same.

However, if GST is levied on Extra Neutral Alcohol/Rectified Spirit, the manufacturing company's like us will be in an advantageous position.

10. INCOME TAX SEARCH

The Income Tax Search was carried out in the premises of the company in November, 2017, the company has provided full cooperation to the department and has furnished all explanation, information and clarification required by them and assured for further cooperation.

At AABL we follow ethical and legal standards of the highest order in all our activities and have robust institutional measures to monitor as well as implement corporate governance of the highest standards as evident from the fact that the company is having the best ERP integrated system and software in place and also a team of vibrant professionals.

We further state that the senior management is hopeful that there are no chances of any information which can be considered to have material impact or implication on the financials of AABL.

11. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

b) 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, 2018 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.

12. COMPOSITION OF BOARD

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.

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.

13. DECLARATION BY INDEPENDENT DIRECTORS

Necessary declarations have been obtained from all the Independent Directors under sub section (7) of section 149 of the Companies Act, 2013.

14. KEY MANAGERIAL PERSONNEL

During the period under review Mrs. Dishita Tibrewal has tender her resignation as director on 26.05.2017, Mr. Sanjay Kumar Tibrewal was appointed as the Chief Financial Officer of the company on 26.05.2017

The 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

15. MEETING

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

16. 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.

17. 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"

18. 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 there on are included as part of the Annual Report.

19. 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 places 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.

20. 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 pursues 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.

21. AUDITORS

M/s Singhi & Co., Chartered Accountants 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. As per the provision of the Companies Act 2013 the appointment of the Auditors is to be ratified by the Members at every Annual General Meeting.

In accordance with the notification no. GSR 432 (E) issued on 07 the May, 2018 by the Ministry of Corporate Affairs the appointment of statutory auditors is not required to be ratified at every Annual General Meeting, however the company as a measure of extra precaution and based on the fundamental that the remuneration may undergo change in the appointed years has placed the ratification/ appointment to be considered in the upcoming Annual General Meeting.

The Report given by the Auditors on the financial statement of the company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

22. SECRETARIAL AUDIT

As required under section 204(1) of the companies Act, 2013 and the Companies (Appointment and Remuneration of management Personnel) Rules, 2014 the Company has appointed M/s K. Arun & Co. (Company Secretaries) Kolkata – 700017, as Secretarial Auditor of the company. Secretarial Audit report is annexed herewith as "Annexure C" and forms part of this report.

23. 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.

24. 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 appended hereto as "Annexure E" and forms part of this report.

25.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.

26. 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.

27. 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

28. 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

hereto as "Annexure – A" and forms part of this report.

29.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.

30. 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: 28th May, 2018	**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 2017-18, the percentage increase in remuneration of Whole Time Directors, Chief Financial Officer and Company Secretary during the financial year 2017-18

Sr. No.	Name of Director/KMP and Designation	Designation	Ratio of remuneration of	% increase in Remuneration in the Financial Year 2017-18
1	Mr. Tushar Bhandari	Whole Time Director	14.40x	140%
2	Mr. Sanjay Kumar Tibrewal	Chief Financial Officer	12.95x	NA
3	Mr. Sumit Jaitely	Company Secretary	5.72x	16%

II. There were 332 permanent employees on the roll of the company as on 31st March, 2018

III. Median Remuneration of the employee of the Company during the financial year was ₹1.73 Lakh.

IV. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2017-18 was 9%.

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. It is herby 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 is provided in the are provided in the Corporate Governance Report.

STAEMENT 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 FINANCAL YEAR 2017-18

Name Age Qualification Designation Date of Commencement of the employment Experience (Years) Gross Remuneration Previous Employment Previous Designation

Mr. Anand Kumar Kedia, 53, Post Graduate in Commerce, Chairman – Business Promotion & Development, 01/04/1990, 28 years, ₹444.32 Lakh, Mr. Prasann Kumar Kedia, 46, MBA, Vice Chairman – Operation & Business Development, 01/04/1994 , 24 years, ₹444.32 Lakh.

FOR AND ON BEHALF OF THE BOARD

Tushar Bhandari *Director* DIN: 03583114	**Nitin Tibrewal** *Director* DIN: 01892892

Annexure B

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 at its meeting held on 04th April, 2014 has constituted a CSR Committee and the following are its members;

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: ₹23,51,74,764
5. Prescribed CSR Expenditure (Two percent of amount as in item no. 4 above): ₹47,03,495
6. Detail of CSR spends for the financial year:
   a. Total Amount Spent for the Financial Year: 12,05,000
   b. Amount Unspent if any: ₹34,98,495
   c. Manner in which the amount spent during the financial year:

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	Ensuring environmental sustainability	Animal Welfare	Indore	500000	500000	500000	Aware Indore
2	Ensuring environmental sustainability	Conservation of River	Local	100000	100000	600000	Isha Outreach
3	Promoting education differently abled child	Education	Barwaha	80000	80000	680000	Direct
4	Contribution To Prime Minister Relief Fund	PMS' Relief Fund	PAN India	500000	500000	1180000	Direct
5	Promoting Health	Health	Indore	25000	25000	1205000	MP Thelesimia Welfare Society

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

FOR AND ON BEHALF OF THE BOARD

Place: Indore
Date: 28th May, 2018

Tushar Bhandari
Director
DIN: 03583114

Nitin Tibrewal
Director
DIN: 01892892

Annexure C

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st Day of March, 2018

[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

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, 2018 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, 2018 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, 2009;

(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 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;

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 a Woman Director.** The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the 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 Mr. Sanajy Kumar Tibrewal appointed in the post of Chief Financial Officer of the company w.e.f 26.05.2017.

Place: Kolkata
Date: 28.05.2018

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

Minu Tulsian
Partner
C.P. No.: 16669

Annexure D

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

AS ON FINANCIAL YEAR ENDED ON 31.03.2018
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	L15520WB1989PLC047211
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
V	Address of the Registered office & contact details	106A, Shyam Bazar Street, 1st Floor, Kolkata - 700005 (W.B) E-mail – cs@aabl.in Ph. No. +91 81000 11422,
VI	Whether listed company	Yes
VII	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Ankit Consultancy Pvt. Ltd. 60, Electronic Complex, Pardeshipura, Indore - 452010 Ph. (0731) 2551745,2551746 | E-mail: ankit_4321@yahoo.com

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

SL 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

Sl No	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% Of shares Held	Applicable Section
NA	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	Nil	10566440	58.45	10566440	Nil	10566440	58.45	Nil
b) Central Govt.or State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corporates	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bank/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
SUB TOTAL:(A) (1)	10566440	Nil	10566440	58.45	10566440	Nil	10566440	58.45	Nil
(2) Foreign									
a) NRI- Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any other...	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
SUB TOTAL (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	10566440	Nil	10566440	58.45	10566440	Nil	10566440	58.45	Nil
B. PUBLIC SHAREHOLDING									
(1). Institution									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks/FI	Nil	2400	2400	0.01	Nil	2400	2400	0.01	Nil
c) Central govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Fund	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIS	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds/Foreign Portfolio investor	125127	Nil	125127	0.69	10000	Nil	10000	0.06	-0.63
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
SUB TOTAL (B)(1):	125127	2400	127527	0.71	10000	2400	12400	0.07	-0.63
(2) Non Institutions									
a) Bodies corporates	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Indian	3429559	82400	3511959	19.43	3190297	79900	3270197	18.09	-1.34
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Individual shareholders holding nominal share capital upto ₹1 lakhs	1587232	971800	2559034	14.15	1688506	896400	2584906	14.30	0.15
ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakhs	1034235	84800	1119035	6.19	1371402	83400	1454802	8.05	1.86

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	
c) Others (NRI/OCB)	51885	122000	173885	0.96	39568	112000	151568	0.84	-0.12
d) Any other (clearing member)	21320	Nil	21320	0.12	38887	Nil	38887	0.22	0.10
SUB TOTAL (B)(2):	6124233	1261000	7385233	40.85	6328660	1171700	7500360	41.49	0.64
Total Public Shareholding (B)= (B)(1)+(B)(2)	6249360	1263400	7512760	41.55	6338660	1174100	7512760	41.55	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	16815800	1263400	18079200	100	16905100	1174100	18079200	100	Nil

II. Promoters Shareholding

Sl. 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	Nil	1971600	10.91	Nil	Nil
2	Sweta Kedia	1542000	8.53	Nil	1542000	8.53	Nil	Nil
3	Sangita Kedia	1486400	8.22	Nil	1486400	8.22	Nil	Nil
4	Prasann Kumar Kedia	956200	5.29	Nil	956200	5.29	Nil	Nil
5	Anshuman Kedia	903800	5.00	Nil	903800	5.00	Nil	Nil
6	Prasann Kumar Kedia HUF	896600	4.96	Nil	896600	4.96	Nil	Nil
7	Bhagwati Prasad Prasann Kumar HUF	789640	4.37	Nil	789640	4.37	Nil	Nil
8	Anand Kumar Kedia	727400	4.02	Nil	727400	4.02	Nil	Nil
9	Bhagwati Prasad Kedia HUF	492400	2.72	Nil	492400	2.72	Nil	Nil
10	Ram Dulari Anand Kumar HUF	480000	2.66	Nil	480000	2.66	Nil	Nil
11	Anand kumar Kedia HUF	320400	1.77	Nil	320400	1.77	Nil	Nil
	Total	10566440	58.45	Nil	10566440	58.45	Nil	Nil

(III) Change in promoters' shareholding (please Specify, if there is no change)

	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 shares etc.	-	-	-	-
At the end of the year	10566440	58.45	10566440	58.45

(IV) Shareholding pattern of top ten shareholders (other than Directors, promoters and Holders of GDRs and ADRs

Sl. 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 Tradlink Private Limited	1665000	9.21	1665000	9.21
2	Attic Dealcom Private Limited	1316890	7.28	1041649	5.76
3	Dolly Khanna	53389	0.30	187279	1.04
4	Prabha Mohta	Nil	Nil	155000	0.86
5	Kishan Gopal Mohta	Nil	Nil	106762	0.59
6	Pritty Devi Sarawagi	80160	0.44	80160	0.44
7	Manoj Kumar Bhura(HUF)	70900	0.39	70900	0.39
8	Gayatri Devi Tibrewal	53852	0.30	53852	0.30
9	Bodhivriksha Advisors LLP	Nil	Nil	50000	0.28
10	Suryatej Advisors LLP	Nil	Nil	50000	0.28

(V) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	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
1	Tushar Bhandari				
	At the beginning of the year	4868	0.027	4868	0.027
	Date wise increase/decrease in Share holding during the year.	-	-	500	0.002
	At the end of the year	4868	0.027	5368	0.029
2	Nitin Tibrewal				
	At the beginning of the year	200	0.00	200	0.001
	Date wise increase/decrease in Share holding during the year.	-	-	-	-
	At the end of the year	200	0.00	200	0.001

Sl. No	For Each of the Directors & KMP	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
3	Manish Kumar Tibrewal				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase/decrease in Share holding during the year.	-	-	-	-
	At the end of the year	Nil	Nil	Nil	Nil
4	Abhijit Nagee				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase/decrease in Share holding during the year.	-	-	-	-
	At the end of the year	Nil	Nil	Nil	Nil
5	Sanjay Kumar Tibrewal				
	At the beginning of the year	1886	0.01	1886	0.01
	Date wise increase/decrease in Share holding during the year.	-	-	-	-
	At the end of the year	1886	0.01	1886	0.01
6	Sumit Jaitely				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase/decrease in Share holding during the year.	-	-	-	-
	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	3168.95	0.00	NIL	3168.95
ii) Interest due but not paid				
iii) Interest accrued but not due	7.12			7.12
Total (i+ii+iii)	3176.07	0.00		3176.07
Change in Indebtedness during the financial year				
Additions	1264.85	105.00		1369.85
Reduction	(2284.66)	(105.00)		(2389.66)
Net Change	(1019.81)	(0.00)		(1019.81)
Indebtedness at the end of the financial year				
i) Principal Amount	2143.67	0.00		2143.67
ii) Interest due but not paid				
iii) Interest accrued but not due	12.59			12.59
Total (i+ii+iii)	2156.26	0.00		2156.26

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in Lakh

Sl. No	Particulars of Remuneration	Tushar Bhandari WTD	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	23.44	23.44
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	1.49	1.49
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil
2	Stock option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
	as % of profit	Nil	Nil
	others (specify)	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (A)	24.93	24.93

B. Remuneration to other directors:

₹ in Lakh

Sl. No	Particulars of Remuneration	Name of the Directors		Total Amount
1	Independent Directors	Nitin Tibrewal	Abhijit Nagee	
	(a) Fee for attending board committee meetings	0.09	0.08	0.17
	(b) Commission	Nil	Nil	Nil
	(c) Others, please specify	Nil	Nil	Nil
	Total (1)	0.09	0.08	0.17
2	Other Non Executive Directors	Manish Kumar Tibrewal		
	(a) Fee for attending board committee meetings	0.06		0.06
	(b) Commission	Nil		Nil
	(c) Others, please specify.	Nil		Nil
	Total (2)	0.06		0.06
	Total (B)=(1+2)	0.23		0.23

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

₹ in Lakh

Sl. 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.	21.00	9.91	30.91
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1.43	Nil	1.43
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	as % of profit	Nil	Nil	Nil
	others, specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	22.43	9.91	32.34

VII PENALTIES/PUNISHMENT/COMPPOUNDING 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	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

FOR AND ON BEHALF OF THE BOARD

Place: Indore
Date: 28th May, 2018

Tushar Bhandari
Director
DIN: 03583114

Nitin Tibrewal
Director
DIN: 01892892

Annexure E

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	2017-18	2016-17
Purchase of Stores Spares/Import of Machinery	22.40	7.63
Travelling Expenses	11.18	35.69
Expenditure in Foreign Currency/ Professional Development Expenses	44.34	44.75

FOR AND ON BEHALF OF THE BOARD

Place: Indore
Date: 28th May, 2018

Tushar Bhandari
Director
DIN: 03583114

Nitin Tibrewal
Director
DIN: 01892892

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 which ensure long term sustainability. Value creation for stakeholders is thus 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 so as 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, CSR Committee, Stakeholder Relationship Committee are focused 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 the support services are 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 corporate financial year 2017-18, 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, 2018 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

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 so as 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 2017-18 the Board of Directors met 5 (five) times on 26th May, 2017, 25th August, 2017, 25th November, 2017,11th December,2017, 10th February, 2018, The details of Board attendance are as under:

Name of Director	No. of Board Meeting held during the year(after appointment/before resignation)	No. of Board Meeting Attended	Attendance at the last AGM
Mr. Tushar Bhandari	05	05	Yes
Mr. Nitin Tibrewal	05	05	Yes
Mr. Manish Kumar Tibrewal	05	05	No
Mrs. Dishita Tibrewal*	01	01	No
Mrs. Abhijit Nagee	05	04	No

Note: *Stepped down on 26th May, 2017

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 10th February, 2018 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 designed 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) Regulation, 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

L. Web link where detail of familiarization programme is disclosed:
www.associatedalcohols.com

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 Company Secretary acts as secretary to the committee.

