

Date: 27.07.2021

To,
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, G Block,
Bandra Kurla Complex,
Mumbai - 400051
NSE Symbol: ASALCBR

To,
The Department of Corporate Services,
BSE Limited.
PJ Tower, Dalal Street,
Mumbai - 400 001
Scrip Code: 507526

Sub: Pursuant to Regulation 34(1) of SEBI (LODR) Regulations, 2015 submission of Annual Report FY 2020-21 along with Notice of 32nd Annual General Meeting scheduled to be held on 20th August, 2021 at 01:00 PM (IST) through Video Conferencing (VC) or Other Audio Video Means (OAVM).

Dear Sir,

Pursuant to provisions of regulation 34(1) of the SEBI (LODR) Regulations, 2015, we hereby submit:

1. Notice of 32nd Annual General Meeting to be held on 20th August, 2021 at 01:00 PM (IST) through Video Conferencing (VC) or Other Audio Video Means (OAVM).
2. 32nd Annual Report for the financial year 2020-21 of the Company containing the Financial Statements including Balance Sheet as at 31st March, 2021, and the Statement of the Profit and Loss and Cash Flow for the year ended 31st March, 2021 along with annexures and the Auditors' Report thereon and the Boards' Report together with Corporate Governance Report and Management Discussion & Analysis (MDA) Report.

This is for information and record.

Yours' faithfully,
For Associated Alcohols & Breweries Limited



Sumit Jaitely
Company Secretary & Compliance Officer



ASSOCIATED ALCOHOLS AND BREWERIES LIMITED
32ND ANNUAL REPORT 2020-21

V&V

A ROBUST BUSINESS MODEL
RECONCILING VOLUME & VALUE
FOR SUSTAINABLE GROWTH



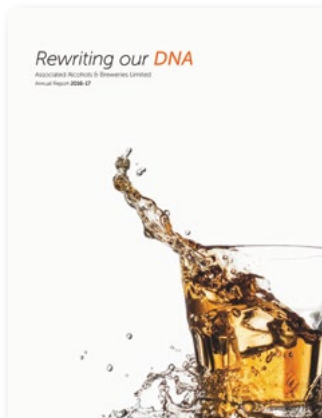
Forward-looking statement

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 realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

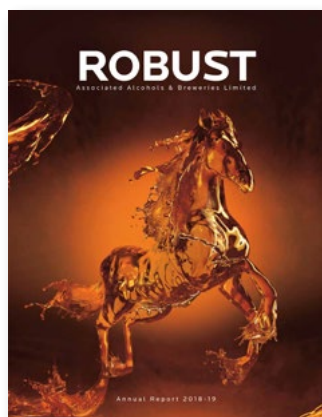
2016-17



2017-18



2018-19



2019-20



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V&V

Associated Alcohols & Breweries Limited is one of India's most comprehensive players in the Indian liquor sector.

At one end, the company addresses the vast resource segment of the sector through the manufacture of extra neutral alcohol (and proposed manufacture of ethanol).

At the other end, the company manufactures and markets liquor brands that address wide consumer needs.

This comprehensive business model has been directed to enhance margins, value-addition and business sustainability.



ASSOCIATED
ALCOHOLS &
BREWERIES
LIMITED
COMPRISES
THREE LINES
OF BUSINESSES.



One, the manufacture of grain-based ENA that is consumed in the production of liquor.

One



Two, the production of liquor that is marketed through proprietary brands.

Two

Three, the production of liquor that is marketed through franchised brands/contract manufacturing agreements.

This complement of three businesses makes the company one of the most exciting in India's liquor sector.

Three



CORPORATE SNAPSHOT

Our ethos

Vision

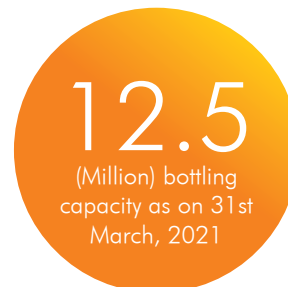
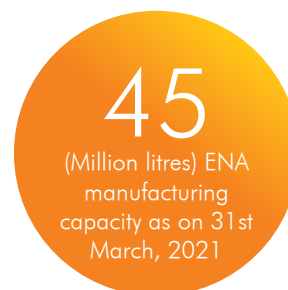
To be a pioneer in liquor manufacturing, distillation and bottling in India and to further strengthen the foothold in the liquor industry as one of the most reputed manufacturing and marketing a Company.

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.



Background

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

Promoters

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

Market presence

The Company is one of the largest distillers in India. It possesses an extensive geographic presence in five states across the sectoral value chain. The Company's principal revenues are derived from the States of Madhya Pradesh and Kerala. The company's proprietary brands contribute 70% to the packed potable segment's revenue.

Products

The Company widened its product portfolio to address the various needs of consumers belonging to all strata of society. Its product range comprises:

Premium extra neutral alcohol/
Triple distilled ENA

Indian made Indian liquor
(IMIL)

Indian made foreign liquor
(IMFL)

Contract manufacturing partner (for Diageo – USL)

Facilities

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

Expansion

The Company undertook expansion initiatives of Phase I to address the growing needs of domestic customers; the expansion was completed on schedule and FY 21 was the second year that the company operated on its expanded capacity. The Company possessed a capacity of 45 Million litres per annum (following Phase I expansion) as on 31st March, 2021. The Phase II expansion has been proposed from 45MLPA to 75 MLPA in dual mode to facilitate the manufacture and sale of ethanol to oil and petroleum marketing companies.

Clients

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

Licensed brands/franchised brands

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

Proprietary products

- Central Province Whisky
- Titanium Triple Distilled Vodka
- James McGill Whisky
- Jamaican Magic Rum
- Super Man Series
- Bombay Special Series

Contracted manufacturing brands

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

Credit rating

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



MILESTONES

1989

Incorporated as a public limited company

1990

Commenced the manufacturing and marketing of potable alcohols

1995

Modernises and expanded the distillery

2012

Revamped manufacturing facilities and processes as per prevailing requirements

2015

Created a completely integrated system including the implementation of SAP-ERP

2016

Issued bonus shares in the ratio of 1:1

2017

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

2018

Completed the 45 MLPA ENA expansion (Phase I) project

2019

Operated the expanded ENA capacity for the first full year
Listed on National Stock Exchange

2021

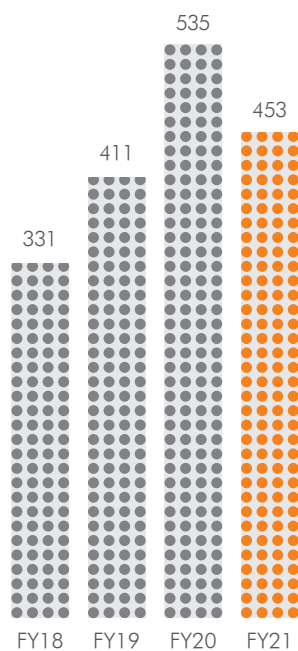
Exported ENA to one of the world's most respected vodka manufacturers in Europe

2021

Announced the project expansion of Phase-II to 75 MLPA

HOW WE GREW ATTRACTIVELY IN THE LAST FEW YEARS

Revenues (₹ Crore)



Definition

Growth in sales net of taxes and GST

Why is this measured?

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

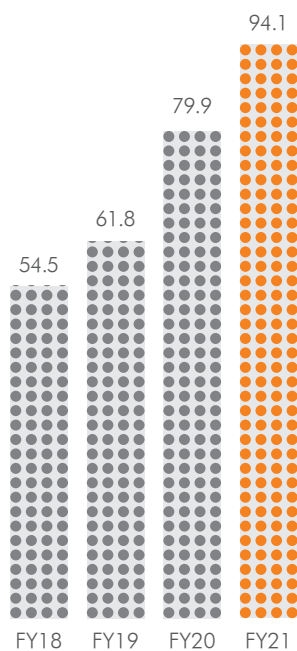
What does it mean?

The aggregate sales declined 15% to ₹453 Crore in FY 2020-21 due to the impact of the pandemic, resulting in lower production and offtake

Value impact

The Company performed better than the sectorial average

EBITDA (₹ Crore)



Definition

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

Why is this measured?

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

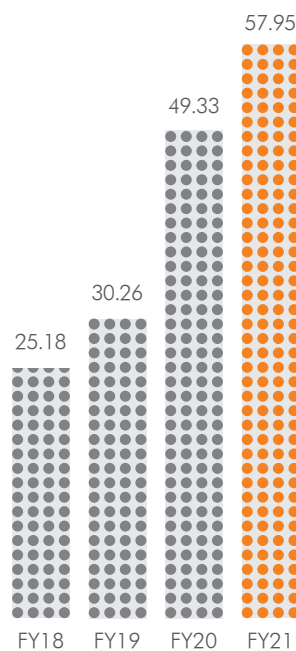
What does it mean?

This helps create a robust growth engine and sustain profits.

Value impact

The Company reported an appreciable 16.84% EBITDA increase, which represented profitable growth in a year of lower revenues

Net profit (₹ Crore)



Definition

Profit earned during the year after deducting all expenses and provisions

Why is this measured?

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

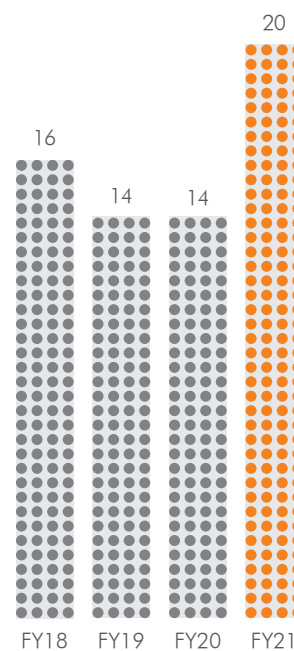
What does it mean?

Ensures that adequate surplus is available for reinvestment.

Value impact

The Company reported a 17.47% increase in net profit in FY 2020-21, more than doubling from the level of three years ago.

EBIDTA margin (%)



Definition

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

Why is this measured?

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

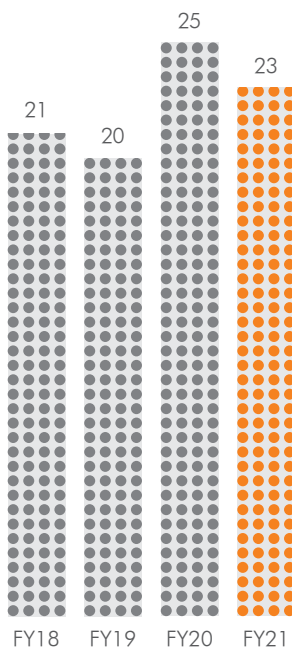
What does it mean?

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

Value impact

The Company reported a 400 bps increase in EBIDTA margin during FY 2020-21.

RoE (%)



Definition

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

Why is this measured?

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

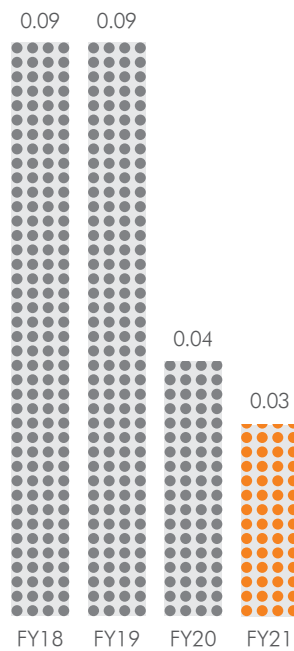
What does it mean?

Enhanced RoE can potentially drive valuations and perception.

Value impact

The Company reported a 200-bps decline in RoE during FY 2020-21

Gearing (x)



Definition

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

Why is this measured?

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

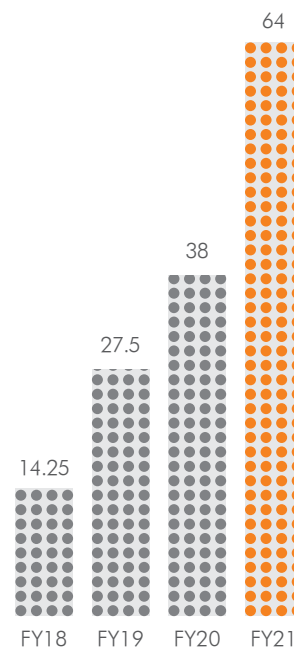
What does it mean?

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

Value impact

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

Interest cover (x)



Definition

This is derived through the division of EBITDA by interest outflow

Why is this measured?

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

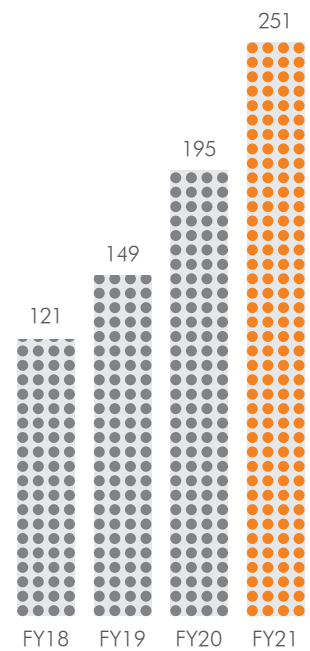
What does it mean?

This indicates a company's ability to meet its interest obligations, an aspect of its solvency; it is arguably one of the most important factors in assuring sizeable returns to shareholders.

Value impact

The Company's interest cover strengthened by 2300 bps during the year.

Net worth (₹ Crore)



Definition

This is derived through the accretion of shareholder-owned funds

Why is this measured?

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

What does it mean?

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

Value impact

The Company's net worth strengthened 28.72% during the year, more than doubling in the short space of three years.

OVERVIEW

LETTER TO SHAREHOLDERS



Dear shareholder,

The year 2020-21 was challenging for each one of us. The COVID-19 pandemic had a significant impact on lives, livelihood and businesses. It disrupted several lives and dealt a blow to the economic health of the nation.

Operational challenges mounted due to restricted movements and disrupted supply lines during the first two months of the last financial year. As the second wave of the pandemic unfolds and with predictions of a third wave in the offing, our focus continues to be on our people's health & safety, ensuring uninterrupted supplies, meeting demand, caring for the communities in which we operate and protecting our business model.

Our performance during the year gone by demonstrates our ability to adapt to change and our responsibility towards each stakeholder. Amidst trying times, we delivered robust results, even when the economy witnessed a massive slowdown. We maintained our status as market leaders due to the resilient efforts of our team to consistently produce quality products.

As compared to FY20, our FY21 revenue from operations reduced from ₹535 Crore to ₹453 Crore while our Net Profit increased from ₹49 Crore to ₹58 Crore. The rise in profit can be attributed to favorable raw material prices, increased realisations and better negotiations related to extra neutral alcohol (ENA).

The sales in Q1 were affected most as April and May 2020 were marked by a complete lockdown. Q2 saw normal momentum even as our plant went through a voluntary shut down for seven days as a precautionary measure due to

rising Covid cases. In Q3, the company achieved its highest ever quarter sales; the plant reached 100% capacity utilisation with the company commencing sales of IMFL products in Uttar Pradesh. Finally, in spite of sluggish demand, the company was able to match its sales in Q4. A focus on cost control and working capital management remained a priority during the financial year.

At the end of the financial year, the company embarked on a much-awaited expansion cum diversification where it will be possible for the new capacity to be used to manufacture and sell ethanol to oil producing and marketing companies apart from liquor products. We are committed to our core focus in delivering value-added products and expanding our base, widening our geographical presence.

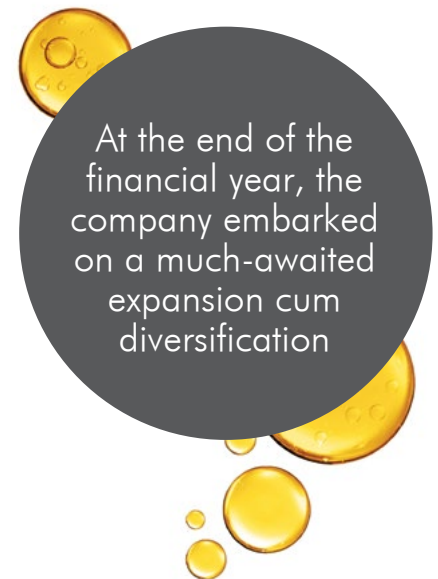
I would like to take this opportunity to express my gratitude to our Board of Directors, the management team and all our employees for their commitment and dedication to our organisation, especially during this unprecedented crisis. Most importantly, I would like to thank our shareholders, customers and suppliers, for the overwhelming trust, support and confidence.

Looking ahead, we remain confident and committed in carrying forward toward our legacy and fulfil our obligations, resulting in a better future for our people and communities.

Stay safe, stay healthy,

Warm regards,

Tushar Bhandari
Whole Time Director



At the end of the financial year, the company embarked on a much-awaited expansion cum diversification

SECTORAL OVERVIEW

THE PERCEPTION OF LIQUOR CONSUMPTION HAS EVOLVED TOWARDS SOCIAL ACCEPTABILITY



Overview

We have often been asked ‘Where is the Indian liquor industry headed?’ by people who expect us to enunciate a numerical answer, based on consumption prospects by 2030.

The reality is that we do not know. We must clarify; we are confident of the direction of the sector; we feel any attempt to put a number on the speed of sectorial growth could prove us wrong and fall short of what has been forecasted.

Our optimism is based on various social realities that are transforming today but whose upsides will be reflected across the long-term. Our understanding is that economic incentives and realities can often be fleeting; social changes comprise structural shifts with long-term implications.

The first social change is that liquor is no longer perceived as taboo. That perception has changed; the consumption of liquor is now being seen as a logical extension to a long day at work, the ideal evening way to unwind, the best way to engage friends. As long as the stress of the world remains a reality, liquor consumption will exist and only get stronger with time, widening its coverage of people and situations.

There is something fundamental that has transpired in our recall of liquor over the last couple of decades. The word ‘liquor’ was seen as an extension of all the ills of the world. The word was a metaphor of moral frailty. There has been a change in recall. The word ‘liquor’ is now being associated with fun, festivity and celebration. The result is that liquor has emerged as a natural extension of the menu in home parties.

The third change is more dramatic for a country like India where liquor consumption was largely male-dominated. For a male to be seen consuming liquor was perceived through a prism of emotions: from not being something to be appreciated when viewed by the moralistic to something that was typically male and virile. In this uni-gender world has emerged a twist in the last couple of decades: the emergence of the woman drinker. The woman of the last couple of decades comes from a different space; she works alongside men in corporate environments, she engages with men as an equal on the social media, she is an activist coming into her own and seeking her equality. She does everything that men do; she demands to be treated no differently; this ‘equality’ has also extended to exercising her freedom in what she will eat or drink.

The fourth change is something that affects virtually everyone in the country, liquor consumer or not. There was a time when the liquor industry was perceived as anti-society; there was nothing positive that one could say about it. We are happy to communicate that in the last couple of decades a new concept has emerged – responsible drinking. The new perspective is that consuming liquor should not be seen as irresponsible and wanton; the excessive consumption of liquor should be discouraged instead. Besides, there is a greater awareness that in the states that have not prohibited liquor consumption, a large part of the state economy is sustained by taxed revenues from liquor sale that helps keep the cost of state-run utilities affordable. In view of this, liquor consumption is now being re-interpreted as being socially acceptable and an economy contributor. Liquor is major source of revenue for

the State which, in turn, facilitates large public welfare.

Each of these realities that have been enunciated is enduring, irreversible and growing.

As a forward-looking company, Associated Alcohols & Breweries Limited is present at both ends of the sector – it manufactures the basic resource that goes into liquor (and hence is relevant to all those liquor brands seeking a grain-based resource foundation) and also manufactures the end product.

This integration provides the company with room for an attractive volume-play at one end and value-addition at the other; the linkage also provides the company with the flexibility to move from one product segment to another. We cannot think of any company in the Indian liquor sector that has leveraged this linkage and flexibility better than ours. The company’s margins and Return on Capital Employed are arguably the best in its sector among players with a similar business model. As an extension, the company’s gearing is the lowest.

As a result, we possess a surplus generating engine that will make it possible for the company to reinvest and grow profitably in an attractive way across the foreseeable future.

PERFORMANCE REVIEW BY THE MANAGEMENT



The company's performance, FY 2020-21

The company's performance must be reviewed at two levels – the revenues that declined and the profits that improved. From a revenue perspective this was the first decline after five years of consistent growth. The decline in revenues was the result of the company losing the first quarter of FY 2020-21 on account of the

lockdown, which prevented movement of the company's products across markets. The company reported revenues of ₹60 Crore in the first quarter of FY 2020-21; when compared with the corresponding quarter of FY 2019-20, there was a decline of ₹71 Crore. If one adds this notional decline to the revenue of the last financial year, the company would have reported yet another consistent year.

What enhanced pride of the company

“The world’s number one vodka brand sought to source ENA for European market from AABL’s plant in Indore in 2020-21, making it the proudest moment.” Tushar Bhandari, Whole time Director

Profitable business model

Interestingly, the company reported a 27% increase in its EBIDTA and a 17% growth in profit after tax over FY 2019-20. In the face of a revenue decline, the performance of the company must be seen as attractive profitable growth, where the percentage increase in profits was higher than the percentage increase in revenues. The reason for the increase in profits was on account of the company capitalising on a sharp decline in raw material (grain) costs following an abundant monsoon of the previous year.

Besides, the company reported superior margins; EBIDTA margin climbed 600 bps to 20% and net profit margin strengthened 359 bps to 12.8% without the benefit of a larger turnover that would have strengthened the amortisation of fixed costs.

The company’s preparedness

The increase in profits might be interpreted as the outcome of a commodity movement in grain prices. However what one needs to recognise is that the company had strengthened its business model to capitalise effectively on this decline. The company had broadbased its ENA manufacturing capacity effective from October 2018, strengthening its ability to capitalise on any improvement in resource dynamics. Besides, the company had strengthened its storage capacity to capitalise on raw material price movements. During the early part of the season, when there is an abundance of grain and attractively priced grain availability, the company capitalised on extensive storage. The benefits of this began to play out as the season progressed and grain realisations improved.

Growth in the ENA business

Even as the ENA business of the company contributed 22% of revenues, it accounted for 15% of the company’s total EBIDTA during the year under review. The business reported 53% capacity utilisation during the weak first quarter. The business delivered a capacity utilisation of 70%, 100% and 100% during the Q2, Q3 and Q4 quarters of the year, a reflection of its traction among customers. The fact that the business touched an average utilisation of 90% in only the second full year following its capacity expansion to 4.5 Crore litres a year is a reflection of the superior quality of the company’s grain-based product, strong customer demand and the company’s technical capacity to efficiently sweat its plant.

The highlight of the business was qualitative. During the course of the year, the company was engaged to supply grain-based ENA to one of the most reputed global vodka manufacturers situated out of Europe. The order represented a validation of the company’s superior quality; we see the exports business growing attractively over the foreseeable future.

The growth in proprietary liquor business

A highlight of the company’s performance during the year under review was growth in the company’s proprietary liquor business.

The company made significant inroads into the Kerala market during the year under review, an attractive market of the size of 6 Lakh cases per annum. During the year under review, the company increased its Kerala presence. We believe that the company’s ability to reach this level of business in only its second year is creditable in view of the price-sensitive nature of consumers in that state. The success of the company in its market was derived from the disruptive launch of white brandy, possibly the first such instance in the world. The favourable word-of-mouth goodwill generated increased sales not only for this product but for the entire product portfolio of the company during the year under review.

As a part of its desired aspiration to emerge as a pan-Indian proprietary brand player, the company entered the Uttar Pradesh market during the course of the year. The company launched a product for the mass market; the onset of the second pandemic wave affected the company’s objective to launch a premium brand.



The fact that the business touched an average utilisation of 90% in only the second full year following its capacity expansion to 4.5 Crore litres a year is a reflection of the superior quality of the company’s grain-based product

PERFORMANCE REVIEW BY THE MANAGEMENT

We believe that the expanded capacity will enhance our revenues and profitability. The expansion will generate superior economies

Proposed expansion

The company has embarked on the exercise to grow its alcohol manufacturing by adding ENA / ethanol capacity during the current financial year. The company is engaged in growing installed capacity from 4.5 Crore litres per annum to 7.5 Crore litres per annum. Expected to be complete by June 2022, the company's grain-based ENA capacity is expected to be the one of the largest in India.

We believe that the expanded capacity will enhance our revenues and profitability. The expansion will generate superior economies; the expansion will be back-ended by a larger power generation capacity that makes the company completely self-sufficient; the dual technology will empower the company to manufacture ethanol and service the growing national appetite for this resource following the government's 20% ethanol blending programme with petrol by 2025.

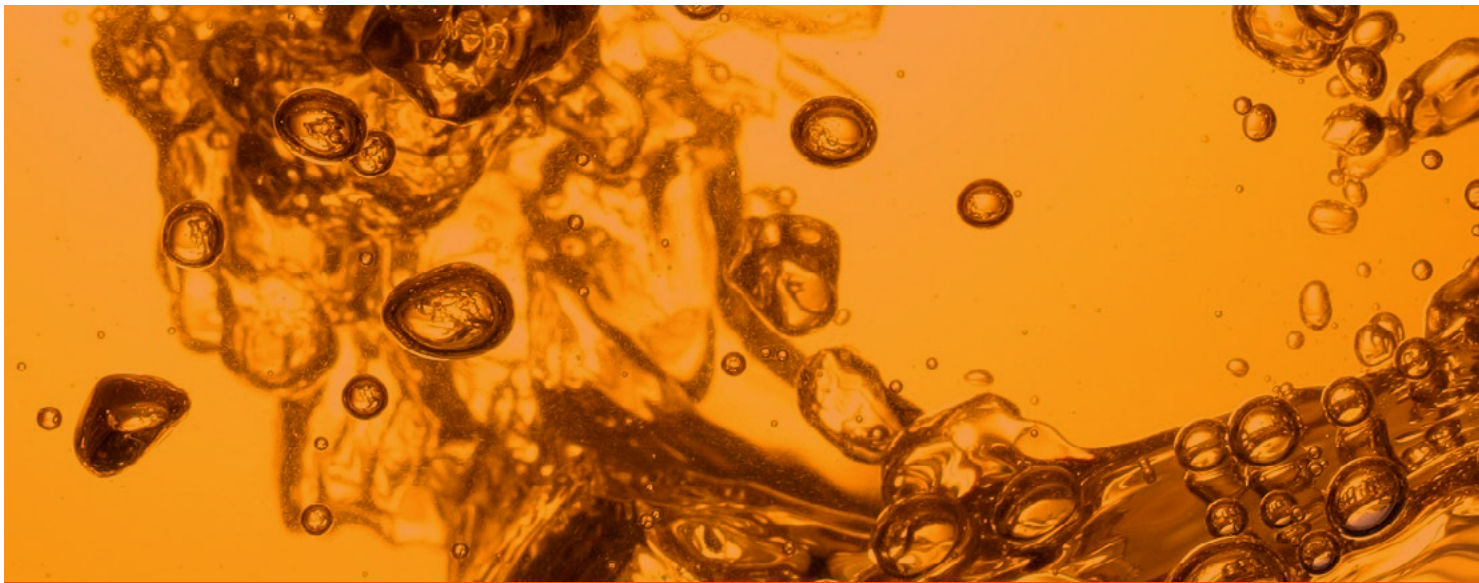
At AABL, our competitiveness will be enhanced by our capital management programme. The estimated outlay of ₹120 Crore (including the capex for the

8 MW power plant) is considerably lower than the estimated cost of ₹200 Crore for a similar greenfield equivalent. The new technology-led expansion is likely to be funded by concessional debt. We believe that this concessional debt will enhance the capacity of the company to sustain its profitability and enhance shareholder value.

Outlook

At AABL, our cautious outlook was validated during the last financial year when, despite a decline in revenues, the company increased its surplus. The company will continue to seek growth opportunities without compromising its conservative capital management framework.

The company is extensively under-borrowed; The company faces a large and growing addressable market. The objective will be to sacrifice some growth in the short-term on account of capital management conservatism but catch up on the 'lost' speed through the ability to fund growth from within, leading to superior sustainability.



OUR STRATEGIC GOALS AND BLUEPRINT

| GOAL | ACHIEVEMENTS | STRATEGIES FOR THE FUTURE |
|---|--|--|
| Sustainably grow our business by maximising capacity utilisation and market expansion | <ul style="list-style-type: none"> • Stabilised ENA capacity expansion and achieved better capacity utilisation • Strong growth reported in the Kerala market • Entered the Uttar Pradesh market • Strengthened the franchised business • Increased proprietary brand offtake | <ul style="list-style-type: none"> • Enter new markets • Grow the share of owned brands • Seek franchisee agreements in other markets • Commercialise ENA / ethanol production on schedule (June 2022) |
| Optimise operational costs | <ul style="list-style-type: none"> • Deepened process optimisation to moderate costs • Increased captive power availability • Technical and continuous review of plant operations • Direct mandi procurement leading to reduced raw material costs | <ul style="list-style-type: none"> • Increase operational automation • Commission additional power capacity, strengthening captive consumption. |
| Sustainable business growth | <ul style="list-style-type: none"> • ENA business reported overseas presence • Franchise brands reported good revenue growth • Proprietary brands reported normal revenue growth | <ul style="list-style-type: none"> • Strengthen proprietary brands' contribution to enhance profitability • Introduce premium proprietary brands |
| Asset-light business model | <ul style="list-style-type: none"> • Entered Kerala through an asset-light model • Captive spirit supply; bottling outsourced | <ul style="list-style-type: none"> • Explore franchisee agreements in other markets |
| Environmentally responsible manufacturer | <ul style="list-style-type: none"> • Substantial water used was recycled • Installed sewage treatment plants and other waste management systems | <ul style="list-style-type: none"> • To achieve highest water recycling • Minimise ground water withdrawal • Harvest water at the manufacturing unit |



WHY INDIA IS ONE OF THE MOST ATTRACTIVE GLOBAL LIQUOR MARKETS

Extensive under-consumption

5

Litres, India's per capita liquor consumption, 2020

6.5

Litres, Global per capita liquor consumption, 2020

Attractive growth of India's alco-beverage sector

8

% CAGR growth in volumes of the alco-beverage industry between 2010 and 2020

Consumption decline in only one in 12 years ending 2020

11

% CAGR growth by value of the alco-beverage industry between 2010 and 2020

No consumption decline in any of the 12 years ending 2020

Increased premiumisation

11

% of alco-beverage industry sales of whisky brands above ₹1,500, 2017

12

% of alco-beverage industry sales of whisky brands above ₹1,500, 2017

Consumers seeking superior preferences

51

% of alco-beverage industry sales of beer plus IMFL, 2019

59

% of alco-beverage industry sales of beer plus IMFL, 2022 projected

Increased consumption

0.9

Litres, India's per capita liquor consumption, 2000 (per capita income ₹16,173)

3

Litres, India's per capita liquor consumption, 2015 (per capita income ₹1,35,000)

Addressable market

45

Per cent of the Indian population yet to come to legal drinking age

50

Creore population size opportunity of the Indian population yet to come to legal drinking age

Growing middle segment

30

%, proportion of the population of those with an annual income of ₹2.5 Lakh to ₹25 Lakh in India, 2000

78

%, proportion of the population of those with an annual income of ₹2.5 Lakh to ₹25 Lakh in India, 2030

Urbanisation

35

Per cent of India's population that was urban, 2020

40

Per cent of India's population likely to be urban, 2030

Growing market potential

56

Percentage of India's population within the legal drinking age, 2014

69

Percentage of India's population within the legal drinking age, 2025

Widening perspectives

14.9

Million, number of international travellers from India, 2012

26.9

Million, number of international travellers from India, 2019

Working women

98.7

Million, the number of Indian working women, 2012

112

Million, the number of Indian working women, 2018

Rising affluence

1

%, proportion of the population of those with an annual income of ₹25 Lakh+ in India, 2000

7

%, proportion of the population of those with annual income of ₹25 Lakh+ in India, 2030

Widening outlets

30,314

Number of pubs and bars in India (on-trade establishments), 2012

34,768

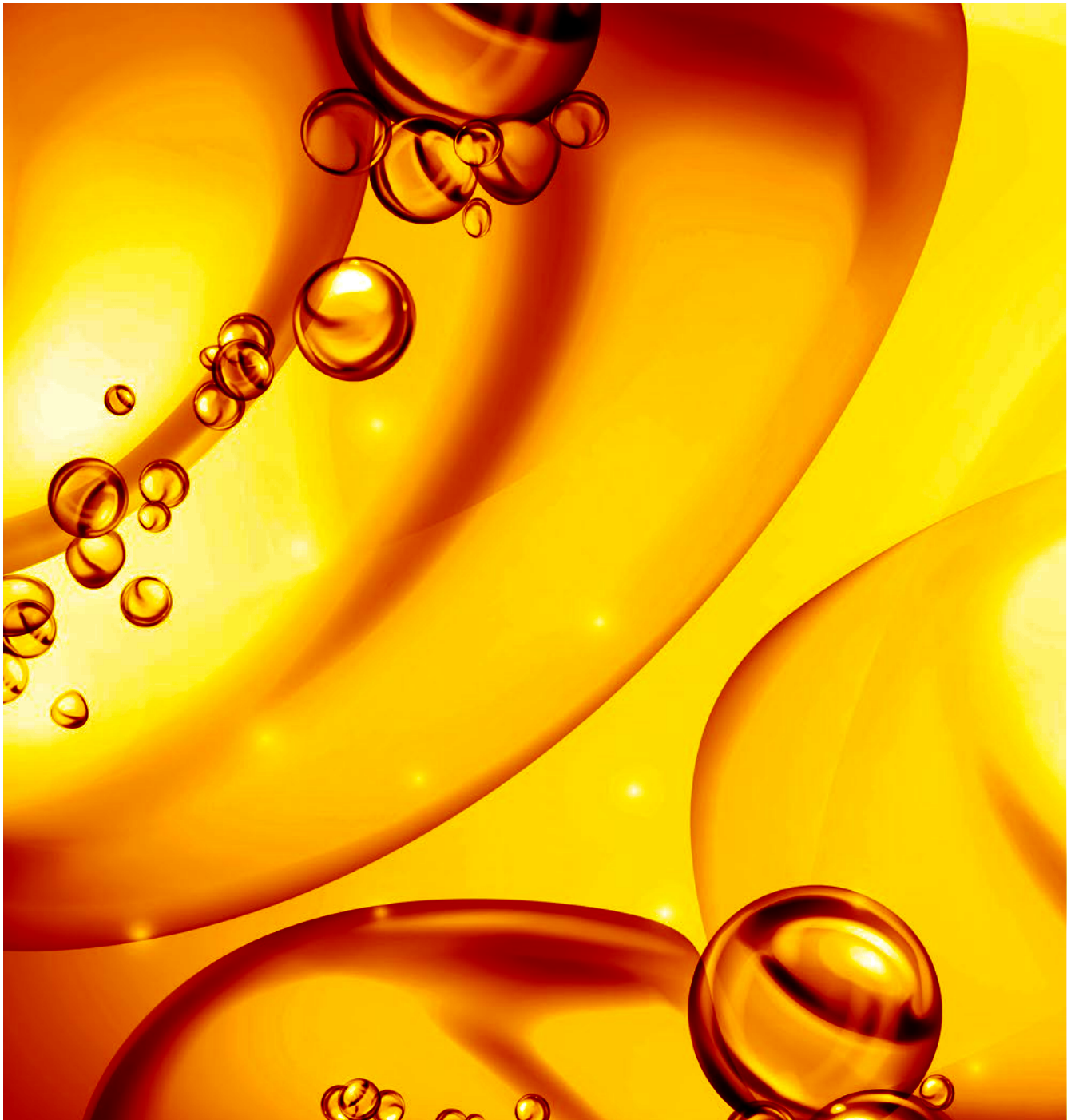
Number of pubs and bars in India (on-trade establishments), 2017

Global comparison

101

India's rank in terms of per capita alcoholic beverages consumption in the world, 2016

A SPIRIT OF ESG RESIDES AT THE HEART OF OUR PERSONALITY



Overview

There is a priority for companies to conduct themselves like responsible corporate citizens. This increased priority is the result of unforeseen developments transforming economic realities almost overnight, putting a premium on resilience and responsible governance.

