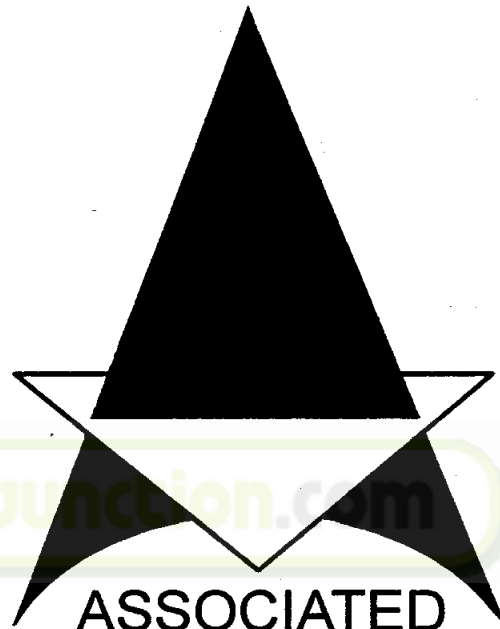


12th ANNUAL REPORT 2000-2001

ASSOCIATED ALCOHOLS & BREWERIES LTD.



ASSOCIATED
KEDIA GROUP

Dreams, Determination, Dexterity

12TH ANNUAL REPORT 2000-2001

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Board of Directors

Anand Kumar Kedia
Prasann Kumar Kedia
Santosh Kumar Kedia
Harshan Kumar Bhandari
Ashish Gadia

Managing Director

Director

Director

Director

Director

Company Secretary

V.N. Dubey

Auditors

B.K. Agrawal & Co.,
Chartered Accountants
29B, Rabindra Sarani,
Kolkata

M. D. Agrawal & Co.,
Chartered Accountants
41, Jaora Compound,
Indore

Registrar & Share Transfer Agents

Ankit Consultancy Pvt. Ltd.
Alankar Point, 2nd Floor, A.B. Road, Indore

ASSOCIATED ALCOHOLS & BREWERIES LTD.

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12TH ANNUAL REPORT 2000-2001**NOTICE**

Notice is hereby given that the 12th Annual General Meeting of the members of Associated Alcohols & Breweries Ltd. will be held at the Registered office of the Company at 8C Queens Park, Ballygunge, Kolkata – 700 019 on Friday, the 28th day of September 2001 at 10.30 a.m. for the transaction of the following business :

ORDINARY BUSINESS :

1. To Consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2001 and the Profit and Loss Account for the year ended on that date, together with the report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Santosh Kumar Kedia who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Shri Ashish Gadia who hold office upto the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and who is eligible for appointment and in respect of whom the Company has received notice in writing, pursuant to Section 257 of the Act proposing his candidature for the office of Director be and is hereby appointed a Director of the Company, liable to retire by rotation".

NOTES :

1. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 are annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a member of the Company. Proxies in order to be valid and effective must be delivered at the Registered Office of the Company not later than forty eight hours before the Commencement of the meeting.
3. The register of members and the Register of Shares transfer books of the company shall remain closed from Tuesday the 25th day of September, 2001 to Friday the 28th September, 2001, both days inclusive.

REGISTERED OFFICE

Queens Court
8C, Queens Park
Ballygunge, Kolkata – 700 019
Dated : 27th August, 2001

By order of the Board

(V.N. DUBEY)
COMPANY SECRETARY

ASSOCIATED ALCOHOLS & BREWERIES LTD.

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12TH ANNUAL REPORT 2000-2001**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2)
OF THE COMPANIES ACT, 1956.**

ITEM NO.6

Shri Ashish Gadia was appointed as an Additional Director of the Company on 5th October 2000 pursuant to Section 260 of the Companies Act, 1956 ("the Act"). Shri Ashish Gadia holds office upto the date of the ensuing Annual General Meeting of the Company. The Company has received a notice from a share holder proposing Shri Ashish Gadia as a candidate for the office of director of the Company. The appointment of Mr. Ashish Gadia shall be in the interest of the Company and therefore the Board recommends the resolution for its adoption. Except Shri Ashish Gadia none of the directors of the Company is interested or concerned in the resolution.

REGISTERED OFFICE

Queens Court
8C, Queens Park
Ballygunge, Kolkata – 700 019
Dated : 27th August, 2001

By order of the Board

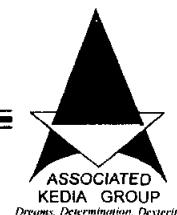
(V.N. DUBEY)

COMPANY SECRETARY

ASSOCIATED ALCOHOLS & BREWERIES LTD.