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) Regulation, 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, 2018 comprises of the following Directors of the Company. The Committee met four times during the year under review. The said meetings were held on 26th May, 2017, 25th August, 2017, 11th December, 2017 and 10th February, 2018.

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.

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.

(b) Composition, Meeting and attendance during the year:
The Remuneration Committee of the Company as on 31st March, 2018 comprises of the following Directors of the Company. The Committee met Two times during the year under review. The said meetings were held on 26th May, 2017, and 10th February, 2018.

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) Regulation, 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 previous Annual General Meeting of the company.

During the financial year 2017-18, the particulars of remuneration paid to Whole-time Director is as under: -

Name of Director	Salary (₹in Lakh)	Perquisites	Commission	Stock option Details	Period of Contract
Mr. Tushar Bhandari	23.44	1.49	-	-	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 2017-18 ended on 31st March, 2018 are given below:

(Amount in Lakh)

Name	Sitting Fee	Other Payment	Total
Mr. Nitin Tibrewal	0.09	-	0.09
Mr. Manish Kumar Tibrewal	0.06	-	0.06
Mrs. Abhijit Nagee	0.08	-	0.08
Mrs. Dishita Tibrewal	0.01	-	0.01

5. STAKEHOLDER RELATIONSHIP COMMITTEE:

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 overseas the performance of Registrars and Transfer Agents and recommends measures for overall improvement of the quantity of investor services.

Name of Directors	Category	Total Meetings 2017-2018	Nos. of meetings attended
Mr. Nitin Tibrewal	Chairman	14	14
Mr. Manish Kumar Tibrewal	Member	14	14
Mr. Tushar Bhandari	Member	14	14

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

c) Share holder Compliant Status during the financial year 2017-18:

No. of Shareholder Compliant received	No. of Complaint resolved	No. of Compliant Pending.
91	91	0

6. CORPORATE SOCIAL RESPOSIBILTY 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.

S.No	Name of Directors	Category	Total Meetings 2017-2018	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
28th	"Shripati Singhania Hall" , Rotary Sadan, 94/2, Chowranghee Road, Kolkata – 700 020	05.08.2017	10:00 AM
27th	"Shripati Singhania Hall" , Rotary Sadan, 94/2, Chowranghee Road, Kolkata – 700 020	13.09.2016	11:00 AM
26th	Dum Dum Municipality Town Hall, Dum Dum municipality, 44, Dr. Sailen Das Sarani, Dum Dum, Kolkata – 700028	28.09.2015	03:00 PM

9. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These 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.

Quarterly Results	News papers Publication	Displayed at Website
31.03.2018	Financial Express & Arthik Lipi	www.associatedalcohols.com
31.12.2017	Financial Express & Arthik Lipi	www.associatedalcohols.com
30.09.2017	Financial Express & Arthik Lipi	www.associatedalcohols.com
30.06.2017	Financial Express & Arthik Lipi	www.associatedalcohols.com

10. GENERAL SHAREHOLDER INFORMATION.

a. Annual General Meeting

Date	24th August, 2018
Venue	"Shripati Singhania Hall"Rotary Sadan, 94/2, Chowranghee, Kolkata – 700 020
Time	10:00 AM

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 2018-19 from April 01, 2018 to March 31, 2019

The tentative due dates for declaration of quarterly results

Unaudited Financial Results for the 1st Quarter ended 30th June, 2018	Within 45 days
Unaudited Financial Results for the 2nd Quarter ended 30th September, 2018	Within 45 days
Unaudited Financial Results for the 3rd Quarter ended 31st December, 2018	Within 45 days
Audited Financial Results for the 4th Quarter ended 31st March, 2019	Within 60 days

d. Book Closure date :

18th August 2018 to 24th August, 2018

e. Listing in Stock Exchange:

Bombay Stock Exchange

Stock Code	507526
ISIN	INE073G01016

f. Annual Listing Fee:

Annual listing fee for the Year 2018-19 of the Stock Exchange have been paid.

g. Custodial Fees to Depositories:

Fee for the year 2018-19 to NSDL and CDSL has been paid.

h. Market Price Data:

High & Low of each month in the last Financial Year- 2017-18

Months	High	Low
April 2017	161.00	108.95
May 2017	137.80	108.00
June 2017	136.05	115.05
July 2016	178.75	137.00
August 2017	164.85	120.00
September 2017	179.00	147.20
October 2017	197.00	148.35

Months	High	Low
November 2017	233.50	170.00
December 2017	279.40	197.00
January 2018	309.00	245.00
February 2018	289.80	211.00
March 2018	285.00	231.15

i. Registrar & Transfer Agents:

Ankit Consultancy Pvt. Ltd., 60, Electronics Complex, Pardeshipura, Indore – 452010.

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, 2018

Range in No. of Shares	Number of Holders	% to Total Holders	Shares Amount in ₹	% to total Capital
Up to 1000	2693	33.13	1249100	0.69
1001 to 2000	3525	43.36	6891370	3.81
2001 to 3000	239	2.94	640420	0.35
3001 to 4000	430	5.29	1690390	0.93
4001 to 5000	155	1.91	756570	0.42
5001 to 10000	544	6.69	4328580	2.39
10001 to 20000	254	3.12	4048110	2.24
20001 to 30000	80	0.98	2088410	1.16
30001 to 40000	42	0.52	1528020	0.85
40001 to 50000	25	0.31	1143830	0.63
50001 to 100000	65	0.80	4728170	2.62
100000 above	77	0.95	151699030	83.91
Total	8129	100.00	180792000	100.00

l. Categories of Equity Shareholders as on 31st March, 2018:

Sr. No	Particulars	No. of Shares	% to the total Paid up Share Capital
1	Promoters/Directors & Relatives	105,66,440	58.45
2	Mutual Funds/ UTI, FIs, Banks	2400	0.01
3	Bodies Corporate	3270197	18.09
4	Foreign Portfolio Investors	10000	0.06
5	Indian Public	4039708	22.33
6	NRIs/ OCBs	151568	0.84
7	Any other(clearing member)	38887	0.22
	Total	1,80,79,200	100.00

m. Dematerialization of shares and liquidity:

93.51 % of the Company's share capital is held in dematerialized form as on 31st March, 2018 the Company's shares are being regularly traded on the Bombay Stock Exchange., ISIN in CDSL and NSDL for Company's equity shares is INE073G01016. The code for the Share on Bombay Stock Exchange is 507526.

n. Plant Location:

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

Bottling plant: Udyog Bihar, Chorhata, Rewa, Madhya Pradesh

Contract manufacturing unit: Bangalore, Karnataka and Trichur, Kerala

o. Correspondence address:

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

11. DISCLOSURES:

a. Details of materially significant related party transactions:

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

b. The Company has complied with all the requirements of regulatory authorities on capital market and no penalties or strictures have been imposed against it by Stock Exchange or SEBI or other Statutory Authorities during last three years.

c. Vigil Mechanism/Whistle Blower Policy:

   The company has a vigil mechanism named fraud and risk management policy to deal with instance of fraud and mismanagement, if any. In staying true to our values of strength, performance and passion and in line with our vision of being one of the most respected companies in India, the company is committed to high standard of corporate governance and stakeholder responsibility. 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.

d. Web link where, policy for determining material subsidiaries, policy on dealing with related party transactions, is disclosed:

   www.associatedalcohols.com.

FOR AND ON BEHALF OF THE BOARD

Place: Indore
Date: 28th May, 2018

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, 2018 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.

Yours sincerely,
For **Associated Alcohols & Breweries Limited**

Tushar Bhandari
Whole Time Director
DIN: 03583114

Sanjay Kumar Tibrewal
Chief Financial Officer

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.

Yours sincerely,
For **Associated Alcohols & Breweries Limited**

Tushar Bhandari
Whole Time Director
DIN: 03583114

Sanjay Kumar Tibrewal
Chief Financial Officer

Place: Indore
Date: 28th May, 2018

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

To
The Members of
Associated Alcohols & Breweries Limited.

This Certificate is issued in accordance with the terms of our engagement with Associated Alcohols & Breweries Limited ('the Company').

We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31st March, 2018 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 ("Listing Regulations").

Management's Responsibility

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

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.

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.

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.

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

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 the above-mentioned Listing Regulations during the year ended 31st March, 2018.

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

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

(Gopal Jain)
Partner
Membership No. 59147

Place: Indore
Date: 28th May, 2018

Independent Auditor's **Report**

To the Members of
Associated Alcohols & Breweries Limited

Report on the Ind AS Financial Statements

We have audited the accompanying financial statements of **Associated Alcohols & Breweries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), and Cash Flow Statement and the Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "Ind AS Financial Statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that gives a true and fair view of the state of affairs (financial position), Profit or loss (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) prescribed 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 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 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 Ind AS financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March, 2018, and its Profit (including other comprehensive income) and its Cash Flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note no. 40.2 of the Ind-AS Financial statements in respect of levy of Goods & Service Tax (GST) on sale of Rectified spirit (RS) & Extra Neutral Alcohol (ENA) in which the company continues to collect Value Added Tax (VAT) and Central Sales Tax (CST) for intra state and interstate sale of above products respectively w.e.f. 1st July 2017. Pending clarification, VAT collected from 1st July 2017 to 31st March 2018 on sales of RS & ENA amounting to ₹ 197.23 lacs shall be deposited upon receipt of necessary clarification. Further as enumerated in the note, differential liability if any will be accounted for upon getting necessary clarification from the department.

Our opinion is not modified in respect of above matter.

Other Matter

The comparative Ind AS financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standard) Rules, 2006 (as amended) specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014, audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 26, 2017 and May 30, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

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 Act, 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e. The matters described in the Emphasis of Matter paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company;

f. On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

g. 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.

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 40 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
Membership No. 059147

Place: Indore
Dated: 28 May 2018

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, 2018:

i. In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As explained to us, fixed assets have been physically verified during the year by the management based on a phased manner and no material discrepancies have been noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

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 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. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable. 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 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 as per the information and explanations given to us, provision of section 186 of the Companies Act, 2013 in respect of loans and advances given, investments made and guarantees and 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 a 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 services 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 Deposit of VAT on sale of Rectified Spirit and ENA amounting to ₹ 50.54 Lacs*.

(c) According to the information and explanation given to us, the dues of sales tax, income tax, duty of customs, 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, 2018 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	10.32	AY 2011-12 & 2013-14	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	463.98	2013-14 & 2014-15	M.P Commercial Tax Appellate board, Indore bench
			329.96	2015-16	Hon'ble High court of Madhya Pradesh (Indore Bench)
4	The Central sales tax Act, 1956	Central Sales Tax Demand	7.84	2013-14 to 2015-16	MP Commercial Tax Appellate board, Indore bench
5	The Madhya Pradesh Excise Act ,1915	Excise Duty Demand	138.01	2007-08 to 2017-18	Board of Revenue/Hon'ble High Court of Madhya Pradesh (Gwalior & Indore Bench)
			177.52	2008-09 to 2015-16	State Excise commissioner, Madhya Pradesh

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. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. Based on the information and explanations given by the management, the Company has not raised any money by way of initial public offer, further public offer and debt instruments.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or fraud on the company by the officers and employees of the company has been noticed or reported during the year.

xi. According to the information and explanations given to us 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 give to us and on overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and consequently the reporting requirements under clause 3 (xiv) are not applicable to the company and not commented upon.