Environmental, social and governance indicates matters that may traditionally be associated with sustainability or corporate responsibility, but are deemed to have a significant material impact on an organisation's short- and long-term value.

Research indicates that ESG and corporate performance are linked; companies with sound governance practices demonstrate a more sustainable corporate performance and even investment returns.

A 2015 metastudy of more than 200 sources by Oxford University and Arabesque Partners noted that '80% of the reviewed studies demonstrate that prudent sustainability practices have a positive influence on investment performance.' Most Canadian investors felt that ESG is a risk mitigation activity (68%) as opposed to a source of alpha

(21%), while most European investors believed both to be the case (Source: RBC).

Besides, investors are incorporating ESG into investment decisions at unprecedented levels — 97% of global investors did so in 2018, compared to 78% in 2017 (Source: EY). Canada's pension funds (65% of all national investment) considers ESG as a filter, influencing international demands for enhanced ESG disclosures.

In view of this, governance is not incidental to business, but integral.

Upsides

ESG links to cash flows in five important ways: top-line growth, reducing costs, minimising regulatory and legal interventions, increasing employee productivity, and optimising investment and capital expenditures.

Top line growth

It helps companies tap new markets and expand into existing ones. When governing authorities trust corporates, they are more likely to award them access, approvals and licenses that provide growth opportunities.

Cost reduction

ESG can reduce costs. Among other advantages, executing ESG effectively can help combat rising operating expenses (such as raw material costs and the true cost of water or carbon), which McKinsey research has found can affect operating profits by as much as 60%. Analysts discovered a significant correlation between resource efficiency and financial performance.

Reduced regulatory and legal interventions

A stronger external-value proposition can enable companies to achieve greater strategic freedom, easing regulatory pressure. In fact, in case after case across sectors and geographies, ESG has helped reduce companies' risk of adverse government action or resulted in government support.

Employee productivity uplift

A strong ESG proposition can help companies attract and retain quality employees, enhance employee motivation through a higher sense of purpose and increase productivity.

Investment and asset optimisation

A strong ESG proposition enhances investment returns by allocating capital to more promising sustainable opportunities.

The ESG personality

At AABL, we believe that environment-social-governance (ESG) represents the heart of our business.

This is particularly so in a business where the product needs to be embedded inside the earth and any under-performance usually entails a cost for detection, extraction and replacement.

- **The E in ESG, environmental criteria**, includes the energy your company takes in and the waste it discharges, the resources it needs, and the consequences for living beings as a result. Not least, E encompasses carbon emissions and climate change. Every company uses energy and resources; every company affects and is affected by the environment.

- **S, social criteria**, addresses the relationships your company has and the reputation it fosters with people and institutions in the communities where you do business. S includes labour relations and diversity and inclusion. Every company operates within a broader, diverse society.

- **G, governance**, is the internal system of practices, controls, and procedures your company adopts in order to govern itself, make effective decisions, comply with the law, and meet the needs of external stakeholders. Every company, which is itself a legal creation, requires governance.

Getting the environmental, social, and governance (ESG) proposition right links to higher value creation.

The combination – environment, social and governance – provides a platform for doing the right things the right way leading to secure, scalable and sustainable long-term growth.

Our Environment commitment

There is a growing commitment to environmental management systems, conduct environmental due diligence and build disaster planning & response systems across our manufacturing facility. The company intends to achieve zero effluents discharge targets while moderating water consumption intensity through recycling.

The company deepened an investment in processes and systems, especially information technology. Besides, it strengthened an audit-driven and compliance-driven approach, enhancing the predictability of our processes (the company has not incurred statutory penalties in its existence). There is a commitment to reduce energy intensity, reduce greenhouse as emission intensity and graduate to cleaner processes and fuels.

The company strengthened an audit-driven and compliance-driven approach, enhancing the credibility of the reported numbers. The result is that the company has not incurred statutory penalties in its existence.

Our Social commitment

Employees: At AABL, we believe that business transformation is accelerated by a passionate team mix that reconciles youth and experience. In the last few years, this people-driven ferment has progressively enriched, resulting in sectorial outperformance. We invested in a culture of overarching excellence directed towards emerging as the sectorial benchmark in terms of quality (product and process) as well as resource productivity leading to continuous cost management and sustainability across market cycles. We made prudent investments (recruitment, retention and training) to enhance efficiency and effectiveness across all our business functions. Besides, we invested in practices that have enhanced safety – training, protocols, certifications, investment in supports and awareness-building.

Customers and vendors: The company deepened relationships with vendors (who provided capital equipment and spares as well as with primary customers (trade partners). Given the complex nature of material, the company selected to work with a large Indian vendor.

Community: The company engaged with the community around its manufacturing location with the objective to widen the circle of prosperity through relevant interventions in line with Sustainable Development Goals.

Our Governance commitment

At AABL, our governance platform comprises clarity on the way we intend to do business.

Singular focus: At AABL, we have selected to position ourselves not as much as an ENA or a liquor products as much as a liquor solutions provider. At AABL, we seek to be the best in our business as opposed to a singular focus on being the largest.

Controlled growth: At AABL, we believe that business sustainability is best derived from controlled growth sustained by accruals.

Balanced approach: At AABL, we have selected to balance caution and aggression (strategic aggression and tactical conservatism), reflecting in capital investments around an attractively short-term payback coupled with accruals-based reinvestments.

Board of Directors: At AABL, we have placed a premium on our Board composition, which comprises professionals and industrialists of standing.

Trust: At AABL, we believe that trust is the underlying element

why customers buy from us, why employees engage with us, why vendors sell to us, why investors provide us risk capital, why bankers lend debt and why communities support us.

Discipline: At AABL, we run our business with a sense of discipline: whether this is in terms of accountability, professionalised management, checks and balances, technology investments and audit-driven cum compliance-driven approach that eliminates process deviations or the ability to manage operations around business targets.

Integrity: At AABL, we adopted and implemented IND AS without a substantial material impact. This validated the Company's governance standard, reinforcing the credibility of financials and carrying value of assets and liabilities.

Conservative: The Company's Balance Sheet continues to be conservative and there is still unlocked value in the immovable properties on the Company's books.

Long-term: At AABL, we invest for the long-term (whether in equipment, people, relationships,

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

Environment: At AABL, we do believe that some of our effluents can affect the integrity of the environment if released untreated. Over the years, we have invested in equipment, protocols and training to run our operations in an environmentally responsible manner, reinforcing our respect.

Broadbased: At AABL, we diversified our business from manufacturing and supply of ENA to contract manufacturing for Diageo-USL, to manufacturing and marketing licensed brands (last two segments to grow as a percentage of revenues).

Relationships: At AABL, we invested in long-standing relationships with Diageo, evidenced by the renewal of our franchise licensing arrangement for three years.

HOW WE HAVE ENHANCED SHAREHOLDER VALUE

At AABL, we practice a structured approach to building shareholder value. This discipline has been concised into priorities of how we will grow our business.

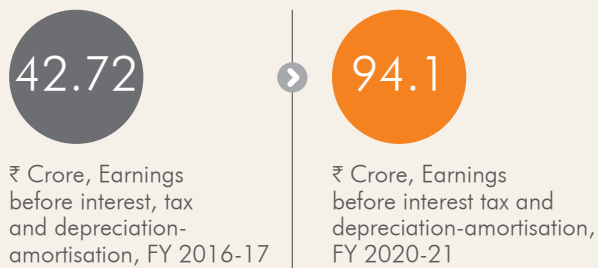
How our valuation strengthened

Capital appreciation



How we generated superior financial hygiene

EBITDA



22 CAGR %, five years ending 2020-21

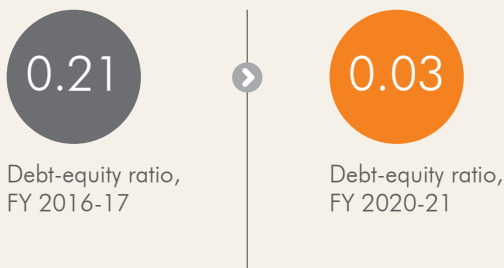
EBITDA margin



550 bps growth, five years ending 2020-21



Gearing



18 bps decline, five years ending 2020-21

RoCE



400 bps increase, five years ending 2020-21



HOW WE ACHIEVED GROWTH OF THE DIAGEO/USL FRANCHISE IN A CHALLENGING MADHYA PRADESH

Overview

A few years ago, the liquor giant Diageo/ United Spirits made a landmark decision: the company would restructure its India strategy whereby it would vacate direct marketing in some states in favour of a franchised approach directed to reduce overheads and enhance profitability.

This decision opened a wide pan-India market for independent region-specific companies to franchise USL's brands.

As an opportunity-responsive company, AABL entered into an exclusive franchise agreement to market the international giant's brands in Madhya Pradesh for five years against a royalty payment.

Challenges

The challenges in growing USL's market share were considerable.

USL's market share was in a state of degrowth at the time AABL entered into the agreement, largely because trade partners were unsure of the principal's commitment to grow its presence. Besides, there was a perception that the principal was relatively defocused on its principal brands, affecting the confidence of trade partners. There were extensive white spaces across the state where the company remained unrepresented.

Initiatives

As a market-focused company, AABL responded with speed to enhancing its presence and perception. The company embarked on marketing schemes that enhanced the confidence of trade

partners and consumers. The company widened its marketing footprint across Madhya Pradesh.

Outcomes

Gradually, the degrowth reversed; in FY 2019-20, AABL reported an offtake that was 40% higher than the previous year on its principal's behalf. Even as franchised sales declined in FY 2020-21 on account of the pandemic, there was an optimism of sustained franchisee business growth from this point onwards on account of a strong terrain-focused partner.

Besides, the sharpness with which AABL strengthened the franchise's business has positioned it as a serious prospective partner in USL's widening national ambition and arguably one of the best performers across the principal's 15-odd national partners in the last three years.

The Diageo - USL brands marketed by AABL in Madhya Pradesh



HOW WE REPORTED BREAKTHROUGH SUCCESS WITHIN JUST TWO YEARS OF ENTERING KERALA



Overview

At AABL, an important driver of the company's business is the need to launch its proprietary brands in large and growing states.

In view of this, the company entered a large, growing but price-sensitive Kerala market in 2019. The company's growth in Kerala represents a case study of how a liquor company can enter a new market, scale with speed and establish profitability within a compressed period of time.

Challenges

The challenges were considerable when the company entered this untested geography: there was a premium on the need to create a team aligned with the company's vision of creating a disproportionately large impact within a short period. There was a need to engage a quality-respecting bottling company to address the company's needs. There was a need to enter into a distribution alliance with a partner

possessing a longstanding distribution network. The company immediately encountered a sharp appreciation in grains costs in FY 2019-20 that tested its resolve.

Strategies

The company responded with a complement of approaches that protected its viability on the one hand and accelerated its market penetration on the other.

The company drew from its experience of entering the markets of National Capital Region and Karnataka.

The company launched a price-sensitive but credible liquor brand, marked by the prospect of large volumes and the opportunity to establish its quality-focused reputation.

The company capitalised on the fact that all competing liquor brands in Kerala were based on molasses-derived ENA while the company's distinctive ENA was derived from grain, translating into superior taste characteristics.

The company established a distinctive personality through the launch of a white brandy brand, possibly the first such instance anywhere in the world for a product that is usually marketed as dark. The combination of this differentiated colour, coupled with a grain-based ENA foundation (lower impurities), generated a positive traction for the company's brand.

The success of the white brandy brand had a catalytic impact on the company's other brands, strengthening the overall sales average.

Outcomes

The company scaled its Kerala business from scratch to 50,000 cases a month within the space of two years, among the fastest growth rates reported by any company entering a new market in India. This achievement was creditable for a market otherwise dominated by rum and brandy, considering that the company was marketing brandy for the first time in years.

How we made a success of our presence in Kerala

Learnings from other markets

Launched a price-sensitive credible liquor brand

Leveraged grain-based ENA

Launched a distinctive white brandy brand

Catalytic impact on other proprietary brands



HOW WE BUILT OUR BUSINESS AROUND A CONSERVATIVE AND MEASURED BUSINESS PLATFORM

Asset-light: The company engaged third party bottlers when entering New States, moderating its direct financial outlay

Comparative profit analysis: The company appraised the attractiveness of markets based on whether it could generate a higher profit from ENA sale or liquor, influencing its product mix

Broadbased: The company reconciled three businesses within its operating model – large volume ENA sales, proprietary IMIL sales and franchise sales on behalf of its international principal

Cautious geographic entry: The company entered new geographies (states) with measured caution, based on region-by-region expansion as opposed to the conventional carpet-bombing approach

Phased entry: The company seeded new States with a phased approach: sending bottles from another state, sending ENA to the appointed bottler followed by direct bottling after achieving critical mass

Debt-light: The company is debt-free and likely to remain so (except for concessional debt mobilised from the government for ethanol capacity creation)

Competitive growth: The company invested in ENA capacity expansion after securing forward sales, minimising its exposure to market risks

Dual revenue engines: The company broadbased its core volume-driven business through a proposed extension from ENA to ethanol

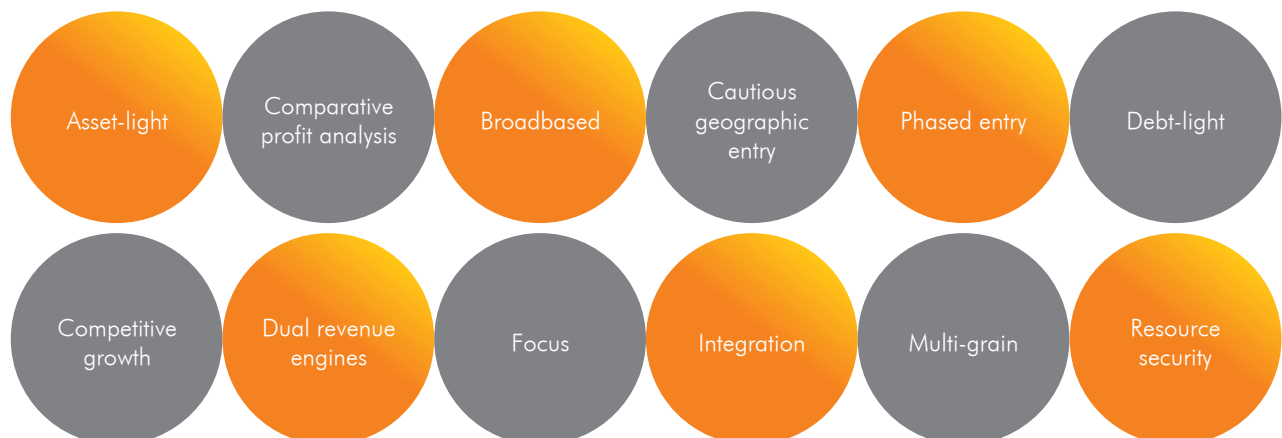
Focus: The company traditionally focused on being the best over being the largest, influencing every aspect of its business, investment and marketing strategy

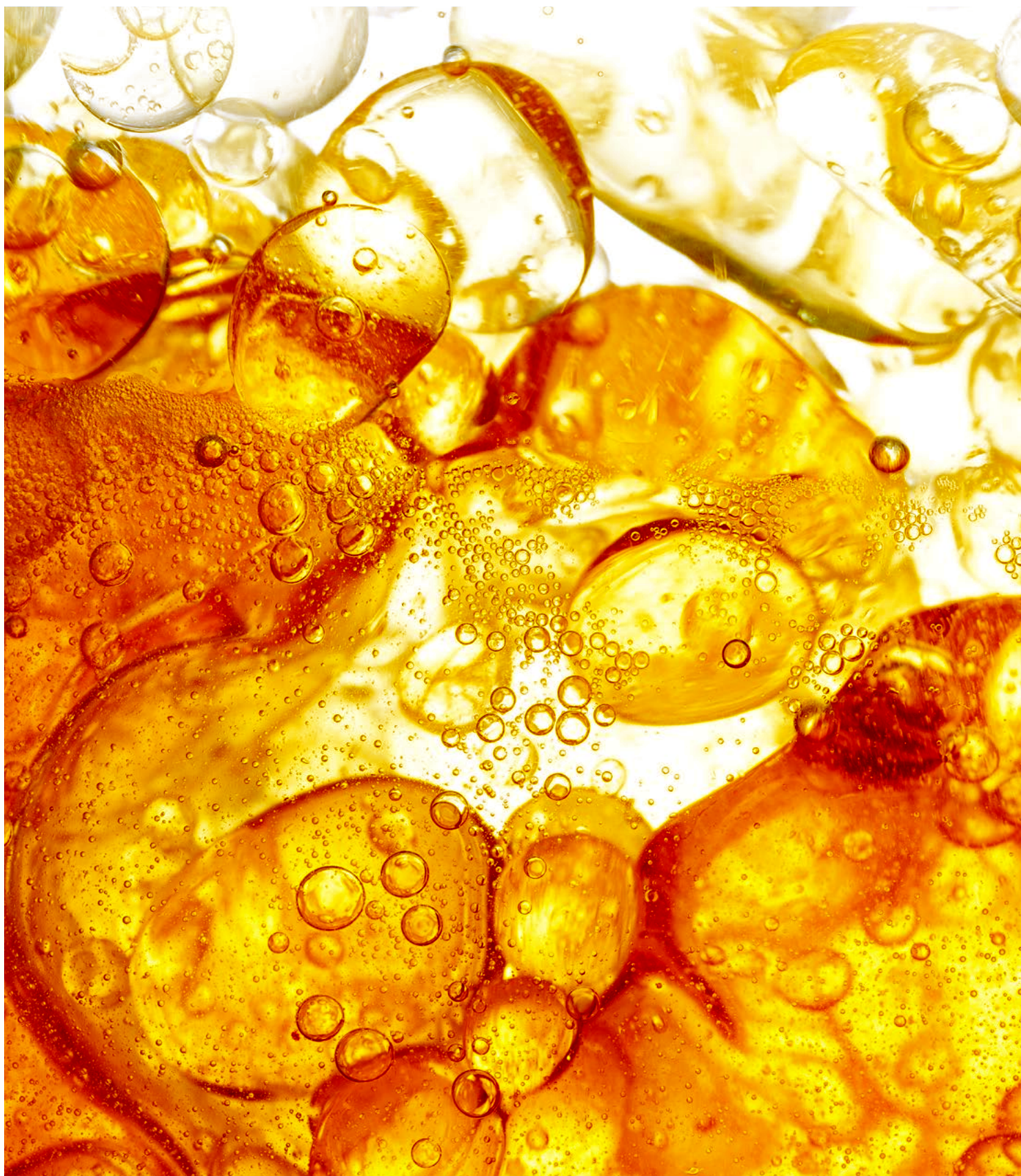
Integration: The company integrated its business at various levels – from ENA to liquor bottling and from power to ENA manufacture, moderating costs

Multi-grain: The company broadbased its resource risk through the facility of working with a wide starch-rich grain range (rice, maize, millets, sorghum, jowar etc.) available from within 400 km

Resource security: The company de-risked its business through complete water recycling that moderated its dependence on ground water resources, strengthening sustainability

Our platform





ASSOCIATED ALCOHOLS. ONE OF THE MOST EXCITING GROWTH STORIES IN INDIA'S LIQUOR SECTOR

Invested accruals generated in its business in the five years ending 2020-21 without debt or equity dilution

Grew its three revenue engines every single year of the three years ending 2020-21

Grew revenues on the one hand while deleveraging long-term debt on the other

Consistently reported possibly the highest RoCE among peer companies in the sector

Now engaged in building a robust foundation for long-term sustainability

OUR VISION

Extra neutral alcohol

4.5

Crore litres per annum, FY 2020-21

9

Crore litres per annum, FY 2024-25 (estimated)

Franchise liquor business

8.5

Lakh cases throughput, FY 2020-21

15

Lakh cases throughput, FY 2024-25 (estimated)

Proprietary liquor business

9

Lakh cases throughput, FY 2020-21

30

Lakh cases throughput, FY 2024-25 (estimated)

TO ESTIMATE WHERE WE ARE HEADED, IT MAY BE IMPORTANT TO APPRECIATE WHERE WE HAVE COME FROM



A The challenges we faced in the last few years

Whether to invest in our proprietary brands or to invest upstream

The perception that the sector offers thin margins

The perception that the business is excessively regulated

The intervening elections across the states and country, affecting prospects

The effect of the pandemic-induced lockdown

The effect of demonetisation

The monsoonal influence on grain price volatility

The highway curbs on liquor sales

The capital-intensive nature of the branding and ENA manufacturing business

The high mortality in the proprietary liquor branding business

B How we encountered the sectorial challenges to emerge as an industry proxy

Grew the business without debt or equity dilution

Ran three businesses in one company

Combined an aggressive approach with defensive (ethanol and proprietary branded liquor)

Sacrificed speed for security

Grew two completely different businesses (manufacturing and marketing)

Widened the national sales footprint of the proprietary IMIL business

Deepened relationship with our principal through a franchised relationship in MP

Expanded with speed; increased asset utilisation

Made incremental investments despite a large headroom

Achieved high utilisation within the first quarter of expansion

Grew patiently and organically in the IMIL segment

Focused on working capital efficiency and cash flows

C This is how we have evolved to become a sectorial proxy

One of the largest ENA manufacturers in India (post expansion, 2022)

The most profitable large ENA manufacturer in India

One of the most respected and trusted USL franchisees in India

One of the most respected grain-based ENA makers in this part of the world

One of the most competitive long-term ENA manufacturers in India

One of the most broad-based liquor sector proxies in India



Conclusion: We sell the raw material, we market the finished product and we manufacture/market the finished product on behalf of our principals

4 PLATFORMS OF OUR LONG-TERM BUSINESS SUSTAINABILITY

At AABL, there are four reasons why we are confident of long-term business sustainability.

Our platforms

Low indebtedness

Low indebtedness

One, we had no long-term debt on our books as on 31st March, 2021. Assuming that the company extends into the business of ethanol manufacture, and mobilises concessional debt from the government, the funding line is likely to be comfortably extended across five years, making it convenient to service and repay. For all practical impact, the company is – and likely to remain – debt-free even as it is engaged in the most aggressive asset building phase of its existence.

Capital cost per litre

Capital cost per litre

Two, the company's capital cost per litre of ENA is among the lowest for a plant of similar capacity. Over the years, the company's single location has transformed into multi-product manufacturing infrastructure; each successive expansion has only reinforced the company's competitiveness, reflected in a large difference between the prevailing capital cost of asset creation within the industry and the company's existing benchmark.

Operating leverage

Operating leverage

Three, the company enjoys a decisive operating leverage. The company's existing plant and new expansion are located in a 40-acre facility likely to be only a third consumed by the time the company's FY 2021-22 expansion has been completed. This indicates that the company possesses the room to invest in successive expansion rounds within the same location. The availability of infrastructure at historical costs as well as the availability of a range of existing utilities will make it possible to grow at a relatively low cost with each successive expansion.

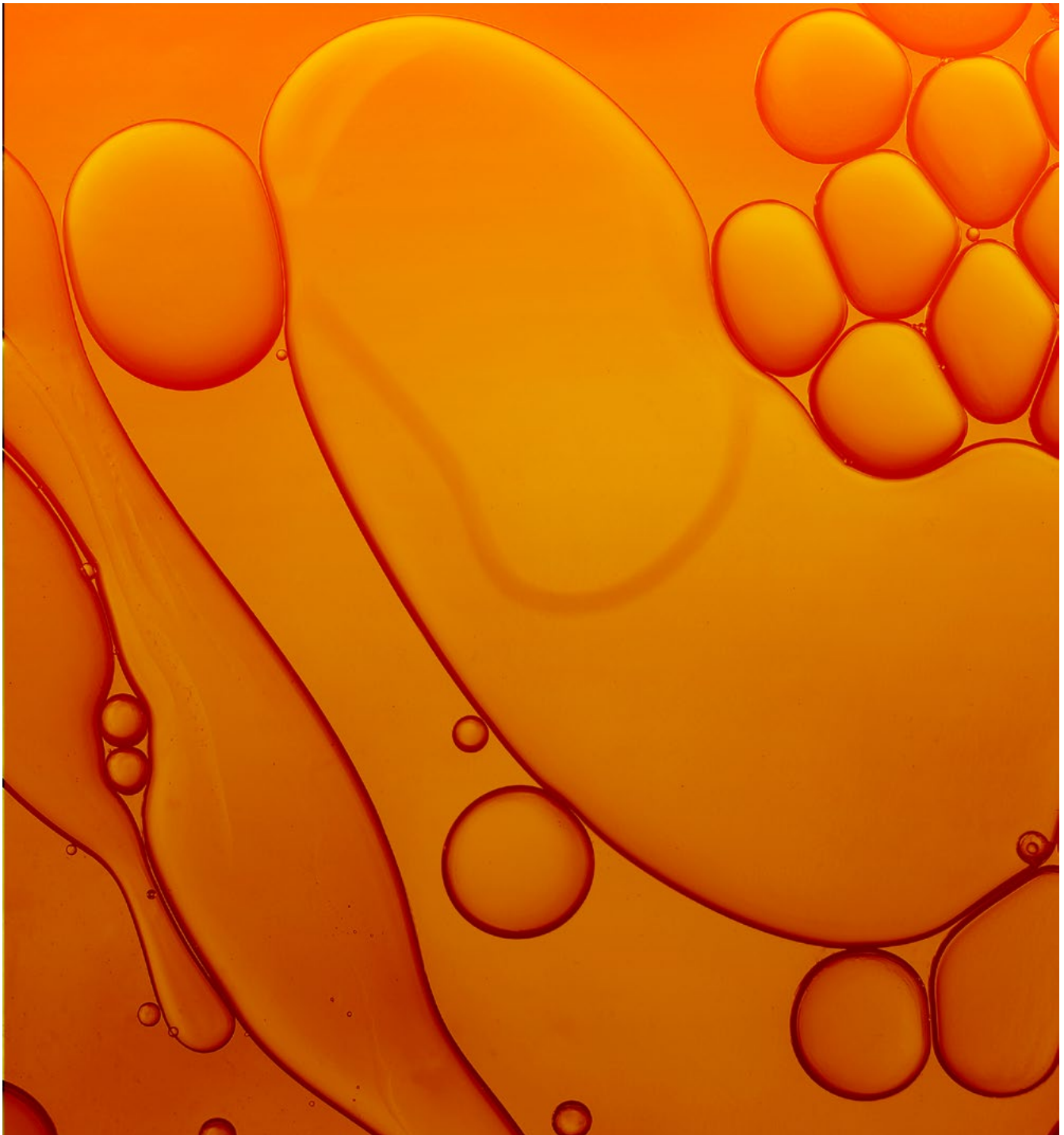
Return on Relationships

Return on Relationships

Four, the company expects to leverage the power of relationships – with grain providers on the one hand, with franchised principals and downstream consumers of proprietary brands at the other. We believe that these relationships are scalable, generating multi-year growth possibilities from within. These relationships generate insights into how premium liquor is marketed and how consumers are evolving. This strengthens our corporate brand that makes it easier to market proprietary brands. Besides, the association of global principals strengthens our corporate respect, making it possible to recruit better.

We believe that the complement of these competitive advantages provides the company with a platform of profitable and sustainable growth across the long-term.

AABL ENJOYS A COST LEADERSHIP IN ENA MANUFACTURE IN INDIA



Overview

At AABL, we have established a respect for not just our superior grain-based ENA quality; we are also respected as one of the most competitive ENA manufacturers in India.

This efficiency is marked by a respect for the optimal quantum of resource that is consumed to manufacture a given quantity of ENA and a progressive decline in the quantity of power and water consumed.

Wide grain basket

The company enjoys access to a wide grain basket from within a proximate distance of its manufacturing facility. This access makes it possible for the company to explore price arbitrage opportunities with the objective to moderate costs.

Economies of scale

The company's efficiency has been reinforced through its size, which is

among the three largest grain-based ENA plants in India. As a result, the company is positioned to generate one of the most attractive manufacturing economies, reflected in the competent amortisation of fixed costs.

Better productivity

The company has progressively strengthened its technology to generate more from a given quantum of resource. The result is that grain throughput – the lowest common denominator in the business – strengthened over the last few years, increasing the company's capacity to generate more from less, the basis of business sustainability.

The company's operations have been reinforced by the captive availability of power generation capacity (4MW), which services nearly 60% of the company's requirements on the existing capacity (4.5 Crore litres per annum). This adequacy is projected to increase to 100% when the company's expansion

to 7.5 Crore litres per annum has been completed by June 2022.

Leading the sector

The company's competence has been visibly showcased in its margins. Even though the low margin ENA business accounted for 22% of the company's throughput by volume, it accounted for 15% of the company's EBIDTA in FY 2020-21 and contributed to its EBIDTA margin of 13%+ in FY 2020-21 (equivalent to margins of brand-led companies), comparing favorably with peer resource companies in other industries.

This difference was visible even when it came to Return on Capital Employed. AABL's RoCE of 31% was head and shoulders above the peer field – its nearest competitor with a higher turnover reported 16% while Competitor C reported an RoCE of 13%.

Platforms of our competitiveness

Optimal resource
consumption

Economies of
scale

Captive power
generation

Multi-grain
access



AABL ENJOYS AN UNMATCHED LONG-TERM LOCATIONAL ADVANTAGE

Overview

At AABL, the most sustainable driver of our long-term competitiveness is our manufacturing location.

The company is located in possibly the most advantageous location in India for the long-term manufacture of ENA.

The advantage of this location has been emphasised through various realities.

One, the company is located virtually in the centre of India, which makes it equidistant to the rapidly growing liquor consuming markets of North, South, East and West India.

Two, the location is attractively placed to service the growing ENA needs of liquor bottlers in South India, at least 800 Kilometer closer than grain-based ENA providers in North India. This represents a long-term logistical advantage that will always keep the company more competitive in reaching the most attractive liquor consumption regions of India faster and cheaper.

Three, the company is proximate to the grain basket of India. It enjoys an access to the rice bowl of Chattisgarh as well as the jowar-rich regions of Madhya Pradesh and Maharashtra. These two grain varieties – sourced from within a

radius of 400 km – account for 70% of the company's annual grain appetite by volume. The result: the company's inward logistics cost is among the lowest for large ENA manufacturers in India.

Four, the company's multi-decade grain access has been reinforced through longstanding engagements with trade intermediaries who, in turn, are connected to the local grain markets. The result of this robust supply chain is that the company has never faced a stockout on account of non-availability of grain feedstock at any point in its existence.

AABL's locational advantage

Equidistant to most ENA consuming markets

Proximate to liquor bottlers in South India

Proximate to the grain basket of India

AABL's proximate access to various grain types

Rice

Jowar

Maize

Millets

Sorghum



AABL ENJOYS AN ENDURING AND GROWING RELATIONSHIP WITH THE LARGEST LIQUOR BRAND IN THE WORLD

Overview

One of the most important drivers of our presence and growth is a sense of respect that we enjoy in India's liquor sector.