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12TH ANNUAL REPORT 2000-2001



DIRECTOR'S REPORT

To,
The Members,

Your Directors have pleasure in presenting their 12th Annual Report together with the Audited Accounts of the Company for the year ended on 31st March 2001.

FINANCIAL RESULTS

Rupees in Lacs

	2000-2001	1999-2000
Sales & Other Income	7166.44	4972.87
Profit before tax	534.64	323.66
Provision for taxation	45.31	37.38
Net Profit for the Year	489.33	286.28
Add : Balance brought forward from Previous year	1189.82	1103.54
Add : Refund of Tax Earlier years	6.02	—
Profit available for appropriation	1685.17	1389.82
APPROPRIATIONS		
General Reserve	200.00	200.00
Amount carried to next year	1485.17	1189.82

DIVIDEND

In view of substantial capital expenditure incurred by the Company for the Rajasthan Unit and proposed expansion-cum diversification plans, your Directors consider it desirable to conserve the resources of the company and as such, are unable to recommend dividend for the year.

OPERATIONS

The turnover of the Company was at Rs. 71.66 crores in comparison to Rs. 49.73 crores in the previous year. The net profit for the year increased to Rs. 489.33 lacs in comparison to Rs. 286.28 lacs in the previous year. The Rajasthan Unit has commenced production since July 2000 and operating successfully. Your Directors consider overall performance of the company satisfactory.

DIRECTORS

Shri Santosh Kumar Kedia, Director, retire by rotation and being eligible, offers himself for reappointment. Shri Ashish Gadia has been appointed as an Additional Director on 5th October 2000 in accordance with Section 260 of the Companies Act 1956 (The Act.). Shri Gadia holds office upto the date of ensuing Annual General Meeting. The Company has received a notice from a member for the candidature of Shri Ashish Gadia for the office of the director of the Company.

ASSOCIATED ALCOHOLS & BREWERIES LTD.

12TH ANNUAL REPORT 2000-2001**DIRECTOR'S RESPONSIBILITY STATEMENT**

As required Under Section 217 (2AA) of the Act. your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed.
- (b) appropriate accounting policies have been selected and applied consistently and that judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on March 31st, 2001 and of its profit for the year ended on that date.
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records under the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities except certain entries in the Fixed assets Register as referred to in para 6(i) of Auditors' Report and which have been under completion.
- (d) The annual accounts have been prepared on a going concern basis .

AUDITOR'S REPORT

While the auditors report to Note no.7 is self explanatory and therefore no further explanation is required, regarding note no.6 relating to non confirmation/ non reconciliation of certain accounts, the same was due to non receipt of timely confirmation from some of the parties and in absence of balance confirmation from certain old non operative bank accounts. Your directors are however taking appropriate steps for the same. Regarding non completion of fixed assets for the year 1999-2000 and for the Rajasthan unit, the same could not be completed in view of the ongoing Rajasthan project. The company is in the process of completion of the same.

AUDITORS

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

PERSONNEL

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

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

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

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

12TH ANNUAL REPORT 2000-2001**ACKNOWLEDGEMENT**

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

FOR AND ON BEHALF OF THE BOARD

ANAND KUMAR KEDIA

CHAIRMAN

Dated 27th August, 2001

Place : KOLKATA

ANNEXURE TO THE DIRECTOR'S REPORT

Information required under the Companies (Disclosure of particulars in the Report to the Board of Directors) Rules, 1988 and forming part of the Directors report for the year ended on 31st March 2001.

A) CONSERVATION OF ENERGY

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

B) TECHNOLOGY ABSORPTION

The Company has adopted the latest technology in its production process. The Company has an inbuilt system of research and development. Your Company has not incurred any capital expenditure relating to research and development and has not imported any technology.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	2000-2001	(Rs. in Lacs) 1999-2000
Foreign Exchange Earned	16.93	—
Foreign Exchange Outgo / Expenditure in foreign currency	11.44	10.70

FOR AND ON BEHALF OF THE BOARD

ANAND KUMAR KEDIA

CHAIRMAN

Dated : 27th August, 2001

Place : Kolkata

ASSOCIATED ALCOHOLS & BREWERIES LTD.