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 him. 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
Membership No. 059147

Place: Indore
Dated: 28 May 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

Annexure B" to the Independent Audit Report of even date on the IND AS 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, 2018 in conjunction with our audit of the Ind AS 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, 2018, 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
Membership No. 059147

Place: Indore
Dated: 28 May 2018

BALANCE SHEET as at 31st March, 2018

(₹ in Lacs)

		Note No.	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	ASSETS							
1	**NON-CURRENT ASSETS**							
a	Property, Plant and Equipment	5	7,957.96		8,507.42		9,059.97	
b	Capital Work-In-Progress		2,270.59		481.83		155.69	
c	Intangible Assets	6	30.18	10,258.73	90.03	9,079.28	127.18	9,342.84
d	Financial Assets							
	i Investments	7	267.56		234.72		202.69	
	ii Loans	8	119.15		87.36		106.13	
	iii Other Financial Assets	9	55.14		205.89		175.83	
e	Other Non-Current Assets	10	780.61	1,222.46	647.30	1,175.27	570.16	1,054.81
2	**CURRENT ASSETS**							
a	Inventories	11	3,807.37		2,855.86		2,881.87	
b	Financial Assets							
	i Trade Receivables	12	1,889.22		1,752.37		1,118.05	
	ii Cash and Cash Equivalents	13	254.10		306.43		329.90	
	iii Bank balances other than Note 13	14	167.94		50.33		277.42	
	iv Loans	15	2,067.27		1,103.64		743.03	
	v Other Financial Assets	16	57.50		48.19		526.19	
c	Other Current Assets	17	487.40	8,730.80	550.65	6,667.47	533.01	6,409.47
	Total Assets			**20,211.99**		**16,922.02**		**16,807.12**
	EQUITY AND LIABILITIES							
	EQUITY							
a	Equity Share Capital	18	1,807.92		1,807.92		1,807.92	
b	Other Equity	19	10,269.02	12,076.94	7,887.55	9,695.47	6,289.57	8,097.49
	LIABILITIES							
1	**NON-CURRENT LIABILITIES**							
a	Financial Liabilities							
	i Borrowings	20	326.03		816.53		1,796.76	
b	Deferred Tax Liabilities (Net)	21	794.12		954.50		1,031.18	
c	Non-Current Tax Liabilities	22	7.64	1,127.79	7.64	1,778.67	7.64	2,835.58
2	**CURRENT LIABILITIES**							
a	Financial Liabilities							
	i Borrowings	23	1,123.74		1,622.17		1,464.30	
	ii Trade Payables	24						
	- Dues to Micro and Small enterprises		24.34		-		-	
	- Others		1,933.17		1,679.09		2,205.96	
	iii Other Financial Liabilities	25	2,361.55		1,290.69		1,209.25	
b	Other Current Liabilities	26	761.71		381.66		590.42	
c	Provisions	27	76.79		82.19		60.52	
d	Current tax liabilities	28	725.96	7,007.26	392.08	5,447.88	343.60	5,874.05
	Total Equity and Liabilities			**20,211.99**		**16,922.02**		**16,807.12**
	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)

For and on behalf of the Board of Directors

(Gopal Jain)
Partner
(Membership No.059147)

Tushar Bhandari
Whole Time Director
DIN:03583114

Nitin Tibrewal
Director
DIN: 01892892

Indore
May 28, 2018

Sanjay Kumar Tibrewal
Chief Financial Officer

Sumit Jaitely
Company Secretary

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2018

(₹ in Lacs)

		Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
INCOME				
Revenue from Operations		29	32,523.99	29,106.74
Other Income		30	307.45	263.86
Total Income	(A)		**32,831.44**	**29,370.60**
EXPENSES				
Cost of Materials Consumed		31	16,427.85	15,835.33
Purchases of Stock -in- Trade		32	72.36	495.74
Changes in Inventories of Finished Goods & Work-in-Progress		33	(308.10)	50.84
Employee Benefits Expense		34	2,241.47	1,945.27
Finance Costs		35	382.88	410.24
Depreciation and Amortisation Expense		36	1,131.71	1,094.72
Power and Fuel			2,833.61	3,146.74
Other Expenses		37	6,107.26	3,671.70
Total Expenses	(B)		**28,889.04**	**26,650.58**
Profit before Exceptional Items and Tax			**3,942.40**	**2,720.02**
Exceptional Items	(C)		-	-
Profit before Tax	(A-B-C)		**3,942.40**	**2,720.02**
Tax Expense:		38		
Current Tax			1,553.87	1,097.10
Deferred Tax			(185.79)	(76.67)
Taxes for earlier years			55.40	8.35
Total Tax Expenses			**1,423.48**	**1,028.78**
Profit for the year	(D)		**2,518.92**	**1,691.24**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
a) Remeasurement of defined benefit plan			72.72	(25.24)
b) Equity instrument through Other Comprehensive Income			32.84	32.04
c) Income tax relating to above items			(25.41)	8.74
Other Comprehensive Income for the Year (Net of Tax)	(E)		**80.15**	**15.54**
Total Comprehensive Income for the Year	(D+E)		**2,599.07**	**1,706.78**
Earnings per Equity Shares of par value of ₹ 10 each				
Basic & Diluted Earnings Per Share (₹)		39	13.93	9.35
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)

For and on behalf of the Board of Directors

(Gopal Jain)
Partner
(Membership No.059147)

Tushar Bhandari
Whole Time Director
DIN:03583114

Nitin Tibrewal
Director
DIN: 01892892

Indore
May 28, 2018

Sanjay Kumar Tibrewal
Chief Financial Officer

Sumit Jaitely
Company Secretary

CASH FLOW STATEMENT for the year ended 31st March, 2018

(₹ in Lacs)

		Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A	CASH FLOW FROM OPERATING ACTIVITIES			
	Profit Before TAX		**3,942.40**	**2,720.02**
	Adjustments for:			
	Depreciation / Amortisation		1,131.71	1,094.72
	Finance Cost		382.88	410.24
	Provision for doubtful receivables / advances / deposits		121.01	39.31
	Interest Income		(113.16)	(86.20)
	(Profit)/Loss on disposal of Property, Plant & Equipment		72.15	91.47
	Net Gain on Sale of Investment		-	(0.06)
	Sundry Balances Written Back		(76.74)	(172.23)
	Advances written off		-	18.33
	Other Provisions Created/(utilised)		9.73	(2.76)
	Operating Profit before Working Capital Changes		**5,469.98**	**4,112.84**
	Movement in Working Capital :			
	(Increase)/Decrease in Trade Receivables		(257.86)	(618.87)
	(Increase)/Decrease in Inventories		(961.24)	26.01
	(Increase)/Decrease in Financial Assets		(72.36)	566.53
	(Increase)/Decrease in Other Assets		69.64	(73.96)
	Increase/(Decrease) in Trade Payables		355.17	(354.64)
	Increase/(Decrease) in Financial Liabilities		96.79	58.32
	Increase/(Decrease) in Other Liabilities & Provisions		520.10	(214.01)
	Cash Generated from Operations		**5,220.22**	**3,502.22**
	Direct Taxes Paid		(1,336.56)	(1,043.87)
	Net Cash Flow generated from Operating Activities		**3,883.66**	**2,458.35**
B	Cash Flow from Investing Activities			
	Purchase of property, plant & equipment and Intangibles		(1,599.23)	(1,081.26)
	Proceed from the Sale of property, plant & equipment		69.65	26.92
	Proceed from the sale of investment		-	0.07
	Loan (Given)/Refund (Net)		(933.74)	(409.55)
	(Investment in)/Maturities of Fixed Deposits		34.50	103.12
	Interest Income		113.16	86.20
	Net Cash Flow used in Investing Activties		**(2,315.66)**	**(1,274.50)**
C	Cash Flow from Financing Activties			
	Proceeds from/(Repayment of) Non Current Borrowings		(526.95)	(859.21)
	Proceeds from/(Repayment of) Current Borrowings		(498.43)	157.88
	Finance Cost		(377.35)	(397.19)
	Dividend paid to equity shareholders		(180.79)	(90.40)
	Dividend Distribution tax		(36.81)	(18.40)
	Net Cash Flow used in Financing Activities		**(1,620.33)**	**(1,207.32)**
	Net increase/(decrease) in Cash and Cash equivalent (A+B+C)		**(52.33)**	**(23.47)**
	Cash & Cash equivalent at the beginning of the year		**306.43**	**329.90**
	Cash & Cash equivalent at the end of the year		**254.10**	**306.43**

CASH FLOW STATEMENT for the year ended 31st March, 2018

Notes:

a) Reconciliation of Liabilities arising from financing activities

	As at 31.03.2017	Cash Flow	Non Cash Changes	As at 31.03.2018
Non Current Borrowings (including current maturities)	1,536.08	(526.95)	11.62	1,020.74
Current Borrowings	1,622.17	(498.43)	-	1,123.74

b) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

c) The composition of Cash & Cash Equivalent has been determined based on the Accounting Policy No. 3.2.

d) Figures for the previous year have been re-grouped wherever considered necessary.

e) Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

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)

For and on behalf of the Board of Directors

(Gopal Jain)
Partner
(Membership No.059147)

Tushar Bhandari
Whole Time Director
DIN:03583114

Nitin Tibrewal
Director
DIN: 01892892

Indore
May 28, 2018

Sanjay Kumar Tibrewal
Chief Financial Officer

Sumit Jaitely
Company Secretary

Statement of Change in Equity for the year ended 31st March, 2018

a) Equity Share Capital	(₹ in Lacs)
Balance as at 1st April 2016	1,807.92
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at 31st March 2017	**1,807.92**
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at 31st March 2018	**1,807.92**

b) Other Equity

Particulars	Reserves and Surplus			Other Comprehensive Income		Total
	Securities Premium	General Reserve	Retained Earnings	Remeasure-ments of defined benefit plans	Equity instrument through Other Comprehensive Income	
Balance as at 1st April, 2016	163.10	789.07	5,334.72	-	2.68	6,289.57
Profit for the year	-	-	1,691.24	-	-	1,691.24
Other Comprehensive Income				(16.50)	32.04	15.54
Total Comprehensive Income for the year	**-**	**-**	**1,691.24**	**(16.50)**	**32.04**	**1,706.78**
Dividend including Dividend Distribution Tax			(108.80)			(108.80)
Transfer from Retained Earnings to General Reserve	-	100.00	(100.00)	-	-	-
Transfer of Remeasurements of defined benefit plans to Retained Earnings	-	-	(16.50)	16.50	-	-
	-	**100.00**	**(225.30)**	**16.50**	**-**	**(108.80)**
Balance as at 31st March, 2017	**163.10**	**889.07**	**6,800.66**	**-**	**34.72**	**7,887.55**
Profit for the year	-	-	2,518.92	-	-	2,518.92
Other Comprehensive Income				47.31	32.84	80.15
Total Comprehensive Income for the year	**-**	**-**	**2,518.92**	**47.31**	**32.84**	**2,599.07**
Dividend including Dividend Distribution Tax			(217.60)	-	-	(217.60)
Transfer from Retained Earnings to General Reserve	-	100.00	(100.00)	-	-	-
Transfer of Remeasurements of defined benefit plans to Retained Earnings	-	-	47.31	(47.31)	-	
	-	**100.00**	**(270.29)**	**(47.31)**	**-**	**(217.60)**
Balance as at 31st March, 2018	**163.10**	**989.07**	**9,049.29**	**-**	**67.56**	**10,269.02**

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)

For and on behalf of the Board of Directors

(Gopal Jain)
Partner
(Membership No.059147)

Tushar Bhandari
Whole Time Director
DIN:03583114

Nitin Tibrewal
Director
DIN: 01892892

Indore
May 28, 2018

Sanjay Kumar Tibrewal
Chief Financial Officer

Sumit Jaitely
Company Secretary

Notes to the Financial Statements for the year ended 31st March, 2018

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 BSE Limited. The registered office of the Company is situated at Kolkata, West Bengal. 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) and Indian Made Foreign Liquor.

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.

The financial statements for all periods up to and including the year ended 31st March, 2017, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as "Indian GAAP"). These financial statements for the year ended 31st March, 2018 are the first Ind AS Financial Statements with comparatives, prepared under Ind AS. The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at 1st April, 2016 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First Time Adoption of Indian Accounting Standards".

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No. 48. Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2016 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1st April, 2016 as required by Ind- AS 101. The financial statements of the Company for the year ended 31st March, 2018 has been approved by the Board of Directors in their meeting held on 28th May, 2018.

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 lacs (with two places of decimal) as per the requirements of Schedule III, unless otherwise stated.

2.4. Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires judgements, 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.

Notes to the Financial Statements for the year ended 31st March, 2018

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;
- 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.

Notes to the Financial Statements for the year ended 31st March, 2018

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising 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 measurement is 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. New Standards / Amendments to Existing Standard issued but not yet effective upto the date of issuance of the Company's Financial Statement are disclosed below:

On 28th March, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contracts with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from 1st April 2018.

- **Ind AS 115-Revenue from Contracts with Customers**

  Ind AS 115 supersedes Ind AS 11, Construction Contracts and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from contract with customers. The principle of Ind AS 115 is that an entity should recognize revenue that demonstrates the transfer of promised goods and services to the customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

  Based on preliminary assessment performed by the Company, the impact of the application of the standard is not expected to be material.

- **Amendment to Existing issued Ind AS**

  Ind AS 12 - Income Taxes

  Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

  Ind AS 28 - Investment in Associates and Joint Ventures

  Ind AS 112 - Disclosure of Interests in Other Entities

  The impact of the above standards on the financial statements, as assessed by the Company, is not expected to be material.

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

Notes to the Financial Statements for the year ended 31st March, 2018

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 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.

Notes to the Financial Statements for the year ended 31st March, 2018

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.

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

Notes to the Financial Statements for the year ended 31st March, 2018

Category	Useful life (Years)
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. Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

3.5.2. Company as 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.

3.5.3. Company as lessee

- Finance Lease

  Finance Leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease Payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

Notes to the Financial Statements for the year ended 31st March, 2018

If there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

- Operating Lease

  Assets acquired on leases where a significant portion of risk and reward is retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on a straight-line basis over the lease term, except where scheduled increase in rent compensates the Company with expected inflationary costs.

3.6. REVENUE RECOGNITION

Revenue is recognized based to the extent it is probable that the economic benefit will flow to the company and revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, and excludes taxes & duties collected on behalf of the Government and is reduced for estimated customer returns, rebates and other similar allowances.

3.6.1. Sale of Products:

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and significant risk and reward incidental to sale of products is transferred to the buyer, usually on delivery of the goods. Accruals for sales return, chargebacks and other allowances are provided at the point of sale based on the past experience.

3.6.2. 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.

3.6.3. Revenue from rendering of services:

Revenue from rendering of services is recognized on pro-rata basis over the period of contract and when the performance of agreed contractual task has been completed.

3.6.4. Other Income:

3.6.4.1. Interest Income: For all debt instruments measured either at amortized cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

3.6.4.2. Dividend Income: Dividend income is accounted in the period in which the right to receive the same is established.

3.6.4.3. Other Income: Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

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 the Financial Statements for the year ended 31st March, 2018

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 is 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.

Notes to the Financial Statements for the year ended 31st March, 2018

- 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.

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:.

  o Measured at Amortized Cost;

  o Measured at Fair Value Through Other Comprehensive Income (FVTOCI);

  o Measured at Fair Value Through Profit or Loss (FVTPL); and

  o 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.

  o **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.

  o **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.

Notes to the Financial Statements for the year ended 31st March, 2018

- **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 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.

Notes to the Financial Statements for the year ended 31st March, 2018

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.

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.

Notes to the Financial Statements for the year ended 31st March, 2018

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.

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 judgements 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 judgement is required in assessing the impact of any legal or economic limits.
- **Classification of Leases:** The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.
- **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 judgement 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 judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Notes to the Financial Statements for the year ended 31st March, 2018

5 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

Particulars	Year Ended 31st March 2018								
	Gross Carrying Amount				Accumulated Depreciation				
	As at 31st March 2017	Additions	Disposals	As at 31st March 2018	As at 31st March 2017	Depreciation charged during the year	Deductions	As at 31st March 2018	Net Carrying Amount
Leasehold Land	0.82	-		0.82	0.01	0.01		0.02	0.80
Freehold Land	420.01	-		420.01	-	-		-	420.01
Sub-Total	**420.83**	**-**	**-**	**420.83**	**0.01**	**0.01**	**-**	**0.02**	**420.81**
Buildings	1,264.24	21.96	3.82	1,282.38	59.33	62.51	1.05	120.79	1,161.59
Plant and Equipment	6,950.94	578.57	180.92	7,348.59	835.08	885.89	50.69	1,670.28	5,678.31
Furniture & Fixtures	109.94	3.43	0.35	113.02	17.38	17.72	0.16	34.94	78.08
Office Equipment	57.81	11.30	7.06	62.05	12.48	12.51	2.27	22.72	39.33
Vehicles	364.60	34.21	5.98	392.83	57.12	56.63	2.37	111.38	281.45
Wind Power Plant	291.80	-	-	291.80	17.31	17.31	-	34.62	257.18
Computer	61.74	11.36	0.20	72.90	15.77	15.92	-	31.69	41.21
Total	**9,521.90**	**660.83**	**198.33**	**9,984.40**	**1,014.48**	**1,068.50**	**56.54**	**2,026.44**	**7,957.96**

(₹ in Lacs)

Particulars	Year Ended 31st March 2017								
	Gross Carrying Amount				Accumulated Depreciation				
	Deemed cost as at 1st April 2016	Additions	Disposals	As at 31st March 2017	As at 1st April 2016	Depreciation charged during the year	Deductions	As at 31st March 2017	Net Carrying Amount
Leasehold Land	0.82			0.82	-	0.01	-	0.01	0.81
Freehold Land	420.01			420.01	-		-	-	420.01
Sub-Total	**420.83**	**-**	**-**	**420.83**	**-**	**0.01**	**-**	**0.01**	**420.82**
Buildings	1,048.81	215.43		1,264.24	-	59.33		59.33	1,204.91
Plant and Equipment	6,778.28	306.03	133.37	6,950.94	-	854.06	18.98	835.08	6,115.86
Furniture & Fixtures	98.34	11.64	0.04	109.94	-	17.39	0.01	17.38	92.56
Office Equipment	28.20	33.58	3.97	57.81	-	13.84	1.36	12.48	45.33
Vehicles	337.58	29.33	2.31	364.60	-	58.06	0.94	57.12	307.48
Wind Power Plant	291.80	-		291.80	-	17.31	-	17.31	274.49
Computer	56.13	5.61		61.74	-	15.77		15.77	45.97
Total	**9,059.97**	**601.62**	**139.69**	**9,521.90**	**-**	**1,035.77**	**21.29**	**1,014.48**	**8,507.42**

Notes:

5.1 As permitted by para D5-D8B of Ind AS 101, the Company has elected to measure items of property, plant and equipment at its carrying value as Deemed cost at the transition date as on 1st April 2016.

5.2 Refer note no. 41 for information on property, plant and equipment pledged as securities by the Company .

Notes to the Financial Statements for the year ended 31st March, 2018

6 INTANGIBLE ASSETS

(₹ in Lacs)

Particulars	Year Ended 31st March 2018								
	Gross Carrying Amount				Accumulated Amortisation				
	As at 31st March 2017	Additions	Disposals	As at 31st March 2018	As at 31st March 2017	Amortisation charged during the year	Deductions	As at 31st March 2018	Net Carrying Amount
Computer Software	148.98	3.36	-	152.34	58.95	63.21	-	122.16	30.18
Total	**148.98**	**3.36**	**-**	**152.34**	**58.95**	**63.21**	**-**	**122.16**	**30.18**

(₹ in Lacs)

Particulars	Year Ended 31st March 2017								
	Gross Carrying Amount				Accumulated Amortisation				
	Deemed cost as at 1st April 2016	Additions	Disposals	As at 31st March 2017	As at 1st April 2016	Amortisation charged during the year	Deductions	As at 31st March 2017	Net Carrying Amount
Computer Software	127.18	21.80	-	148.98	-	58.95	-	58.95	90.03
Total	**127.18**	**21.80**	**-**	**148.98**	**-**	**58.95**	**-**	**58.95**	**90.03**

Notes:

6.1 As permitted by para D5-D8B of Ind AS 101, the Company has elected to measure intangible assets at its carrying value as Deemed cost at the transition date as on 1st April 2016.

6.2 Refer note no. 41 for information on Intangibles Assets pledged as securities by the Company.

7 NON - CURRENT INVESTMENTS

(Fully Paid up except otherwise stated)

(₹ in Lacs)

	Face Value (₹)	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
		Qty	Amount	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	267.56	2,00,000	234.72	2,00,000	202.68
Associated Infrastructure & Housing Limited	10		-	-		100	0.01
			267.56		**234.72**		**202.69**
Aggregate Amount of Unquoted Investments			**267.56**		**234.72**		**202.69**

Notes to the Financial Statements for the year ended 31st March, 2018

8 LOANS (Unsecured and Considered good)

(₹ in Lacs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Security deposits		119.15	87.36	87.80
Loan to a body corporate		-	-	18.33
		119.15	**87.36**	**106.13**

9 OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Fixed Deposits with Banks (Maturities over 12 months)	9.1	34.83	186.94	62.97
Other deposits and advances				
Considered good	9.2	20.31	18.95	112.86
Considered doubtful		167.62	167.62	112.86
Less: Impairment allowances for doubtful advances		(167.62)	(167.62)	(112.86)
		55.14	**205.89**	**175.83**

9.1 Includes deposit of ₹ 34.83 Lacs (2017: ₹ 186.94 lacs, 2016: ₹ 62.97 lacs) held as margin money & security against tender and label registration.

9.2 Deposit amounting to ₹ 20.31 Lacs (at amortized cost) (P.Y. 2017 ₹18.95 Lacs and P.Y. 2016 "Nil") lying with Reserve Bank of India under Pradhan Mantri Garib Kalyan Yojana 2016.

10 OTHER NON CURRENT ASSETS

(₹ in Lacs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Capital Advances	304.04	164.35	143.53
Advances other than Capital Advances			
Deposit - Appeals	461.17	464.37	411.98
Prepaid Expenses	15.40	18.58	14.65
	780.61	**647.30**	**570.16**

11 INVENTORIES

(₹ in Lacs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(At lower of cost or net realisable value)				
Raw Materials		392.98	240.44	357.61
Work-in-Progress /Semi Finish goods		350.10	299.50	287.12
Finished Goods		1,883.63	1,626.13	1,689.35
Stores and Spares		392.17	337.05	247.75
Packing Materials (net of obsolescence)	11.3	788.49	352.74	300.04
		3,807.37	**2,855.86**	**2,881.87**

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

Raw Materials	3.46	-	-
Stores & Spares	5.64	-	-
	9.10	**-**	**-**

Notes to the Financial Statements for the year ended 31st March, 2018

11.2 Refer note no. 41 for information on inventories pledged as securities by the Company.

11.3 The net provision on Obsolete & Non moving item is recognized as expense during the year and included in Other manufacturing expense in Statement of Profit & Loss amounting to ₹9.73 lacs [PY 2017 "Nil" & PY 2016 "Nil"].

12 TRADE RECEIVABLES

(₹ in Lacs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Trade Receivables	12.1	2,037.28	1,779.42	1,160.55
		2,037.28	1,779.42	1,160.55
Less: Impairment allowances for Doubtful Receivables		(148.06)	(27.05)	(42.50)
Total Trade Receivables		**1,889.22**	**1,752.37**	**1,118.05**
Break Up of Security Details				
Unsecured, considered good		1,889.22	1,752.37	1,118.05
Unsecured, considered doubtful		148.06	27.05	42.50
		2,037.28	**1,779.42**	**1,160.55**
Less: Impairment allowances for Doubtful Receivables		(148.06)	(27.05)	(42.50)
Total Trade Receivables		**1,889.22**	**1,752.37**	**1,118.05**

12.1 Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.
12.2 Refer note no. 41 for information on inventories pledged as securities by the Company.

13 CASH AND CASH EQUVALENTS

(₹ in Lacs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balances With Banks :			
In Current Account	176.64	111.67	152.40
Cash on Hand	77.46	194.76	177.50
	254.10	**306.43**	**329.90**

14 BANK BALANCES (OTHER THAN NOTE: 13)

(₹ in Lacs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Fixed Deposits with Banks(having maturity of more than 3 months)	14.1	152.60	43.29	274.79
Balance in Unpaid Dividend Account		15.34	7.04	2.63
		167.94	**50.33**	**277.42**

14.1 Includes deposit of ₹ 152.60 Lacs (2017: ₹ 43.29 Lacs, 2016: ₹ 274.78 Lacs) held as margin money & security against tender and label registration.

15 LOANS (Unsecured and Considered good)

(₹ in Lacs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Security Deposit		194.16	164.27	213.21
Loans to other body corporates		1,511.54	893.24	479.37
Loans and advances to employees	15.1	361.57	46.13	50.45
		2,067.27	**1,103.64**	**743.03**

Notes to the Financial Statements for the year ended 31st March, 2018

15.1 ₹ 6.00 Lacs (P.Y. 2017- ₹9.00 Lacs & P.Y. 2016- ₹ 10.00 Lacs) is due from a director of the company and represents advance against salary.

16 OTHERS FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Interest Receivable	-	5.71	51.11
Other Receivables	57.50	42.48	475.08
	57.50	**48.19**	**526.19**

17 OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advances for supply of goods and rendering of services	202.34	310.58	171.77
Balances with Government & Statutory Authorities	98.34	89.40	205.67
Prepaid Expenses	182.72	150.67	151.29
Others	4.00	-	4.28
	487.40	**550.65**	**533.01**

18 EQUITY SHARE CAPITAL

(₹ in Lacs)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
18.1 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**	**2,50,00,000**	**2,500.00**	**2,50,00,000**	**2,500.00**
18.2 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**	**1,80,79,200**	**1,807.92**	**1,80,79,200**	**1,807.92**
18.3 Subscribed and Paid-up 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**	**1,80,79,200**	**1,807.92**	**1,80,79,200**	**1,807.92**

18.4 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.

18.5 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.

18.6 Shareholding Pattern with respect of Holding or Ultimate Holding Company

The Company does not have any Holding Company or Ultimate Holding Company.

Notes to the Financial Statements for the year ended 31st March, 2018

18.7 Details of Equity Shareholders holding more than 5% shares in the Company (₹ in Lacs)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
Equity Shares of ₹ 10/- each fully paid						
Smt. Ramdulari Kedia	19,71,600	10.91%	19,71,600	10.91%	19,71,600	10.91%
M/s Garnet Tradelink Pvt. Ltd.	16,65,000	9.21%	16,65,000	9.21%	16,65,000	9.21%
Smt. Shweta Kedia	15,42,000	8.53%	15,42,000	8.53%	15,42,000	8.53%
Smt. Sangita Kedia	14,86,400	8.22%	14,86,400	8.22%	14,86,400	8.22%
M/s Attic Dealcom Pvt. Ltd.	10,41,649	5.76%	13,16,890	7.28%	13,16,890	7.28%
Shri Prasann Kumar Kedia	9,56,200	5.29%	9,56,200	5.29%	9,56,200	5.29%

18.8 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.

18.9 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.

18.10 9039600 nos. of equity shares have been issued as bonus shares during the financial year 2015-16 in the ratio of 1:1 to all the equity shareholders.

18.11 No securities convertible into equity shares have been issued by the Company during the year.

18.12 No calls are unpaid by any Director or Officer of the Company during the year.

19 OTHER EQUITY

(₹ in Lacs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Securities Premium	19.1	163.10	163.10	163.10
General Reserve	19.2	989.07	889.07	789.07
Retained Earnings	19.3	9,049.29	6,800.66	5,334.72
Other Comprehensive Income	19.4	67.56	34.72	2.68
		10,269.02	**7,887.55**	**6,289.57**

Nature/ Purpose of each reserve

a) **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.

b) **General Reserve:** The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of Companies Act 1956.

c) **Retained Earning:** Generally represents the undistributed profit/amount of accumulated earnings of the company.

d) **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:

   i) 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.

   ii) Re-measurement of defined benefit obligations: The actuarial gains and losses arising on defined benefit obligations have been recognised in OCI.

Notes to the Financial Statements for the year ended 31st March, 2018

(₹ in Lacs)

Particulars	As at 31st March 2018	As at 31st March 2017
19.1 Securities Premium		
Balance at the beginning and at the end of the year	163.10	163.10
19.2 General Reserve		
Balance at the beginning of the year	889.07	789.07
Add: Transfer from Retained Earnings	100.00	100.00
Balance at the end of the year	989.07	889.07
19.3 Retained Earnings		
Balance at the beginning of the year	6,800.66	5,334.72
Add: Profit for the year	2,518.92	1,691.24
	9,319.58	**7,025.96**
Less: Transfer to General Reserve	(100.00)	(100.00)
Less: Dividend including Dividend Distribution Tax	(217.60)	(108.80)
Add/(Less): Other Comprehensive Income arising from Remeasurements of defined benefit obligation (net of tax)	47.31	(16.50)
	(270.29)	**(225.30)**
Balance at the end of the year	**9,049.29**	**6,800.66**
19.4 Other Comprehensive Income		
Equity instrument through Other Comprehensive Income		
Balance at the beginning of the year	34.72	2.68
Add: Change in Fair Value (net of tax)	32.84	32.04
Balance at the end of the year	**67.56**	**34.72**
Remeasurement of Defined Benefit Obligation		
Balance at the beginning of the year	-	-
Add/(Less): Changes during the year (net of tax)	47.31	(16.50)
Add/(Less): Transferred to Retained Earnings	(47.31)	16.50
Balance at the end of the year	-	-
	10,269.02	**7,887.55**

20 NON CURRENT BORROWINGS

(₹ in Lacs)

Particulars	Refer Note No.	Non-Current Portion			Current Maturities		
		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Secured							
Term loan from banks	**20.1 (a)**	311.72	745.25	1,396.49	623.42	651.22	529.36
Vehicle loan from banks	**20.1 (b) & (c)**	14.31	71.28	121.64	71.29	68.32	63.03
Unsecured							
Loan from other body corporates		-	-	278.63	-	-	-
		326.03	816.53	1,796.76	694.71	719.54	592.39
Less: transfer to other current financial liability		-	-	-	(694.71)	(719.54)	(592.39)
		326.03	816.53	1,796.76	-	-	-

Notes to the Financial Statements for the year ended 31st March, 2018

20.1 Details of Security:

a. Rupee Term loan of ₹1,246.85 Lacs from a bank is secured by pari passu charge over entire fixed assets of the Company and second pari passu charge over entire current assets of the Company. The loan is repayable in remaining six equal quarterly instalments. The interest rate is 9.90% p.a. The loan outstanding as on 31st March 2017 and 31st March 2016 from another bank were repaid in current/ earlier year. The loan is further secured by personal guarantees of certain KMPs/Employees of the Company.

b. Vehicle loans from a bank amounting to ₹ 30.82 Lacs are secured against hypothecation of vehicles purchased against the loan. The loans are repayable in monthly instalments ranging from 36 to 60 months and carrying an interest rate varying from 8.50% p.a. to 10.86% p.a. The loan outstanding as on 31st March 2017 and 31st March 2016 was ₹ 30.55 Lacs & ₹ 44.54 Lacs respectively.

c. Vehicle loans from a bank amounting to ₹ 54.79 lacs are secured against hypothecation of vehicles purchased against the loan. The loans are repayable in 36 monthly instalments and carrying an interest rate varying from 9.65% p.a. to 9.83% p.a. The loan outstanding as on 31st March 2017 and 31st March 2016 was ₹ 109.05 Lacs & ₹ 140.13 Lacs respectively.

20.2 The Carrying amount of the Financial and Non financial assets pledged as security for current and non current borrowings is given in note. 41.

21 DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Deferred Tax Liabilities			
Arising on account of :			
Property, Plant & Equipment & Intangible Assets	933.07	1,017.85	1,078.81
Financial liability measured at amortised cost	-	4.02	6.14
	933.07	**1,021.87**	**1,084.95**
Less: Deferred Tax Assets			
Arising on account of :			
Impairment allowances for Doubtful Receivables	110.31	67.37	53.77
Provision for Gratuity	1.81	-	-
Provision for Leave encashment	26.83	-	-
	138.95	**67.37**	**53.77**
Deferred Tax Liabilities (Net)	**794.12**	**954.50**	**1,031.18**

21.1 Movement in deferred tax asset and deferred tax liabilities during the year ended 31st March, 2017 and 31st March, 2018

(₹ in Lacs)

Particulars	As at 1st April, 2016	Charge/(credit) in Statement of Profit & Loss	Charge/ (credit) in Other Comprehensive Income	As at 31st March, 2017
Property, Plant & Equipment & Intangible Assets	1,078.81	(60.96)	-	1,017.85
Financial liability measured at amortised cost	6.14	(2.12)	-	4.02
Impairment allowances for Doubtful Receivables	(53.77)	(13.60)	-	(67.37)
Provision for Gratuity	-	-	-	-
Provision for leave encashment	-	-	-	-
	1,031.18	**(76.67)**	**-**	**954.50**

Notes to the Financial Statements for the year ended 31st March, 2018

(₹ in Lacs)

Particulars	As at 31st March, 2017	Charge/(credit) in Statement of Profit & Loss	Charge/ (credit) in Other Comprehensive Income	As at 31st March, 2018
Property, Plant & Equipment & Intangible Assets	1,017.85	(84.78)	-	933.07
Financial liability measured at amortised cost	4.02	(4.02)	-	-
Impairment allowances for Doubtful Receivables	(67.37)	(42.94)	-	(110.31)
Provision for Gratuity	-	(27.22)	25.41	(1.81)
Provision for leave encashment	-	(26.83)	-	(26.83)
	954.50	**(185.79)**	**25.41**	**794.12**

21.1 Deferred Tax Assets and Deferred Tax Liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority.

22 NON CURRENT TAX LIABILITY (NET)

(₹ in Lacs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for tax (net)	7.64	7.64	7.64
	7.64	**7.64**	**7.64**

23 CURRENT BORROWINGS

(₹ in Lacs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Secured				
Working Capital loans from Banks repayable on demand	23.1 (a)	1,122.93	1,621.45	1,463.59
Other lease obligation	23.1 (b)	0.81	0.72	0.71
		1,123.74	**1,622.17**	**1,464.30**

23.1 Details of Security

a. Working capital facilities from the banks (fund based and non fund based) are secured by first pari passu charge over entire current assets of the Company and second pari passu charge over entire fixed assets of the Company. The facilities are also secured by personal guarantees of certain KMPs/Employees of the Company. The interest rates are varying from 9.90% p.a. to 10.50% p.a.

b. Other lease obligation are secured by asset underlying lease.

23.2 Refer note no. 41 for information on the carrying amounts of financial and non-financial assets pledged as security for current borrowings.

24 TRADE PAYABLES

(₹ in Lacs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Trade Payables for goods and services			
Dues to Micro and Small enterprises	24.34	-	-
Others	1,933.17	1,679.09	2,205.96
	1,957.51	**1,679.09**	**2,205.96**

Notes to the Financial Statements for the year ended 31st March, 2018

25 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Current maturities of long term debts		694.71	719.54	592.39
Amount payable for Capital Goods		1,019.33	25.90	136.78
Security Deposit		82.85	67.55	51.00
Interest accrued and not due on Borrowings		12.59	7.12	0.26
Unpaid dividends	25.1	15.34	7.04	2.63
Employees related dues		142.52	159.08	308.65
Other Payable		394.21	304.46	117.54
		2,361.55	**1,290.69**	**1,209.25**

25.1 There are no amounts due for payment to the Investor Education and Protection Fund at the end of the year.

26 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Statutory Dues Payable		754.95	332.94	546.70
Advances Received from Customers		6.76	48.72	43.72
		761.71	**381.66**	**590.42**

27 PROVISIONS

(₹ in Lacs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for Employee Benefits				
Gratuity		-	45.10	33.54
Leave encashment		76.79	37.09	26.98
		76.79	**82.19**	**60.52**

27.1 Movement of Provision

(₹ in Lacs)

Particulars	Employee Benefit
As on 1st April, 2016	60.52
Add: Created	54.94
Less: Utilized/ Reversed	33.27
As on 31st March, 2017	**82.19**
Add: Created	63.99
Less: Utilized/ Reversed	69.39
As on 31st March, 2018	**76.79**

28 CURRENT TAX LIABILITY (NET)

(₹ in Lacs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for tax	1,641.76	1,038.40	832.42
Less: Advance Income Tax	915.80	646.32	488.82
	725.96	**392.08**	**343.60**

Notes to the Financial Statements for the year ended 31st March, 2018

29 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Sale of Products (including Excise Duty)	32,200.31	28,615.64
Sale of Services	117.49	330.63
Sale of Wind Power	29.19	35.25
Other Operating Revenues		
- Miscellaneous Sales	177.00	125.22
	32,523.99	**29,106.74**

30 OTHER INCOME

(₹ in Lacs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest Income from Financial Asset measured at amortised cost		
on Fixed deposits	13.06	28.75
on Loans	100.10	57.45
Other Non Operating Income		
Net Gain/ (Loss) on Sale of Non Current Investment	-	0.06
Sundry Balances Written Back	76.74	172.23
Guarantee Commission Received	10.80	-
Claim Receipts	92.76	4.84
Miscellaneous Receipts	13.99	0.53
	307.45	**263.86**

31 COST OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Raw Materials	12,030.55	12,423.70
Packing Materials	4,397.30	3,411.63
	16,427.85	**15,835.33**

32 PURCHASE OF STOCK - IN -TRADE

(₹ in Lacs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Purchases of Stock -in- Trade	72.36	495.74
	72.36	**495.74**

33 CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS

(₹ in Lacs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Inventories at the beginning of the year		
Finished Goods	1,626.13	1,689.35
Work in progress	299.50	287.12
	1,925.63	**1,976.47**
Inventories at the end of the year	1,883.63	1,626.13
Finished Goods	350.10	299.50
Work in progress	**2,233.73**	**1,925.63**
	(308.10)	**50.84**

Notes to the Financial Statements for the year ended 31st March, 2018

34 EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Salaries, Wages & Bonus	2,134.14	1,864.74
Gratuity	22.38	16.57
Contribution to Provident & Other funds	61.17	44.66
Staff Welfare Expenses	23.78	19.30
	2,241.47	**1,945.27**

35 FINANCE COST

(₹ in Lacs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest Expenses	278.03	383.13
Other Borrowing Costs	104.85	27.11
	382.88	**410.24**

36 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lacs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
On Tangible Assets	1,068.50	1,035.77
On Intangible Assets	63.21	58.95
	1,131.71	**1,094.72**

37 OTHER EXPENSES

(₹ in Lacs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Manufacturing, Administrative & Selling Expenses		
Consumption of Stores and Spares	437.12	375.06
Excise Duty	112.08	11.27
Insurance	54.16	70.86
Brand Franchise fees	619.92	-
Bottling Fees	1,131.83	73.59
Bottling Expenses	564.91	558.54
Other Manufacturing Expenses	510.99	312.73
Rent	88.12	58.24
Rates & Taxes	580.06	479.85
Repairs & Maintenance:		
Building	10.39	14.39
Plant & Machinery	99.13	77.32
Others	21.64	9.51
Warehouse Handling Charges	302.64	273.84
Freight, Forwarding & Transportation	579.95	402.04
Corporate Social Responsibility Expenditure (Refer Note No. 45)	12.05	-
Impairment allowance for Doubtful Receivable/Advances	121.01	39.31
Loss on Sales/Discard of Property Plant & Equipment	72.15	91.47

Notes to the Financial Statements for the year ended 31st March, 2018

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Payment to the Auditors:		
Audit Fees	8.75	8.34
Taxation related matters	1.50	2.35
Certification / Other Services	11.00	0.24
Reimbursement of expenses	0.33	-
Other Expenses	767.53	812.75
	6,107.26	**3,671.70**

38 TAX EXPENSE

(₹ in Lacs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Current Tax	1,553.87	1,097.10
Deferred Tax	(185.79)	(76.67)
Taxes for earlier years	55.40	8.35
	1,423.48	**1,028.78**

38.1 Reconciliation of estimated Income Tax expense at Indian statutory Income tax rate to income tax expense reported in statement of Profit & Loss

(₹ in Lacs)

Particulars	31/03/18	31/03/17
Profit before income tax expense	3,942.40	2,720.02
Indian Statutory Income Tax rate*	34.61%	34.61%
Estimated Income Tax Expense	1,364.39	941.34
Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense		
Effect of Deferred Tax created at different rate	(1.79)	-
Expenses not Deductible	36.91	1.86
Effect of Income Tax for Earlier Years	55.40	8.35
Others	(31.43)	77.23
	59.09	87.44
Income tax expense in Statement of Profit & Loss	**1,423.48**	**1,028.78**

* Applicable Indian Statutory Income Tax rate for Financial Year 2018 & 2017 is 34.61%.

39 Earning per Shares

(₹ in Lacs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Nominal Value of Equity Shares (₹)	10.00	10.00
Profit attributed to the Equity shareholders of the Company	2,518.92	1,691.24
Weighted average number of equity shares	1,80,79,200	1,80,79,200
Basis and diluted earning per shares (₹)	**13.93**	**9.35**

There are no dilutive equity shares in the Company.

Notes to the Financial Statements for the year ended 31st March, 2018

40 Contingent Liabilities & Commitment to the extent not provided for:

40.1 Contingent Liabilities

(₹ in Lacs)

Sl. No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
A	**Claims/Disputes/Demands not acknowledged as debts -**			
i.	Entry Tax demand under dispute	84.40	95.79	75.12
ii.	State Excise Duty demand under dispute	313.30	580.42	603.98
iii.	Madhya Pradesh GATSAVA demand under dispute	-	28.64	19.00
iv.	Income Tax demand	2.68	16.60	16.60
v.	Central Sales Tax demand under dispute	10.46	4.20	2,092.82
vi.	M.P. VAT demand under dispute	890.76	654.18	364.93
B	**Guarantee -**			
i.	Guarantee given to the Banks amounting to ₹ 5,200.00 Lacs (P.Y. 2016 & 2017- ₹ 6,400.00 Lacs) against credit facilities extended to a company. The amount of outstanding credit facility lying in the books of beneficiary:	2,969.00	3,136.96	2,859.39
ii.	Bank Guarantees outstanding at the Year end	426.99	362.98	325.97

40.2 In absence of any clarity in respect of levy of Goods & Service Tax on sale of Rectified spirit (RS) & Extra Neutral Alcohol (ENA), the Company continues to collect Value Added Tax (VAT) and Central Sales Tax (CST) for intra-state and inter-state respectively on sales of these products w.e.f 1st July 2017. Pending clarification, VAT collected during the year (from 1st July 2017 to 31st March 2018) on sales of Rs & ENA amounting to ₹ 197.23 Lacs has been withheld by the company and would be deposited upon receipt of necessary clarification. Differential liability, if any, is not presently ascertainable at this point and will be accounted for upon getting necessary clarification.

40.3 During the year, the Income Tax department had carried out a search u/s 132 of the Income Tax Act, 1961 at the premises of the Company. The Company did not receive any communication in the nature of show cause/demand from the department till date. The Management does not foresee any implication/material impact in this regard on the financial statement of the company.

40.4 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.

40.5 Commitments

(₹ in Lacs)

Sl. No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
i.	Estimated amount of contracts remaining to be executed on Capital Account (net of advances)	755.73	336.52	262.14

Notes to the Financial Statements for the year ended 31st March, 2018

41 Assets pledged as security

The carrying amounts of assets pledged as security for borrowings are:

(₹ in Lacs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Current			
Financial assets			
First charge/ Second charge			
Trade Receivables	1,889.22	1,752.37	1,118.05
Cash and cash equivalents	254.10	306.43	329.90
Other Financial Asset	2,124.77	1,151.83	1,269.23
Non-financial assets			
First charge/ Second charge			
Inventories	3,807.37	2,855.86	2,881.87
Other Current Assets (excluding taxes paid in advance & pre-paid expenses)	206.34	310.57	176.06
Total current assets pledged as security	**8,281.80**	**6,377.06**	**5,775.11**
Non-current			
First charge/ Second charge			
Leasehold land	0.80	0.81	0.82
Freehold land	420.01	420.01	420.01
Buildings	1,161.59	1,204.91	1,048.81
Plant & Machinery	5,935.49	6,390.35	7,070.08
Furniture, fittings and equipment	158.61	183.86	182.67
Vehicle	281.45	307.48	337.58
Intangible assets (Computer software)	30.18	90.03	127.18
Other Non Current Assets (excluding taxes paid in advance & pre-paid expenses)	304.04	164.35	143.53
Financial Asset			
Other Financial Asset	174.29	293.24	281.96
Total non-currents assets pledged as security	**8,466.46**	**9,055.04**	**9,612.65**
Total assets pledged as security	**16,748.26**	**15,432.10**	**15,387.76**

42 Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent ascertained, and as per notification number GSR 679 (E) dated 4th September, 2015

(₹ in Lacs)

Sl. No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
i	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.	24.34	-	-
ii	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
iii	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

Notes to the Financial Statements for the year ended 31st March, 2018

Sl. No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
iv	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

The above details has been determined to the extent such suppliers have been identified on the basis of information provided by the suppliers.

43 Leases

43.1 Operating Lease as lessee

The Company has Operating leases for certain Land & Premises which include both cancellable and non-cancellable leases, ranging between 11 months to 30 years generally and are usually renewable by mutual consent at agreeable terms. With respect to non-cancellable operating lease, the future minimum lease payment at the balance sheet date is as under.

43.1.1 Future Minimum Lease Payments

At 31st March, the future minimum lease payments to be made under non-cancellable operating leases are as follows:

(₹ in Lacs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Payable within one year	40.66	32.39	30.82
Payable later than one year but not later than five years	135.73	146.91	178.32
Payable later than five years	11.33	12.00	11.48

43.1.2 Amounts recognized in Profit or Loss

(₹ in Lacs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Minimum lease payments	32.39	30.82
Total rental expense relating to operating leases	32.39	30.82

44 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.

44.1 Defined Contribution Plan:

44.1.1 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.

44.1.2 The amount recognized as an expense for the Defined Contribution Plans are as under:

(₹ in Lacs)

	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
a	Provident Fund	43.28	37.60
b	Employee State Insurance contribution	12.19	2.80

Notes to the Financial Statements for the year ended 31st March, 2018

44.2 Defined Benefit Plan:

The following are the types of defined benefit plans

44.2.1 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.

44.2.2 Risk Exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

ASSET VOLATILITY	The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The Company has made investment in Plan Asset through Life Insurance Corporation in Qualified Insurance Policy.
CHANGES IN BOND YIELDS	A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
SALARY GROWTH RISK	The present value of defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of plan participants will increase the plan liabilities.
LIFE EXPECTANCY	The plan liability are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

44.2.3 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:

(₹ in Lacs)

Particulars	Gratuity	
	2017-18	2016-17
Balance at the beginning of the year	204.05	172.96
Current Service Cost	19.09	13.87
Interest Cost on Defined Benefit Obligation	14.88	13.77
Actuarial Gain and Losses arising from		
Changes in demographic assumptions	-	-
Changes in financial assumptions	(6.67)	13.12
Experience Adjustment	(65.29)	9.63
Benefits Paid from the Plan Assets	(9.46)	(19.29)
Balance at the end of the year	156.60	204.05

44.2.4 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:

(₹ in Lacs)

Particulars	Gratuity	
	2017-18	2016-17
Balance at the beginning of the year	158.93	137.68
Interest Income on Plan Assets	11.59	11.07

Notes to the Financial Statements for the year ended 31st March, 2018

(₹ in Lacs)

Particulars	Gratuity	
	2017-18	2016-17
Remeasurements of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	0.76	(2.49)
Employer Contributions to the Plan	24.82	31.96
Benefits Paid from the Plan Assets	(9.46)	(19.29)
Balance at the end of the year	186.65	158.93

44.2.5 Amount recognized in Balance sheet

(₹ in Lacs)

Particulars	Gratuity	
	2017-18	2016-17
Present value of Benefit Obligation at the end of the year	(156.60)	(204.05)
Fair value of Plan Assets at the end of the year	186.65	158.93
Funded Status (Surplus/(Deficit))	30.05	(45.10)
Net (Liability)/Asset recognized in the Balance sheet	30.05	(45.10)

44.2.6 Expenses recognized in Profit or Loss

(₹ in Lacs)

Particulars	Gratuity	
	2017-18	2016-17
Current Service Cost	19.09	13.87
Interest Cost	14.88	13.77
Interest Income on Plan Assets	(11.59)	(11.07)
Expenses recognized	22.38	16.57

44.2.7 Remeasurements recognized in Other Comprehensive Income

(₹ in Lacs)

Particulars	Gratuity	
	2017-18	2016-17
Actuarial (gain)/ Loss on defined benefit obligation	(71.96)	22.75
Return on plan assets greater/ (lesser) than discount rate	(0.76)	2.49
Net(income)/ Expense for the period recognized in OCI	(72.72)	25.24

44.2.8 Remeasurements recognized in Other Comprehensive Income

Particulars	Gratuity	
	2017-18	2016-17
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

44.2.9 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.

Notes to the Financial Statements for the year ended 31st March, 2018

44.2.10 Actuarial Assumptions

Particulars	Gratuity	
	2017-18	2016-17
Financial Assumptions		
Discount Rate	7.78%	7.29%
Salary Escalation Rate	7.00%	7.00%
Demographic Assumptions		
Mortality Rate	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)
Attrition rate	2%	2%

44.2.11 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.

44.2.12 At 31st March 2018, the weighted average duration of the defined benefit obligation was 10 years (previous year 11 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

(₹ in Lacs)

Expected benefits payment for the year ending on	Gratuity
31st March 2019	8.41
31st March 2020	12.95
31st March 2021	21.72
31st March 2022	8.71
31st March 2023	11.20
31st March 2024 to 31st March 2028	62.92

44.2.13 The Company expects to contribute ₹"NIL" (previous year ₹37.75 Lacs) to its gratuity fund in 2018-19

44.2.14 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	
	2017-18	2016-17
Effect on DBO due to 1% increase in Discount Rate	(12.19)	(17.31)
Effect on DBO due to 1% decrease in Discount Rate	14.17	20.09
Effect on DBO due to 1% increase in Salary Escalation Rate	13.90	19.94
Effect on DBO due to 1% decrease in Salary Escalation Rate	(12.38)	(17.50)

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.

45 In accordance with the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, the requisite disclosure as follows:

45.1

(₹ in Lacs)

Particulars	2017-18	2016-17
Gross Amount required to be spent by the Company during the year	47.03	34.95

Notes to the Financial Statements for the year ended 31st March, 2018

45.2

(₹ in Lacs)

Particulars	2017-18		2016-17	
	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	12.05	-	-	-
Unspent Amount	**34.98**	**-**	**34.95**	**-**

46 Related Party Disclosures

46.1 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
- 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)
- Mr. Ashish Kumar Gadia, Director (till 5th January, 2017)

Relatives:

- Mr H.K. Bhandari (Father of Mr Tushar Bhandari)
- Mrs Udita 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)

46.2 Summary of transactions with the related parties

(₹ in Lacs)

Particulars	2017-18		2016-17	
	Key Management Personnels	Relatives of KMP's	Key Management Personnels	Relatives of KMP's
Remuneration	946.82	182.59	723.95	95.46
Rent Expenses	12.00	17.99	-	6.72
Purchase of Goods / Assets	-	-	-	0.70
Purchase of Services	-	-	-	0.93
Advances Given (Net)	320.87	-	-	-
Sitting fees	0.22	-	0.23	-

Notes to the Financial Statements for the year ended 31st March, 2018

46.3 Summary of Outstanding balances with the related parties

(₹ in Lacs)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Key Management Personnels	Relatives of KMP's	Key Management Personnels	Relatives of KMP's	Key Management Personnels	Relatives of KMP's
Remuneration payable	5.45	4.68	7.77	7.40	2.62	2.65
Balances Receivable	326.87	-	-	-	-	-

46.4 Key Management Personnel compensation

(₹ in Lacs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Short-term employee benefits	946.82	723.95
Post-employment benefits *	-	1.16
Long term benefits *	-	-
Total compensation	946.82	725.11

* 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.

46.5 Major terms and conditions of transactions with related parties

Transactions with related parties are carried out in the normal course of business.

47 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.

No customer individually accounts for more than 10% of the revenues from the external customers during the years.

48 Transition to Ind AS

48.1 Basis for Preparation

For all period up to and including the year ended March 31, 2017, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended March 31, 2018 are the Company's first annual Ind AS Financial Statements and have been prepared in accordance with Ind AS.

The Company has prepared the opening balance sheet as per Ind AS as at April 1, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. The accounting policies that the Company has used in its opening Ind–AS Balance Sheet may have differed from those that it used for its previous GAAP. The resulting adjustments arising from events and transactions occurring before the date of transition to Ind–AS has been recognized directly in retained earnings at the date of transition.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the date of transition). This note

Notes to the Financial Statements for the year ended 31st March, 2018

explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

48.2 Exceptions and Exemptions Applied

Ind AS 101 "First-time adoption of Indian Accounting Standards" (hereinafter referred to as Ind AS 101) allows first time adopters certain exemptions from the retrospective application of certain IND AS, effective for April 1, 2016 opening balance sheet. In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

48.2.1 Optional Exemptions Availed

a Property Plant and Equipment and Intangible Assets

As permitted by Para D5-D8B of Ind AS 101, the Company has elected to measure items of property, plant and equipment and intangible assets at its previous GAAP carrying value on the transition date as deemed cost.

b Determining whether an arrangement contains a Lease

Para D9-D9AA of Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind As 17 "Leases" for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement). The Company has applied the above transition provision and has assessed all the arrangements at the date of transition.

c Designation of previously recognised financial instruments

Para D19B of Ind AS 101 permits an entity to designate particular investments in equity instruments as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather at initial recognition). The Company has opted to avail this exemption to designate its investments in equity instruments as FVOCI on the date of transition.

48.2.2 Mandatory Exceptions

a Estimates

As per Para 14 of Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Para 16 of the standard, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of the comparative period.

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statement that were not required under the previous GAAP are listed below:

- Fair Valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortized cost.

b De-recognition of Financial Assets and Liabilities

As per Para B2 of Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, "Financial Instruments", prospectively for transactions occurring on or after the date of transition to Ind AS. However, Para B3 gives an option to the entity to apply the derecognition requirements from a date of its choice if the information required to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the initially accounting for those transactions. The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Notes to the Financial Statements for the year ended 31st March, 2018

c Classification and measurement of Financial Assets

Para B8 - B8C of Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively.

48.3 Impact of Transition to Ind AS

The following is a summary of the effects of the differences between IND AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the financial periods previously reported under Indian GAAP following the date of transition to IND AS.

48.3.1 Reconciliation of Equity as at date of transition (1st April 2016) (₹ in Lacs)

Particulars	Refer Note No.	Previous GAAP*	Adjustment	Ind AS
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	(g) & (h)	9,062.64	(2.67)	9,059.97
Capital Work-In-Progress		155.69	-	155.69
Goodwill	(c)	72.00	(72.00)	-
Intangible Assets		127.18		127.18
Financial Assets				
Investments	(a)	200.01	2.68	202.69
Loans		106.13	-	106.13
Other Financial Assets	(b)	288.68	(112.85)	175.83
Other Non-Current Assets	(h)	555.51	14.65	570.16
		10,567.84	**(170.19)**	**10,397.65**
CURRENT ASSETS				
Inventories		2,881.87	-	2,881.87
Financial Assets				
Trade Receivables	(b)	1,160.55	(42.50)	1,118.05
Cash and Cash Equivalents		329.90	-	329.90
Bank balances other than above		277.42	-	277.42
Loans		743.03	-	743.03
Other Financial Assets		526.19	-	526.19
Other Current Assets	(a) & (h)	532.41	0.60	533.01
		6,451.37	**(41.90)**	**6,409.47**
Total Assets		**17,019.21**	**(212.09)**	**16,807.12**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital		1,807.92	-	1,807.92
Other Equity	(j)	6,281.94	7.63	6,289.57
		8,089.86	**7.63**	**8,097.49**

Notes to the Financial Statements for the year ended 31st March, 2018

Particulars	Refer Note No.	Previous GAAP*	Adjustment	Ind AS
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	(a)	1,808.37	(11.61)	1,796.76
Deferred Tax Liabilities (Net)	(e)	1,078.80	(47.62)	1,031.18
Non Current tax liability		7.64	-	7.64
		2,894.81	**(59.23)**	**2,835.58**
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings		1,463.59	0.71	1,464.30
Trade Payables		2,205.96	-	2,205.96
Other Financial Liabilities	(a)	1,215.38	(6.13)	1,209.25
Other Current Liabilities		590.42	-	590.42
Provisions	(d)	215.59	(155.07)	60.52
Current Tax Liabilities (Net)		343.60	-	343.60
		6,034.54	**(160.49)**	**5,874.05**
Total Equity and Liabilities		**17,019.21**	**(212.09)**	**16,807.12**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

48.3.2 Reconciliation of Equity as at date of transition (31st March 2017) (₹ in Lacs)

Particulars	Refer Note No.	Previous GAAP*	Adjustment	Ind AS
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	(g) & (h)	8,483.18	24.24	8,507.42
Capital Work-In-Progress		481.83	-	481.83
Goodwill	(c)	72.00	(72.00)	-
Intangible Assets		90.03	-	90.03
Financial Assets				
Investments	(a)	200.00	34.72	234.72
Loans		87.36	-	87.36
Other Financial Assets	(b)	379.56	(173.67)	205.89
Other Non-Current Assets	(h)	628.72	18.58	647.30
		10,422.68	**(168.13)**	**10,254.55**
CURRENT ASSETS				
Inventories	(g)	2,873.72	(17.86)	2,855.86
Financial Assets				
Trade Receivables	(b)	1,779.42	(27.05)	1,752.37
Cash and Cash Equivalents		306.43	-	306.43
Bank balances other than above		50.33	-	50.33
Loans		1,103.64	-	1,103.64
Other Financial Assets		48.19	-	48.19
Other Current Assets	(a) & (h)	548.56	2.09	550.65
		6,710.29	**(42.82)**	**6,667.47**
Total Assets		**17,132.97**	**(210.95)**	**16,922.02**

Notes to the Financial Statements for the year ended 31st March, 2018

Particulars	Refer Note No.	Previous GAAP*	Adjustment	Ind AS
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital		1,807.92	-	1,807.92
Other Equity	(j)	8,019.79	(132.24)	7,887.55
		9,827.71	**(132.24)**	**9,695.47**
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	(a)	822.01	(5.48)	816.53
Deferred Tax Liabilities (Net)	(e)	1,017.85	(63.35)	954.50
Non Current tax liability		7.64	-	7.64
		1,847.50	**(68.83)**	**1,778.67**
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings		1,621.45	0.72	1,622.17
Trade Payables		1,679.09	-	1,679.09
Other Financial Liabilities	(a)	1,296.83	(6.14)	1,290.69
Other Current Liabilities		381.66	-	381.66
Provisions		86.65	(4.46)	82.19
Current Tax Liabilities (Net)		392.08	-	392.08
		5,457.76	**(9.88)**	**5,447.88**
Total Equity and Liabilities		**17,132.97**	**(210.95)**	**16,922.02**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

48.3.3 Reconciliation of Total Comprehensive Income for the year ended 31 March 2017 (₹ in Lacs)

Particulars	Refer Note No.	Previous GAAP*	Adjustment	Ind AS
INCOME				
Revenue from Operations	(i)	29,646.53	(539.79)	29,106.74
Other Income		263.86	-	263.86
Total Income (A)		**29,910.39**	**(539.79)**	**29,370.60**
EXPENSES				
Cost of Materials Consumed	(i)	15,532.28	303.05	15,835.33
Purchases of Stock -in- Trade	(i)	1,080.62	(584.88)	495.74
Changes in Inventories of Finished Goods & Work-in-Progress		50.84	-	50.84
Employee Benefits Expense	(f)	1,928.70	16.57	1,945.27
Finance Costs	(a)	404.01	6.23	410.24
Depreciation and Amortisation Expense	(g) & (h)	1,094.77	(0.05)	1,094.72
Power and fuel		3,146.74	-	3,146.74
Other Expenses	(a), (b), (g), (i)	3,898.79	(227.08)	3,671.70
Total Expenses (B)		**27,136.75**	**(486.16)**	**26,650.58**

Notes to the Financial Statements for the year ended 31st March, 2018

Particulars	Refer Note No.	Previous GAAP*	Adjustment	Ind AS
Profit before Exceptional Items and Tax (A-B)		2,773.65	(53.63)	2,720.02
Exceptional Items		-	-	-
Profit before Tax		2,773.65	(53.63)	2,720.02
Tax Expense:				
Current Tax	(f)	1,088.38	8.74	1,097.10
Deferred Tax	(e)	(60.94)	(15.73)	(76.67)
Income Tax for earlier years		8.35		8.35
Profit for the year		1,737.86	(46.62)	1,691.24
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
a) Remeasurement of defined benefit plan	(f)	-	(25.24)	(25.24)
b) Equity instrument through Other Comprehensive Income	(a)	-	32.04	32.04
c) Income tax relating to above items	(f)	-	8.74	8.74
Other Comprehensive Income for the Year (Net of Tax)		-	15.54	15.54
Total Comprehensive Income for the period		1,737.86	(31.08)	1,706.78

48.3.4 Reconciliation of Total Equity

(₹ in Lacs)

Particulars	Refer Note No.	As on 31st March 2018	As on 31st March 2017
Total Equity as per previous GAAP		9,827.71	8,089.86
Add/ (less): Adjustments for GAAP difference			
Effect of Fair valuation of Investment	(a)	34.72	2.68
Impact of application of Expected Credit loss model	(b)	(194.67)	(155.36)
Effect of derecognition of Goodwill	(c)	(72.00)	(72.00)
Derecognition of Proposed dividend including dividend tax	(d)	(0.00)	108.80
Impact of application of Effective Interest rate method	(a)	11.61	17.75
Impact of others		24.75	58.14
Tax adjustment on above	(e)	63.35	47.62
Total Equity as per Ind AS		9,695.47	8,097.49

Notes to the Financial Statements for the year ended 31st March, 2018

48.3.5 Reconciliation of Total Comprehensive Income for the year ended 31 March 2017

(₹ in Lacs)

Particulars	Refer Note No.	2016-17
Total Profit as per previous GAAP		1,737.86
Add/ (less): Adjustments for GAAP difference		
Effect of Fair valuation of Investment	(a)	32.04
Impact of application of Expected Credit loss model	(b)	(39.31)
Impact of application of Effective Interest rate method	(a)	(6.14)
Impact of others		(33.40)
Tax adjustment on above	(e)	15.73
Total Comprehensive Income as per Ind AS		1,706.78

48.3.6 Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017

(₹ in Lacs)

Particulars	Notes	Previous GAAP*	Adjustment	Ind AS
Net cash flow from Operating Activities	(g)	2,440.49	17.86	2,458.35
Net cash flow from Investing Activities	(g)	(1,256.64)	(17.86)	(1,274.50)
Net cash flow from Financing Activities		(1,207.32)	-	(1,207.32)
Net increase/(decrease) in cash and cash equivalents		**(23.48)**	**-**	**(23.48)**
Cash and cash equivalents as at 1 April 2016		329.90	-	329.90
Cash and cash equivalents as at 31 March 2017		306.43	-	306.43

48.3.7 Notes to First Time Adoption

a Measurement of Financial Assets and Financial Liabilities

i **Investment in Equity instruments:** Under the previous GAAP, investments in Equity instruments were classified as long-term investments or current investments based on the intended holding period and reliability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2017.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in other equity under Equity Investment through FVOCI as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2017.

ii **Fair valuation of interest free security deposits :** Under previous GAAP, interest free security deposit were carried at cost. Under Ind AS the same are measured at fair value on initial recognition and subsequently measured at amortised cost.

iii **Application of effective interest rate on borrowing:** Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to the Statement of Profit and Loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

Notes to the Financial Statements for the year ended 31st March, 2018

b Expected Credit Loss Model

Under Ind AS, the impairment allowances for doubtful receivables/advances has been determined based on expected credit loss model as per the requirements of Ind AS 109. The provision created on the date of transition has been adjusted with retained earning and subsequent adjustments in the provision has been taken to statement of profit and loss account.

c Derecognition of Goodwill

The Company has derecognised goodwill at the date of transition as it does not meet the recognition criteria of Intangible Assets.

d Proposed Dividend

Under Indian GAAP, proposed dividends are recognized as liability in the period to which they relate irrespective of the approval by shareholders. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the entity (on approval of Shareholders in a general meeting) or paid.

In the case of the entity, the declaration of dividend occurs after period end. Therefore, the liability for the year ended 31 March 2016 recorded for dividend has been derecognised against retained earnings on 1 April 2016.

e Deferred Tax

Indian GAAP requires Deferred tax accounting using the Income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to different temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or Other comprehensive income reserve.

f Remeasurements of post-employment benefit obligations

Under the previous GAAP, these Remeasurements were forming part of statement of profit or loss for the year. Under Ind AS, Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit or loss.

g Spare Part considered as Property, Plant and Equipment

As per Ind AS 16, Spare parts, Stand- by equipment and Servicing equipment are recognised as Property, Plant and Equipment ('PPE') when they meet the following criteria:

- Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- Are expected to be used during more than one period.

Based on the above provision, Stores and Spares satisfying above criteria are de-recognised from Inventory and capitalized as PPE from the date of purchase.

h Leasehold land considered as Operating Lease

Under IGAAP, Leasehold Land were classified as Fixed Assets as the standard on leases excluded Land. However, as per Ind AS 17, where the substantial risks and rewards incidental to ownership of an asset has not been transferred in the name of Company, the Company has classified such land under Operating Leases. The amount paid towards such leases has been shown as prepayments under Other non-current assets & Other current assets.

Notes to the Financial Statements for the year ended 31st March, 2018

i Reclassification between Previous GAAP and Ind AS

i. Excise duty and Export duty which were earlier netted off with revenue now has been grossed up and separately shown as expenses.

ii. Trade discounts, Rebates to customers (both primary and secondary) has been reclassified from other expenses to revenue.

iii. Other necessary reclassification are in line with Ind AS.

j Retained Earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

49 Fair Value Measurement

Categories of Financial Assets & Financial Liabilities as at 31st March 2018 and 31st March 2017 (₹ in Lacs)

Particulars	31st March 2018			31st March 2017		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investment						
- Equity Instruments	-	267.56	-	-	234.72	-
Trade Receivables	-	-	1,889.22	-	-	1,752.37
Cash and Cash Equivalents	-	-	254.10	-	-	306.43
Bank Balance other than above	-	-	167.94	-	-	50.33
Loans to Employees	-	-	361.57	-	-	46.13
Loans to Body corporates	-	-	1,511.54	-	-	893.24
Security Deposits	-	-	313.31	-	-	251.62
Other Financial Assets	-	-	112.64	-	-	254.08
Total Financial Assets	**-**	**267.56**	**4,610.32**	**-**	**234.72**	**3,554.20**
Financial Liabilities						
Borrowings	-	-	2,144.48	-	-	3,158.25
Trade Payables	-	-	1,957.51	-	-	1,679.09
Other Financial Liabilities	-	-	1,666.84	-	-	571.15
Total Financial Liabilities	**-**	**-**	**5,768.83**	**-**	**-**	**5,408.49**

As at 1st April 2016 (₹ in Lacs)

Particulars	FVTPL	FVOCI	Amortized Cost
Financial Assets			
Investment			
- Equity Instruments	-	202.69	-
Trade Receivables	-	-	1,118.05
Cash and Cash Equivalents	-	-	329.90
Bank Balance other than above	-	-	277.42
Loans to Employees	-	-	50.45
Loans to Body corporate	-	-	497.70
Security Deposits	-	-	301.00
Other Financial Assets	-	-	702.02
Total Financial Assets	**-**	**202.69**	**3,276.54**

Notes to the Financial Statements for the year ended 31st March, 2018

As at 1st April 2016 (₹ in Lacs)

Particulars	FVTPL	FVOCI	Amortized Cost
Financial Liabilities			
Borrowings	-	-	3,853.44
Trade Payables	-	-	2,205.96
Other Financial Liabilities	-	-	616.86
Total Financial Liabilities	**-**	**-**	**6,676.26**

50 Fair Values of Financial Assets and Financial Liabilities measured at Amortised Cost

50.1 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 Lacs)

Particulars	31st March 2018		31st March 2017		1st April 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets						
Trade Receivables	1,889.22	1,889.22	1,752.37	1,752.37	1,118.05	1,118.05
Cash and Cash Equivalents	254.10	254.10	306.43	306.43	329.90	329.90
Bank Balance other than above	167.94	167.94	50.33	50.33	277.42	277.42
Loans to Employees	361.57	361.57	46.13	46.13	50.45	50.45
Loans to Body corporate	1,511.54	1,511.54	893.24	893.24	497.70	497.70
Security Deposits	313.31	313.31	251.62	251.62	301.00	301.00
Other Financial Assets	112.64	112.64	254.08	254.08	702.02	702.02
Total Financial Assets	**4,610.32**	**4,610.32**	**3,554.20**	**3,554.20**	**3,276.54**	**3,276.54**
Financial Liabilities						
Borrowings	2,144.48	2,144.48	3,158.25	3,158.25	3,853.44	3,853.44
Trade Payables	1,957.51	1,957.51	1,679.09	1,679.09	2,205.96	2,205.96
Other Financial Liabilities	1,666.84	1,666.84	571.15	571.15	616.86	616.86
Total Financial Liabilities	**5,768.83**	**5,768.83**	**5,408.49**	**5,408.49**	**6,676.26**	**6,676.26**

50.2 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.

50.3 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.

50.4 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.

51 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.

Notes to the Financial Statements for the year ended 31st March, 2018

51.1 Assets and Liabilities measured at Fair Value - recurring fair value measurements

As at 31st March 2018 and 31st March 2017 (₹ in Lacs)

Particulars	31st March 2018			31st March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment						
- Equity Instruments			267.56			234.72
Total Financial Asset	**-**	**-**	**267.56**	**-**	**-**	**234.72**
Financial Liability						
Financial Guarantee	-	-	-	-	-	-
Total Financial Liability	**-**	**-**	**-**	**-**	**-**	**-**

As at 1st April 2016 (₹ in Lacs)

Particulars	Level 1	Level 2	Level 3
Financial Assets			
Investment			
- Equity Instruments	-	-	202.69
Total Financial Assets	**-**	**-**	**202.69**
Financial Liability			
Financial Guarantee	-	-	-
Total Financial Liability	**-**	**-**	**-**

51.2 Description of significant unobservable inputs to Valuation (₹ in Lacs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Fair Value of Equity Instrument	267.56	234.72	202.69
Significant unobservable input - Cost of Equity	16.90%	12.00%	12.00%
Sensitivity Factor (+/-)	1%	1%	1%
Sensitivity of input on Fair Value of Equity Instrument			
Increase	25.40	36.37	36.76
Decrease	(21.85)	(28.98)	(28.86)

51.2.1 During the year ended March 31, 2018 and March 31, 2017, 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.

51.3Explanation 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 the Financial Statements for the year ended 31st March, 2018

52 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:

52.1Credit 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, 2018 (₹ in Lacs)

Ageing schedule	0-365 days	366-720 days	Above 720 days
Gross carrying amount	1,800.15	214.99	22.14
Expected loss rate	0.58%	53.69%	100.00%
Expected credit losses (Loss allowance provision)	10.50	115.42	22.14
Carrying amount of trade receivables (net of impairment)	1,789.65	99.57	-

As on 31st March, 2017 (₹ in Lacs)

Ageing schedule	0-365 days	366-720 days	Above 720 days
Gross carrying amount	1,738.44	18.58	22.41
Expected loss rate	-	25.00%	100.00%
Expected credit losses (Loss allowance provision)	-	4.64	22.41
Carrying amount of trade receivables (net of impairment)	1,738.44	13.93	-

As on 1st April, 2016 (₹ in Lacs)

Ageing schedule	0-365 days	366-720 days	Above 720 days
Gross carrying amount	1,104.74	17.75	38.06
Expected loss rate	-	25.00%	100.00%
Expected credit losses (Loss allowance provision)	-	4.44	38.06
Carrying amount of trade receivables (net of impairment)	1,104.74	13.31	-

(₹ in Lacs)

Reconciliation of loss allowance provision –	Amount
Loss allowance on 1 April 2016	42.50
Changes in loss allowance	(15.45)
Loss allowance on 31 March 2017	27.05
Changes in loss allowance	121.01
Loss allowance on 31 March 2018	148.06

Notes to the Financial Statements for the year ended 31st March, 2018

52.2 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.

52.2.1 Maturity analysis for financial liabilities

a. The following are the remaining contractual maturities of financial liabilities as at 31st March 2018

(₹ in Lacs)

Particulars	On Demand	Less than 6 months	6 months to 1 year	More 1 years	Total
Borrowings					
Term loan from banks*	-	349.31	345.40	326.03	1,020.74
Current Borrowings	1,123.74	-	-	-	1,123.74
Trade payables	-	1,957.51	-	-	1,957.51
Other financial liabilities	-	1,666.84	-	-	1,666.84
Total	**1,123.74**	**3,973.66**	**345.40**	**326.03**	**5,768.83**

* represents actual unamortised contractual cash outflows.

b. The following are the remaining contractual maturities of financial liabilities as at 31st March 2017

(₹ in Lacs)

Particulars	On Demand	Less than 6 months	6 months to 1 year	More 1 years	Total
Borrowings					
Term loan from banks*	-	364.84	360.84	822.01	1,547.69
Current Borrowings	1,622.17	-	-	-	1,622.17
Trade payables	-	1,679.09	-	-	1,679.09
Other financial liabilities	-	571.15	-	-	571.15
Total	**1,622.17**	**2,615.08**	**360.84**	**822.01**	**5,420.10**

* represents actual unamortised contractual cash outflows.

c. The following are the remaining contractual maturities of financial liabilities as at 1st April 2016

(₹ in Lacs)

Particulars	On Demand	Less than 6 months	6 months to 1 year	More 1 years	Total
Borrowings					
Term loan from banks*	-	296.90	301.63	1,529.74	2,128.27
Loan from other body corporates	-	-	-	278.63	278.63
Current Borrowings	1,464.30	-	-	-	1,464.30
Trade payables	-	2,205.96	-	-	2,205.96
Other financial liabilities	-	616.86	-	-	616.86
Total	**1,464.30**	**3,119.72**	**301.63**	**1,808.38**	**6,694.02**

* represents actual unamortised contractual cash outflows.

Notes to the Financial Statements for the year ended 31st March, 2018

d. 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.

52.3 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.

52.3.1 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 material foreign currency exposure at the balance sheet date except a capital commitment of ₹91.58 Lacs (equivalent to 1,13,600 Euros). The Foreign currency exposure is Unhedged at the balance sheet date.

52.3.2 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.

a. **Exposure to interest rate risk**

(₹ in Lacs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Non current Borrowing at floating rate	935.14	1,396.48	1,925.84
TOTAL	**935.14**	**1,396.48**	**1,925.84**

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.

As at 31st March 2018 and 31st March 2017

(₹ in Lacs)

Particulars	31st March 2018			31st March 2017		
	Sensitivity Analysis	Impact on		Sensitivity Analysis	Impact on	
		Profit before tax	Other Equity		Profit before tax	Other Equity
Interest Rate Increase by	1%	-9.35	-6.12	1%	-13.96	-9.13
Interest Rate Decrease by	1%	9.35	6.12	1%	13.96	9.13

Notes to the Financial Statements for the year ended 31st March, 2018

53 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 Lacs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Net Debt	1,890.39	2,851.82	3,523.54
Total Equity	12,076.94	9,695.47	8,097.49
Net Debt to Equity Ratio	0.16	0.29	0.44

54 Revenue recognition under agency arrangement

The arrangement with M/s Kalpatharu Breweries & Distillies Private Limited has been considered an agency relationship based on principles of Ind AS 18 and accordingly its trial balance, relating to operations of the Company started from Financial year 17-18, have been consolidated on line by line basis. The summary of adjustments made are as below:

(₹ in Lacs)

Particulars	As at 31st March 2018
Non-current assets	
Financial assets -Loans	0.30
Other non-current assets	-
Current assets	
Inventories	118.36
Trade receivables	16.77
Other current assets	3.20
Current liabilities	
Trade payables	0.63
Financial liabilities - Others	158.74

(₹ in Lacs)

Particulars	2017-18
Revenue from operations (gross of excise duty)	75.78
Cost of materials consumed	30.63
Increase in inventories of finished goods, work-in-progress and stock-in-trade	(83.04)
Other expenses	148.93

Note: In view of arrangement with M/s Kalptharu Breweries & Distillies Private Limited entered in current year 2017-18 itself, hence previous year figures are not available.

Notes to the Financial Statements for the year ended 31st March, 2018

55 Details of Loans given, Investment made and Guarantee given covered u/s 186 (4) of the Companies Act, 2013

(₹ in Lacs)

Company	Nature of facility	31st March 2018	31st March 2017	1st April 2016
Mount Everest Breweries Limited	Investment	267.56	234.72	202.69
Mount Everest Breweries Limited	Loan	975.23	293.51	-
Millennium Urja Ltd.	Loan	231.84	300.41	250.82
Smilington Holdings Pvt. Ltd.	Loan	-	71.05	78.10
Malwa Realities Pvt. Ltd.	Loan	176.00	158.21	150.44
Manjit Singh Bhatia	Loan	128.47	70.06	-
Mount Everest Breweries Limited	Guarantee	5,200.00	6,400.00	6,400.00

All loans and corporate guarantee are given for normal business purpose.

56 The Board of Directors at its meeting held on 28th May, 2018 recommended final dividend of ₹1 per equity share of face value of ₹ 10 each for the financial year ended 31st March, 2018. The same amounts to ₹ 217.95 Lacs (including dividend distribution tax of ₹ 37.16 Lacs). The above is subject to approval at the ensuing Annual General Meeting of the Company and hence not recognized as a liability.

57 Previous GAAP figures have been reclassified/regrouped to confirm the presentation requirements under IND AS and the requirements laid down in Division-II of the Schedule-III of the Companies Act, 2013.

As per our report of even date
For Singhi & Co.
Chartered Accountants
(Firm Registration No.302049E)

For and on behalf of the Board of Directors

(Gopal Jain)
Partner
(Membership No.059147)

Tushar Bhandari
Whole Time Director
DIN:03583114

Nitin Tibrewal
Director
DIN: 01892892

Indore
May 28, 2018

Sanjay Kumar Tibrewal
Chief Financial Officer

Sumit Jaitely
Company Secretary

Notes

Notes

ASSOCIATED

ASSOCIATED ALCOHOLS & BREWERIES LIMITED

Regd. Office: "106A, Shyam Bazar Street, Kolkata – 700005"

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 hod the Company responsibility.

Note: Please attach cancelled cheque issued by your bank relating to your above account for verifying the accuracy of the 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)

PROXY FORM

[FORM NO. MGT – 11]

Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the Company	Associated Alcohols & Breweries Limited
CIN	L15520WB1989PLC047211
Registered office	106A, Shyam Bazar Street, Kolkata – 700 005
Email id	cs@aabl.in

Name of the member(s)			
Registered Address:			
E-mail Id:			
Folio No./Client Id:		DP ID:	

I/we, being the member(s) of ....Shares of the above named Company, hereby appoint

1	Name			
	Address			
	E – mail Id			
	Or failing him		Signature	
2	Name			
	Address			
	E – mail Id			
	Or failing him		Signature	

as my /our proxy to attend and vote(on a poll)for me/us and on my/ our behalf at the 29th Annual General Meeting (AGM) of the Company, to be held on the 24th day of August, 2018 at 10:00 AM at "Shripati Singhania Hall" Rotary Sadan, 94/2, Chowranghee Road, Kolkata – 700 020. And at any adjournment thereof in respect of such resolutions as are indicated

Resolution No.	Description	Option	
Ordinary Business		For	Against
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, 2018.		
2	To declare dividend on Equity Shares for the financial year ending 31st March, 2018		
3	To reappoint Mr. Manish Kumar Tibrewal (DIN: 00747559), who is liable to retire by rotation and has offered himself for reappointment.		
4	To confirm reappointment M/s Singhi & Co. as the Auditor of the company on such remuneration as may be decided by the Board		
Special Business			
5	To change the registered office of the company from one state to another i.e from jurisdiction of ROC Kolkata, West Bengal to ROC Gwalior, Madhya Pradesh.		
6	To pass resolution relating to service of documents.		

Signed this ....day of 2018

Signature of Shareholder...

Signature of Proxy holder(s)..

Affix Revenue Stamp

Note: this form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hour before the commencement of the Annual General Meeting (AGM) i.e. by 10:00 AM on 22nd August, 2018.

ASSOCIATED ALCOHOLS & BREWERIES LIMITED

Regd. Office: "106A, Shyam Bazar Street, Kolkata – 700005"

ATTENDANCE SLIP

(To be surrendered at the time of entry)

29th ANNUAL GENERAL MEETING Friday, 24th day of August, 2018 at 10:00 AM
Venue "Shripati Singhania Hall" Rotary Sadan, 94/2, Chawranghee Road, Kolkata – 700 020

I/We hereby certify that I/We/am are registered shareholder / proxy for the registered shareholder of the company and record my presence at the 29th Annual General Meeting of the Company.

Name:

Folio / DPID /CLID / User Id:

Name of the joint Holders:

Signature of Member(s) / Proxy Present:

Note: This attendance slip should be signed and handed over at the entrance of the meeting hall. The admission may, however, be subjected to further verification / checks as may be deemed necessary, under no circumstances, will any duplicate attendance slip be issued at the entrance to the meeting hall.

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*

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

REGISTERED OFFICE
106 A, Shyam Bazar Street,
Kolkata-700 005
Email: Investorrelations@aabl.in
Phone No. + 91 8100011422

CORPORATE OFFICE
4th Floor, BPK Star Tower,
A.B. Road, Indore – 452008
Phone No. (0731) 6662400/500

PLANT

DISTILLERY COMPLEX
Khodigram, Tehsil- Barwaha,
Distt. Khargone – 451115
(Madhya Pradesh)

BOTTLING PLANT
Udyog Bihar, Chorhata
Rewa, Madhya Pradesh

COMPANY'S WEB SITE
www.associatedalcohols.com

CORPORATE IDENTITY NUMBER (CIN)
L15520WB1989PLC047211

ASSOCIATED ALCOHOLS & BREWERIES LIMITED
Registered Office:
106A, Shyam Bazar, Kolkata – 700 005
CIN: L15520WB1989PLC047211