This respect has been derived from our multi-decade engagement with the largest liquor brand in the country and the world. This association is a validation of our governance, processes, practices – and the fact that we can be trusted.

Development

Some years ago, United Spirits selected to outsource the manufacture of these brands to five pan-India distilleries. The

arrangement is in its fifth year. So even as the offtake of the popular brands at United Spirits is expected to stabilise at ~3% annual growth, the income from franchisee agreements is expected to grow at ~6% across the foreseeable future (analyst estimates).

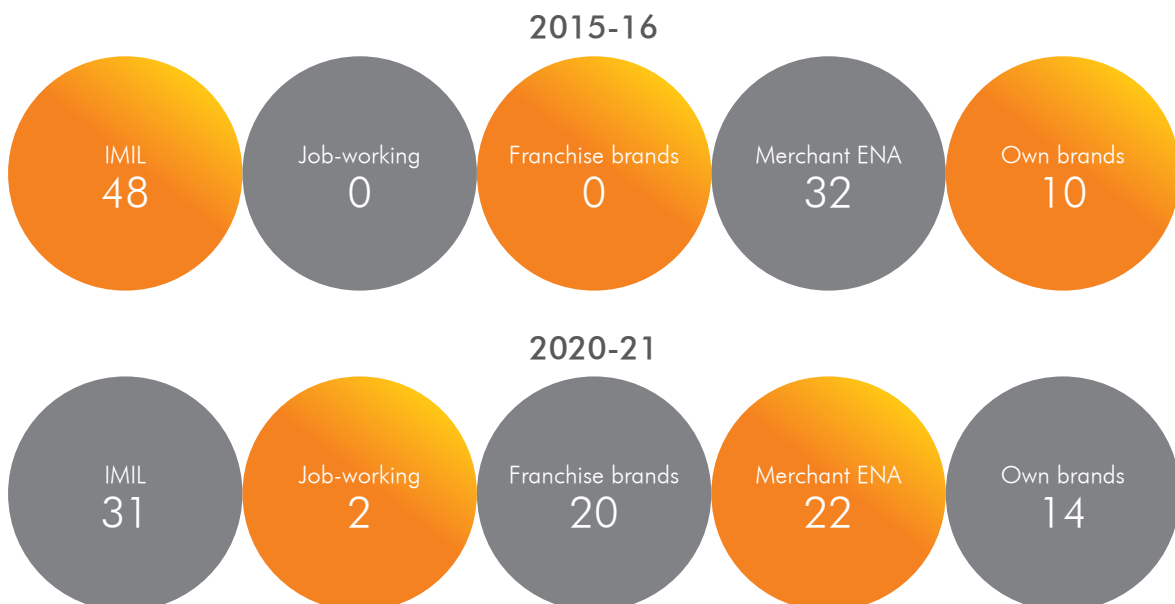
AABL was selected as one of the five outsourcing partners of United Spirits on account of its longstanding industry presence and experience. The company does not just manufacture on behalf of the world's largest spirits brand; it also provides ENA to the latter, validating the quality of raw material and providing a superior Return on Relationship (reflected in a high wallet share).

Win-win

The knowledge aggregated through this outsourcing arrangement has helped graduate the Company from resource manufacture to a wider understanding of the global and Indian liquor sectors. This has helped AABL build better proprietary branded products.

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

Moving towards value-added products (share of revenues in %)





AABL ENJOYS ACCESS TO ONE OF THE WIDEST GRAIN BASKETS AMONG ENA MANUFACTURERS IN INDIA

Overview

At AABL, we possess a multi-decade competence in the management of one of the widest grain baskets available to any ENA manufacturer in India.

We are respected for the capacity to deliver the most consistent quality of grain-based ENA in India due to various realities.

One, the company enjoys a multi-decade experience in the procurement of more than major grain types from within a radius of 400 Kilometer of its manufacturing facility.

Two, the company has demonstrated a flexibility to move from one grain type to another following sharp price movements, validating its capability to protect its operating profitability through timely responsiveness.

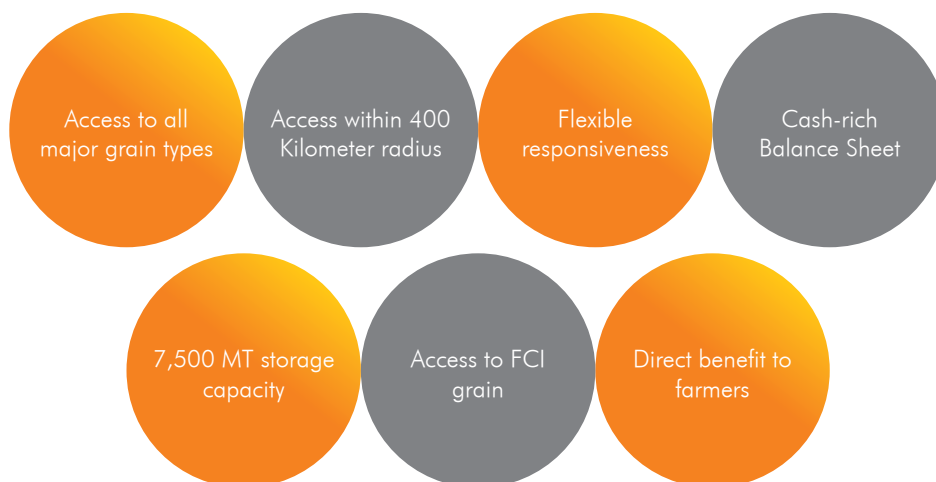
Three, the company possesses a cash-rich Balance Sheet that makes it possible to capitalise on the seasonal procurement of grain when it is abundantly available at the lowest cost.

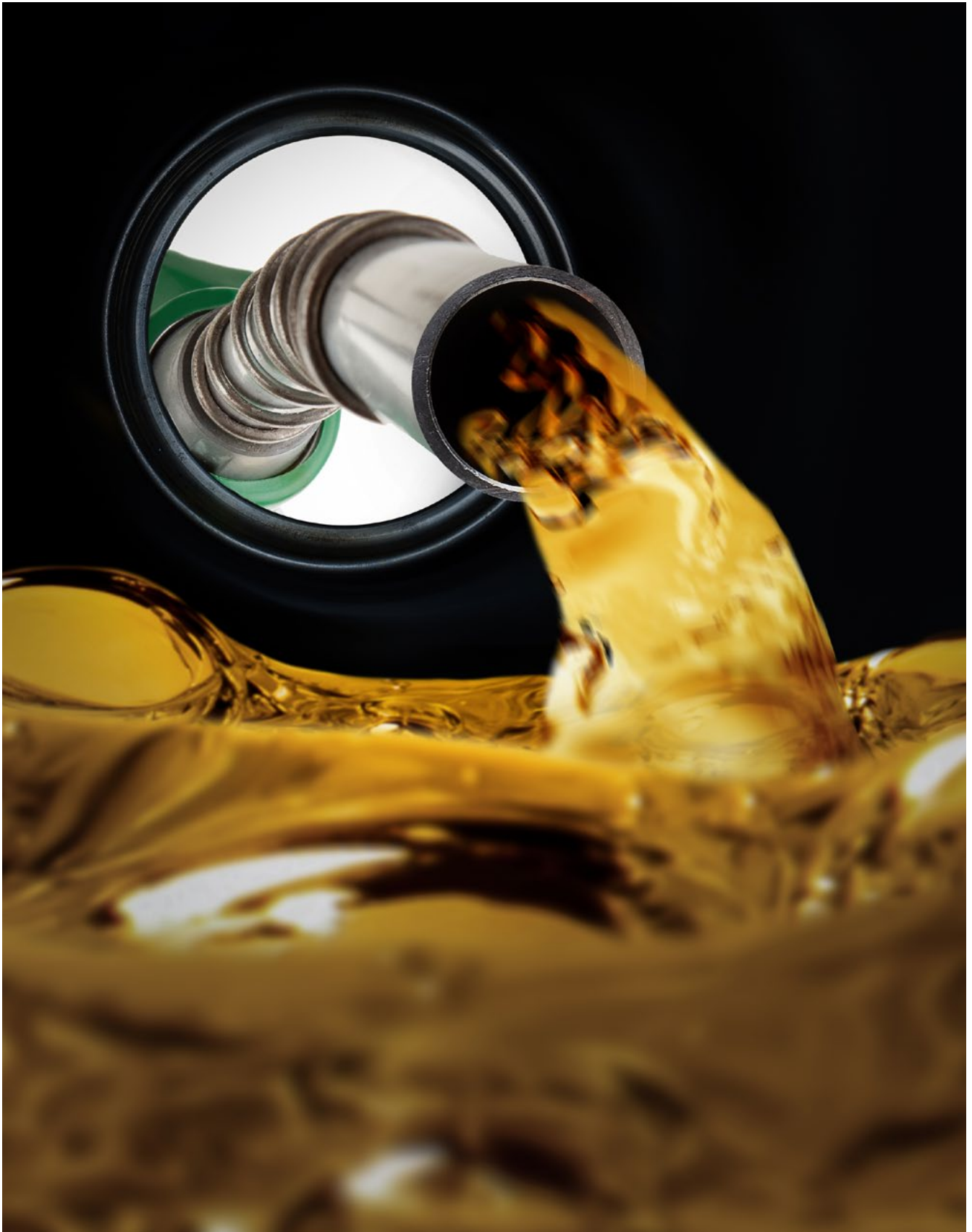
Four, the company possesses 7,500 MT of storage capacity, making it possible to ride out periods of surplus

grain availability and await market normalisation. The result: a competence to moderate cost increases and capitalise extensively on cost declines, strengthening competitiveness across market cycles (as happened in FY 2020-21, when the company moderated average grain costs by ₹7,000 per tonne).

Five, Food Corporation of India has consented to provide the company with grain, strengthening resource security.

Our grain access platform





AABL IS WIDENING ITS REVENUE ENGINE BY CAPITALISING ON THE DYNAMIC ETHANOL OPPORTUNITY UNFOLDING IN INDIA

Overview

At AABL, we are uniquely positioned to capitalise on the attractive ethanol play in India.

Following the announcement of the landmark National Biofuels Policy 2018, the company has been empowered by the government to utilise starch-rich grain to manufacture ethanol.

The extension of the company from the manufacture of ENA to ethanol is

expected to provide the company with twin revenue engines – the company can move from one product to another based on the prevailing profitability.

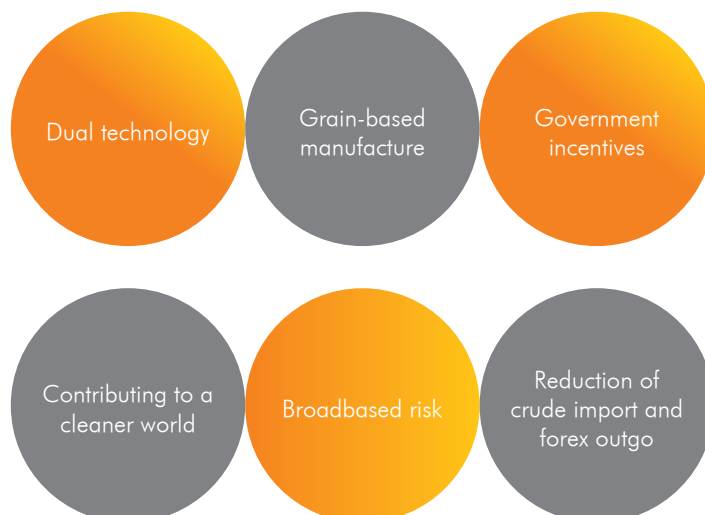
Unprecedented government support

The Indian government company incentivised ethanol capacity investments through concessional debt, staggered debt repayment, assured ethanol buyback and attractive remuneration.

The company expects that its ₹120 Crore expansion will be initially focused on the manufacture of ethanol (including power capacity), broad-basing the company's operations, de-risking from an excessive dependence on one product or sector, making the company an active contributor to a cleaner world and generating a quicker payback.

Win-win for company, customer and the world.

The emerging ethanol platform



AABL ADDRESSES A VAST AND GROWING ADDRESSABLE MARKET

Overview

At AABL, we are expanding at one of the fastest growth rates in India's ENA sector – from 3 Crore litres per annum to 4.5 Crore litres by October 2018 to a projected 7.5 litres by June 2022. Each capacity expansion has been twice the size of the previous investment.

Even though we are poised to more than double our capacity within the space of just four years, we believe that we are only addressing the surface of this market.

Optimism

Our optimism is derived from various realities.

One, even though we increased our capacity by 50% starting October 2018, we were effectively sold out within the first month of commissioning our expansion; we were literally 'selling first to make later', which is unusual for an industrial product. The result is that for month-on-month thereafter, the company had virtually no available ENA inventory, putting a premium on our capacity to maximise production.

Two, following our proposed expansion to 7.50 Crore litres per annum by the end of this financial year, the company expects the scenario to be no different. The company has firm procurement

commitments from its long-standing buyers, who are either expanding their liquor bottling capacities or would be keen to move from alternative molasses-based suppliers to AABL's superior grain-based proposition.

Vast headroom

What provides us with optimism is the vast headroom in our business: our grain-based ENA accounts majorly procured by our single largest customer, indicating a vast wallet share potential. Besides, the Indian market for ENA is expanding gradually, thus empowering the company to carve away a disproportionate share on account of its grain-based positioning, economies of scale and unbeatable locational advantage.



AABL HAS A UNIQUE BUSINESS MODEL WHOSE RELEVANCE WILL ONLY GROW ACROSS THE YEARS

Overview

One aspect of AABL's business is consumer-facing, warranting competencies in brand building, positioning, marketing and distribution (B2C).

The other aspect of AABL's business is customer-supporting, comprising industrial capabilities in volume supply, timely delivery and quality management (B2B).

This makes it possible for the company to build its resource capacity with speed to service the growing needs of market-facing brands on the one hand and build revenues from its value-added brands on the other.

The ability to combine these two completely different capabilities makes

AABL a unique play in India's liquor lifestyle sector.

Increased relevance

This model is expected to strengthen across the foreseeable future for various reasons.

One, if ENA is covered by GST, the prospects of job work being undertaken by the company for large, visible and global brands could extend to a franchised relationship representing mutual value for the bottler and principal.

Two, the growth in liquor consumption in India will enhance value to the ENA available with the company, strengthening margins.

Three, the company will be able to strengthen return on relationship (RoR). This will make it possible to provide the base resource material at one end (ENA) to a customer and also manufacture liquor for the same customer (through a conversion or franchised relationship). Besides, the company will enhance value to ENA through proprietary liquor manufacture as well.

Four, the company is attractively placed to position itself as a B2B supermarket, extending from the manufacture of resource and end product (for itself and competitors).

This positions the company as one of the most comprehensive sectorial proxies.

Sectorial growth platform





AABL'S COMPETITIVENESS HAS BEEN REINFORCED THROUGH EXTENSIVE INTEGRATION

Overview

Over the years, the company has deepened its operational integration, helping enhance economies.

The company is among the largest integrated users of a range of grain types in Madhya Pradesh. The company's plant is multi-feedstock in nature, empowering the company to shift from one grain type to another, based on marketplace dynamics.

Operational integration

The Company's state-of-the-art manufacturing facility in Khodigram is responsible for production, bottling and packaging. The facility has ENA manufacturing capacity of 4.50cr litres per annum), 32 bottling lines, 12.5 Million cases and 60% co-generation power plant.

Resource integration

The company is 60% self-sufficient for its power needs; this is expected to rise to 100% following the commissioning of the 8 MW power turbine from June 2022. This will not only enhance dependence on captive energy but also reduce the cost per unit of electricity consumed. The

power plant is expected to recover its investment in three years.

Production integration

The company is also integrated across its production value chain, extending from ENA to the manufacture of liquor. In FY 2020-21, the company's proprietary consumption appetite accounted for 35% of the ENA produced. Over the years, following investments in proprietary manufacture and franchised representation, the company is expected to increase the captive consumption of ENA. This will eliminate the need for logistics and increase value-addition. Since the company manufactures superior ENA manufacture from grain (as opposed to molasses), every litre deployed in the downstream production of proprietary or franchised brands represents a sustainable upside for the business. The Company's backward integration into the manufacture of packaging material (PET bottle) has enhanced benefits from GST. The Company invested to transform process residue into monetisable by-products 10% of the Company's revenues in FY 2020-21)

Relationship integration

The company's ENA manufacture has helped enhance customer wallet share – from the manufacture of grain-based ENA to the conversion manufacture of liquor and bottling for customers

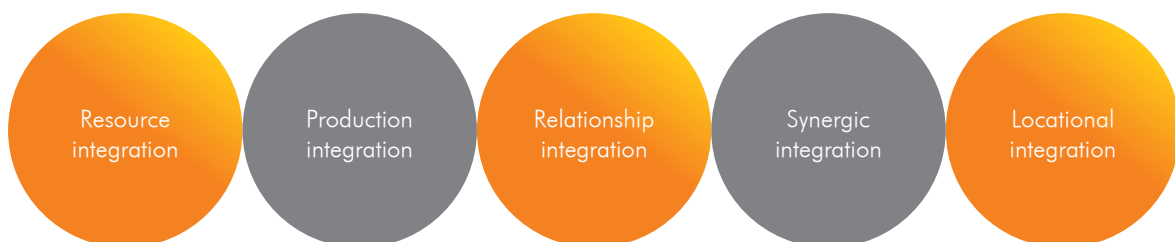
Synergic integration

The company's franchise relationship for USL has strengthened the company's brand as a dependable industrial house, which has helped catalyse the offtake of the company's proprietary brands as well

Locational integration

The Company has invested continuously in capacity accretion at this single location, capitalising on existing regulatory clearances, employee bandwidth, established infrastructure, inherited best practices and the highest operational efficiency. By the virtue of possessing 125 acres at this single location, the Company possesses headroom to grow sustainably across a number of expansion cycles and capitalise on historical land costs (purchased decades ago).

AABL's integration platform



MANAGEMENT DISCUSSION AND ANALYSIS

Global economic overview

The global economy reported de-growth of 3.5% in 2020 compared to a growth of 2.9% in 2019, the sharpest contraction since World War II. This steep decline in global economic growth was largely due to the outbreak of the novel coronavirus and the consequent suspension of economic activities across the world. This led to global supply chain disruptions, resulting in a de-growth in some of the largest global economies.

Consequently, global FDI reported a significant decline from US\$ 1.5 Trillion in 2019 to US\$ 859 Billion in 2020, the lowest since the 1990s and more than 30% below the investment trough that followed the 2008-09 global financial meltdown.

The global economy is projected to grow by 5.5% in 2021 largely due to the successful roll-out of vaccines across the globe, coupled with policy support in large economies. (Source: IMF)

| Regional growth % | 2020 | 2019 |
|-----------------------------------|-------|------|
| World output | (3.5) | 2.9 |
| Advanced economies | (4.9) | 1.7 |
| Emerging and developing economies | (2.4) | 3.7 |

(Source: IMF)

Indian economic review

The Indian economy passed through one of the volatile periods in living memory in FY 2020-21.

The Indian government announced a complete lockdown in public movement and economic activity from the fourth week of March 2020. As economic activity came to a grinding halt, the lockdown had a devastating impact on an already-slipping economy as 1.38 Billion Indians were required to stay indoors - one of the most stringent lockdowns enforced in the world.

The outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted

consumer sentiment and investments, had a severe impact on the Indian economy during the first quarter of the year under review. The Indian economy de-grew 23.9% in the first quarter of FY 2020-21, the sharpest de-growth experienced by the country since the index was prepared.

The Indian and state governments selectively lifted controls on movement, public gatherings and events from June 2020 onwards, each stage of lockdown relaxation linked to corresponding economic recovery. Interestingly, as controls relaxed what the country observed was a new normal: individuals were encouraged to work from home;

inter-city business travel was replaced by virtual engagement; a greater premium was placed on the ownership of personal mobility modes (cars and two-wheelers); there was a sharp increase in home purchase following the need to accommodate an additional room for home working.

The result is that India's GDP contracted 7.3% during FY 2020-21, largely on account of the sharp depreciation of the first two quarters. This sharp Indian recovery - one of the most decisive among major economies - validated India's robust long-term consumption potential.

Y-o-Y growth of the Indian economy

| Regional growth % | FY18 | FY19 | FY20 | FY21 |
|---------------------|------|------|------|------|
| Real GDP growth (%) | 7 | 6.1 | 4.2 | -7.3 |

Growth of the Indian economy, FY 2020-21

| Regional growth % | Q1, FY21 | Q2, FY21 | Q3, FY21 | Q4, FY21 |
|---------------------|----------|----------|----------|----------|
| Real GDP growth (%) | (23.9) | (7.5) | 0.4 | 1.6 |

(Source: Economic Times, IMF, EIU, Business Standard, McKinsey)

Indian economic reforms and recovery

There were a number of positive features of the Indian economy during the year under review.

India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of FY 2020-21 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy.

The per capita income was estimated to have declined by 5% from ₹1.35 Lakh in FY 2019-20 to ₹1.27 Lakh in FY 2020-21, which was considered moderate in view of the extensive demand destruction in the first two quarters of FY 2020-21.

The gap between government expenditure and revenue was estimated at ~₹12 Trillion due to increased borrowing by the government in May 2020 to address the COVID-19 outbreak.

India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking and was the only country in the emerging market basket that received positive FPIs of US\$ 23.6 Billion in 2020; the country ranked eighth among the world's top stock markets with a market capitalisation of US\$ 2.5 Trillion in 2020.

The Indian government initiated structural reforms in agriculture, labour laws and medium-small enterprise segments. The labour reforms were intended to

empower MSMEs increase employment, enhance labour productivity and wages.

India extended the Partial Credit Guarantee Scheme by relaxing the criteria and allowing state-owned lenders more time to purchase liabilities of shadow banks. Under the ₹45,000-Crore partial credit guarantee scheme, announced as a part of the Atmanirbhar Bharat package, three additional months were given to banks to purchase the portfolio of non-banking financial companies.

The government approved amendments to the Essential Commodities Act and brought an ordinance to allow farmers to sell their crop to anyone; the changes to the Essential Commodities Act, 1955, were intended to 'deregulate' agricultural commodities (cereals, pulses, oilseeds, edible oils, onions and potatoes from stock limits). The government approved the Farming Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020, to ensure barrier-free trade in agriculture produce.

The Government relaxed foreign direct investment (FDI) norms for sectors like defence, coal mining, contract manufacturing and single-brand retail trading.

The Union Cabinet approved the production-linked incentive (PLI) scheme for 10 sectors: pharmaceuticals, automobiles and auto components, telecom and networking products, advanced chemistry cell batteries,



India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking and was the only country in the emerging market basket that received positive FPIs of US\$23.6 Billion in 2020

textile, food products, solar modules, white goods and specialty steel. These incentives could attract outsized investments, catalysing India's growth journey.

India's foreign exchange reserves continue to be in record setting mode – FY21 saw US\$ 101.5 Billion dollars accretion in reserves, the steepest rise in foreign exchange reserves in any financial year; India's forex reserves are ranked third after Japan and China and can cover more than a year's import payments.

Outlook

The Indian economy is projected to grow in single digits in FY22 following the impact of the second pandemic surge.

Global alcoholic beverage industry overview

The global alcoholic beverages market is pegged at US\$ 329.49 Billion in 2020 and expected to rise to US\$ 412.37 Billion by the end of 2025. The alcoholic beverages market consists of entities (organisations, sole traders and partnerships) selling these alcoholic beverages after producing it through the fermentation process. The companies in this industry process raw materials into alcoholic beverages, package and distribute them to individual customers

and commercial establishments. The alcoholic beverages market is divided into beer, wine and brandy, and spirits.

Asia-Pacific was the largest region in the global alcoholic beverages market, accounting for 42% of market size in 2020. It was followed by North America, which was the second largest region accounting for 24% of the market. Alcoholic beverage manufacturers seek to expand by offering ready-to-mix

hybrid beverages. Hybrid beverages are a blend of alcoholic drinks from various beverage categories and are prepared by using unique flavour combinations, ingredients and production methods from many drinks.

The outbreak of the Covid-19 disease restrained in the alcoholic beverages market in 2020 as supply chains were interrupted due to trade restrictions and consumption decline.

Indian alcoholic beverages market overview

Alcohol consumption in India is estimated to have amounted to 6.5 Billion litres in 2020. India is the third largest and the fastest growing liquor market in the world. Due to its high growth potential and increasing social acceptance, the alcoholic beverages market is considered to be a 'sunrise' industry. With an estimated market size of US\$ 35 Billion in FY21, this market is expected to grow sustainably. Rapid urbanisation, sizable middle-class population with increasing spending power and a sound economy are growth drivers behind increased alcohol consumption in India.

The Indian alcohol industry is divided into IMFL (Indian made foreign liquor),

IMIL (Indian made Indian liquor), wine, beer and imported alcohol segments. Imported alcohol had a share of around 0.8% in the Indian market; the segment with the highest revenue in the Indian alcoholic beverages sector was the spirits segment with an estimated ₹2.36 Trillion of revenues earned in 2020. Other than being the largest whisky consumer in the world, India is also reporting pace in the wine segment.

The States of Andhra Pradesh, Telangana, Kerala, Karnataka, Sikkim, Haryana and Himachal Pradesh are among the largest consumers of alcohol in India. Most of the sale of these alcoholic beverages in the country comes through Tier 1 and Tier 2 cities.

Growing incomes, causing a rise in spending power and access to alcohol in restaurants and liquor stores, are key drivers for this industry.

Alcohol imports in India stand at a mere 0.08% of the entire Indian alcoholic beverages market. This is due to the heavy taxes and import duties that make them expensive. Nevertheless, there is still a reasonable number of a high earning population who buy these drinks, making the market have an optimistic future. This growth is an opportunity for investors to invest in the distributorship of alcoholic beverages in India.

(Source: Entry India, Businesswire)

Pure alcohol consumption (age 15+)

| Country | Per capita consumption in litres (2016) | Per capita consumption in litres (2020 estimated) | Per capita consumption in litres (2025 projected) |
|---------------|---|---|---|
| India | 5.7 | 6.6 | 7.9 |
| United States | 9.8 | 10.1 | 10.3 |
| Germany | 13.4 | 12.8 | 12.6 |
| Japan | 8 | 8 | 7.9 |
| China | 7.2 | 7.5 | 8.1 |

Source: World Health Organisation, 2016

State-wise alcohol demand and statistics

For state governments in India liquor revenues represent a major source of revenue. Four states collected over ₹20,000 Crore in taxes from the sale of

liquor in FY 2019-20 (Tamil Nadu, Uttar Pradesh, Maharashtra and Telangana). A total of 21 states, including several large states, derived more than 15%

of their own tax revenues from the sale of liquor. For the North-Eastern states, the contribution of liquor taxes to the exchequer was higher.

Indian whisky segment overview

About 93% of the total whisky traded in India falls into the 'value' segment, which leaves a lot of scope for developing higher user segments. The average per capita consumption of whisky per person in India stood at 2.6 litres in 2021, with the market anticipated to grow by 8.14%. Moreover, the revenue

in the whisky segment amounted to US\$ 21,010 Million in FY 2020-21.

India's performance was mildly amplified by the boost that the regularisation of the Uttar Pradesh market sales provided, but the constant year-on-year rise in volume over the last five years has highlighted

the opportunities that continue to exist for the country's whisky segment. Demand for whisky is being driven by a rising consumer base of young consumers who are becoming richer in a country, where the global reach of a number of the smaller cities is becoming more significant, resulting in a reduction in

a historical whisky sales bias towards the three markets of Mumbai, Delhi Gurgaon and Bangalore.

The innovation in the category is helping Indian whisky to form its own identity and

in the long-term, this could enhance its reputation among whisky connoisseurs from further. To this date, Indian whisky exports have tended to follow the path of the large Indian expat communities,

particularly in the Gulf. India is among the largest consumers of whisky in the world (ninth in per capita).

COVID-19 impact on the alcohol industry

The alcoholic beverages market witnessed a decline in FY 2020-21, mainly due to the strict lockdown

restrictions during the first quarter. After the ban was lifted on 15th May, 2020 and alcoholic beverages were introduced

in the market, many State governments imposed a high cess of 60-70% to reduce alcohol consumption.

Indian extra neutral market

Extra neutral alcohol (ENA) is the key raw material used in making alcoholic beverages. It is a colourless food-grade alcohol that does not have any impurities and is tasteless and without any smell. Containing over 95% alcohol by volume, it is obtained through different sources- sugarcane molasses and grains- and is used in the production of alcoholic beverages, such as whisky, vodka, gin, cane and liqueurs, among others.

Moreover, ENA also acts as an important ingredient in the manufacture of cosmetics and personal care products

such as perfumes, toiletries, hair spray, etc. As it has the properties of a good solvent, ENA also finds industrial use and is used in the production of lacquers, paints and ink for the printing industry, as well as pharmaceutical products like antiseptics and medicated sprays.

Around 90% of the ENA produced in India is used in the manufacture of potable alcohol, the production and consumption of which is on a rise. There has been a gradual transition from country liquor to Indian Made Foreign Liquor (IMFL), which has led

to an increase in the demand for potable alcohol. Other factors driving the demand for potable alcohol are increasing disposable incomes and changing attitudes towards drinking and global influence. Additionally, expansion of cosmetics and personal health care, printing and pharmaceutical industries will be highly lucrative for the market since ENA is applied for many reasons in these industries. Due to these factors, the market is projected to reach a volume of 3.8 Billion litres by 2023.

Indian spirits segment overview

The spirits segment in India is estimated to have reached a market size of ₹2.36 Trillion, having risen from ₹1.84 Trillion in 2016. India is one of the largest producers and consumers of spirits in the world. Moreover, the country's spirits market is also one of the largest in terms of market size. Though driven primarily by whisky, the market has also shown signs of growth

in brandy, vodka and gin segments in recent years. India's huge population, rising incomes and changing lifestyles are anticipated to drive the growth of this segment.

Whisky covers a vast majority of the Indian spirits industry. Whisky's share in the entire liquor market in the country in terms of volume stands at 60%. The

beverage made up for 73% of alcohol sales in the country in 2020. On the other hand, rum, brandy and white spirits are 14%, 21% and 3% in terms of volume and 10%, 12% and 5% in terms of value. Indian consumers still prefer relatively inexpensive rum and whisky, but in the case of white spirits, the consumers prefer a premium product (Source: Statista, Drinktec).

Indian made foreign liquor segment overview

In terms of valuation, Indian made foreign liquor (IMFL) constitutes the largest segment of the Indian liquor industry in terms of value of price per bottle, constituting 65% value of the liquor industry. This segment is segregated into whisky, rum, brandy,

vodka and gin. The IMFL segment has clocked a CAGR of ~4-5% between FY09 to FY19. It is estimated to touch a market value of ₹3,000 Billion by 2026, with a CAGR of 5.2% in this time span.

Constituting 60% of the IMFL segment, whisky is the highest selling IMFL type in

India. While white spirits are the fastest growing segment in this sector, vodka is the most preferred alcohol among Indian youngsters, with the segment gaining a 25% rise in the last few years. (Source: MARC)

Indian made Indian liquor segment overview

Produced locally by micro/home distilleries, Indian made Indian liquor or country liquor is an unbranded liquor available for sale in those regions. Some of the highest selling country liquors in India comprise:

- Feni, made from cashew or coconuts, which is produced in Goa
- Palm wine, made from the sap of palm trees, which is popular
- Arrack that is made from coconut, sugarcane or fruit sap, popular among blue-collar and lower-middle-class workers.

Potential for wine segment in India

The Indian wine market is one of the profitable segments in the liquor industry and expected to grow at a CAGR rate of 20-25% in the next few years. The major drivers for the growth of this segment are tourism and marketing. With the middle-class urban population now inclined

towards wine consumption, the number for the same is expected to rise higher than the current levels of 1-2 Million. Mumbai, Bangalore and Delhi are the top consumers of wine in the country. Maharashtra and Karnataka have the largest vineyards for wine production in

India. There is a potential in the wine industry, indicated by the per capita consumption of 4.6 ml per annum in India compared to the global per capita consumption of 4 liters per annum. (Source: MARC)

GENIE IN THE BOTTLE

Chart : 21 states, taxes from liquor accounted for more than 15% of state's own tax revenues

Share of tax collections from liquor in state's own tax revenues (in %)

Top states

| | |
|-------------------|------|
| Mizoram | 57.8 |
| Puduchery | 55.4 |
| Meghalaya | 47.2 |
| Arunachal Pradesh | 31.8 |
| Telangana | 31.5 |

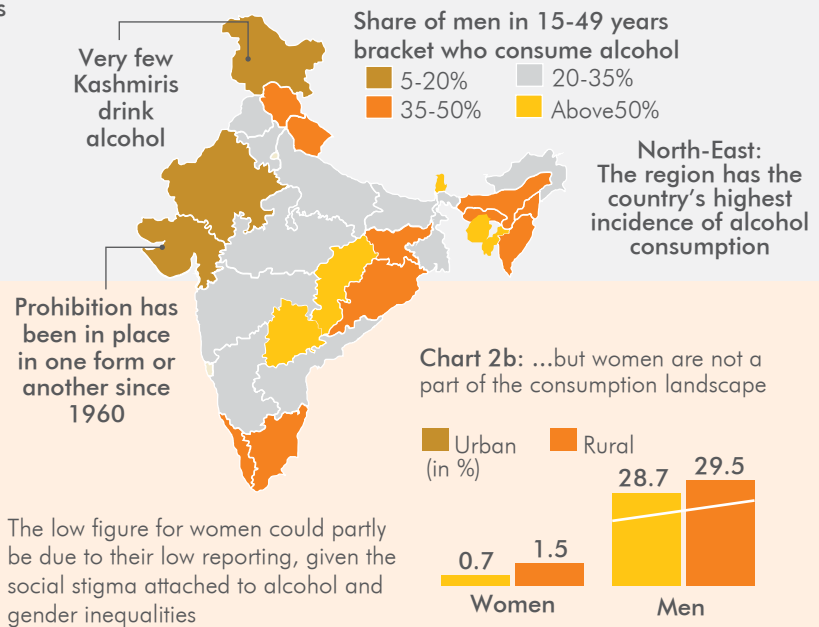
Bottom states

| | |
|---------|-----|
| Goa | 9.1 |
| Assam | 8.3 |
| Manipur | 7.7 |
| Gujarat | 0.2 |
| Bihar | 0 |

*Data for 2018-19

The share of liquor taxes in own tax revenues is high in N-E states as they don't have much economic activity

Chart : Many of India's alcohol consumers reside in the country's Eastern and Southern edge...



Source: Reserve Bank of India, Petroleum Planning and Analysis Cell, National Family Health Survey 2015-16, Patterns & Consequences of Alcohol Misuse in India: An Epidemiological Survey, NIMHANS

Growth drivers

Rising urbanisation: The population of India is expected to grow to 1.52 Billion by the year 2036, with a 70% increase in the urban regions by this time.

Young population: The median age of the Indian population stood at 28.4 years in 2020 in comparison to 38.4 in China and 38.2 in Japan. This indicates a younger population driving higher demand for the alcoholic beverages market.

Rise in alcohol consumption in rural areas: Alcohol consumption in the rural areas of the country increased in comparison to urban areas in a few states, especially in Himachal Pradesh. This opens new doors for expansion of the alcoholic beverages industry in the country.

Increasing acceptance as a social beverage: With the country having a younger population and that, in turn,

causing a higher demand in alcoholic beverages, beer and wine have been accepted as a social beverage by many.

Consumption by women: With the rise in participation from women in the workforce, a new avenue for growth has been created, which is fastening with increase in liquor consumption through women.

Rural consumption: The easy availability and accessibility of alcohol in rural and urban areas is driving growth of the alcoholic beverages market in India.

Home delivery: Keeping the pandemic in mind, a number of states allowed the home delivery of liquor products

Premiumisation: With a relaxation of lockdowns, the demand for premium brand of alcohols revived, resulting

in higher revenues for the alcoholic beverages market. A visible shift from country liquor to the IMFL brands was noticed.

Per capita consumption: India's per capita alcohol consumption is lower than the global average, standing at 4.6 ml per year compared to 4 litres per year. This indicates growth potential.

Home delivery: With restrictions on the home delivery of alcoholic beverages in major cities in India getting lifted, a rise was witnessed in alcohol consumption.

(Source: The wire, Statista, Worldometer, MARC)

Company overview

Associated Alcohols & Breweries Limited was founded by the late Mr. Bhagwati Prasad Kedia in 1989. The Company is the flagship company of the Associated Kedia Group involved in the manufacturing and bottling of liquor. The Company took over the distillery

operations of the promoter group and extended to the manufacture of premium liquor products.

AABL is one of the largest distillers in India. The Company possesses an extensive geographic presence in four

states across the sectoral value chain. The Company's principal revenues are derived from the States of Madhya Pradesh, Kerala and Delhi, who account for more than 80% of the Company's revenues.

Financial review

The Company reported revenues from operations of ₹453 Crore during FY 2020-21, compared to ₹535 Crore in FY 2019-20. Operating EBITDA on a

consolidated basis stood at ₹94.1 Crore for FY 2020-21 compared to ₹79.8 Crore in FY 2019-20. Depreciation and interest for the current year stood

at ₹15.5 Crore and ₹16.1 Crore, respectively.

Risk management

COVID-19 risk: Declared by WHO as a global pandemic in March 2020, the COVID-19 prompted lockdown and restrictions.

Mitigation: The alcoholic beverages market witnessed growth in numbers after the relaxation of lockdown by the end of Q1 FY21.

Geographical risk: The Company's major reliance on a particular region could hamper its growth

Mitigation: The location adequately dispersed across large consumer markets- 1,300 Kilometer from Bangalore, 1,500 Kilometer from Chennai, 600 Kilometer from Mumbai and 800 Kilometer from the National Capital Region.

Competition risk: Increased competition could be a risk to profitability.

Mitigation: The Company operates in regulated markets with high entry barriers. Its products are competitively priced because of its ability to effectively optimise costs, resulting in a protective moat.

Innovation risk: The products may not stay as relevant.

Mitigation: The Company has been prudently investing in the state-of-the-art R&D segment over the past few years, enabling it to provide a strong pipeline for scheduled launches.

Regulatory risk: The liquor industry is regulated with continuous changes with respect to marketing regulations and duties. A lot of states rely on the liquor industry for their revenue collections and this sometimes leads to a fall in demand or lower pricing power for the industry players.

Mitigation: AABL has diversified business segments from the manufacture and supply of ENA to contract manufacturing for Diageo-USL, to manufacturing and marketing of licensed brands, as well as IMIL and six IMFL brands. The Company possesses the flexibility to adapt to regulatory changes.

Human resources

Associated Alcohols and Breweries Limited's human resource practices helped reinforce market leadership. The Company invested in formal and informal training as well as on-the-job

learning. It emphasised engagements with employees by providing an enriched workplace, challenging job profile and regular dialogues with the management. The Company enjoys one of the

highest employee retention rates in the industry; it creates leaders from within, strengthening prospects. As on 31st March, 2021, the Company's employee base stood at 447.

Internal control system

The Company has strong internal control procedures in place that are commensurate with its size and operations. The Board of Directors, responsible for the internal control system, sets the guidelines and verifies

its adequacy, effectiveness and application. The Company's internal control system is designed to ensure management efficiency, measurability and verifiability, reliability of accounting and management information,

compliance with all applicable laws and regulations, and the protection of the Company's assets. This is to timely identify and manage the Company's risks (operational, compliance-related, economic and financial).

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking

statements' within the meaning of applicable securities laws and regulations.



Franchise Brands

Proprietary Brands

NOTICE

NOTICE IS HEREBY GIVEN that the 32nd Annual General Meeting of the members of **Associated Alcohols & Breweries Limited** will be held on **Friday, August 20, 2021 at 01:00 PM(IST) through Video Conferencing(VC) /Other Audio Visual Means (OAVM)** for which purposes the registered/corporate office of the company situated at 4th Floor, BPK Star Tower, A.B Road, Indore – 452008 (Madhya Pradesh) shall be deemed as the venue for the meeting and the proceedings of the Annual General Meeting shall be deemed to be made there at, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended March 31, 2021 and the reports of Board of Directors and Auditors thereon and in this regard to consider and if though fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:

“RESOLVED THAT the audited financial statement of the company for the financial year ended March 31, 2021 and the reports of Board of Directors and Auditors thereon, as circulated to members be and are hereby considered and approved.”

2. To declare dividend on Equity Shares for the financial year ended March 31st, 2021 and in this regard to consider and if though fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:

“RESOLVED THAT a dividend at the rate of 10% i.e at Rs. 1/- (Rupees One Only) per equity shares of Rs. 10/- each paid up as recommended and proposed by the Board of Directors, be and is hereby approved for the financial year ended March 31, 2021.”

3. To reappoint Mr. Debashis Das (DIN 08755043), who is liable to retire by rotation and being eligible has offered himself for reappointment and in this regard to consider and if though fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provision of section 152 and other applicable provisions of the Companies Act, 2013 Mr Debashis Das who retires by rotation and being eligible be and is hereby re-appointed as a Director of the company.”

SPECIAL BUSINESS

4. To appoint Ms. Apurva Pradeep Joshi as an Independent Director, and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provision of Section 152 and any other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment

and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof, for the time being in force) and Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactments(s) thereof, for the time being in force), Ms. Apurva Pradeep Joshi (DIN:06608172) who was on the recommendation of the Nomination and Remuneration Committee appointed as an additional director of the company by the Board of Directors with effect from 12th September, 2020 in terms of section 161(1) of the Companies Act, 2013 and in accordance with the article of association of the company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the company has received a notice in writing from a member of the company under section 160 of the Companies Act, 2013 proposing her candidature be and is hereby appointed as director of the company.

RESOLVED FURTHER THAT pursuant to the provision of Section 149, 150, 152 and other applicable provisions of the Companies Act 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof, for the time being in force) read with schedule IV, of the Companies Act, 2013 and Regulation 16 and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions (including any statutory modification(s) or re-enactments(s) thereof, for the time being in force) Ms. Apurva Pradeep Joshi (DIN: 06608172), who has submitted a declaration that she meets the criteria for Independence and who is eligible for appointment, be and is hereby appointed as Independent Director not liable to retire by rotation of the company to hold office for a term of 5 Consecutive years from the date of appointment.

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

5. To appoint Mr. Sanjay Kumar Tibrewal as an Executive Director, and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provision of Section 152 and any other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof, for the time being in force) and Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactments(s) thereof, for the time being in force), Mr. Sanjay Kumar Tibrewal (DIN: 00737877), who was on the recommendation of the Nomination and Remuneration Committee appointed

as an additional director of the company by the Board of Directors with effect from 13th April, 2021 in terms of section 161(1) of the Companies Act, 2013 in accordance with the article of association of the company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the company has received a notice in writing from a member of the company under section 160 of the Companies Act, 2013 proposing his candidature be and is hereby appointed as Executive director of the company.

RESOLVED FURTHER THAT in accordance with the provision of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re enactment thereof, for the time being in force), approval of the company be and is hereby accorded for the appointment of Mr Sanjay Kumar Tibrewal (DIN 00737877) as a Whole Time Director of the company for a period of 5 years with effect from as 13th April, 2021 on the terms and conditions as set out in the statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment or remuneration as it may deemed and as acceptable to Mr Sanjay Kumar Tibrewal subject to the same not exceeding the limits specified under schedule V to the Companies Act, 2013 or any statutory modification or re enactment thereof.

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

6. To Re Appoint Mr Tushar Bhandari as Whole Time Director, and in this regard to consider and if thought fit to pass with

or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT in accordance with the provisions of Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and all other applicable provisions if any and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any Statutory modification or re enactments for the time being in force), the consent of the members be and is hereby accorded for the re-appointment of Mr. Tushar Bhandari (DIN:03583114) as a Whole Time Director, of the company for a period of 5(five) years, on expiry of his present term of office i.e with effect from 05th January, 2022 on the terms and conditions as set out in the statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment or remuneration as it may deemed and as acceptable to Mr. Tushar Bhandari, subject to the same not exceeding the limit specified under Schedule V to the Companies Act, 2013 or any statutory modification or reenactment thereof.

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

Place: Indore
Date: 28th May, 2021

By Order of the Board of Directors

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

Sumit Jaitely
Company Secretary
FCS 9194

NOTES:

- In view of the ongoing COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Ministry of Corporate Affairs (MCA) Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 followed by Circular No. 20/2020 dated 5th May, 2020, (collectively refer to as 'MCA Circulars') permitted the holding of AGM through VC/OAVM, without physical presence of members at common venue, and Annual General Meeting (AGM) held through Video Conferencing (VC) or Other Audio Visual Means (OAVM) stands perfectly valid. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM only and no physical presence at the meeting is required. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the
- General Circular No. 20/2020 and as per MCA circular no. 02/2021 dated January, 13, 2021.
- Since this AGM is being scheduled to be held through VC/OAVM, physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxy by the members is not available for the AGM and hence the proxy form, attendance slip and route map are not annexed to this notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before or after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. However, this number does not include the large Shareholders holding 2% or more share capital, Promoters, Institutional Investors,

- Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Secretarial Auditors, Scrutinizers, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.
 5. Pursuant to the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the MCA dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has made an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, and independent agency for providing necessary platform for Video Conference/OAVM and necessary technical support as may be required. Therefore, the facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by CDSL
 6. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
 7. The Notice calling the AGM along with complete Annual Report has been uploaded on the website of the Company www.associatedalcohols.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. at www.bseindia.com and www.nseindia.com and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility and providing necessary platform for Video Conference/OAVM) i.e. www.evotingindia.com.
 8. The recorded transcript of the forthcoming AGM shall also be made available on the website of the Company - <https://www.associatedalcohols.com> as soon as possible after the Meeting is over.
 9. In compliance with the aforesaid MCA Circulars dated 5th May, 2020 and SEBI Circular dated May 12, 2020, and SEBI Circular dated 15th January, 2021 Notice of the 32nd AGM along with the Annual Report for the Financial Year 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020- 21 will also be available on the Company's website - <https://www.associatedalcohols.com>, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com NSE on www.nseindia.com , and on the website of CDSL <https://www.evotingindia.com>.
- However, if any specific request received from the members for demanding of the physical copy of the Annual Report will be provided by the company but subject to time taken by the courier and Postal Department looking to the prevailing Covid-19 situation.
10. Pursuant to Finance Act, 2020, dividend income if any declared by the Company will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company shall be required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Ankit Consultancy Private Limited, the Share Transfer Agent (in case of shares held in physical mode) and to the concerned depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to investorrelations@aabl.in by 05:00 PM (IST) on 13th August, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to investorrelations@aabl.in The aforesaid declarations and documents need to be submitted by the shareholders by 05:00 PM (IST) on 13th August, 2021.
 11. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to special business at the meeting is annexed and forms part of the Notice.
 12. Register of Members and Share Transfer Books of the Company will remain closed from **Saturday 14th August, 2021 to Friday 20th August 2021 (both days inclusive)** for the Annual General Meeting and ascertainment for entitlement of payment of dividend to the members whose names appear in the Register of members and the records of the beneficiaries of the CDSL and NSDL on the date of the Annual General Meeting. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date 13 August, 2021.
 13. CS Ishan Jain, Practicing Company Secretary (F.R.No. I2014MP1139600, M. No. FCS 9978 & C.P. No. 13032) and Proprietor of M/s. Ishan Jain & Co., Company Secretaries, Indore has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.
 14. Members desirous of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting at its email ID

investorrelations@aabl.in so that the information required may be made available at the Meeting.

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

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

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

16. The Members are requested to:

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

17. Members are requested to notify immediately any change in their address and also intimate their active Email ID to their respective Depository Participants (DP) in case the shares are held in demat form and in respect of shares held in physical form to the Registrar and Share Transfer Agent Ankit Consultancy Pvt Ltd. Plot No 60, Electronic Complex, Pardeshipura, Indore (M.P.) having email id investor@ankitonline.com to receive the soft copy of all communication and notice of the meeting etc. of the company.

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

19. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the directors are interested, maintained under the Companies Act, 2013 will be available for inspection by the Members electronically during

the AGM. Members seeking to inspect such documents can send an email to investorrelations@aabl.in.

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

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

21. INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND JOINING VIRTUAL MEETING ARE AS UNDER:-

- (i) The voting period begins on **Tuesday, 17th August, 2021 at 09:00 AM (IST) and ends on Thursday 19th August, 2021 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 13th August, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

- (iv) **Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.
- (v) **Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.**

| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

- (vi) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

- 6) If you are a first-time user follow the steps given below:

| | For Physical shareholders and other than individual shareholders holding shares in Demat. |
|--|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field. |

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant Associated Alcohols & Breweries Ltd on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.

22. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE MEETING THROUGH VC/OAVM & FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **RTA** at investor@ankitonline.com or to the company at investorrelations@aabl.in.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

24. NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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

Item No. 4

The Board of Directors appointed Ms. Apurva Pradeep Joshi (DIN 06608172) as an Additional and Independent Director of the Company with effect from 12th September, 2020 pursuant to the Section 149, 150, 152 and 161 of the Companies Act, 2013 read with the rules made thereunder and Article 112 of the Articles of Association of the Company.

Ms. Apurva Pradeep Joshi (DIN 06608172) holds office upto the date of AGM of the Company and is eligible to be appointed. Notice in writing has been received from a Member of the Company under Section 160 of the Companies Act, 2013 signifying the intention to propose the candidature of Ms. Apurva Pradeep Joshi (DIN 06608172) for the office of the Director of the Company.

Ms. Apurva Pradeep Joshi (DIN 06608172) is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has also received declaration from Ms. Apurva Pradeep Joshi (DIN 06608172) that she meets with the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. In the opinion of the Board, Ms. Apurva Pradeep Joshi (DIN 06608172) fulfills the conditions for appointment as Independent Director as specified in the Act and the SEBI Listing Regulations, 2015. The profile of Ms. Apurva Pradeep Joshi (DIN 06608172) is annexed to the Notice. The Board recommends the appointment of Ms. Apurva Pradeep Joshi (DIN 06608172) as an Independent Director for approval by Members of the Company by ordinary resolution. Copy of the draft letter for appointment of Ms. Apurva Pradeep Joshi (DIN 06608172) as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office /Executive Office of the Company during normal business hours (11:00 AM to 02:00 PM) on all working day, upto the date of AGM of the Company.

Ms. Apurva Pradeep Joshi (DIN 06608172) is not related to any Director of the Company. Except Ms. Apurva Pradeep Joshi (DIN 06608172), none of the Directors and Key Managerial Personnel of the Company, their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

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

Item No. 5

The Board of Directors appointed Mr. Sanjay Kumar Tibrewal (DIN 00737877) as an Additional Director of the Company with effect from 13th April, 2021 pursuant to the Section 152 and 161 of the Companies Act, 2013 read with the rules made thereunder and Article of the Articles of Association of the Company.

Mr. Sanjay Kumar Tibrewal (DIN 00737877) holds office upto the date of AGM of the Company and is eligible to be appointed. Notice in writing has been received from a Member of the Company under Section 160 of the Companies Act, 2013 signifying the intention to propose the candidature of Mr. Sanjay Kumar Tibrewal (DIN 00737877) for the office of the Director of the Company.

Mr. Sanjay Kumar Tibrewal (DIN 00737877) is not disqualified from being appointed as Director in terms of Section 164 of the Act. The profile of Mr. Sanjay Kumar Tibrewal (DIN 00737877) is annexed to the Notice.

Mr Sanjay Kumar Tibrewal has rich experience of the industry and has contributed greatly towards the organization.

None of the Directors and Key Managerial Personnel of the Company, their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

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

I. General Information

| | | |
|---|---|--------------------------------------|
| 1 | Nature of Industry | Manufacturing of Alcoholic Beverages |
| 2 | Date of Commencement of Commercial Production | Existing Distillery Since 1989 |

II. Information About Appointee

| | | |
|---|--|--|
| 1 | Background Details | Mr Sanjay Kumar Tibrewal is associated with 25+ years with the company having rich experience of business |
| 2 | Recognition or Award | Active in social activities at large |
| 3 | Nature of Expertise in specific functional areas | Has in depth knowledge and experience in Key domain areas including Commercial Procurement, Supply Chain and Project Setup and Execution |
| 4 | Remuneration Proposed | As per details contained in the Notice for the AGM |
| 5 | Disclosure of Relationship | None |

The terms and condition of appointment of Mr. Sanjay Kumar Tibrewal and detail of remuneration as specified in the agreement entered into with him are as follows.

- (a) **Salary** Presently Rs. 2.75 Lakhs Per month in the scale of ₹2,75,000 – 7,50,000/- with the authority to the Board of Directors of the company to grant such increments within the said scale as it may determine from time to time.
- (b) **Perquisites & Allowance:** The perquisites and allowances shall include House Rent Allowances, Medical Allowances and Leave Travel concession
- (c) For the purpose of calculating the above ceiling, the perquisites shall be evaluated as per the Income-Tax Rules, 1962, wherever applicable.
- Reimbursement and other facilities not considered as perquisites
- (i) Reimbursement of expenses incurred for travelling, boarding and lodging during business trips, expenses of telephone at residence and cell phone.
 - (ii) Provision of car with driver, Company car with driver (owned/leased or hired) for use on Company's business, telephone and other communication facilities at residence
 - (iii) The Whole-time Director shall be entitled to Company's contribution to Provident Fund, Superannuation Fund, benefits of Gratuity and Pension Scheme for Senior Management Staff, earned leave and encashment of earned leave at the end of the tenure and long service

awards, as per the rules of the Company. These shall not be included in the computation of perquisites.

- (d) No sitting fees shall be payable for attending the Board meeting or committee meeting thereof.

Item No. 6

Mr Tushar Bhandari was last appointed as Whole Time Director of the company with effect from 05th January,2017 for a period of 5 years

The Board of Directors at their meeting held on 28th May, 2021 has considered the reappointment of Mr Tushar Bhandari as Whole Time Director of the company for a further period of 5 years as per provisions of Section 196, 197, 203 read with schedule V and other applicable provisions of the Companies Act,2013 as amended from time to time. The effective date being 05th January, 2022.

Mr Tushar Bhandari has an overall 15+ years of experience with 10+ years of experience of liquor industry, he was working as an investment banker prior joining the core team of Associated Alcohols & Breweries Limited

Mr Tushar Bhandari has contributed significantly in company's growth and under his able leadership company has backed Diageo-USL Franchise Agreement, has entered Kerala and other market and performed well on all fronts.

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

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

III. General Information

| | | |
|---|---|--------------------------------------|
| 1 | Nature of Industry | Manufacturing of Alcoholic Beverages |
| 2 | Date of Commencement of Commercial Production | Existing Distillery Since 1989 |

IV. Information About Appointee

| | | |
|---|--|---|
| 1 | Background Details | Mr Tushar Bhandari is associated with 10+ years with the company having rich experience of business |
| 2 | Recognition or Award | Active in social activities at large |
| 3 | Nature of Expertise in specific functional areas | Has in depth knowledge and experience in Key domain areas including Business Development, Product Branding and IMFL Sales |
| 4 | Remuneration Proposed | As per details contained in the Notice for the AGM |
| 5 | Disclosure of Relationship | None |

The terms and condition of appointment of Mr. Tushar Bhandari and detail of remuneration as specified in the agreement entered into with him are as follows.

- a) **Salary** Presently ₹ 3.5 Lakhs Per month in the scale of ₹3,50,000 – 7,50,000/- with the authority to the Board of Directors of the company to grant such increments within the said scale as it may determine from time to time.
- b) **Perquisites & Allowance:** The perquisites and allowances shall include House Rent Allowances, Medical Allowances and Leave Travel concession.
- c) For the purpose of calculating the above ceiling, the perquisites shall be evaluated as per the Income-Tax Rules, 1962, wherever applicable.

Reimbursement and other facilities not considered as perquisites

- (i) Reimbursement of expenses incurred for travelling, boarding and lodging during business trips, expenses of telephone at residence and cell phone.
- (ii) Provision of car with driver, Company car with driver (owned/leased or hired) for use on Company's

business, telephone and other communication facilities at residence.

- (iii) The Whole-time Director shall be entitled to Company's contribution to Provident Fund, Superannuation Fund, benefits of Gratuity and Pension Scheme for Senior Management Staff, earned leave and encashment of earned leave at the end of the tenure and long service awards, as per the rules of the Company. These shall not be included in the computation of perquisites.
- (d) No sitting fees shall be payable for attending the Board meeting or committee meeting thereof.

Place: Indore
Date: 28th May, 2021

By Order of the Board of Directors

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

Sumit Jaitely
Company Secretary
FCS 9194

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. Debashis Das | Ms. Apurva Pradeep Joshi | Sanjay Kumar Tibrewal | Tushar Bhandari |
|--|--|---|---|---|
| Date of Birth | 04.10.1957 | 10.04.1989 | 21.07.1977 | 12.07.1981 |
| DIN | 08755043 | 06608172 | 00737877 | 03583114 |
| Date of Appointment on the Board | 16.05.2020 | 12.09.2020 | 13.04.2021 | 05.01.2017 |
| Qualifications | Graduate Engineer | D. Litt (Doctor of Letter) | Graduate in Commerce | MBA |
| Experience and Expertise | <p>Mr. Debashis Das is a graduate engineer. He has around 38 years of rich experience in manufacturing operations and projects in spirit industry</p> <p>Mr Das has core expertise in project management, operations strategy innovation and cost control</p> <p>Mr Das is operating as independent consultant providing management and consultancy services to several companies.</p> | <p>Ms. Apurva Pradeep Joshi is Youngest Certified Forensic Accounting Professional and Certified Fraud Examiner. She occupies the position of Independent Director of reputed listed companies.</p> | <p>Rich Exposure of industry and commercial transaction and wide and vivid experience of 25+ years.</p> | <p>Experience and Expertise Mr. Tushar Bhandari has an overall 15+ years of experience with 10+ years of experience in the liquor industry</p> |
| No. of meetings of Board attended during the year. | 6 | 4 | 0 | 7 |
| List of Directorship/ Membership / Chairmanship of Committees of other Board. | 0 | 2 | 10 | 0 |
| Shareholding in AABL (Equity) | Nil | Nil | 19982 | 5368 |
| Terms & conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person. | As per Nomination and Remuneration Policy of the Company and terms of agreement with the Director as displayed on the company's website viz. www.associatedalcohols.com | As per Nomination and Remuneration Policy of the Company and terms of agreement with the Director as displayed on the company's website viz. www.associatedalcohols.com | As per Nomination and Remuneration Policy of the Company and terms of agreement with the Director as displayed on the company's website viz. www.associatedalcohols.com | As per Nomination and Remuneration Policy of the Company and terms of agreement with the Director as displayed on the company's website viz. www.associatedalcohols.com |

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 32nd Annual Report together with the Audited Accounts and Auditor's Report of the Company for the year ended on 31st March, 2021.

1. FINANCIAL RESULTS

A summary of the company's financial result year 2020-21 is as under:

| Particulars | (₹ in Lakhs) | |
|---|--------------|-----------|
| | 2020-2021 | 2019-2020 |
| Gross Revenue from Operations | 45317.16 | 53499.91 |
| Profit/(Loss) before Interest, Depreciation & Tax | 9401.15 | 7989.56 |
| Less: Interest | 146.91 | 208.18 |
| Profit before Depreciation | 9254.24 | 7781.38 |
| Less: Depreciation | 1406.70 | 1409.72 |
| Profit / (Loss) before Tax | 7847.54 | 6371.66 |
| Provision of Tax | 2051.87 | 1438.04 |
| Net Profit/Loss | 5795.67 | 4933.62 |

2. FINANCIAL PERFORMANCE

The Company's operations and financial results for the Q1 FY 2020-21 have been adversely impacted by the outbreak of Covid-19 pandemic and the strict lockdown announced by the Government of India, operation was also suspended for a part of the quarter (Q1), amidst all these challenges your company has achieved a turnover of ₹45317 lakhs in the current year against ₹53499 lakhs in the previous year, the year FY 21 was a year of unprecedented challenges but the company's agile business model helped to navigate the headwinds and delivered highest bottom line in the history of AABL.

Earnings Before Interest Depreciation & Tax (EBIDTA) for the year stood at ₹9401 lakhs, an increase of 17.6% from ₹7989 lakhs in the previous year. Operating Profit Before Tax (PBT) stood at ₹7847 lakhs an increase on 23% from ₹6371 lakhs in the previous year & the net profit for the year was ₹5795 lakhs as against ₹ 4933 lakhs an increase of about 17.47% from the previous year. The changes in the key financial ratios form part of this report.

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

3. GLOBAL PANDEMIC & IMPACT OF COVID-19

The impact of Covid-19 pandemic was visible from March 2020, the Covid-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lockdowns of all economic activity. The company has taken various measures to monitor and mitigate the effect of Covid-19. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees and on minimizing disruption to services and supply chain management. The operations of the company were shut down for a part of the quarter (Q1) as per the lockdown directives except to the extent of what was permitted.

Although there were uncertainties during the year due to pandemic, things trend to normalize gradually post first quarter, and the economy regained momentum in the first half of FY 21. The better balance sheet position, fair profitability and inherent resilience of the business model positioned the company well to navigate the challenge ahead and continue its growth trajectory.

4. SHARE CAPITAL

The paid-up equity share capital of the company as at March 31, 2021 stood at ₹1807.92 lakhs divided into 18079200 equity shares of ₹10/- each.

5. DIVIDEND & RESERVES

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

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

6. FINANCE & ACCOUNTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2021 has been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2021. The Notes to the Financial Statements adequately cover the Audited Statements and form an integral part of this report.

7. INCOME TAX APPEAL DECIDED IN FAVOR OF THE COMPANY

At AABL, we follow ethical and legal standards of highest order and have robust institutional measures to monitor, further the Appeal filed before the Commissioner Appeals against the Assessment Orders passed in respect of search carried out u/s 132 of the Income Tax Act, 1961 for the Assessment Year 2012-13 to 2018-19 which the company was hopeful of getting relief, has been decided in favor of the company.

The Commissioner Appeal in its order has quashed the entire demand raised by Assessing Officer.

8. HAND RUB SANITIZER

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

9. EXPANSION OF DISTILLERY AND NEW ETHANOL DIVISION

The company has initiated the much-awaited expansion project, the project has been delayed by one year due to uncertainties in FY 21, as things and situation tend to

normalize the company has kicked in the project. The initial idea of the company was to double the existing manufacturing facilities by way of green field projects, but the government of India's vision and its attractive ethanol policy has led a slight change in the original idea of the expansion project of the company.

The company has embarked the expansion with more focus on establishing Ethanol Plant & division, the plant however will be designed to cater the future needs and will have an option to operate on dual mode ie the ethanol or spirit (if needed) can be manufactured from the same plant.

However, the present project is laid on the foundation to meet the Ethanol demand in the state of Madhya Pradesh & nearby surroundings in the initial years and testing the time, with an option to shift in other mode if the situation and circumstances permits.

The Project will add 30 MLPA capacity thus reaching from 45MLPA to 75 MLPA with two separate plant base of 45MLPA and 30 MLPA, the new plant is exclusive for the Ethanol Division for Sale to Oil & Petroleum Companies (OPC) the project outlay is expected to be at around 120 crores (approximately) including all the modern day utilities and facilities and expected to complete by mid 2022.

10. 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, 2021 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.

11. COMPOSITION OF BOARD

Directors & KMP

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

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

Declaration of Independence

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

Director liable to retire by rotation seeking reappointment

In accordance with the provisions of section 152 of the Companies Act, 2013 and Company's Articles of Association, Mr. Debashis Das, (DIN:08755043) Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment. The Board has recommended his appointment for the consideration of the members at the forthcoming AGM. Brief profile of Mr. Debashis Das has been given in the Notice convening this AGM.

Confirmation of Additional Director

Ms. Apurva Pradeep Joshi (DIN: 06608172) was appointed as an additional director on 12th September, 2020 termed as Non-executive & Independent Director and Mr. Sanjay Kumar Tibrewal (DIN: 00737877) was appointed as an additional director on 13th April, 2021 termed as Executive & Non-Independent Director (Whole Time Director). The confirmation of both the director's forms part of the notice convening 32nd Annual General Meeting.

Resignation of Directors

Mrs. Abhijit Nagee (DIN: 07724108) Non-executive & Independent Director of the company resigned on 31st July, 2020 and Mr. Manish Kumar Tibrewal Director of the company (DIN: 00747559) has resigned on 28th May, 2021. Both the directors have resigned on the grounds that their personal ambitions, priorities and plans are different

out of change in priorities and goals thus they wish to quit the directorship of the company.

The Board has placed on record special thanks for the time rendered by them during their tenure and wish them all the best in their future endeavors.

12. KEY MANAGERIAL PERSONNEL

During the period under review following are the Key Managerial Personnel of the company as on 31st March, 2021

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

Note:

Mr. Sanjay Kumar Tibrewal appointed as Additional Director termed as Whole Time Director w.e.f. 13th April, 2021 and Mr. Rahul Tiwari appointed as Chief Financial officer of the company w.e.f. 13th April, 2021.

13. MEETING

During the year Seven (7) Board, Four (4) Audit Committee, Three (3) Stakeholders Relationship committee, Three (3) Nomination & Remuneration Committee and One (1) CSR Committee Meetings were convened and held.

14. 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.

15. 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"

16. CORPORATE GOVERNANCE

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

17. 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 placed 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.

18. 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.

19. AUDITORS

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

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

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

20. SECRETARIAL AUDIT

The Board of Directors under section 204(1) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014 has appointed M/s K. Arun & Co. (Practicing Company

Secretaries), Kolkata to conduct secretarial audit of the company for the financial year 2020-21. The Secretarial Audit report for the Financial Year ended 31st March, 2021 is annexed herewith as "Annexure C" and forms part of this report. The report is self-explanatory and do not call for any comments.

Further, the Board has appointed M/s K. Arun & Co. (Practicing Company Secretaries), Kolkata as Secretarial Auditor for the financial year 2021-22.

21. 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.

22. 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.

23. 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.

24. 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.

25. GENERAL

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

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

- No instances of fraud reported by auditor under 143(12) of the Companies Act, 2013.

26. 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.

27. 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.

28. INTERNAL COMPLAINTS COMMITTEE

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

29. DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

| Particulars | FY 2020-21 | FY 2019-20 |
|--------------------------|------------|------------|
| Debtor Turn Over Cycle | 31 Days | 26 Days |
| Inventory Turnover Cycle | 46 Days | 39 Days |
| Interest Coverage Ratio | 64.00 | 38.38 |
| Current Ratio | 2.95 | 2.24 |
| Debt Equity Ratio | 0.03 | 0.04 |
| Operating Profit Margin | 21% | 15% |
| Net Profit Margin | 13% | 9% |
| Return on Equity | 23% | 25% |

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

Tushar Bhandari

Director

DIN: 03583114

Place: Indore

Date: 28th May, 2021

Sanjay Kumar Tibrewal

Director

DIN: 00737877

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 2020-21, the percentage increase in remuneration of Whole Time Directors, Chief Financial Officer and Company Secretary during the financial year 2020-21.

| Sr. No. | Name of Director/KMP | Designation | Ratio of remuneration | % increase in Remuneration in the Financial Year 2020-21 |
|---------|---------------------------|-------------------------|-----------------------|--|
| 1 | Mr. Tushar Bhandari | Whole Time Director | 25x | 5% |
| 2 | Mr. Sanjay Kumar Tibrewal | Chief Financial Officer | 23x | 5% |
| 3 | Mr. Sumit Jaitely | Company Secretary | 8.5x | 5% |

- II. There were 447 permanent employees on the roll of the company as on 31st March, 2021.
- III. Median Remuneration of the employee of the Company during the financial year was ₹1.57 Lakh per annum.
- IV. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2020-21 was 7%.
- V. The parameters for the variable component of remuneration availed by the directors are considered by the board of directors based on the recommendation of Nomination and Remuneration Committee as per the Remuneration Policy of the Directors, Key Managerial Personnel and other employees.
- VI. A statement of top ten employees in terms of remuneration drawn as per Rule 5(2) and read with Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 as amended, is annexed herewith as "Annexure-F".
- VII. It is hereby affirm that the remuneration paid is as per the Remuneration Policy for the Directors, Key Managerial Personnel and other employees.
- Note: The Non-executive Directors of the company are entitled for sitting fees as per the statutory provisions the detail of which are provided in the Corporate Governance Report.

STATEMENT OF PARTICULARS OF EMPLOYEE PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 EMPLOYED THROUGHOUT THE FINANCIAL YEAR 2020-21.

1. During the year received remuneration in excess of ₹102.00 Lakh or more per annum.
Mr. Anand Kumar Kedia
Mr. Prasann Kumar Kedia
2. During the year the employees received remuneration in excess of that drawn by Whole Time Director and hold more than 2% of Shares.
Mr. Anand Kumar Kedia
Mr. Prasann Kumar Kedia
Mr. Anshuman Kedia
- B. Mr. Prasann Kumar Kedia, Age 49 years, Qualification MBA, Cadre Top Management – Operation & Business Development, Joining Date 01/04/1994, Experience 27 years, Remuneration 329.78 Lakhs, Promoter Group.
- C. Mr. Anshuman Kedia, Age 28 years, Qualification Graduate, Cadre Senior Executive Joining Date 01/11/2015, Experience 5 years, Remuneration 71.28 Lakhs, Promoter Group.

FOR AND ON BEHALF OF THE BOARD

Details

A. Mr. Anand Kumar Kedia, Age 56 years, Qualification Post Graduate in Commerce, Cadre Top Management – Business Promotion & Development, Joining Date 01/04/1990, Experience 31 years, Remuneration 329.78 Lakhs, Promoter Group.

Tushar Bhandari
Director
DIN: 03583114

Sanjay Kumar Tibrewal
Director
DIN: 00737877

Place: Indore
Date: 28th May, 2021

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.

c. Manner in which the amount spent during the financial year:

(Amount in ₹)

| Sr. No. | CSR Project or Activity Identified | Sector in which Covered | Area/ Location | Amount Outlay | Amount Spent | Cumulative Expenditure | Amount Spent: Direct /Through Implementation Agency |
|---------|---|---|----------------|---------------|---------------|------------------------|---|
| 1 | Promoting Education | Computer Education to students in tribal belt | Ghatsila | 2,00,000/- | 2,00,000/- | 2,00,000/- | Vyakti Vikas Kendra |
| 2 | Promoting Education | Literature Festival | Jaipur | 1,00,000/- | 1,00,000/- | 3,00,000/- | Hindinest |
| 3 | Promoting Education Vocational Training Skill Development | Education | Saikheda | 1,00,00,000/- | 1,00,00,000/- | 1,03,00,000/- | GH Raisonni University, Saikheda |
| 4 | Promoting Education Vocational Training Skill Development | Education | Raipur | 50,00,000/- | 50,00,000/- | 1,53,00,000/- | Bhagwan Sri Bala Sai Educational and Charitable Society |

3. Constitution of CSR Committee

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

| Sr. No. | Name | Status | Designation |
|---------|---------------------|--------------------------|-------------|
| 1 | Mr. Tushar Bhandari | Executive Director | Chairman |
| 2 | Mr. Nitin Tibrewal | Independent Director | Member |
| 3 | Mr. Debashis Das | Non Independent Director | Member |

4. Average Net Profit of the Company for last three financial years: ₹51,96,33,890/-
5. Prescribed CSR Expenditure (Two percent of amount as in item no. 4 above): ₹1,03,92,678/-
6. Detail of CSR spends for the financial year:
 - a. Total Amount Spent for the Financial Year: ₹2,10,40,485/-
 - b. Amount Unspent if any: ₹NA

(Amount in ₹)

| Sr. No. | CSR Project or Activity Identified | Sector in which Covered | Area/ Location | Amount Outlay | Amount Spent | Cumulative Expenditure | Amount Spent: Direct /Through Implementation Agency |
|---------|------------------------------------|---|----------------------------|---------------|--------------|------------------------|---|
| 5 | Promoting Health | Preventive Check Up & Health Care Programmes | Barwaha / Khargone/ Indore | 50,00,000/- | 50,00,000/- | 2,03,00,000/- | Shri Jaipal Singh Sharma Trust |
| 6 | COVID-19 Pandemic | Distribution of Camphora Medicine and Hand Sanitizer to various govt / non govt institution | Barwaha / Indore | 7,40,485/- | 7,40,485/- | 2,10,40,485/- | Direct |

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

FOR AND ON BEHALF OF THE BOARD

Tushar Bhandari
 Director
 DIN: 03583114

Sanjay Kumar Tibrewal
 Director
 DIN: 00737877

Place: Indore
 Date: 28th May, 2021

Annexure C

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST DAY OF MARCH, 2021

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

To,
The Members,
Associated Alcohols & Breweries Limited
CIN: L15520MP1989PLC049380

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

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, and authorized representatives during the conduct of **Secretarial Audit**, we hereby report that in our opinion the Company has, during the audit period covering the financial year ended **31st March, 2021** 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, 2021** according to the provisions of:

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

- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- V. The following **Industry Specific law(s)**:
- a. Madhya Pradesh Excise Act, 1915 and Madhya Distillery Rules, 1995.

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

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

We further report that:

The Board of Directors of the Company is **duly constituted with proper balance of Executive Director, Non-Executive Directors, Independent Directors and Woman Director**.

All requisite compliances were undertaken by the company in consonance with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the changes in the composition of the Board made during the year including appointment of Mr. Debashis Das as Non- Executive Non-Independent Director on and from 16th May, 2020, Ms. Homai Ardeshir Daruwalla as Non-Executive Independent Director on and from 16th May, 2020, and Ms. Apurva Pradeep Joshi as Non-Executive & Independent Director on and from 12th September, 2020. We further report that, during the period under review, Mrs. Abhijit Nagee, Independent Director, resigned from the Directorship of the Company on and from 31st July, 2020. Her resignation has been duly noted by the Board.

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

Place: Kolkata
Date: 28.05.2021

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

Arun Kr. Khandelía
Partner
FCS: 3829
C.P. No.: 2270
UDIN: F003829C000383703

SECRETARIAL COMPLIANCE REPORT

Of Associated Alcohols & Breweries Limited for the Financial Year Ended 31st March, 2021

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

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

- a) all the documents and records made available to us and explanation provided by the Company.
- b) the filings/ submissions made by the Company to the stock exchanges,
- c) website of the Company and
- d) such other documents, as may be relevant, which has been relied upon to make this certification for the Financial Year ended **31st March, 2021** in respect of compliance with the provisions of:
 - I. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
 - II. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

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

- A. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with the circulars and guidelines issued there under;
- B. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 along with the circulars and guidelines issued there under;
- C. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,

2011 along with the circulars and guidelines issued there under;

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

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

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

Place: Kolkata
Date: 28.05.2021

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

Arun Kr. Khandelia
Partner

FCS: 3829

C.P. No.: 2270

UDIN: F003829C000383703

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

AS ON FINANCIAL YEAR ENDED ON 31.03.2021

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

I REGISTRATION & OTHER DETAILS:

| | | |
|-----|--|--|
| i | CIN | L15520MP1989PLC049380 |
| ii | Registration Date | 07.07.1989 |
| iii | Name of the Company | Associated Alcohols & Breweries Ltd |
| iv | Category/Sub-category of the Company | Limited by Shares/Non Government Company |
| v | Address of the Registered office & contact details | 4th Floor, BPK Star Tower, A.B. Road, Indore (MP)- 452008 Ph. No. 0731-4780400/490, E-mail – cs@aabl.in |
| vi | Whether listed company | Yes |
| vii | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Ankit Consultancy Private Limited 60, Electronic Complex, Pardeshipura, Indore - 452010 Ph. (0731) 4065797/4065799, E-mail: investor@ankitonline.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

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

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

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

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

i) CATEGORY OF SHAREHOLDERS

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---------------------------------|---|----------|-----------------|-------------------|---|----------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. PROMOTERS | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 10566440 | 0 | 10566440 | 58.45 | 10566440 | 0 | 10566440 | 58.45 | 0 |
| b) Central Govt. or State Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corporates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bank/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub Total: (A) (1) | 10566440 | 0 | 10566440 | 58.45 | 10566440 | 0 | 10566440 | 58.45 | 0 |

| 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 | |
| (2) Foreign | | | | | | | | | |
| a) NRI- Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Other Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Banks/Fl | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub Total: (A) (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 10566440 | 0 | 10566440 | 58.45 | 10566440.00 | 0 | 10566440 | 58.45 | 0 |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Banks/Fl | 16262 | 2400 | 18662 | 0.10 | 0 | 2400 | 2400 | 0.01 | -0.09 |
| C) Cenntal govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) FIIS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture/Foreign Portfolio Investors | 103001 | 0 | 103001 | 0.57 | 169553 | 0 | 169553 | 0.94 | 0.37 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (B)(1): | 119263 | 2400 | 121663 | 0.67 | 169553 | 2400 | 171953 | 0.95 | 0.28 |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | |
| i) Indian | 1993990 | 78900 | 2072890 | 11.47 | 1445453 | 77300 | 1522753 | 8.42 | -3.05 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹1 lakhs | 2724760 | 725800 | 3450560 | 19.08 | 3030070 | 708700 | 3738770 | 20.68 | 1.60 |
| ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakhs | 1515705 | 71000 | 1586705 | 8.78 | 1562877 | 71000 | 1633877 | 9.04 | 0.26 |
| c) Others (NRI/OCB) | 99052 | 110900 | 209952 | 1.16 | 134421 | 110900 | 245321 | 1.36 | 0.2 |
| d) Any Others (Clearing Members) | 70990 | 0 | 70990 | 0.39 | 200086 | 0 | 200086 | 1.11 | 0.72 |
| Sub Total (B)(2): | 6404497 | 986600 | 7391097 | 40.88 | 6372907 | 967900 | 7340807 | 40.60 | -0.28 |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 6523760 | 989000 | 7512760 | 41.55 | 6542460 | 970300 | 7512760 | 41.55 | 0 |
| C. SHARES HELD BY CUSTODIAN FOR GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| GRAND TOTAL (A+B+C) | 17090200 | 989000 | 18079200 | 100.00 | 17108900 | 970300 | 18079200 | 100 | 0 |

(ii) SHAREHOLDING OF PROMOTERS

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

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

| Sr. No. | Particulars | 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 shares pledged encumbered to total shares |
| | At the beginning of the year | 10566440 | 58.45 | 10566440 | 58.45 |
| | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus/sweat equity etc) | - | - | - | - |
| | At the end of the year | 10566440 | 58.45 | 10566440 | 58.45 |

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

| Sr. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|---------|---------------------------------------|---|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Garnet Tradelink Private Limited | 943003 | 5.22 | 887342 | 4.91 |
| 2 | Prabha Mohta | 155000 | 0.86 | 155000 | 0.86 |
| 3 | Choice Equity Broking Private Limited | 4 | 0.00 | 130114 | 0.72 |
| 4 | Anoop Kumar Chhawchharia | 85705 | 0.47 | 84257 | 0.47 |
| 5 | Pritty Devi Sarawagi | 80160 | 0.44 | 80160 | 0.44 |
| 6 | Kishan Gopal Mohta | 97600 | 0.54 | 78843 | 0.44 |
| 7 | Manoj Kumar Bhura (HUF) | 71000 | 0.39 | 72284 | 0.40 |

| Sr. No. | For Each of the Top 10 Shareholders | 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 |
| 8 | Rahul Jhunjunwala | 7500 | 0.04 | 71000 | 0.39 |
| 9 | Mckinley Capital Measa Fund Oeic Limited | 0 | 0.00 | 69030 | 0.38 |
| 10 | ARK Global Emerging Companies LP | 0 | 0.00 | 66068 | 0.37 |

(v) SHAREHOLDING OF DIRECTORS & KMP

| Sr. No. | For Each of the Directors & KMP | Shareholding at the end of the year | | Cumulative Shareholding during the year | |
|---------|--|-------------------------------------|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | Tushar Bhandari | | | | |
| | At the beginning of the year | 5368 | 0.002 | 5368 | 0.002 |
| | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | - | - | - | - |
| | At the end of the year | 5368 | 0.002 | 5368 | 0.002 |
| 2 | Nitin Tibrewal | | | | |
| | At the beginning of the year | 200 | 0 | 200 | 0 |
| | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | - | - | - | - |
| | At the end of the year | 200 | 0 | 200 | 0 |
| 3 | Manish Kumar Tibrewal | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc) | - | - | - | - |
| | At the end of the year | Nil | Nil | Nil | Nil |
| 4 | Abhijit Nagee | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc) | - | - | - | - |
| | At the end of the year | Nil | Nil | Nil | Nil |
| 5 | Sanjay Kumar Tibrewal | | | | |
| | At the beginning of the year | 19982 | 0.11 | 19982 | 0.11 |
| | Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc) | - | - | - | - |
| | At the end of the year | 19982 | 0.11 | 19982 | 0.11 |

| Sr. No. | For Each of the Directors & KMP | Shareholding at the end of the year | | Cumulative Shareholding during the year | |
|---------|--|-------------------------------------|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 6 | Homai Ardeshir Daruwalla | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | - | - | - | - |
| | At the end of the year | Nil | Nil | Nil | Nil |
| 7 | Debashis Das | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | - | - | - | - |
| | At the end of the year | Nil | Nil | Nil | Nil |
| 8 | Apurva Pradeep Joshi | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | - | - | - | - |
| | At the end of the year | Nil | Nil | Nil | Nil |
| 9 | Sumit Jaitely | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | - | - | - | - |
| | At the end of the year | Nil | Nil | Nil | Nil |

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in Lakh

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtness at the beginning of the financial year | | | | |
| i) Principal Amount | 887.58 | 0 | 0 | 887.58 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 4.91 | 0 | 0 | 4.91 |
| Total (i+ii+iii) | 892.49 | 0 | 0 | 892.49 |
| Change in Indebtedness during the financial year | | | | |
| Additions | 745.78 | 0 | 0 | 745.78 |
| Reduction | 685.03 | 0 | 0 | 685.03 |
| Net Change | 60.75 | 0 | 0 | 60.75 |
| Indebtedness at the end of the financial year | | | | |

| | | | | |
|-----------------------------------|---------------|----------|----------|---------------|
| i) Principal Amount | 952.75 | 0 | 0 | 952.75 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0.49 | 0 | 0 | 0.49 |
| Total (i+ii+iii) | 953.24 | 0 | 0 | 953.24 |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in Lakh

| Sr. No. | Particulars of Remuneration | Tushar Bhandari (WTD) | Total Amount |
|----------|--|-----------------------|--------------|
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961. | 39.64 | 39.64 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | - | - |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - |
| 2 | Stock option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission | - | - |
| | as % of profit | | |
| | others (specify) | | |
| 5 | Others, please specify | - | - |
| | Total (A) | 39.64 | 39.64 |
| | Ceiling as per the Act | | |

B. Remuneration to other directors:

₹ in Lakh

| Sr. No. | Particulars of Remuneration | Name of the Directors | | | | Total Amount |
|----------|--|-----------------------|---------------|--------------------------|----------------------|--------------|
| | | Nitin Tibrewal | Abhijit Nagee | Homai Ardeshir Daruwalla | Apurva Pradeep Joshi | |
| 1 | Independent Directors | | | | | |
| | (a) Fee for attending board committee meetings | 4.01 | 0.01 | 2.75 | 1.25 | 8.02 |
| | (b) Commission | - | - | - | - | - |
| | (c) Others, please specify | - | - | - | - | - |
| | Director Remuneration | - | - | - | - | - |
| | Director Remuneration | - | - | - | - | - |
| | Total (1) | 4.01 | 0.01 | 2.75 | 1.25 | 8.02 |
| 2 | Other Non Executive Directors | Manish Kumar Tibrewal | | Debashis Das | | |
| | (a) Fee for attending board committee meetings | 0.76 | | 3.00 | | 3.76 |
| | (b) Commission | - | | - | | - |
| | (c) Others, please specify. | - | | - | | - |
| | Total (2) | 0.76 | | 3.00 | | 3.76 |
| | Total (B)=(1+2) | 4.76 | | 3.00 | | 11.78 |
| | Total Managerial Remuneration | | | | | |
| | Overall Ceiling as per the Act. | | | | | |

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

₹ in Lakh

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---------|--|------------------------------|-----------------------------------|--------------|
| | | Sanjay Kumar Tibrewal* (CFO) | Sumit Jaitely (Company Secretary) | Total |
| 1 | Gross Salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | 36.02 | 13.44 | 49.46 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | - | - | - |
| | as % of profit | - | - | - |
| | others, specify | - | - | - |
| 5 | Others, please specify | - | - | - |
| | Total | 36.02 | 13.44 | 49.46 |

*Acting as CFO as on 31st March,2021

#Appointed director wef 13th April, 2021

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

FOR AND ON BEHALF OF THE BOARD

Tushar Bhandari
Director
DIN: 03583114

Sanjay Kumar Tibrewal
Director
DIN: 00737877

Place: Indore
Date: 28th May, 2021

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 | 2020-21 | 2019-20 |
|---|---------|---------|
| Purchase of Stores & Spares/Import of Machinery | Nil | 1.99 |
| Travelling Expenses | Nil | 27.06 |
| Expenditure in foreign currency/Professional Development Expenses | Nil | 50.73 |
| Earning from Export/Sale of Sprit and IMFL | 210.15 | Nil |

FOR AND ON BEHALF OF THE BOARD

Tushar Bhandari
Director
DIN: 03583114

Sanjay Kumar Tibrewal
Director
DIN: 00737877

Place: Indore
Date: 28th May, 2021

Annexure F

STATEMENT OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AS PER RULE 5(2) READ WITH RULE 5(3) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS AMENDED,

| Sr. No | Name | Designation | Remuneration Rs. In Lakh | Qualification | Date of Commencement | Age | Last Employed |
|--------|-----------------------|---------------------------------------|--------------------------|--|-------------------------------|-----|---------------------|
| 1 | Anand Kumar Kedia | Head-Business Promotion & development | 329.78 | Post Graduate 31 Years of vast Experience | 01/04/1990 | 56 | NA |
| 2 | Prasann Kumar Kedia | Head Operations & Development | 329.78 | MBA 27 Years of vast Experience | 01/04/1994 | 49 | NA |
| 3 | Anshuman Kedia | Senior Executive | 71.28 | Graduate | 01/11/2015 | 28 | NA |
| 4 | HK Bhandari | Plant Head | 66.00 | B.E. | 01/10/2020 (Reappointment) | 72 | NA |
| 5 | Vedant Kedia | Senior Executive | 47.88 | Bsc Chemical Engineering | 01/04/2019 | 23 | NA |
| 6 | Tushar Bhandari | Whole Time Director | 39.64 | MBA | 05/01/2017 for 5 Year | 40 | Kotak Mahindra Bank |
| 7 | Sanjay Kumar Tibrewal | Whole Time Director | 36.02 | Graduate | 01/04/1994 | 47 | NA |
| 8 | Ajay Gautam | Vice President | 34.09 | B. Tech, MBA | 10/03/2018 | 54 | Lahag Group |
| 9 | Sangita Kedia | Senior Executive | 32.28 | Graduate | 01/11/2015 | 57 | NA |
| 10 | Shweta Kedia | Senior Executive | 32.28 | Graduate | 01/11/2015 | 49 | NA |

FOR AND ON BEHALF OF THE BOARD

Tushar Bhandari
Director
DIN: 03583114

Sanjay Kumar Tibrewal
Director
DIN: 00737877

Place: Indore
Date: 28th May, 2021

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

The details of which are as follows:

1. THE GOVERNANCE STRUCTURE:

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

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

& accountability and decision making process to be followed.

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

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

2. BOARD OF DIRECTORS

A. Composition of the Board

The Board of directors of the company consists of an optimum combination of Executive, Non-executive and Independent Directors, to ensure the independent functioning of the Board. The composition of the Board also complies with the provisions of the Companies Act, 2013 and the Listing Regulations. As at the end of financial year 2020-21, the total Board consists of Six (6) Directors, out of which Three (3) 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, 2021 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 |
| Ms. Homai Ardeshir Daruwalla | Non Executive & Independent Director | 10 | 10 | 4 |
| Mr. Debashis Das | Non Executive & Non Independent Director | Nil | Nil | Nil |
| **Ms. Apurva Pradeep Joshi | Non Executive & Independent Director | 3 | 2 | 1 |

*Mr. Manish Kumar Tibrewal (DIN: 00747559) has resigned from the directorship of the company wef 28th May, 2021.

**Ms. Apurva Pradeep Joshi was appointed as an Additional Director of the Company wef 12th September, 2020

#Mrs. Abhijit Nagee (DIN: 07724108) has resigned from the directorship of the company wef 31st July, 2020.

#Mr. Sanjay Kumar Tibrewal CFO of the Company has been appointed as Whole Time Director of the Company wef 13th April, 2021.

B. Selection and Appointment/Reappointment of Director:

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

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

Meetings and attendance during the year:

During the financial year 2020-21 the Board of Directors met 7 (Seven) times on 16th May, 2020, 18th June, 2020, 29th June, 2020, 12th September, 2020, 10th November, 2020, and 13th February, 2021, 20th March, 2021.

The details of Board attendance are as under:

| Name of Director | No. of Board Meeting held during the year | No. of Board Meeting Attended | Attendance at the last AGM |
|------------------------------|---|-------------------------------|----------------------------|
| Mr. Tushar Bhandari | 07 | 07 | Yes |
| Mr. Nitin Tibrewal | 07 | 07 | Yes |
| Mr. Manish Kumar Tibrewal | 07 | 04 | No |
| Ms. Homai Ardeshir Daruwalla | 07 | 05 | Yes |
| Mr. Debashis Das | 07 | 06 | Yes |
| *Ms. Apurva Pradeep Joshi | 07 | 04 | No |
| #Mrs. Abhijit Nagee | 07 | 01 | No |

*Ms. Apurva Pradeep Joshi was eligible to attend 4 Board Meetings during the period under review.

#Mrs. Abhijit Nagee was eligible to attend 3 Board Meetings during the period under review.

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 20th March, 2021 to review the performance of Executive Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its' Committees which is necessary to effectively and reasonably perform and discharge their duties.

E. Agenda:

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

F. Support and Role of Company Secretary:

The Company Secretary is responsible for convening the Board and Committee meetings preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. He acts as interface between the Board

and the Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

G. Board Evaluation:

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

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

H. Code of Conduct:

All the Board members and senior management personnel have confirmed compliance with the code. A declaration to that effect signed by the WTD & CFO is attached and forms part of the Annual Report of the Company.

I. Prevention of Insider Trading Code:

As per SEBI (Prohibition of Insider Trading) 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. 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 |
| Ms. Homai Ardeshir Daruwalla | Nil |
| Mr. Debashis Das | Nil |
| Ms. Apurva Pradeep Joshi | Nil |
| #Mrs. Abhijit Nagee | Nil |

#Mrs. Abhijit Nagee resigned from directorship of the company w.e.f 31st July, 2020.

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

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

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

The Board of Directors has identified key skills/ expertise/ competencies such as understanding the company's business, policies and culture, knowledge of the industry, experience in planning and policy making, risk management and financial affairs, strategic thinking and decision making, managing relationships with the Board, Management Team, Regulators, Bankers, Industry representative and other stakeholders. All the above required skills/expertise/competencies are available with the Boards, the company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

All the above required skills/expertise/competencies are available with the Board, the company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

N. Independent Directors confirmation by the Board:

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

3. AUDIT COMMITTEE**(a) Terms of reference:**

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

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

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

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

The Audit Committee has adequate powers and detailed terms of reference to play effective role as required under the provisions of section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) 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, 2021 comprises of the following Directors of the Company. The Committee met 4 (four) times during the year under review. The said meetings were held on 29th June, 2020,

12th September, 2020, 10th November, 2020 and 13th February, 2021.

| Name | Designation | No. of meeting attended |
|-------------------------------|-------------|-------------------------|
| Mr. Nitin Tibrewal | Chairman | 4 |
| Mr. Tushar Bhandari | Member | 4 |
| *Ms. Homai Ardeshir Daruwalla | Member | 4 |
| **Ms. Apurva Pradeep Joshi | Member | 1 |

*Reconstituted on 29th June, 2020.

**Reconstituted on 13th February, 2021

Three out of four members of the audit committee are Non-executive Independent Directors.

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

The Company Secretary acts as secretary to the committee.

4. NOMINATION & REMUNERATION COMMITTEE

(a) Terms of reference:

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

The terms of reference of the Committee are as follows:

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

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

The Remuneration Committee of the Company as on 31st March, 2021 comprises of the following Directors of the Company. The Committee met 3 (Three) times during the year under review. The said meetings were held on 29th June, 2020, 12th September, 2020 and 13th February, 2021.

| Name of Directors | Designation | Nos. of meetings attended |
|-------------------------------|-------------|---------------------------|
| Mr. Nitin Tibrewal | Chairman | 3 |
| *Ms. Homai Ardeshir Daruwalla | Member | 2 |
| *Mr. Debashis Das | Member | 2 |

* Reconstituted on 29th June, 2020

(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 28th Annual General Meeting of the company.

During the financial year 2020-21, the particulars of remuneration paid to Whole-time Director is as under:

| Name of the Director | Salary (₹ in Lakh) | Perquisites | Commission | Stock option Details | Period of Contract |
|----------------------|--------------------|-------------|------------|----------------------|-------------------------|
| Mr. Tushar Bhandari | 39.64 | - | - | - | 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 2020-21 ended on 31st March, 2021 are given below:

(₹ in Lakh)

| Name | Sitting Fee | Other Payment | Total |
|------------------------------|-------------|---------------|-------|
| Mr. Nitin Tibrewal | 4.01 | - | 4.01 |
| Mr. Manish Kumar Tibrewal | 0.76 | - | 0.76 |
| Ms. Homai Ardeshir Daruwalla | 2.75 | - | 2.75 |
| Mr. Debashis Das | 3.00 | - | 3.00 |
| Ms. Apurva Pradeep Joshi | 1.25 | - | 1.25 |
| Mrs. Abhijit Nagee | 0.01 | - | 0.01 |

5. STAKEHOLDER RELATIONSHIP COMMITTEE:**a) Terms of reference**

The Committee constituted under section 178(5) of the companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to attend and address the Shareholders' and Investors' grievances. This Committee meets periodically to approve transfer/transmission and issue of duplicate transfer of shares and resolve investor's grievances, if any. The Committee oversees the performance of Registrars and Transfer Agents

and recommends measures for overall improvement of the quantity of investor services.

Stakeholders Relationship Committee has been empowered to deal with and dispose of the instruments of transfer of shares in the Company including the power to reject transfer /transmission of shares in terms of the provisions of the Companies Act, 2013, Securities Contract (Regulations) Act, Listing Regulations and the Company's Articles of Association and take necessary actions for all of the matters effecting the interest of the shareholders such as:-

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

- (iv) Review of the various measures and initiatives for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants, Annual Reports and statutory Notices etc.

The Stakeholder Relationship Committee of the Company as on 31st March, 2021 comprises of the following Directors of the Company. The Committee met 3 (Three) times during the year under review. The said meetings were held on 12th September, 2020, 10th November, 2020 and 13th February, 2021.

| Name of Directors | Category | Total Meetings held during the year | Nos. of meetings attended |
|---------------------|----------|-------------------------------------|---------------------------|
| Mr. Nitin Tibrewal | Chairman | 3 | 3 |
| Mr. Tushar Bhandari | Member | 3 | 3 |
| *Mr. Debashis Das | Member | 3 | 3 |

*Reconstituted on 29th June, 2020

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

c) **Share holder Compliant Status during the financial year 2020-21:**

| No. of Shareholder Compliant received | No. of Complaint resolved | No. of Compliant Pending. |
|---------------------------------------|---------------------------|---------------------------|
| 50 | 50 | 0 |

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

The CSR Committee of the Company as on 31st March, 2021 comprises of the following Directors. The Committee met 1 (One) times during the year under review. The said meetings were held on 13th February, 2021.

| Sr. No. | Name of Directors | Category | Total Meetings held during the year | Nos. of Meetings attended |
|---------|---------------------|----------|-------------------------------------|---------------------------|
| 1. | Mr. Tushar Bhandari | Chairman | 1 | 1 |
| 2. | Mr. Nitin Tibrewal | Member | 1 | 1 |
| 3. | *Mr. Debashis Das | Member | 1 | 1 |

*Reconstituted on 29th June, 2020

7. WTD/CFO 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 |
|---------|---|------------|----------|
| 31st | 4th Floor, "BPK Star Tower" A.B. Road Indore – 452008 through Video Conferencing (VC)/Other Audio Visual Means (OAVM) | 05.09.2020 | 02:00 PM |
| 30th | "Phoenix" , Brilliant Convention Centre, Plot No. 5, Scheme No. 78 Part-II, Vijay Nagar, Indore - 452010 | 14.09.2019 | 03:00 PM |
| 29th | "Shripati Singhanian Hall" , Rotary Sadan, 94/2, Chowranghee Road, Kolkata – 700 020 | 24.08.2018 | 10:00 AM |

9. MEANS OF COMMUNICATION

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

| Quarterly Results | News papers Publication | Displayed at Website |
|-------------------|------------------------------|--|
| 31.03.2021 | Financial Express & Naidunia | www.associatedalcohols.com |
| 31.12.2020 | Financial Express & Naidunia | www.associatedalcohols.com |
| 30.09.2020 | Financial Express & Naidunia | www.associatedalcohols.com |
| 30.06.2020 | Financial Express & Naidunia | www.associatedalcohols.com |

10. GENERAL SHAREHOLDER INFORMATION.

a. Annual General Meeting

Date : 20th August, 2021
 Venue : 04th Floor BPK Star Tower, A.B. Road,
 Time : 01:00 PM (IST)

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 2021-22 from April 01, 2021 to March 31, 2022

The tentative due dates for declaration of quarterly results

| | |
|--|----------------|
| Unaudited Financial Results for the 1st Quarter ended 30th June, 2021 | Within 45 days |
| Unaudited Financial Results for the 2nd Quarter ended 30th September, 2021 | Within 45 days |
| Unaudited Financial Results for the 3rd Quarter ended 31st December, 2021 | Within 45 days |
| Audited Financial Results for the 4th Quarter ended 31st March, 2022 | Within 60 days |

d. Book Closure Date:

14th August, 2021 to 20th August, 2021

e. Listing in Stock Exchanges:

| | |
|---------------------|--|
| BSE Ltd | National Stock Exchange of India Limited |
| Scrip Code : 507526 | Scrip Code : ASALCBR |
| ISIN : INE073G01010 | ISIN: INE073G01010 |

f. Annual Listing Fee: Annual listing fee for the Year 2021-22 of the Stock Exchanges have been paid.

g. Custodial Fees to Depositories: Fee for the year 2021-22 to NSDL and CDSL has been paid.

h. Market Price Data: High & Low of each month in the Financial Year- 2020-21

| Months | BSE | | NSE | |
|----------------|--------|--------|--------|--------|
| | High | Low | High | Low |
| April 2020 | 180.00 | 143.15 | 180.00 | 125.25 |
| May 2020 | 223.90 | 175.10 | 223.90 | 171.50 |
| June 2020 | 276.90 | 200.00 | 274.95 | 202.00 |
| July 2020 | 267.85 | 216.00 | 265.00 | 220.05 |
| August 2020 | 334.95 | 217.50 | 288.90 | 218.10 |
| September 2020 | 278.40 | 239.00 | 278.55 | 238.95 |
| October 2020 | 264.00 | 238.50 | 264.50 | 236.65 |
| November 2020 | 300.00 | 239.75 | 298.00 | 239.00 |
| December 2020 | 325.00 | 270.05 | 324.00 | 274.85 |
| January 2021 | 345.00 | 298.00 | 344.00 | 283.80 |
| February 2021 | 380.50 | 305.00 | 385.55 | 304.85 |
| March 2021 | 442.70 | 348.85 | 441.50 | 349.10 |

i. Registrar & Transfer Agents:

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

Phone No. 0731- 4281333 /2551745 /2551746, E-mail: investor@ankitonline.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. 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, 2021:

| Range in No. of shares | Number of Holders | % to Total Holders | Nominal Value in ₹ of No. of Shares held | % to total Capital |
|------------------------|-------------------|--------------------|--|--------------------|
| Up to 1000 | 14810 | 67.75 | 4587080 | 2.54 |
| 1001 to 2000 | 4019 | 18.39 | 7467040 | 4.13 |
| 2001 to 3000 | 648 | 2.96 | 1701370 | 0.94 |
| 3001 to 4000 | 545 | 2.49 | 2072740 | 1.15 |
| 4001 to 5000 | 345 | 1.58 | 1660360 | 0.92 |
| 5001 to 10000 | 748 | 3.42 | 5847240 | 3.23 |
| 10001 to 20000 | 352 | 1.61 | 5445460 | 3.01 |
| 20001 to 30000 | 123 | 0.56 | 3138050 | 1.74 |
| 30001 to 40000 | 63 | 0.29 | 2248910 | 1.24 |
| 40001 to 50000 | 37 | 0.17 | 1701210 | 0.94 |
| 50001 to 100000 | 75 | 0.34 | 5218310 | 2.89 |
| 100000 above | 94 | 0.43 | 139704230 | 77.27 |
| Total | 21859 | 100.00 | 180792000 | 100.00 |

I. Categories of Equity Shareholders as on 31st March, 2021:

| Sr. No | Particulars | No. of Shares | % to the total Paid up Share Capital |
|--------|-------------------------------|---------------|--------------------------------------|
| 1 | Promoters/ Promoter Group | 10566440 | 58.45 |
| 2 | Mutual Funds/ UTI, FIs, Banks | 2400 | 0.01 |
| 3 | Bodies Corporate | 1522753 | 8.42 |
| 4 | Foreign Portfolio Investors | 169553 | 0.94 |
| 5 | Indian Public | 5372647 | 29.72 |
| 6 | NRIs/ OCBs | 245321 | 1.36 |
| 7 | Any other (clearing member) | 200086 | 1.11 |
| | Total | 18079200 | 100.00 |

m. Dematerialization of shares and liquidity:

94.64 % of the Company's share capital is held in dematerialized form as on 31st March, 2021 the Company's shares are being regularly traded on the BSE Ltd and National Stock Exchange of India Limited, ISIN in CDSL and NSDL for Company's equity shares is INE073G01016. The scrip code for the Share on BSE LTD is 507526 and symbol for the shares on National Stock Exchange of India Limited is ASALCBBR.

n. Plant Location:

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

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

Contract manufacturing unit: Trichur, Kerala.

o. Registered Office and Correspondence address:

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

11. DISCLOSURES:

a. Details of materially significant related party transactions:

All transactions entered into with related parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year 2020-21 were in the ordinary course of business and do not attract the provisions of section 188 of the Companies Act, 2013.

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

b. Accounting Treatment:

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

have been set out in the Notes to the Financial Statements.

c. Strictures and Penalties:

The Company has complied with all the requirements of regulatory authorities on capital market and no penalties or strictures have been imposed against it by Stock Exchange or SEBI or other Statutory Authorities during last three years except in FY 2019-20 the company fall under the top 1000 listed company (based on market cap at BSE) and the SEBI (LODR) Regulations, 2015 as amended states that the Board shall comprise of at least six Directors, the company has complied with the regulations and has also deposited the fine as imposed timely.

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

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

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

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

f. The total fees for all services paid by the company to M/s Singhi & Co. Statutory Auditor of the company is Rs. 20.95 Lakhs.

g. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of Complaints Filed/Disposed/Pending – Nil.

- h. The company timely disseminates the Audited/Unaudited Financial Results to stock exchanges immediately after the approval of Board, these are published in Financial Express(English) and Naidunia (Hindi) and are also available at www.associatedalcohols.com.
 - i. Web link where, policy for determining material subsidiaries, policy on dealing with related party transactions, is disclosed: www.associatedalcohols.com.
 - j. There have been no instances of non-compliance of any requirement of corporate governance report and the company has duly complied with the applicable requirements of the listing regulation except to the mentioned in point (c) above.
- k. SEBI SCORES: SEBI Scores is web based centralized grievance redress system, which enables the investor to lodge and track their complaints online, your company is also registered on SCORES and is prompt in redressing investor grievances.
 - l. A quarterly reconciliation of Share Capital as required by Securities and Exchange Board of India (SEBI) is being carried out by Independent Professional.

For and on behalf of the Board of Directors

Tushar Bhandari

Director

DIN: 03583114

Sanjay Kumar Tibrewal

Director

DIN: 00737877

Place: Indore

Date: 28th May, 2021

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, 2021 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) (iii) There have been no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in company's internal control system over financial reporting

Yours sincerely,

For **Associated Alcohols & Breweries Limited**

Tushar Bhandari
Director
DIN: 03583114

Rahul Tiwari
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.

For **Associated Alcohols & Breweries Limited**

Tushar Bhandari
Director
DIN: 03583114

Rahul Tiwari
Chief Financial Officer

Place: Indore

Date: 28th May, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Associated Alcohols & Breweries Ltd. having CIN: L15520MP1989PLC049380 and having registered office at 4th Floor, BPK Star Tower A.B. Road Indore (MP)- 452008, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---------|--------------------------|----------|--------------------------------|
| 1. | Tushar Bhandari | 03583114 | 05/01/2017 |
| 2. | Manish Kumar Tibrewal | 00747559 | 20/10/2001 |
| 3. | Nitin Tibrewal | 01892892 | 28/01/2011 |
| 4. | Abhijit Nagee* | 07724108 | 04/02/2017 |
| 5. | Homai Ardeshir Daruwalla | 00365880 | 16/05/2020 |
| 6. | Apurva Pradeep Joshi | 06608172 | 12/09/2020 |
| 7. | Debashis Das | 08755043 | 16/05/2020 |

*Mrs. Abhijit Nagee, Non-Executive Independent Directors of the company resigned from Directorship of the board on 31st July, 2020.

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

Place: Kolkata
Date: 28th May, 2021

For K. Arun & Co.
Company Secretaries

Arun Kumar Khandelia
Partner
FCS: 3829
C.P. No.: 2270
UDIN: F003829C000383714

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

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Associated Alcohols & Breweries Limited.

1. This Certificate is issued in accordance with the terms of our engagement with Associated Alcohols & Breweries Limited ('the Company').
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31st March, 2021 as stipulated in regulations 17 to 27 and clause (b) to (i) of regulation 46(2) and Para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations")

MANAGEMENTS' RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

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

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2021 except non compliance of regulation 17 (1)(c) of "Listing Regulations" where the total strength of the Board was lower than the required Six directors for the period from 01st April 2020 to 15th May 2020. However the company has fulfilled the requirements of regulation 17(1)(C) and appointed two additional directors on 16th May 2020.

RESTRICTION ON USE

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

For Singhi & Co.
Company Secretaries
Firm Registration No.302049E

(Gopal Jain)
Partner

Membership No. 059147
UDIN No: 21059147AAAABT1697

Place: Indore
Dated: 28th May, 2021

Independent Auditors' Report

To the Members of

Associated Alcohols & Breweries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Associated Alcohols & Breweries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below as Key audit matters and for each matter, our description of how our audit addressed the matter is provided in that context.

| Key audit matters | How our audit addressed the key audit matter |
|--|--|
| <p>Inventory physical verification and existence</p> <p>The company deals with various types of bulk material & Finished goods such as Spirit, Liquor, Grains, etc. The company has inventory of Finished Goods & Raw materials at various locations amounting to Rs. 4165.87 Lakhs as at March 31, 2021 as detailed in Notes 12 to the financial statements.</p> <p>Inventories valuation and existence has been determined to be a key audit matter as inventories may be held for long periods of time at various locations before being sold and thus makes it vulnerable to obsolescence. This could result in an overstatement of the value of the inventories if the cost is higher than the net realisable value. Further the measurement of these inventories involved certain estimations/assumption and also involved volumetric measurements.</p> | <p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to inventory valuation and existence. • We have observed the physical verification of significant inventories count for certain locations by management at year end. The company has also involved an independent Firm of Chartered Accountants for physical verification of significant inventories count for certain locations before the year end and we have applied the forward procedure as an alternative procedure and thus assessed the adequacy of controls over the existence of inventories. • Obtained statutory certificates confirming the stock lying at various locations. • We have reviewed the report submitted by external agency and obtained reasons/explanation for such differences and also confirmed the adjustment made by the company in accordance with the policy confirmed by the board of directors. • Evaluated management judgment with regards to the application of provisions to the inventories. |

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

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

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

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

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

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

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

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

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

The Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditors’ Responsibility for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

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

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;
- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanation given to us, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as stated in Note 42 to the financial statement;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Singhi & Co.

Chartered Accountants
Firm Registration No.302049E

(Gopal Jain)

Partner

Membership No. 059147

UDIN: 21059147AAAABU2322

Place: Kolkata

Dated: 28th May 2021

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, 2021:

- i. In respect of Company's fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The Company has a program of physical verification of its property, plant and equipment in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. Pursuant to the program, certain property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties in the nature of land at the balance sheet date are held in the name of the Company.
- ii. As informed to us, the inventories of the Company except for materials in transit and finished goods lying with third parties have been physically verified by the management and/or by an independent agency at the reasonable intervals. For stocks lying with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. The Company has not granted any loans secured or unsecured to companies, firms, limited liability partnership or parties covered in the register maintained under Section 189 of the Act. Accordingly, clause 3 (iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the company has not given any loans or provided any guarantees or securities to parties covered under section 185 of the Companies Act, 2013. Further the provision of section 186 of the Companies Act, 2013 in respect of loans and advances given, investments made and guarantees & securities given have been complied with by the Company.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. To the best of our knowledge and according to information and explanations given to us, the Government has not specified maintenance of the cost records under section 148(1) of the Companies Act, 2013 in respect of company's product.
- vii. (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in depositing the same in few cases.
- (b) According to information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, sales tax, duty of customs, duty of excise, value added tax, goods and 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 payment of interest on delayed payment of VAT amounting to Rs. 132.50 Lakhs.
- (c) As per the record of the company, the dues of sales tax, income tax, duty of customs, goods & service tax, duty of excise, service tax and value added tax which have not been deposited on account of any dispute and the forum where the dispute is pending as on 31st March, 2021 areas under: -

| Sr. No. | Name of the Statute | Nature of Case | Amount (Rs. In Lakh) | Period to which Amount Relates | Forum at which case is pending |
|---------|----------------------|-------------------|----------------------|--------------------------------|---|
| 1 | Income tax Act, 1961 | Income Tax Demand | 7.63 | AY 2011-12 | Commissioner of Income Tax (Appeals), Kolkata |
| 2 | Entry tax Act, 1976 | Entry Tax Demand | 6.76 | 2008-09 | M.P Commercial Tax Appellate Board Indore Bench |
| | | | 53.53 | 2012-13 | Hon'ble High Court at Madhya Pradesh |

| Sr. No. | Name of the Statute | Nature of Case | Amount (Rs. In Lakh) | Period to which Amount Relates | Forum at which case is pending |
|---------|-------------------------------------|--------------------------|----------------------|--------------------------------|--|
| 3 | The Madhya Pradesh VAT Act, 2002 | VAT Demand | 463.98 | 2013-14, 2014-15 | Hon'ble High Court at Madhya Pradesh |
| | | | 329.96 | 2015-16 | Hon'ble Supreme Court of India, Delhi |
| | | | 28.00 | 2016-17 | M.P Commercial Tax Appellate Board, Indore Bench |
| 4 | The Central sales tax Act, 1956 | Central Sales Tax Demand | 9.90 | 2015-16, 2016-17 | M.P Commercial Tax Appellate Board, Indore Bench |
| 5 | The Madhya Pradesh Excise Act, 1915 | Excise Duty Demand | 1.68 | 2011-12, 2012-13 | Board of Revenue (department of M.P.) |
| | | | 70.95 | 2011-12, 2013-14 to 2015-16 | State Excise Commissioner Gwalior |
| | | | 39.32 | 2009-10 to 2012-13 | Hon'ble High Court at Madhya Pradesh |
| 6 | The Finance Act, 1994 | Service Tax Demand | 25.85 | 2016-17 | Commissioner (Appeals) CGST & Central Excise & Customs |
| | | | 0.15 | 2017-18 (up to June 17) | |
| 7 | The Central Excise Act, 1944 | Central Excise Demand | 7.65 | 2012-13 | CGST & Central Excise, Ujjain Commissionerate |

- 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 the debentures holders.
- ix. The company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year. In our opinion, the term loans have been applied for the purpose for which they were obtained.
- x. In our opinion and according to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, during the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Singhi & Co.

Chartered Accountants
Firm Registration No.302049E

(Gopal Jain)

Partner

Place: Kolkata
Dated: 28th May 2021

Membership No. 059147
UDIN: 21059147AAAABU2322

ANNEXURE “B” to the Independent Auditor’s Report

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

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

We have audited the internal financial controls over financial reporting of Associated Alcohols & Breweries Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal

financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Singhi & Co.

Chartered Accountants
Firm Registration No.302049E

(Gopal Jain)

Partner

Place: Kolkata

Dated: 28th May 2021

Membership No. 059147

UDIN: 21059147AAAABU2322

Balance Sheet as at 31st March, 2021

(₹ in Lakhs)

| Particulars | Note No. | As at 31st March, 2021 | | As at 31st March, 2020 | |
|--|----------|------------------------|------------------|------------------------|------------------|
| ASSETS | | | | | |
| 1 NON-CURRENT ASSETS | | | | | |
| a Property, Plant and Equipment | 5 | 10,874.64 | | 10,695.69 | |
| b Capital Work-In-Progress | | 922.89 | | 1,119.04 | |
| c Intangible Assets | 6 | 11.13 | | 12.62 | |
| d Right of Use Assets | 5A | 171.82 | 11,980.48 | 245.66 | 12,073.01 |
| e Financial Assets | | | | | |
| i Investments | 7 | 256.32 | | 219.00 | |
| ii Loans | 8 | 131.94 | | 113.14 | |
| iii Other Financial Assets | 9 | 19.29 | | 42.92 | |
| f Non-Current Tax Assets | 10 | 118.71 | | 118.71 | |
| g Other Non-Current Assets | 11 | 398.24 | 924.50 | 429.73 | 923.50 |
| 2 CURRENT ASSETS | | | | | |
| a Inventories | 12 | 5,766.38 | | 5,735.48 | |
| b Financial Assets | | | | | |
| i Trade Receivables | 13 | 3,894.75 | | 3,896.83 | |
| ii Cash and Cash Equivalents | 14 | 132.60 | | 272.11 | |
| iii Bank balances other than Cash and Cash Equivalents | 15 | 7,700.25 | | 1,920.25 | |
| iv Loans | 16 | 1,791.30 | | 2,127.40 | |
| v Other Financial Assets | 17 | - | | 23.34 | |
| c Other Current Assets | 18 | 784.56 | 20,069.84 | 380.73 | 14,356.14 |
| Total Assets | | | 32,974.82 | | 27,352.65 |
| EQUITY AND LIABILITIES | | | | | |
| 1 EQUITY | | | | | |
| a Equity Share Capital | 19 | 1,807.92 | | 1,807.92 | |
| b Other Equity | 20 | 23,375.01 | 25,182.93 | 17,719.13 | 19,527.05 |
| 2 LIABILITIES | | | | | |
| NON-CURRENT LIABILITIES | | | | | |
| a Financial Liabilities | | | | | |
| i Borrowings | 21 | 192.92 | | 467.81 | |
| ii Lease Liabilities | 21A | 100.41 | | 163.05 | |
| b Provisions | 22 | 157.48 | | 114.89 | |
| c Deferred Tax Liabilities (Net) | 23 | 520.54 | | 639.60 | |
| d Non-Current Tax Liabilities (Net) | 24 | 21.64 | 992.99 | 21.64 | 1,406.99 |
| CURRENT LIABILITIES | | | | | |
| a Financial Liabilities | | | | | |
| i Borrowings | 25 | 689.29 | | 114.17 | |
| ii Lease Liabilities | 25A | 70.45 | | 77.08 | |
| iii Trade Payables | 26 | | | | |
| - Total outstanding dues of micro enterprises and small enterprises; and | | 104.82 | | 139.65 | |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 3,168.75 | | 3,433.20 | |
| iv Other Financial Liabilities | 27 | 1,379.66 | | 1,344.35 | |
| b Other Current Liabilities | 28 | 1,120.95 | | 1,307.65 | |
| c Provisions | 29 | 2.77 | | 2.51 | |
| d Current tax liabilities (Net) | 30 | 262.21 | 6,798.90 | - | 6,418.61 |
| Total Equity and Liabilities | | | 32,974.82 | | 27,352.65 |
| Basis of Accounting | 2 | | | | |
| Significant Accounting Policies | 3 | | | | |
| Significant Judgement & Key Estimate | 4 | | | | |

Accompanying notes form an integral part of the financial statements.

As per our report of even date

For Singhi & Co.

Chartered Accountants

(Firm Registration No.302049E)

(Gopal Jain)

Partner

(Membership No.059147)

Kolkata / Indore
28th May, 2021

For and on behalf of the Board of Directors

Tushar Bhandari

Whole Time Director

DIN:03583114

Rahul Tiwari

Chief Financial Officer

Sanjay Kumar Tibrewal

Whole Time Director

DIN: 00737877

Sumit Jaitely

Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2021

(₹ in Lakhs unless otherwise stated)

| Particulars | Note No. | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--------------------|-------------------------------------|-------------------------------------|
| INCOME | | | |
| Revenue from Operations | 31 | 45,317.16 | 53,499.91 |
| Other Income | 32 | 462.09 | 327.87 |
| Total Income | (A) | 45,779.25 | 53,827.78 |
| EXPENSES | | | |
| Cost of Materials Consumed | 33 | 18,402.57 | 27,227.70 |
| Purchases of Stock -in- Trade | 34 | 86.47 | 141.42 |
| Changes in Inventories of Finished Goods & Work-in-Progress | 35 | 222.45 | 53.14 |
| Excise Duty | | 1,744.93 | 1,241.66 |
| Employee Benefits Expense | 36 | 2,526.40 | 2,421.67 |
| Finance Costs | 37 | 146.91 | 208.18 |
| Depreciation and Amortisation Expense | 38 | 1,406.70 | 1,409.72 |
| Power and Fuel | | 4,376.20 | 4,892.38 |
| Other Expenses | 39 | 9,019.08 | 9,860.25 |
| Total Expenses | (B) | 37,931.71 | 47,456.12 |
| Profit before Exceptional Items and Tax | | 7,847.54 | 6,371.66 |
| Exceptional Items | (C) | - | - |
| Profit before Tax | (D)=(A-B-C) | 7,847.54 | 6,371.66 |
| Tax Expense: | 40 | | |
| Current Tax | | 2,172.17 | 1,673.24 |
| Deferred Tax | | (120.30) | (243.57) |
| Taxes for earlier years | | - | 8.37 |
| Total Tax Expenses | (E) | 2,051.87 | 1,438.04 |
| Profit after Tax | (F)=(D-E) | 5,795.67 | 4,933.62 |
| Other Comprehensive Income | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| a) Remeasurement of defined benefit plan | | 4.92 | (6.76) |
| b) Equity instrument through Other Comprehensive Income | | 37.32 | (89.42) |
| c) Income tax relating to above items | | (1.24) | 1.70 |
| Other Comprehensive Income for the Year (Net of Tax) | (G) | 41.00 | (94.48) |
| Total Comprehensive Income for the Year | (F+G) | 5,836.67 | 4,839.14 |
| Earnings per Equity Shares of par value of Rs. 10 each | | | |
| Basic & Diluted Earnings Per Share (Rs.) | 41 | 32.06 | 27.29 |
| Basis of Accounting | 2 | | |
| Significant Accounting Policies | 3 | | |
| Significant Judgement & Key Estimate | 4 | | |

Accompanying notes form an integral part of the financial statements.

As per our report of even date

For Singhi & Co.

Chartered Accountants

(Firm Registration No.302049E)

(Gopal Jain)

Partner

(Membership No.059147)

Kolkata / Indore

28th May, 2021

For and on behalf of the Board of Directors

Tushar Bhandari

Whole Time Director

DIN:03583114

Rahul Tiwari

Chief Financial Officer

Sanjay Kumar Tibrewal

Whole Time Director

DIN: 00737877

Sumit Jaitely

Company Secretary

Cash Flow Statement for the year ended 31st March, 2021

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit Before TAX | 7,847.54 | 6,371.66 |
| Adjustments for: | | |
| Depreciation / Amortisation | 1,406.70 | 1,409.72 |
| Finance Cost | 146.91 | 208.18 |
| Impairment allowances | 108.61 | 55.90 |
| Bad debts | - | 73.07 |
| Interest Income | (378.22) | (235.32) |
| Loss on disposal of Property, Plant & Equipment | - | 116.72 |
| Sundry Balances Written Back | (73.26) | (31.82) |
| Advances written off | 5.20 | 41.80 |
| Other Provisions Created/(utilised) | 237.07 | 49.86 |
| Operating Profit before Working Capital Changes | 9,300.55 | 8,059.77 |
| Movement in Working Capital : | | |
| (Increase)/Decrease in Trade Receivables | (25.53) | (955.07) |
| (Increase)/Decrease in Inventories | (311.07) | (186.13) |
| (Increase)/Decrease in Financial Assets | 189.04 | 14.76 |
| (Increase)/Decrease in Other Assets | (395.77) | 46.37 |
| Increase/(Decrease) in Trade Payables | (226.02) | 622.94 |
| Increase/(Decrease) in Financial Liabilities | 236.79 | 459.08 |
| Increase/(Decrease) in Other Liabilities & Provisions | (148.77) | (196.97) |
| Cash Generated from Operations | 8,619.22 | 7,864.75 |
| Direct Taxes Paid | (1,949.25) | (2,023.36) |
| Net Cash Flow generated from Operating Activities | 6,669.97 | 5,841.39 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant & Equipment, CWIP and Intangibles | (1,245.02) | (1,752.83) |
| Proceed from the Sale of Property, Plant & Equipment | - | 143.85 |
| Loan (Given)/Refund (Net) | 134.16 | (187.99) |
| Bank balances other than Cash and Cash Equivalents | (5,756.37) | (1,578.09) |
| Interest Income received | 395.66 | 94.52 |
| Net Cash Flow used in Investing Activities | (6,471.57) | (3,280.54) |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Non Current Borrowings | 170.66 | 26.00 |
| Repayment of Non Current Borrowings | (680.61) | (620.42) |
| Proceeds from/(Repayment) of Current Borrowings (Net) | 575.12 | (1,359.89) |
| Proceeds from/(Repayment) of Lease Liabilities | (69.27) | (65.91) |
| Finance Cost paid | (132.53) | (199.01) |
| Interest Paid on Lease Liabilities | (20.49) | (26.49) |
| Dividend paid to equity shareholders | (180.79) | (180.79) |
| Dividend Distribution tax | - | (37.16) |
| Net Cash Flow used in Financing Activities | (337.91) | (2,463.67) |
| Net increase/(decrease) in Cash and Cash equivalent (A+B+C) | (139.51) | 97.18 |
| Cash & Cash equivalent at the beginning of the year | 272.11 | 174.93 |
| Cash & Cash equivalent at the end of the year | 132.60 | 272.11 |

Cash Flow Statement for the year ended 31st March, 2021

Notes:

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

| | |
|--------------------------------------|---|
| Basis of Accounting | 2 |
| Significant Accounting Policies | 3 |
| Significant Judgement & Key Estimate | 4 |

Accompanying notes form an integral part of the financial statements.

As per our report of even date

For Singhi & Co.

Chartered Accountants

(Firm Registration No.302049E)

(Gopal Jain)

Partner

(Membership No.059147)

Kolkata / Indore

28th May, 2021

For and on behalf of the Board of Directors

Tushar Bhandari

Whole Time Director

DIN:03583114

Rahul Tiwari

Chief Financial Officer

Sanjay Kumar Tibrewal

Whole Time Director

DIN: 00737877

Sumit Jaitely

Company Secretary

Statement of Change in Equity for the year ended 31st March, 2021

a) Equity Share Capital

| | (₹ in Lakhs) |
|---|-----------------|
| Balance as at 1st April 2019 | 1,807.92 |
| Add/(Less): Changes in Equity Share Capital during the year | - |
| Balance as at 31st March 2020 | 1,807.92 |
| Balance as at 1st April 2020 | 1,807.92 |
| Add/(Less): Changes in Equity Share Capital during the year | - |
| Balance as at 31st March, 2021 | 1,807.92 |

b) Other Equity

| Particulars | Reserves and Surplus | | | Other Comprehensive Income | | Total |
|--|----------------------|-----------------|-------------------|---|--|------------------|
| | Securities Premium | General Reserve | Retained Earnings | Remeasurements of defined benefit plans | Equity instrument through Other Comprehensive Income | |
| Balance as at 1st April, 2019 | 163.10 | 1,089.07 | 11,747.30 | - | 108.42 | 13,107.89 |
| Profit for the year | - | - | 4,933.62 | - | - | 4,933.62 |
| Other Comprehensive Income | - | - | - | (5.06) | (89.42) | (94.48) |
| Total Comprehensive Income for the year | - | - | 4,933.62 | (5.06) | (89.42) | 4,839.14 |
| Dividend including Dividend Distribution Tax | - | - | (217.95) | - | - | (217.95) |
| Transfer from Retained Earnings to General Reserve | - | 100.00 | (100.00) | - | - | - |
| Impact of new Tax regime on Opening Deferred Tax | - | - | (9.95) | - | - | (9.95) |
| Transfer of Remeasurements of defined benefit plans to Retained Earnings | - | - | (5.06) | 5.06 | - | - |
| | - | 100.00 | (332.96) | 5.06 | - | (227.90) |
| Balance as at 31st March, 2020 | 163.10 | 1,189.07 | 16,347.96 | - | 19.00 | 17,719.13 |
| Profit for the year | - | - | 5,795.67 | - | - | 5,795.67 |
| Other Comprehensive Income | - | - | - | 3.68 | 37.32 | 41.00 |
| Total Comprehensive Income for the year | - | - | 5,795.67 | 3.68 | 37.32 | 5,836.67 |
| Dividend | - | - | (180.79) | - | - | (180.79) |
| Transfer from Retained Earnings to General Reserve | - | 100.00 | (100.00) | - | - | - |
| Transfer of Remeasurements of defined benefit plans to Retained Earnings | - | - | 3.68 | (3.68) | - | - |
| | - | 100.00 | (277.11) | (3.68) | - | (180.79) |
| Balance as at 31st March, 2021 | 163.10 | 1,289.07 | 21,866.52 | - | 56.32 | 23,375.01 |

Basis of Accounting 2
 Significant Accounting Policies 3
 Significant Judgement & Key Estimate 4

Accompanying notes form an integral part of the financial statements.

As per our report of even date

For Singhi & Co.

Chartered Accountants
 (Firm Registration No.302049E)

(Gopal Jain)

Partner
 (Membership No.059147)

Kolkata / Indore
 28th May, 2021

For and on behalf of the Board of Directors

Tushar Bhandari
 Whole Time Director
 DIN:03583114

Rahul Tiwari
 Chief Financial Officer

Sanjay Kumar Tibrewal
 Whole Time Director
 DIN: 00737877

Sumit Jaitely
 Company Secretary

Notes to Financial Statements as on and for the year ended 31st March, 2021

1. CORPORATE AND GENERAL INFORMATION

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

The Board of Directors have approved the financial statements for the year ended 31st March, 2021 and authorised for issue on 28th May, 2021.

2. BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENT

2.1. STATEMENT OF COMPLIANCE

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

2.2. BASIS OF MEASUREMENT

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

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

2.3. FUNCTIONAL AND PRESENTATION CURRENCY

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

2.4. USE OF ESTIMATES AND JUDGMENTS

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

2.5. PRESENTATION OF FINANCIAL STATEMENTS

The Balance Sheet, the Statement of Profit and Loss and the Statement of change in equity 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.

Notes to Financial Statements as on and for the year ended 31st March, 2021

All the other assets are classified as non-current.

A liability is current when:

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

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

2.7. MEASUREMENT OF FAIR VALUES

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

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

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

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

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

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

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

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

2.8. RECENT ACCOUNTING DEVELOPMENTS

The Ministry of Corporate Affairs ("MCA") notifies new Accounting Standards or amendments to the existing Accounting Standards. There is no such notification by the MCA as on the Balance sheet date which would have been applicable to the company w.e.f 01st April, 2021.

On 24th March, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable to the company from 01st April, 2021. The amendments are extensive and the company is in the process of evaluating the same and effect to them, as required by law, will be given from 01st April, 2021.

Notes to Financial Statements as on and for the year ended 31st March, 2021

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

The spread of COVID-19 pandemic has impacted the regular business operations of the company post lock-down from March 24, 2020, which includes suspension of production facilities, disruptions in supply chain & adopting work from home policies across the locations. The volumes for the month April'2021 to June'2021 were impacted partially. The management has considered various internal and external sources of information up to the date of approval of its annual financial statements by the Board of Directors in determining the impact of pandemic on the various elements of financial statements. The management has used the principles of prudence in applying judgments, estimates & assumptions and based on the current estimates and expects to fully recover the carrying amount of various non-current & current assets. Further Considering the uncertainties involved, the eventual outcome of impact of the pandemic may be different from those estimated as on the date of approval of annual financial statements. The Company will continue to closely monitor any material changes in future economic conditions. (Refer Note no. 58)

3. ACCOUNTING POLICIES

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

3.1. INVENTORIES

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

3.2. CASH AND CASH EQUIVALENTS

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

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

3.3. INCOME TAX

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

3.3.1. Current Tax:

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

3.3.2. Deferred Tax:

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

Notes to Financial Statements as on and for the year ended 31st March, 2021

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

3.4.PROPERTY, PLANT AND EQUIPMENT

3.4.1.Tangible Assets

3.4.1.1.Recognition and Measurement:

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

3.4.1.2.Subsequent Measurement:

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

3.4.1.3.Depreciation and Amortization:

Depreciation on Property, Plant & Equipment is provided on Straight Line Method in terms of life span of assets prescribed in Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation.

In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components.

| 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 |

Notes to Financial Statements as on and for the year ended 31st March, 2021

| Category | Useful life (Years) |
|-------------------------------|---------------------|
| Computer equipment | |
| Servers and networks | 6 |
| Others | 3 |
| Furniture and Fixtures | 10 |
| Office equipment | 5 |
| Vehicles | |
| Motor cycles, scooters | 10 |
| Others | 8 |

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

3.4.1.4. Disposal off Assets

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

3.4.1.5. Capital Work in Progress

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

3.5. LEASES

3.5.1. Company as a lessee

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

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

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

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

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

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

Notes to Financial Statements as on and for the year ended 31st March, 2021

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

3.5.2. Company as a lessor

- **Finance Lease**

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

- **Operating Lease**

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

3.6. REVENUE RECOGNITION

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

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

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

3.6.1. Revenue from tie-up manufacturing arrangements:

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

3.7. EMPLOYEE BENEFITS

3.7.1. Short Term Benefits

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

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.

Notes to Financial Statements as on and for the year ended 31st March, 2021

• Defined Benefit Plans

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

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

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

3.8. FOREIGN CURRENCY TRANSACTIONS

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

3.9. BORROWING COSTS

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

3.10. FINANCIAL INSTRUMENTS

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

3.10.1. Financial Assets

• Recognition and Initial Measurement:

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

• Classification and Subsequent Measurement:

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

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);

Notes to Financial Statements as on and for the year ended 31st March, 2021

- 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.

- o **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.
- o **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.

Notes to Financial Statements as on and for the year ended 31st March, 2021

3.10.2. Financial Liabilities

- **Recognition and Initial Measurement:**

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

- **Subsequent Measurement:**

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

- **Financial Guarantee Contracts:**

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

- **Derecognition:**

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

3.10.3. Offsetting financial instruments

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

3.11. Earnings Per Share

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

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.

Notes to Financial Statements as on and for the year ended 31st March, 2021

3.13.2. Contingent Liabilities

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

3.13.3. Contingent Assets

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

3.14. Intangible Assets

3.14.1. Recognition and Measurement

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

3.14.2. Amortization

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

3.15. Operating Segment

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

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

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

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

- Recognition of Deferred Tax Assets: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits.
- Classification of Leases: The Company has exercised judgement in determining the lease term as the noncancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised.
- Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation."
- Defined Benefit Obligation (DBO): Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- Provisions and Contingencies: The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgment by management regarding the probability of exposure to potential loss.

Notes to Financial Statements as on and for the year ended 31st March, 2021

- **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgments' is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

Notes to Financial Statements as on and for the year ended 31st March, 2021

5 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

| Particulars | Year Ended 31st March, 2021 | | | | | | | | |
|----------------------|-----------------------------|-----------------|-----------|------------------------|--------------------------|--------------------------------------|------------|------------------------|---------------------|
| | Gross Carrying Amount | | | | Accumulated Depreciation | | | | Net Carrying Amount |
| | As at 1st April 2020 | Additions | Disposals | As at 31st March, 2021 | As at 1st April 2020 | Depreciation charged during the year | Deductions | As at 31st March, 2021 | |
| Freehold Land | 418.71 | - | - | 418.71 | - | - | - | - | 418.71 |
| Sub-Total | 418.71 | - | - | 418.71 | - | - | - | - | 418.71 |
| Buildings | 1,852.87 | 66.15 | - | 1,919.02 | 264.71 | 87.67 | - | 352.38 | 1,566.64 |
| Plant and Equipment | 11,223.39 | 1,204.78 | - | 12,428.17 | 3,646.64 | 1,053.61 | - | 4,700.25 | 7,727.92 |
| Furniture & Fixtures | 742.63 | 3.18 | - | 745.81 | 181.00 | 77.28 | - | 258.28 | 487.53 |
| Office Equipment | 97.94 | 5.71 | - | 103.65 | 50.50 | 15.72 | - | 66.22 | 37.43 |
| Vehicles | 705.44 | 221.86 | - | 927.30 | 226.97 | 83.17 | - | 310.14 | 617.16 |
| Computer | 85.22 | 8.64 | - | 93.86 | 60.69 | 13.92 | - | 74.61 | 19.25 |
| Sub-Total | 14,707.49 | 1,510.32 | - | 16,217.81 | 4,430.51 | 1,331.37 | - | 5,761.88 | 10,455.93 |
| Total | 15,126.20 | 1,510.32 | - | 16,636.52 | 4,430.51 | 1,331.37 | - | 5,761.88 | 10,874.64 |

(₹ in Lakhs)

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

Notes:

5.1 Refer note no. 43 for information on property, plant and equipment pledged as securities by the Company .

5.2 Opening gross carrying amount as on 1st April, 2019 doesn't include leasehold land amounting to Rs. 0.82 Lakhs which has been treated as Right of Use asset separately.

Notes to Financial Statements as on and for the year ended 31st March, 2021

5A RIGHT OF USE ASSETS

(₹ in Lakhs)

| Particulars | Year Ended 31st March, 2021 | | | | | | | | |
|------------------|-----------------------------|---------------------------|-----------|------------------------|--------------------------|--------------------------------------|------------|------------------------|---------------------|
| | Gross Carrying Amount | | | | Accumulated Depreciation | | | | Net Carrying Amount |
| | As at 1st April 2020 | Additions during the year | Disposals | As at 31st March, 2021 | As at 1st April 2020 | Depreciation charged during the year | Deductions | As at 31st March, 2021 | |
| Leasehold Land | 29.04 | - | - | 29.04 | 0.88 | 0.97 | - | 1.85 | 27.19 |
| Sub-Total | 29.04 | - | - | 29.04 | 0.88 | 0.97 | - | 1.85 | 27.19 |
| Buildings | 290.37 | - | - | 290.37 | 72.87 | 72.87 | - | 145.74 | 144.63 |
| Sub-Total | 290.37 | - | - | 290.37 | 72.87 | 72.87 | - | 145.74 | 144.63 |
| Total | 319.41 | - | - | 319.41 | 73.75 | 73.84 | - | 147.59 | 171.82 |

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

Notes:

5A.1 The Company has taken land and building on leases for lease period ranging from 5 to 90 years. Lease term includes non-cancellable period and expected lease period.

5A.2 Refer note no. 43 for information on Right of Use Assets pledged as securities by the Company .

6 INTANGIBLE ASSETS

(₹ in Lakhs)

| Particulars | Year Ended 31st March, 2021 | | | | | | | | |
|-------------------|-----------------------------|-----------|-----------|------------------------|--------------------------|--------------------------------------|------------|------------------------|---------------------|
| | Gross Carrying Amount | | | | Accumulated Depreciation | | | | Net Carrying Amount |
| | As at 1st April 2020 | Additions | Disposals | As at 31st March, 2021 | As at 1st April 2020 | Amortisation charged during the year | Deductions | As at 31st March, 2021 | |
| Computer Software | 157.06 | - | - | 157.06 | 144.44 | 1.49 | - | 145.93 | 11.13 |
| Total | 157.06 | - | - | 157.06 | 144.44 | 1.49 | - | 145.93 | 11.13 |

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

Notes to Financial Statements as on and for the year ended 31st March, 2021

7 NON - CURRENT INVESTMENTS

(Fully Paid up except otherwise stated)

(₹ in Lakhs)

| Particulars | Face Value (₹) | As at 31st March, 2021 | | As at 31st March 2020 | |
|---|----------------|------------------------|---------------|-----------------------|---------------|
| | | Qty | Amount | Qty | Amount |
| INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME | | | | | |
| Investments in Unquoted Equity Instruments | | | | | |
| Mount Everest Breweries Limited | 10 | 200,000 | 256.32 | 200,000 | 219.00 |
| | | | 256.32 | | 219.00 |
| Aggregate Amount of Unquoted Investments | | | 256.32 | | 219.00 |

8 LOANS

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March 2020 |
|---|------------------------|-----------------------|
| Security deposits (Unsecured & Considered good) | 131.94 | 113.14 |
| | 131.94 | 113.14 |

9 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

| Particulars | Refer Note No. | As at 31st March, 2021 | As at 31st March 2020 |
|---|----------------|------------------------|-----------------------|
| Fixed Deposits with Banks (Maturities over 12 months) | 9.1 | 19.29 | 42.92 |
| Other deposits and advances | | | |
| Considered good | 9.2 | - | - |
| Considered doubtful | | - | - |
| Less: Impairment allowances for doubtful advances | | - | - |
| | | 19.29 | 42.92 |

9.1 Includes deposit of Rs. 19.29 Lakhs (PY 2020: Rs. 42.92 Lakhs) held as margin money & security against tender and other business related purposes.

9.2 Movement in Impairment allowances for doubtful advances:

| Particulars | Amount |
|-------------------------------|----------|
| As on 1st April, 2019 | 167.62 |
| Add: Created | - |
| Less: Utilized/ Reversed | (167.62) |
| As on 31st March, 2020 | - |
| As on 1st April, 2020 | - |
| Add: Created | - |
| Less: Utilized/ Reversed | - |
| As on 31st March, 2021 | - |

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

Notes to Financial Statements as on and for the year ended 31st March, 2021

10 NON-CURRENT TAX ASSET (NET)

(₹ in Lakhs)

| Particulars | Refer Note No. | As at 31st March, 2021 | As at 31st March 2020 |
|---------------------------|----------------|------------------------|-----------------------|
| Income Tax Appeal Deposit | 42.1 (a) | 118.71 | 118.71 |
| | | 118.71 | 118.71 |

11 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

| Particulars | Refer Note No. | As at 31st March, 2021 | As at 31st March 2020 |
|---|----------------|------------------------|-----------------------|
| Capital Advances | | | |
| Considered good | | 45.90 | 77.05 |
| Considered doubtful | | - | - |
| | | 45.90 | 77.05 |
| Less: Impairment allowances for doubtful advances | 11.1 | - | - |
| | | 45.90 | 77.05 |
| Advances other than Capital Advances | | | |
| Deposit - Appeals | | 352.34 | 352.68 |
| | | 398.24 | 429.73 |

11.1 Movement in Impairment allowances for doubtful advances:

(₹ in Lakhs)

| Particulars | Amount |
|-------------------------------|----------|
| As on 1st April, 2019 | 18.53 |
| Add: Created | - |
| Less: Utilized/ Reversed | (18.53) |
| As on 31st March, 2020 | - |
| As on 1st April, 2020 | - |
| Add: Created | - |
| Less: Utilized/ Reversed | - |
| As on 31st March, 2021 | - |

12 INVENTORIES

(At lower of cost or net realisable value)

(₹ in Lakhs)

| Particulars | Refer Note No. | As at 31st March, 2021 | As at 31st March 2020 |
|---|----------------|------------------------|-----------------------|
| Raw Materials | | 1,014.48 | 630.61 |
| Work-in-Progress /Semi Finished goods | | 725.04 | 559.25 |
| Finished Goods | | 2,426.35 | 2,814.59 |
| Stores and Spares | 12.1 | 514.50 | 666.32 |
| Packing Materials (net of obsolescence) | 12.3 | 1,086.01 | 1,064.71 |
| | | 5,766.38 | 5,735.48 |

Notes to Financial Statements as on and for the year ended 31st March, 2021

12 INVENTORIES (Contd.)

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

(₹ in Lakhs)

| Particulars | As at | As at |
|-----------------|------------------|-----------------|
| | 31st March, 2021 | 31st March 2020 |
| Stores & Spares | 7.24 | 6.95 |
| | 7.24 | 6.95 |

12.2 Refer Note No. 43 for information on inventories pledged as securities by the Company.

12.3 The net provision on Obsolete & Non moving item is recognized as expense during the year and included in Other manufacturing expenses in Statement of Profit & Loss, amounting to Rs. 280.17 Lakhs (PY 2020 Rs. 43.10 lakhs).

13 TRADE RECEIVABLES

(₹ in Lakhs)

| Particulars | Refer Note No. | As at | As at |
|---|----------------|------------------|-----------------|
| | | 31st March, 2021 | 31st March 2020 |
| Trade Receivables | 13.1 | | |
| (a) Trade Receivables Considered good - Secured | | 23.22 | - |
| (b) Trade Receivables Considered good - Unsecured | | 3,871.53 | 3,896.83 |
| (c) Trade Receivables which have significant increase in Credit Risk; and | | - | - |
| (d) Trade Receivables - credit impaired | | 126.13 | 109.75 |
| | | 4,020.88 | 4,006.58 |
| Less: Impairment allowances for Doubtful Receivables | 13.3 | (126.13) | (109.75) |
| | | 3,894.75 | 3,896.83 |

13.1 Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

13.2 Refer Note No. 43 for information on Trade Receivables pledged as securities by the Company.

13.3 Movement in Impairment allowances for Doubtful Receivables:

| Particulars | Amount |
|-------------------------------|---------------|
| As on 1st April, 2019 | 237.47 |
| Add: Created | 55.90 |
| Less: Utilized/ Reversed | (183.62) |
| As on 31st March, 2020 | 109.75 |
| As on 1st April, 2020 | 109.75 |
| Add: Created | 27.61 |
| Less: Utilized/ Reversed | (11.23) |
| As on 31st March, 2021 | 126.13 |

14 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

| Particulars | Refer Note No. | As at | As at |
|-----------------------|----------------|------------------|-----------------|
| | | 31st March, 2021 | 31st March 2020 |
| Balances With Banks : | 14.1 | | |
| In Current Accounts | | 78.22 | 255.89 |
| Cash on Hand | | 54.38 | 16.22 |
| | | 132.60 | 272.11 |

13.2 Refer Note No. 43 information related to cash and cash equivalents pledged as securities by the Company.

Notes to Financial Statements as on and for the year ended 31st March, 2021

15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

| Particulars | Refer Note No. | As at 31st March, 2021 | As at 31st March 2020 |
|---|----------------|------------------------|-----------------------|
| Fixed Deposits with Banks (having maturity of more than 3 months but less than 12 months) | 15.1 | 7,659.00 | 1,886.20 |
| Balance in :- | | | |
| - Unpaid Dividend Accounts | | 40.99 | 33.33 |
| - Current Accounts | 15.2 | 0.26 | 0.72 |
| | | 7,700.25 | 1,920.25 |

15.1 Includes deposit of Rs. 364.39 Lakhs (PY 2020: Rs. 357.92 Lakhs) held as margin money & security against tender and other business related purposes.

15.2 These Current accounts are in the nature of collection account and are operated by Madhya Pradesh State Excise Department for the collection of IMFL proceeds.

15.3 Refer Note No. 43 for information related to bank balances other than cash and cash equivalents pledged as securities by the Company.

16 LOANS (Unsecured & Considered good)

(₹ in Lakhs)

| Particulars | Refer Note No. | As at 31st March, 2021 | As at 31st March 2020 |
|---|----------------|------------------------|-----------------------|
| Security Deposit | | | |
| Considered good | | 227.84 | 412.34 |
| Considered doubtful | | 81.00 | - |
| | | 308.84 | 412.34 |
| Less: Provision for doubtful Security Deposit | 16.1 | 81.00 | - |
| | | 227.84 | 412.34 |
| Loans to body corporates/ others | 56 | 1,529.73 | 1,663.17 |
| Loans and advances to employees | 16.2 | 33.73 | 51.89 |
| | | 1,791.30 | 2,127.40 |

16.1 Movement in Impairment allowances for doubtful security deposit:

| Particulars | Amount |
|-------------------------------|--------------|
| As on 1st April, 2019 | - |
| Add: Created | - |
| Less: Utilized/ Reversed | - |
| As on 31st March, 2020 | - |
| As on 1st April, 2020 | - |
| Add: Created | 81.00 |
| Less: Utilized/ Reversed | - |
| As on 31st March, 2021 | 81.00 |

16.2 Rs. Nil (PY 2020 1.36 Lakhs) is due from a director of the company.

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

Notes to Financial Statements as on and for the year ended 31st March, 2021

17 OTHERS FINANCIAL ASSETS

(₹ in Lakhs)

| Particulars | Refer Note No. | As at | |
|-------------------|----------------|------------------|-----------------|
| | | 31st March, 2021 | 31st March 2020 |
| Other Receivables | 17.1 | - | 23.34 |
| | | - | 23.34 |

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

18 OTHER CURRENT ASSETS

(₹ in Lakhs)

| Particulars | Refer Note No. | As at | |
|--|----------------|------------------|-----------------|
| | | 31st March, 2021 | 31st March 2020 |
| Advances for supply of goods and rendering of services | | | |
| Considered good | 18.1 | 442.96 | 169.57 |
| Considered doubtful | | 1.90 | 7.84 |
| | | 444.86 | 177.41 |
| Less: Provision for doubtful advances | 18.2 | (1.90) | (7.84) |
| | | 442.96 | 169.57 |
| Balances with Government & Statutory Authorities | | 71.99 | 63.66 |
| Prepaid Expenses | | 269.61 | 147.50 |
| | | 784.56 | 380.73 |

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

18.2 Movement in Impairment allowances for doubtful advances:

| Particulars | Amount |
|-------------------------------|-------------|
| As on 1st April, 2019 | 7.84 |
| Add: Created | - |
| Less: Utilized/ Reversed | - |
| As on 31st March, 2020 | 7.84 |
| As on 1st April, 2020 | 7.84 |
| Add: Created | - |
| Less: Utilized/ Reversed | (5.94) |
| As on 31st March, 2021 | 1.90 |

19 EQUITY SHARE CAPITAL

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | | As at 31st March 2020 | |
|--|------------------------|-----------------|-----------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| 19.1 Authorised Share Capital | | | | |
| Equity Shares: | | | | |
| Equity Shares of Rs. 10/- each | 2,50,00,000 | 2,500.00 | 2,50,00,000 | 2,500.00 |
| | 2,50,00,000 | 2,500.00 | 2,50,00,000 | 2,500.00 |
| 19.2 Issued Share Capital | | | | |
| Equity Shares of Rs. 10/- each | 1,80,79,200 | 1,807.92 | 1,80,79,200 | 1,807.92 |
| | 1,80,79,200 | 1,807.92 | 1,80,79,200 | 1,807.92 |
| 19.3 Subscribed and Paid-up Share Capital | | | | |

Notes to Financial Statements as on and for the year ended 31st March, 2021

19 EQUITY SHARE CAPITAL (Contd.)

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | | As at 31st March 2020 | |
|--|------------------------|-----------------|-----------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Equity Shares of Rs. 10/- each fully paid-up | 1,80,79,200 | 1,807.92 | 1,80,79,200 | 1,807.92 |
| | 1,80,79,200 | 1,807.92 | 1,80,79,200 | 1,807.92 |

19.4 Reconciliation of the number of shares at the beginning and at the end of the year

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

19.5 Terms/ Rights attached to Equity Shares :

The Company has only one class of issued shares i.e. Equity Shares having par value of Rs. 10/- per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

19.6 Shareholding Pattern with respect of Holding or Ultimate Holding Company

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

19.7 Details of Equity Shareholders holding more than 5% shares in the Company

| Name of Shareholders | As at 31st March, 2021 | | As at 31st March 2020 | |
|---|------------------------|-----------|-----------------------|-----------|
| | No. of Shares | % Holding | No. of Shares | % Holding |
| Equity Shares of Rs. 10/- each fully paid | | | | |
| Smt. Ramdulari Kedia | 1,971,600 | 10.91% | 1,971,600 | 10.91% |
| Smt. Shweta Kedia | 1,542,000 | 8.53% | 1,542,000 | 8.53% |
| Smt. Sangita Kedia | 1,486,400 | 8.22% | 1,486,400 | 8.22% |
| Shri Prasann Kumar Kedia | 956,200 | 5.29% | 956,200 | 5.29% |
| M/s Garnet Tradelink Pvt. Ltd. | 887,342 | 4.91% | 943,003 | 5.22% |

19.8 No equity shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

19.9 No equity shares have been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.

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

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

20 OTHER EQUITY

(₹ in Lakhs)

| Particulars | Refer Note No. | As at | As at |
|----------------------------|----------------|------------------|------------------|
| | | 31st March, 2021 | 31st March 2020 |
| Securities Premium | 20.1 | 163.10 | 163.10 |
| General Reserve | 20.2 | 1,289.07 | 1,189.07 |
| Retained Earnings | 20.3 | 21,866.52 | 16,347.96 |
| Other Comprehensive Income | 20.4 | 56.32 | 19.00 |
| | | 23,375.01 | 17,719.13 |

Notes to Financial Statements as on and for the year ended 31st March, 2021

20 OTHER EQUITY (Contd.)

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:
- Equity Instruments through OCI: The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income.
 - Remeasurement of defined benefit obligations: The actuarial gains and losses arising on defined benefit obligations have been recognised in OCI. The amount is subsequently transferred to retained earnings as per the Schedule III requirement.

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March 2020 |
|---|---------------------------|--------------------------|
| 20.1 Securities Premium | | |
| Balance at the beginning and at the end of the year | 163.10 | 163.10 |
| 20.2 General Reserve | | |
| Balance at the beginning of the year | 1,189.07 | 1,089.07 |
| Add: Transfer from Retained Earnings | 100.00 | 100.00 |
| Balance at the end of the year | 1,289.07 | 1,189.07 |
| 20.3 Retained Earnings | | |
| Balance at the beginning of the year | 16,347.96 | 11,747.30 |
| Add: Profit for the year | 5,795.67 | 4,933.62 |
| | 22,143.63 | 16,680.92 |
| Less: Transfer to General Reserve | (100.00) | (100.00) |
| Less: Impact of new Tax regime on Opening Deferred Tax | - | (9.95) |
| Less: Dividend including Dividend Distribution Tax | (180.79) | (217.95) |
| Add/(Less): Other Comprehensive Income arising from Remeasurements of defined benefit obligation (net of tax) | 3.68 | (5.06) |
| | (277.11) | (332.96) |
| Balance at the end of the year | 21,866.52 | 16,347.96 |
| 20.4 Other Comprehensive Income | | |
| Equity instrument through Other Comprehensive Income | | |
| Balance at the beginning of the year | 19.00 | 108.42 |
| Add/(Less): Change in Fair Value (net of tax) | 37.32 | (89.42) |
| Balance at the end of the year | 56.32 | 19.00 |
| Remeasurement of Defined Benefit Obligation | | |
| Balance at the beginning of the year | - | - |
| Add/(Less): Changes during the year (net of tax) | 3.68 | (5.06) |
| Add/(Less): Transferred to Retained Earnings | (3.68) | 5.06 |
| Balance at the end of the year | - | - |
| | 23,375.01 | 17,719.13 |

Notes to Financial Statements as on and for the year ended 31st March, 2021

21 NON CURRENT BORROWINGS

(₹ in Lakhs)

| Particulars | Refer Note No. | Non-Current Portion | | Current Maturities | |
|---|----------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2021 | As at 31st March 2020 |
| Secured | | | | | |
| Term loan from banks | 21.1 (a) | - | 375.00 | - | 250.00 |
| Vehicle loan from banks | 21.1 (b) | 192.92 | 92.81 | 70.54 | 55.60 |
| | | 192.92 | 467.81 | 70.54 | 305.60 |
| Less: transfer to other current financial liability | 27 | - | - | (70.54) | (305.60) |
| | | 192.92 | 467.81 | - | - |

21.1 Details of Security:

- Rupee Term loan of Rs. Nil (PY 2020 Rs 625 Lakhs) from a bank is secured/ to be secured by pari passu charge over entire Property, Plant and Equipment (except certain freehold land) of the Company and second pari passu charge over entire current assets of the Company. The loan was completely repaid during the year. The interest rate was varying from 7.80% p.a to 8.30% p.a during the year. The loan was further secured by personal guarantees of certain KMPs of the Company.
- Vehicle loans from various banks are secured against hypothecation of vehicles purchased against the loan. The loans are repayable on monthly instalments as per the terms of loans which are ranging from 36 to 60 months. The interest rates are varying from 7.25% p.a. to 9.25% p.a.

21.2 There has been no default in repayment of the term loan during the year based on the repayment schedule.

21A Unsecured

(₹ in Lakhs)

| Particulars | Refer Note No. | As at 31st March, 2021 | As at 31st March 2020 |
|-------------------|----------------|------------------------|-----------------------|
| Lease Liabilities | 21A .1 | 100.41 | 163.05 |
| | | 100.41 | 163.05 |

21A .1 Lease liability represents present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

22 PROVISIONS

(₹ in Lakhs)

| Particulars | Refer Note No. | As at 31st March, 2021 | As at 31st March 2020 |
|---------------------------------|----------------|------------------------|-----------------------|
| Provision for Employee Benefits | | | |
| Gratuity | 46.2.5 & 29.1 | 81.20 | 48.48 |
| Leave encashment | 29.1 | 76.28 | 66.41 |
| | | 157.48 | 114.89 |

Notes to Financial Statements as on and for the year ended 31st March, 2021

23 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

| Particulars | Refer Note No. | As at 31st March, 2021 | As at 31st March 2020 |
|---|----------------|------------------------|-----------------------|
| Deferred Tax Liabilities | | | |
| Arising on account of : | | | |
| Property, Plant & Equipment & Intangible Assets | | 685.89 | 730.12 |
| | | 685.89 | 730.12 |
| Less: Deferred Tax Assets | | | |
| Arising on account of : | | | |
| Impairment allowances for Doubtful Receivables | | 31.75 | 27.62 |
| Impairment allowances for Security deposit | | 20.39 | - |
| Provision for on obsolete, non moving and slow moving stock | | 59.67 | - |
| Amount deductible on payment basis | | 53.54 | 62.90 |
| | | 165.35 | 90.52 |
| Deferred Tax Liabilities (Net) | | 520.54 | 639.60 |

23.1 Movement in deferred tax liability/(asset) during the year ended 31st March, 2021

(₹ in Lakhs)

| Particulars | As at 1st April, 2020 | Charge/(credit) in Statement of Profit & Loss | Charge/(credit) in Other Comprehensive Income | As at 31st March, 2021 |
|---|-----------------------|---|---|------------------------|
| Deferred tax liability/(asset) | | | | |
| Property, Plant & Equipment & Intangible Assets | 730.12 | (44.23) | - | 685.89 |
| Impairment allowances for Doubtful Receivables | (27.62) | (4.13) | - | (31.75) |
| Impairment allowances for Security deposit | - | (20.39) | - | (20.39) |
| Provision for on obsolete, non moving and slow moving stock | - | (59.67) | - | (59.67) |
| Amount deductible on payment basis | (62.90) | 8.12 | 1.24 | (53.54) |
| | 639.60 | (120.30) | 1.24 | 520.54 |

Movement in deferred tax liability/(asset) during the year ended 31st March, 2020

| Particulars | As at 1st April, 2019 | Remeasurment through retained earnings | Charge/(credit) in Statement of Profit & Loss | Charge/(credit) in Other Comprehensive Income | As at 31st March, 2020 |
|---|-----------------------|--|---|---|------------------------|
| Deferred tax liability/(asset) | | | | | |
| Property, Plant & Equipment & Intangible Assets | 1,174.61 | - | (444.49) | - | 730.12 |
| Impairment allowances for Doubtful Receivables | (150.77) | 9.95 | 113.20 | - | (27.62) |
| Amount deductible on payment basis | (148.92) | - | 87.72 | (1.70) | (62.90) |
| | 874.92 | 9.95 | (243.57) | (1.70) | 639.60 |

Notes to Financial Statements as on and for the year ended 31st March, 2021

24 NON CURRENT TAX LIABILITY (NET)

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March 2020 |
|-------------------------|---------------------------|--------------------------|
| Provision for tax (net) | 21.64 | 21.64 |
| | 21.64 | 21.64 |

25 CURRENT BORROWINGS

(₹ in Lakhs)

| Particulars | Refer Note No. | As at 31st March, 2021 | As at 31st March 2020 |
|--|-------------------|---------------------------|--------------------------|
| Secured | | | |
| Working Capital loans from Banks repayable on demand | 25.1 | 689.29 | 114.17 |
| | | 689.29 | 114.17 |

25.1 Details of Security

Working capital facilities from the banks (fund based and non fund based) are secured/ to be secured by first pari passu charge over entire current assets of the Company and second pari passu charge over entire Property, Plant and Equipment (except certain freehold land) of the Company. The facilities are also secured by personal guarantees of certain KMPs. The interest rates are 7.85% - 9.95% p.a. at the balance sheet date.

25.2 Refer Note No. 43 for information on the carrying amounts of financial and non-financial assets pledged as security for current borrowings.

25A Unsecured

(₹ in Lakhs)

| Particulars | Refer Note No. | As at 31st March, 2021 | As at 31st March 2020 |
|-------------------|-------------------|---------------------------|--------------------------|
| Unsecured | | | |
| Lease Liabilities | 21A .1 | 70.45 | 77.08 |
| | | 70.45 | 77.08 |

26 TRADE PAYABLES

(₹ in Lakhs)

| Particulars | Refer Note No. | As at 31st March, 2021 | As at 31st March 2020 |
|--|-------------------|---------------------------|--------------------------|
| Trade Payables for goods and services | | | |
| - Total outstanding dues of micro enterprises and small enterprises; and | 44 | 104.82 | 139.65 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 3,168.75 | 3,433.20 |
| | | 3,273.57 | 3,572.85 |

Notes to Financial Statements as on and for the year ended 31st March, 2021

27 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

| Particulars | Refer Note No. | As at | |
|--|----------------|------------------|-----------------|
| | | 31st March, 2021 | 31st March 2020 |
| Current maturities of long term debts | 21 | 70.54 | 305.60 |
| Amount payable for Capital Goods | | 157.65 | 119.65 |
| Security Deposit | | 95.00 | 20.00 |
| Interest accrued and not due on Borrowings | | 0.49 | 4.91 |
| Unpaid dividends | 27.1 | 40.99 | 33.33 |
| Employees related dues | | 106.71 | 205.84 |
| Other Payable | | 908.28 | 655.02 |
| | | 1,379.66 | 1,344.35 |

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

28 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

| Particulars | As at | |
|----------------------------------|------------------|-----------------|
| | 31st March, 2021 | 31st March 2020 |
| Statutory Dues Payable | 839.88 | 1,257.28 |
| Advances Received from Customers | 281.07 | 50.37 |
| | 1,120.95 | 1,307.65 |

29 PROVISIONS

(₹ in Lakhs)

| Particulars | Refer Note No. | As at | |
|---------------------------------|----------------|------------------|-----------------|
| | | 31st March, 2021 | 31st March 2020 |
| Provision for Employee Benefits | | | |
| Leave encashment | 29.1 | 2.77 | 2.51 |
| | | 2.77 | 2.51 |

29.1 Movement of Provision (Current and Non Current)

| Particulars | Employee Benefit | |
|-------------------------------|------------------|------------------|
| | Gratuity | Leave encashment |
| As on 1st April, 2019 | 11.37 | 57.09 |
| Add: Created | 39.18 | 17.50 |
| Less: Payment / Reversed. | (2.07) | (5.67) |
| As on 31st March, 2020 | 48.48 | 68.92 |
| As on 1st April, 2020 | 48.48 | 68.92 |
| Add: Created | 32.72 | 15.98 |
| Less: Payment / Reversed | - | (5.85) |
| As on 31st March, 2021 | 81.20 | 79.05 |

Notes to Financial Statements as on and for the year ended 31st March, 2021

30 CURRENT TAX LIABILITY (NET)

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March 2020 |
|--------------------------|---------------------------|--------------------------|
| Provision for tax | 2,211.46 | - |
| Less: Advance Income Tax | 1,949.25 | - |
| | 262.21 | - |

31 REVENUE FROM OPERATIONS

(₹ in Lakhs)

| Particulars | Refer Note No. | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|--|-------------------|---------------------------------------|---------------------------------------|
| Sale of Products (including Excise Duty) | 31.1 | 44,350.78 | 52,257.47 |
| Sale of Services | | 731.91 | 929.00 |
| Sale of Wind power | | - | 28.20 |
| Other Operating revenues | | | |
| - Miscellaneous Sales | | 216.17 | 273.24 |
| - Miscellaneous Rent Income | | 18.30 | 12.00 |
| | | 45,317.16 | 53,499.91 |

31.1 Disclosure pursuant to IND As 115, Revenue from contract with Customer:

(₹ in Lakhs)

| Particulars | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|---|---------------------------------------|---------------------------------------|
| Revenue from operations (A) | 45,082.69 | 53,214.67 |
| Excise duty on sale (B) | 1,744.93 | 1,241.66 |
| Revenue from operations excluding excise duty on sale (A-B) | 43,337.76 | 51,973.01 |

(₹ in Lakhs)

| | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|---|---------------------------------------|---------------------------------------|
| (I) Revenue from contracts with customers disaggregated based on nature of product or services | | |
| Revenue from Sale of products (Transferred at point in time) | | |
| Manufacturing | | |
| Packed Potable Alcohol | 29,245.63 | 33,867.84 |
| Spirit | 9,958.94 | 12,109.09 |
| By Product | 4,628.41 | 5,807.41 |
| Sanitizer | 318.40 | 124.99 |
| Others | 105.81 | 195.07 |
| Trading | | |
| Packing Material | 93.59 | 153.07 |
| Revenue from Sale of services | | |
| Job Work Charges | 731.91 | 929.00 |
| Sale of Wind power | - | 28.20 |

Notes to Financial Statements as on and for the year ended 31st March, 2021

31 REVENUE FROM OPERATIONS (Contd.)

(₹ in Lakhs)

| | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|--|---------------------------------------|---------------------------------------|
| Other operating revenues | | |
| - Miscellaneous Sales | 216.17 | 273.24 |
| - Rent Income | 18.30 | 12.00 |
| | 45,317.16 | 53,499.91 |
| (II) Revenue from contracts with customers disaggregated based on geography | | |
| India | 45,107.01 | 53,499.91 |
| Outside India | 210.15 | - |
| (III) Revenue from contracts with customers disaggregated based on type of customer | | |
| Direct Sale | 31,500.91 | 38,340.96 |
| Through distribution channel/ Intermediary | 13,816.25 | 15,158.95 |

The amounts receivable from customers become due after expiry of credit period which on an average between 30-120 days. There is no significant financing component in any transaction with the customers. The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. All contracts entered by the company are Fixed-price contracts.

32 OTHER INCOME

(₹ in Lakhs)

| Particulars | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|--|---------------------------------------|---------------------------------------|
| Interest Income from Financial Asset measured at amortised cost | | |
| on Fixed deposits | 196.98 | 70.76 |
| on Loans | 181.24 | 164.56 |
| Other Non Operating Income | | |
| Excess Liabilities Written Back | 73.26 | 31.82 |
| Guarantee Commission Received | - | 3.90 |
| Claim Receipts | 2.17 | 15.31 |
| Miscellaneous Receipts | 1.22 | 41.52 |
| Gain on foreign currency transactions & translations | 7.22 | - |
| | 462.09 | 327.87 |

33 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

| Particulars | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|-------------------|---------------------------------------|---------------------------------------|
| Raw Materials | 12,048.99 | 18,914.38 |
| Packing Materials | 6,353.58 | 8,313.32 |
| | 18,402.57 | 27,227.70 |

Notes to Financial Statements as on and for the year ended 31st March, 2021

34 PURCHASE OF STOCK - IN -TRADE

(₹ in Lakhs)

| Particulars | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|-------------------------------|---------------------------------------|---------------------------------------|
| Purchases of Stock -in- Trade | 86.47 | 141.42 |
| | 86.47 | 141.42 |

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

(₹ in Lakhs)

| Particulars | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|---|---------------------------------------|---------------------------------------|
| Inventories at the beginning of the year | | |
| Finished Goods | 2,814.59 | 2,823.19 |
| Work in progress | 559.25 | 603.79 |
| | 3,373.84 | 3,426.98 |
| Inventories at the end of the year | | |
| Finished Goods | 2,426.35 | 2,814.59 |
| Work in progress | 725.04 | 559.25 |
| | 3,151.39 | 3,373.84 |
| | 222.45 | 53.14 |

36 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

| Particulars | Refer Note No. | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|---|-------------------|---------------------------------------|---------------------------------------|
| Salaries, Wages & Bonus | | 2,387.72 | 2,282.95 |
| Gratuity | 46.2.5 | 37.65 | 32.42 |
| Contribution to Provident & Other funds | | 81.25 | 78.17 |
| Staff Welfare expenses | | 19.78 | 28.13 |
| | | 2,526.40 | 2,421.67 |

37 FINANCE COST

(₹ in Lakhs)

| Particulars | Refer Note No. | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|-------------------------------|-------------------|---------------------------------------|---------------------------------------|
| Interest Expenses | 37.1 | 62.60 | 117.02 |
| Other Borrowing Costs | 37.2 | 63.82 | 64.67 |
| Interest on lease liabilities | | 20.49 | 26.49 |
| | | 146.91 | 208.18 |

37.1 Borrowing cost capitalised during the year is Rs. Nil (PY 2020 Rs. "Nil")

37.2 Other Borrowing cost includes interest on Income Tax for the year is Rs. 39.29 Lakhs (PY 2020 Rs. 18.12 Lakhs)

Notes to Financial Statements as on and for the year ended 31st March, 2021

38 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

| Particulars | Refer Note No. | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|----------------------|----------------|------------------------------------|------------------------------------|
| On Tangible Assets | 38.1 | 1,405.21 | 1,408.63 |
| On Intangible Assets | | 1.49 | 1.09 |
| | | 1,406.70 | 1,409.72 |

38.1 Depreciation on tangible assets includes Rs. 73.84 Lakhs (PY 2020 73.72 Lakhs) for Right of Use Assets.

39 OTHER EXPENSES

(₹ in Lakhs)

| Particulars | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|--|------------------------------------|------------------------------------|
| Manufacturing, Administrative & Selling Expenses | | |
| Consumption of Stores and Spares | 605.61 | 719.99 |
| Insurance | 89.35 | 100.96 |
| Brand Franchise fees | 653.77 | 677.33 |
| Bottling Fees | 1,891.00 | 2,238.73 |
| Bottling Expenses | 935.36 | 1,159.91 |
| Obsolete, Non Moving, Slow Moving Stock | 237.07 | 33.46 |
| Other Manufacturing Expenses | 415.65 | 416.39 |
| Rent | 27.53 | 22.17 |
| Rates & Taxes | 1,122.80 | 1,212.29 |
| Repairs & Maintenance: | | |
| Building | 28.37 | 30.59 |
| Plant & Machinery | 169.89 | 231.78 |
| Others | 11.31 | 36.67 |
| Warehouse Handling Charges | 189.00 | 270.41 |
| Freight, Forwarding & Transportation | 920.67 | 928.91 |
| Corporate Social Responsibility Expenditure (Refer Note No. 47) | 210.40 | 17.03 |
| Impairment allowance for Doubtful Receivable/Loans & Advances | 108.61 | 55.90 |
| Loss on Sales/Discard of Property, Plant & Equipment | - | 116.72 |
| Bad debts [net of write back of allowance of Rs. 11.23 Lakhs (PY 2020 Rs.183.62)] | - | 73.07 |
| Advances written off [net of write back of allowance of Rs. 5.94 Lakhs (PY 2020 Rs.186.15)] | 5.20 | 41.80 |
| Payment to the Auditors: | | |
| Audit Fees | 12.00 | 10.00 |
| Certification / Other services | 8.40 | 9.35 |
| Reimbursement of expenses | 0.55 | 0.38 |
| Other Expenses | 1,376.54 | 1,456.41 |
| | 9,019.08 | 9,860.25 |

Notes to Financial Statements as on and for the year ended 31st March, 2021

40 TAX EXPENSE

(₹ in Lakhs)

| Particulars | Refer Note No. | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|-------------------------|----------------|------------------------------------|------------------------------------|
| Current Tax | 40.2 | 2,172.17 | 1,673.24 |
| Deferred Tax | | (120.30) | (243.57) |
| Taxes for earlier years | | - | 8.37 |
| | | 2,051.87 | 1,438.04 |

40.1 Income tax has been provided based on the rates mentioned under section 115BAA of the Income Tax Act 1961.

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

(₹ in Lakhs)

| Particulars | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|--|------------------------------------|------------------------------------|
| Profit before income tax expense | 7,847.54 | 6,371.66 |
| Indian Statutory Income Tax rate* | 25.17% | 25.17% |
| Estimated Income Tax Expense | 1,975.23 | 1,603.75 |
| <i>Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense</i> | | |
| Effect of Deferred Tax created at different rate | - | (254.67) |
| Expenses not Deductible | 74.93 | 20.04 |
| Effect of Income Tax for Earlier Years | - | 8.37 |
| Others | 1.71 | 60.55 |
| | 76.64 | (165.71) |
| Income tax expense in Statement of Profit & Loss | 2,051.87 | 1,438.04 |

* Applicable Indian Statutory Income Tax rate for Financial Year 2021 & 2020 is 25.17%.

41 EARNING PER SHARE

(₹ in Lakhs)

| Particulars | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|---|------------------------------------|------------------------------------|
| Nominal Value of Equity Share (Rs.) | 10.00 | 10.00 |
| Profit attributed to the Equity shareholders of the Company | 5,795.67 | 4,933.62 |
| Weighted average number of equity share | 18,079,200 | 18,079,200 |
| Basic and diluted earning per share (Rs.) | 32.06 | 27.29 |

There are no dilutive equity shares in the Company.

Notes to Financial Statements as on and for the year ended 31st March, 2021

42 CONTINGENT LIABILITIES & COMMITMENT TO THE EXTENT NOT PROVIDED FOR:

42.1 Contingent Liabilities

(₹ in Lakhs)

| Sl. No. | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|----------|--|--------------------------|--------------------------|
| A | Claims/Disputes/Demands not acknowledged as debts - | | |
| i. | Entry Tax demand under dispute | 83.63 | 84.40 |
| ii. | Income Tax demand | - | 761.32 |
| iii. | Central Sales Tax demand under dispute | 13.22 | 17.42 |
| iv. | M.P. VAT demand under dispute | 928.41 | 928.41 |
| v. | Service Tax demand under dispute | 26.00 | - |
| vi. | Central Excise demand under dispute | 7.65 | - |
| B | Guarantee - | | |
| i. | Bank Guarantees outstanding at the Year end | 619.87 | 729.06 |

42.1 (a) With respect to income tax assessment orders under section 153A of the Income Tax Act, 1961, in relation to a search carried out in an earlier year, for the AY 2012-2013 to 2017-2018 and income tax assessment order for the AY 2018-2019 under section 143(3) of the Income Tax Act, 1961, during the year, the company has received the appellate order in its favour and the entire income tax demand has been quashed by the appellate authority. A sum of Rs 118.71 Lakhs was paid under protest in respect of above and the company is in the process of getting the refund of the same.

42.2 In respect of above, future cash flows are determinable only on receipt of judgements pending at various forums/authorities which in the opinion of the Company is not tenable and there is no possibility of any future cash outflow in case of above.

42.3 Commitments

(₹ in Lakhs)

| Sl. No. | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---------|---|--------------------------|--------------------------|
| i. | Estimated amount of contracts remaining to be executed on Capital Account (net of advances) | 436.03 | 872.08 |

43 ASSETS PLEDGED AS SECURITY

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

(₹ in Lakhs)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|--------------------------|--------------------------|
| Current | | |
| Financial assets | | |
| First charge/ Second charge | | |
| Trade Receivables | 3894.75 | 3,896.83 |
| Cash and cash equivalents | 132.60 | 272.11 |
| Bank balances other than cash and cash equivalents | 7700.25 | 1,920.25 |
| Other Financial Asset | 1791.30 | 2,150.74 |
| Non-financial assets | | |
| First charge/ Second charge | | |
| Inventories | 5766.38 | 5735.48 |
| Other Current Assets (excluding Balances with Government Authorities & pre-paid expenses) | 442.96 | 169.57 |
| Total current assets pledged as security | 19,728.24 | 14,144.98 |

Notes to Financial Statements as on and for the year ended 31st March, 2021

43 ASSETS PLEDGED AS SECURITY (Contd.)

(₹ in Lakhs)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|--|--------------------------|--------------------------|
| Non-current | | |
| First charge/ Second charge | | |
| Right of use Assets (Leasehold land) | 0.76 | 0.76 |
| Freehold land | 1.27 | 1.27 |
| Buildings | 1,566.64 | 1,588.16 |
| Plant & Machinery | 7,727.92 | 7,576.75 |
| Furniture, fittings and equipment | 544.21 | 633.60 |
| Vehicle | 617.16 | 478.47 |
| Capital Work-In-Progress | 922.89 | 1,119.04 |
| Intangible Assets | - | 12.62 |
| Other Non Current Assets (excluding Deposits (Appeals) & prepaid expenses) | - | 77.05 |
| Financial Asset | | |
| Other Financial Asset | 19.29 | 156.06 |
| Total non-currents assets pledged as security | 11,400.14 | 11,643.78 |
| Total assets pledged as security | 31,128.38 | 25,788.76 |

44 DISCLOSURE OF TRADE PAYABLES AS REQUIRED UNDER SECTION 22 OF MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006, BASED ON THE CONFIRMATION AND INFORMATION RECEIVED BY THE COMPANY FROM THE SUPPLIERS REGARDING THE STATUS UNDER THE ACT.

(₹ in Lakhs)

| Sl. No. | Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---------|--|--------------------------|--------------------------|
| i | Principal & Interest amount remaining unpaid but not due as at year end | 104.82 | 139.65 |
| ii | Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year | - | - |
| iii | Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| iv | Interest accrued and remaining unpaid as at year end | 3.91 | 3.91 |
| v | Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise | - | - |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

45 LEASES

The company had elected to apply IND As 116 to its leases with modified retrospective approach. Under this approach, the company has recognized lease liabilities and corresponding equivalent right of use assets. In the statement of profit & loss for the year ended, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expenses on right of use assets and finance cost for interest accrued on such lease liability.

Notes to Financial Statements as on and for the year ended 31st March, 2021

45 LEASES (Contd.)

45.1 Movement in Lease Liabilities during the year ended 31st March 2021 and 31st March 2020

(₹ in Lakhs)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|--------------------------|--------------------------|
| Balance at the beginning of the year | 240.13 | 0.90 |
| Additions | - | 305.14 |
| Interest Cost accrued during the period | 20.49 | 26.49 |
| Deletions | - | - |
| Payment of lease liabilities | 89.76 | 92.40 |
| Balance at the end of the year | 170.86 | 240.13 |

45.2 Future Payment of Lease liabilities on an undiscounted basis

(₹ in Lakhs)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|--|--------------------------|--------------------------|
| Less than one year | 93.37 | 89.82 |
| One to five years | 93.49 | 168.16 |
| More than five years | 44.72 | 63.41 |
| Total undiscounted lease liabilities | 231.57 | 321.39 |
| Lease liabilities included in the statement of financial position | 170.86 | 240.13 |
| Current Lease Liabilities | 70.45 | 77.08 |
| Non- Current Lease Liabilities | 100.41 | 163.05 |

45.3 Amounts recognized in Profit or Loss

(₹ in Lakhs)

| Particulars | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|--|---------------------------------------|---------------------------------------|
| Interest expense on lease liabilities | 20.49 | 26.49 |
| Depreciation expense of right-of-use assets | 73.84 | 73.72 |
| Expense relating to short-term leases (included in other expenses) | 27.53 | 22.17 |
| Total | 121.86 | 122.38 |

46 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD - 19 'EMPLOYEE BENEFITS' AS NOTIFIED U/S 133 OF THE COMPANIES ACT, 2013 READ WITH RULE 7 OF COMPANIES (ACCOUNTS) RULES, 2014.

46.1 Defined Contribution Plan:

46.1.1 Provident Fund & Employee's State Insurance Contribution

Provident Fund as per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

Employee State Insurance contribution as per the provisions of the Employees State Insurance Act, 1948.

Notes to Financial Statements as on and for the year ended 31st March, 2021

46 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD - 19 'EMPLOYEE BENEFITS' AS NOTIFIED U/S 133 OF THE COMPANIES ACT, 2013 READ WITH RULE 7 OF COMPANIES (ACCOUNTS) RULES, 2014. (Contd.)

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

(₹ in Lakhs)

| Sl. No. | Particulars | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|---------|---------------------------------------|---------------------------------------|---------------------------------------|
| a | Provident Fund | 58.27 | 53.32 |
| b | Employee State Insurance contribution | 16.78 | 19.11 |

46.2 Defined Benefit Plan:

The following are the types of defined benefit plans

46.2.1 Gratuity Plan

Every employee who has completed five years or more of service is entitled to Gratuity as per the provisions of the Payment of Gratuity Act, 1972. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

46.2.2 Risk Exposure

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

| | |
|------------------------------|---|
| INTEREST RATE RISK | The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase. |
| SALARY INFLATION RISK | Higher than expected increases in salary will increase the defined benefit obligation |
| DEMOGRAPHIC RISK | This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee. |

46.2.3 Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

(₹ in Lakhs)

| Particulars | Gratuity | |
|---|----------|---------|
| | 2020-21 | 2019-20 |
| Balance at the beginning of the year | 244.23 | 202.73 |
| Current Service Cost | 34.40 | 31.64 |
| Interest Cost on Defined Benefit Obligation | 15.96 | 15.05 |
| Actuarial Gain and Losses arising from | | |
| Changes in demographic assumptions | | |
| Changes in financial assumptions | (2.53) | 14.96 |
| Experience Adjustment | (3.86) | (10.63) |
| Benefits Paid from the Plan Assets | (12.20) | (9.52) |
| Balance at the end of the year | 276.00 | 244.23 |

Notes to Financial Statements as on and for the year ended 31st March, 2021

46 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD - 19 'EMPLOYEE BENEFITS' AS NOTIFIED U/S 133 OF THE COMPANIES ACT, 2013 READ WITH RULE 7 OF COMPANIES (ACCOUNTS) RULES, 2014. (Contd.)

46.2.4 Reconciliation of the Plan Assets

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components:

(₹ in Lakhs)

| Particulars | Gratuity | |
|--|----------|---------|
| | 2020-21 | 2019-20 |
| Balance at the beginning of the year | 195.75 | 191.36 |
| Interest Income on Plan Assets | 12.71 | 14.27 |
| Remeasurements of Defined Benefit Obligation: | | |
| Return on plan assets greater/ (lesser) than discount rate | (1.46) | (2.43) |
| Employer Contributions to the Plan | - | 2.07 |
| Benefits Paid from the Plan Assets | (12.20) | (9.52) |
| Balance at the end of the year | 194.80 | 195.75 |

46.2.5 Amount recognized in Balance sheet

(₹ in Lakhs)

| Particulars | Gratuity | |
|--|----------|----------|
| | 2020-21 | 2019-20 |
| Present value of Benefit Obligation at the end of the year | (276.00) | (244.23) |
| Fair value of Plan Assets at the end of the year | 194.80 | 195.75 |
| Funded Status (Surplus/(Deficit)) | (81.20) | (48.48) |
| Net (Liability)/Asset recognized in the Balance sheet | (81.20) | (48.48) |

Expenses recognized in Profit or Loss

(₹ in Lakhs)

| Particulars | Gratuity | |
|--------------------------------|----------|---------|
| | 2020-21 | 2019-20 |
| Current Service Cost | 34.40 | 31.64 |
| Interest Cost | 15.96 | 15.05 |
| Interest Income on Plan Assets | (12.71) | (14.27) |
| Expenses recognized | 37.65 | 32.42 |

46.2.6 Remeasurements recognized in Other Comprehensive Income

(₹ in Lakhs)

| Particulars | Gratuity | |
|--|----------|---------|
| | 2020-21 | 2019-20 |
| Actuarial (gain)/ Loss on defined benefit obligation | (6.39) | 4.33 |
| Return on plan assets greater/ (lesser) than discount rate | 1.46 | 2.43 |
| Net(income)/ Expense for the period recognized in OCI | (4.92) | 6.76 |

46.2.7 Major Categories of Plan Assets

(₹ in Lakhs)

| Particulars | Gratuity | |
|----------------------------|----------|---------|
| | 2020-21 | 2019-20 |
| 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.

Notes to Financial Statements as on and for the year ended 31st March, 2021

46 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD - 19 'EMPLOYEE BENEFITS' AS NOTIFIED U/S 133 OF THE COMPANIES ACT, 2013 READ WITH RULE 7 OF COMPANIES (ACCOUNTS) RULES, 2014. (Contd.)

46.2.8 Asset-Liability Matching Strategy

The Company's investment are being managed by Life Insurance Company and at the year end interest is being credited to the fund value. The company has not changed the process used to manage its risk from previous periods. The Company's investment are fully secured and would be sufficient to cover its obligations.

46.2.9 Actuarial Assumptions

(₹ in Lakhs)

| Particulars | Gratuity | |
|--------------------------------|--|--|
| | 2020-21 | 2019-20 |
| Financial Assumptions | | |
| Discount Rate | 6.80% | 6.70% |
| Salary Escalation Rate | 7.00% | 5.00% |
| Demographic Assumptions | | |
| Mortality Rate | Indian assured lives Mortality (2006-08) | Indian assured lives Mortality (2006-08) |
| Attrition rate | 2% | 2% |

46.2.10 The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

46.2.11 At 31st March 2021, the weighted average duration of the defined benefit obligation was 9 years (previous year 10 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

(₹ in Lakhs)

| Expected benefits payment for the year ending on | Gratuity |
|--|----------|
| 31st March 2022 | 13.50 |
| 31st March 2023 | 17.42 |
| 31st March 2024 | 22.71 |
| 31st March 2025 | 16.17 |
| 31st March 2026 | 65.92 |
| 31st March 2027 to 31st March 2031 | 205.34 |

46.2.12 The Company expects to contribute Rs 80.00 Lakhs to its gratuity fund in 2021-22.

46.2.13 Sensitivity Analysis

The sensitivity analysis below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in Lakhs)

| Particulars | Gratuity | |
|--|----------|---------|
| | 2020-21 | 2019-20 |
| Effect on DBO due to 1% increase in Discount Rate | (23.23) | (20.21) |
| Effect on DBO due to 1% decrease in Discount Rate | 27.27 | 23.62 |
| Effect on DBO due to 1% increase in Salary Escalation Rate | 23.21 | 20.46 |
| Effect on DBO due to 1% decrease in Salary Escalation Rate | (20.42) | (17.81) |

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.

Notes to Financial Statements as on and for the year ended 31st March, 2021

47 IN ACCORDANCE WITH THE GUIDANCE NOTE ON ACCOUNTING FOR EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES, THE REQUISITE DISCLOSURE AS FOLLOWS:

(₹ in Lakhs)

| 47.1 | Particulars | 2020-21 | 2019-20 |
|------|--|---------|---------|
| | Gross Amount required to be spent by the Company during the year | 103.93 | 78.81 |

(₹ in Lakhs)

| 47.2 | Particulars | 2020-21 | | 2019-20 | |
|------|---|---------|------------------------|---------|------------------------|
| | | 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 | 210.40 | - | 17.03 | - |
| | Unspent Amount | - | - | 61.78 | - |

48 RELATED PARTY DISCLOSURES

48.1 Name of the related parties and description of relationship

A) Key Management Personnels (KMP)

- Mr. Tushar Bhandari, Whole Time Director
- Mr. Sanjay Kumar Tibrewal, Whole Time Director (with effect from 13th April, 2021) (erstwhile CFO till 12th April, 2021)
- Mr. Manish Kumar Tibrewal, Director (resigned with effect from 28th May, 2021)
- Mr. Nitin Tibrewal, Director
- Ms. Abhijeet Nagee, Director (resigned with effect from 31st July, 2020)
- Ms. Apurva P. Joshi, Director (with effect from 12th September, 2020)
- Ms. Homai A. Daruwalla, Director (with effect from 16th May, 2020)
- Mr. Debashish Das, Director (with effect from 16th May, 2020)
- Mr. Rahul Tiwari, CFO (with effect from 13th April, 2021)
- Mr. Sumit Jaitely - Company Secretary
- Mr. Anand Kumar Kedia (KMP as per the definition of IND AS)
- Mr. Prasann Kumar Kedia (KMP as per the definition of IND AS)

Relatives:

- Mr. H.K. Bhandari (Father of Mr Tushar Bhandari)
- Mrs. Uditia Bhandari (Mother of Mr Tushar Bhandari)
- Mrs. Ram Dulari Kedia (Mother of Mr Anand Kumar Kedia & Mr Prasann Kumar Kedia)
- Mrs. Sangita Kedia (Spouse of Mr Anand Kumar Kedia)
- Mrs. Shweta Kedia (Spouse of Mr Prasann Kumar Kedia)
- Mrs. Ravisha Sanghi (Daughter of Mr Anand Kumar Kedia)
- Mr. Anshuman Kedia (Son of Mr Anand Kumar Kedia)
- Mr. Vedant Kedia (Son of Mr Prasann Kumar Kedia)

Notes to Financial Statements as on and for the year ended 31st March, 2021

48.2 Summary of transactions with the related parties

(₹ in Lakhs)

| Particulars | 2020-21 | | 2019-20 | |
|---------------|---------------------------|--------------------|---------------------------|--------------------|
| | Key Management Personnels | Relatives of KMP's | Key Management Personnels | Relatives of KMP's |
| Remuneration | 748.68 | 259.45 | 684.55 | 183.98 |
| Rent Expenses | 31.89 | 20.49 | 31.23 | 19.23 |
| Sitting fees | 4.78 | - | 0.31 | - |

48.3 Summary of Outstanding balances with the related parties

(₹ in Lakhs)

| Particulars | As at 31st March 2021 | | As at 31st March 2020 | |
|----------------------|---------------------------|--------------------|---------------------------|--------------------|
| | Key Management Personnels | Relatives of KMP's | Key Management Personnels | Relatives of KMP's |
| Remuneration payable | 0.47 | 1.45 | 92.00 | 18.75 |
| Balances Receivable | 1.20 | - | 3.46 | 1.73 |

48.4 Key Management Personnel compensation

(₹ in Lakhs)

| Particulars | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|------------------------------|------------------------------------|------------------------------------|
| Short-term employee benefits | 748.68 | 684.55 |
| Post-employment benefits * | - | - |
| Long term benefits * | - | - |
| Total compensation | 748.68 | 684.55 |

* 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.

48.5 Major terms and conditions of transactions with related parties

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

49 SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on only one segment i.e. manufacturing and trading of Potable Alcohol.

50 FAIR VALUE MEASUREMENT

Categories of Financial Assets & Financial Liabilities as at 31st March 2021 and 31st March 2020

(₹ in Lakhs)

| Particulars | 31st March 2021 | | | 31st March 2020 | | |
|---------------------------|-----------------|--------|----------------|-----------------|--------|----------------|
| | FVTPL | FVOCI | Amortized Cost | FVTPL | FVOCI | Amortized Cost |
| Financial Assets | | | | | | |
| Investment | | | | | | |
| - Equity Instruments | - | 256.32 | - | - | 219.00 | - |
| Trade Receivables | - | - | 3,894.75 | - | - | 3,896.83 |
| Cash and Cash Equivalents | - | - | 132.60 | - | - | 272.11 |

Notes to Financial Statements as on and for the year ended 31st March, 2021

(₹ in Lakhs)

| Particulars | 31st March 2021 | | | 31st March 2020 | | |
|------------------------------------|-----------------|---------------|------------------|-----------------|---------------|-----------------|
| | FVTPL | FVOCI | Amortized Cost | FVTPL | FVOCI | Amortized Cost |
| Bank Balance other than above | - | - | 7,700.25 | - | - | 1,920.25 |
| Loans to Employees | - | - | 33.73 | - | - | 51.89 |
| Loans to Body corporates | - | - | 1,529.73 | - | - | 1,663.17 |
| Security Deposits | - | - | 359.78 | - | - | 525.48 |
| Other Financial Assets | - | - | 19.29 | - | - | 66.26 |
| Total Financial Assets | - | 256.32 | 13,670.13 | - | 219.00 | 8,395.99 |
| Financial Liabilities | | | | | | |
| Borrowings | - | - | 952.75 | - | - | 887.58 |
| Lease Liabilities | - | - | 170.86 | - | - | 240.13 |
| Trade Payables | - | - | 3,273.57 | - | - | 3,572.85 |
| Other Financial Liabilities | - | - | 1,309.12 | - | - | 1,038.75 |
| Total Financial Liabilities | - | - | 5,706.30 | - | - | 5,739.31 |

51 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

51.1 The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost:

(₹ in Lakhs)

| Particulars | 31st March 2021 | | 31st March 2020 | |
|------------------------------------|------------------|------------------|-----------------|-----------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial Assets | | | | |
| Trade Receivables | 3,894.75 | 3,894.75 | 3,896.83 | 3,896.83 |
| Cash and Cash Equivalents | 132.60 | 132.60 | 272.11 | 272.11 |
| Bank Balance other than above | 7,700.25 | 7,700.25 | 1,920.25 | 1,920.25 |
| Loans to Employees | 33.73 | 33.73 | 51.89 | 51.89 |
| Loans to Body corporate | 1,529.73 | 1,529.73 | 1,663.17 | 1,663.17 |
| Security Deposits | 359.78 | 359.78 | 525.48 | 525.48 |
| Other Financial Assets | 19.29 | 19.29 | 66.26 | 66.26 |
| Total Financial Assets | 13,670.13 | 13,670.13 | 8,395.99 | 8,395.99 |
| Financial Liabilities | | | | |
| Borrowings | 952.75 | 952.75 | 887.58 | 887.58 |
| Lease Liabilities | 170.86 | 170.86 | 240.13 | 240.13 |
| Trade Payables | 3,273.57 | 3,273.57 | 3,572.85 | 3,572.85 |
| Other Financial Liabilities | 1,309.12 | 1,309.12 | 1,038.75 | 1,038.75 |
| Total Financial Liabilities | 5,706.30 | 5,706.30 | 5,739.31 | 5,739.31 |

51.2 The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, current borrowings, current loans and other financial assets & liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

51.3 The management considers that the carrying amounts of Financial assets and Financial liabilities recognised at nominal cost/ amortised cost in the Financial statements approximate their fair values.

51.4 Non current borrowings has been contracted at floating rates of interest, which are reset at short intervals. Fair value of floating interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost.

Notes to Financial Statements as on and for the year ended 31st March, 2021

52 FAIR VALUE HIERARCHY

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables.

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

(₹ in Lakhs)

| Particulars | 31st March 2021 | | | 31st March 2020 | | |
|----------------------------------|-----------------|---------|---------------|-----------------|---------|---------------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial Assets | | | | | | |
| Investment | | | | | | |
| - Equity Instruments | - | - | 256.32 | - | - | 219.00 |
| Total Financial Asset | - | - | 256.32 | - | - | 219.00 |
| Financial Liability | - | - | - | - | - | - |
| Total Financial Liability | - | - | - | - | - | - |

Note:

No financial guarantee was outstanding as on 31st March, 2021.

52.2 Description of significant unobservable inputs to Valuation

(₹ in Lakhs)

| Particulars | 31st March 2021 | 31st March 2020 |
|---|-----------------|-----------------|
| Fair Value of Equity Instrument | 256.32 | 219.00 |
| Significant unobservable input - Cost of Equity | 10.12% | 12.25% |
| Sensitivity Factor (+/-) | 1% | 1% |
| Sensitivity of input on Fair Value of Equity Instrument | | |
| Increase | (39.01) | (26.93) |
| Decrease | 49.96 | 33.03 |

52.2.1 During the year ended March 31, 2021 and March 31, 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

52.3 Explanation to the Fair Value hierarchy

The Company measures Financial instruments, such as, unquoted investments and financial guarantee at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The valuation of unquoted shares and financial guarantee have been made based on level 3 inputs as per the hierarchy mentioned in the Accounting Policies. The valuation of unquoted equity instrument and financial guarantee have been valued based on the valuation technique applicable.

53 FINANCIAL RISK MANAGEMENT

Financial management of the Company has been receiving attention of the top management of the Company. The management considers finance as the lifeline of the business and therefore, financial management is carried out meticulously on the basis of detailed management information systems and reports at periodical intervals extending from daily reports to long-term plans. Importance is laid on liquidity and working capital management with a view to reduce over-dependence on borrowings and reduction in interest cost. Various kinds of financial risks and their mitigation plans are as follows:

Notes to Financial Statements as on and for the year ended 31st March, 2021

53 FINANCIAL RISK MANAGEMENT (Contd.)

53.1 Credit Risk

The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit duration for customers on continuous basis. Further, in order to manage the credit risk, the security deposits are obtained from customers where ever considered necessary.

On account of adoption of Ind AS 109, the Company uses an expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables.

a. Trade receivables

As on 31st March, 2021

(₹ in Lakhs)

| Ageing schedule | 0-365 days | 366-720 days | Above 720 days |
|--|------------|--------------|----------------|
| Gross carrying amount | 3846.53 | 96.44 | 77.91 |
| Expected loss rate | - | 50.00% | 100.00% |
| Expected credit losses (Loss allowance provision) | - | 48.22 | 77.91 |
| Carrying amount of trade receivables (net of impairment) | 3846.53 | 48.22 | 0.00 |

As on 31st March, 2020

| Ageing schedule | 0-365 days | 366-720 days | Above 720 days |
|--|------------|--------------|----------------|
| Gross carrying amount | 3891.34 | 10.98 | 104.26 |
| Expected loss rate | - | 50.00% | 100.00% |
| Expected credit losses (Loss allowance provision) | - | 5.49 | 104.26 |
| Carrying amount of trade receivables (net of impairment) | 3891.34 | 5.49 | - |

(₹ in Lakhs)

| Reconciliation of loss allowance provision | Amount |
|--|---------|
| Loss allowance on 1 April 2020 | 109.75 |
| Changes in loss allowance | 27.61 |
| Bad Debts adjutsed | (11.23) |
| Loss allowance on 31 March 2021 | 126.13 |

53.2 Liquidity Risk

The Company determines its liquidity requirement in the short, medium and long term. This is done by drawing up cash forecast for short term and long term needs.

The Company manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for funding from banks and inter corporate and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain fixed deposits which provides flexibility to liquidate.

53.2.1 Maturity Analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities as at 31st March 2021

(₹ in Lakhs)

| Particulars | On Demand | Less than 6 months | 6 months to 1 year | More than 1 year | Total |
|-------------------------------------|-----------|--------------------|--------------------|------------------|--------|
| Borrowings | | | | | |
| Term loan from banks (Vehicle Loan) | - | 36.34 | 34.20 | 192.92 | 263.46 |
| Current Borrowings | 689.29 | - | - | - | 689.29 |
| Lease Liabilities | - | 32.67 | 37.78 | 100.41 | 170.86 |

Notes to Financial Statements as on and for the year ended 31st March, 2021

53 FINANCIAL RISK MANAGEMENT (Contd.)

(₹ in Lakhs)

| a | Particulars | On Demand | Less than 6 months | 6 months to 1 year | More than 1 year | Total |
|---|---------------------------------------|---------------|--------------------|--------------------|------------------|-----------------|
| | Trade payables on demand | - | 3,273.57 | - | - | 3,273.57 |
| | Other financial liabilities on demand | - | 1,309.12 | - | - | 1,309.12 |
| | Total | 689.29 | 4,651.70 | 71.98 | 293.33 | 5,706.30 |

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2020

| Particulars | On Demand | Less than 6 months | 6 months to 1 year | More than 1 year | Total |
|---------------------------------------|---------------|--------------------|--------------------|------------------|----------------|
| Borrowings | | | | | |
| Term loan from banks* | - | 153.28 | 152.32 | 467.81 | 773.41 |
| Current Borrowings | 114.17 | - | - | - | 114.17 |
| Lease Liabilities | - | 32.11 | 44.95 | 163.07 | 240.13 |
| Trade payables on demand | - | 3,572.85 | - | - | 3,572.85 |
| Other financial liabilities on demand | - | 1,038.75 | - | - | 1,038.75 |
| Total | 114.17 | 4796.99 | 197.27 | 630.88 | 5739.31 |

* represents actual unamortised contractual cash outflows.

c The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements (if any). The interest payments on variable interest rate loans in the tables above reflect market forward interest rates at the respective reporting dates and these amounts may change as market interest rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

53.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of Foreign Exchange Risk and Interest Rate Risk.

53.3.1 Foreign Exchange Risk

Foreign Exchange Risk is the exposure of the Company to the potential impact of the movement in foreign exchange rate. The Company does not have any foreign currency exposure at the balance sheet date.

53.3.2 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The company's exposure to the risk of changes in market interest rate relates primarily to company's borrowing with floating interest rates. The Company do not have any significant interest rate risk on its current borrowing due to their short tenure. The Company is also exposed to interest rate risk on surplus funds parked in loans. To manage such risks, such loans are granted for short durations with fixed interest rate in line with the expected business requirements for such funds.

a Exposure to interest rate risk

(₹ in Lakhs)

| Particulars | 31st March 2021 | 31st March 2020 |
|--|-----------------|-----------------|
| Non current Borrowing at floating rate | - | 625.00 |
| TOTAL | - | 625.00 |

Notes to Financial Statements as on and for the year ended 31st March, 2021

53 FINANCIAL RISK MANAGEMENT (Contd.)

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.

| Particulars | 31st March 2021 | | | 31st March 2020 | | |
|---------------------------|----------------------|-------------------|--------------|----------------------|-------------------|--------------|
| | Sensitivity Analysis | Impact on | | Sensitivity Analysis | Impact on | |
| | | Profit before tax | Other Equity | | Profit before tax | Other Equity |
| Interest Rate Increase by | 1% | 0.00 | 0.00 | 1% | (6.25) | (4.68) |
| Interest Rate Decrease by | 1% | 0.00 | 0.00 | 1% | 6.25 | 4.68 |

54 CAPITAL MANAGEMENT

The Company objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt (total borrowings less cash and cash equivalents) to equity ratio is used to monitor capital.

(₹ in Lakhs)

| Particulars | 31st March 2021 | 31st March 2020 |
|--------------------------|-----------------|-----------------|
| Net Debt | 820.15 | 615.47 |
| Total Equity | 25,182.93 | 19,527.05 |
| Net Debt to Equity Ratio | 0.03 | 0.03 |

55 REVENUE RECOGNITION UNDER AGENCY ARRANGEMENT

The arrangement with M/s Kalpatharu Breweries & Distilleries Private Limited has been considered an agency relationship based on principles of Ind AS 115 and accordingly its trial balance, relating to operations of the Company, have been consolidated on line by line basis. The summary of adjustments made are as below:

(₹ in Lakhs)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|----------------------------|-----------------------|-----------------------|
| