

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

STATUTORY AUDITORS

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

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

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

BANKERS

- IDBI Bank Limited
- Canara Bank

REGISTERED OFFICE

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

CORPORATE OFFICE

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

COMPANY'S WEB SITE

- **www.associatedalcohols.com**

CORPORATE IDENTITY NUMBER (CIN):

- **L15520WB1989PLC047211**

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Venue of Annual General Meeting and other details:

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

ASSOCIATED ALCOHOLS & BREWERIES LTD.
NOTICE

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

ORDINARY BUSINESS :

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

SPECIAL BUSINESS :

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

Appointment of Shri Ranjan Tibrewal as Director of the Company :

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

Place : Indore

By order of the Board of Director

Date : 20th July, 2013

Registered Office :

106 A, Shyam Bazar Street,
Kolkata-700 005

Ashish Gadia
Wholetime Director

NOTES

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

ASSOCIATED ALCOHOLS & BREWERIES LIMITED

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

ITEM 4

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

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

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

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

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

Indore, 20th July, 2013

REGISTERED OFFICE

106 A, Shyam Bazar Street,
Kolkata-700 005

By order of the Board of Director

Ashish Gadia
Wholetime Director

DIRECTORS' REPORT

To the Members,

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

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

APPROPRIATIONS

| | | |
|-----------------------------|---------|---------|
| General Reserve | 50.00 | 50.00 |
| Amount carried to next year | 2495.72 | 2214.74 |

RESULTS OF OPERATIONS

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

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

MODERNISATION AND EXPANSION

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

DIVIDEND

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

DIRECTORS

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

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

AUDITORS' REPORT

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

AUDITORS

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

COST AUDITORS

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

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

SUBSIDIARY COMPANY:

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

FIXED DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

CORPORATE GOVERNANCE

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

PERSONNEL

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

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

ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD

ASHISH GADIA

WHOLETEIME DIRECTOR

NITIN TIBREWAL

DIRECTOR

Place: Indore

Dated: 20th July, 2013

ANNEXURE - II TO THE DIRECTORS' REPORT

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

A) CONSERVATION OF ENERGY

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

B) TECHNOLOGY ABSORPTION

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

FOR AND ON BEHALF OF THE BOARD

ASHISH GADIA
WHOLETIME DIRECTOR

NITIN TIBREWAL
DIRECTOR

Dated: 20th July, 2013

Place: Indore

MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD- LOOKING STATEMENTS

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

INDUSTRY AND COMPANY OVERVIEW

A. OUTLOOK:

GLOBAL ECONOMIC OVERVIEW

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

INDIAN ECONOMIC OVERVIEW

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

GLOBAL ALCOHOL INDUSTRY

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

INDIAN ALCOHOL INDUSTRY

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

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

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

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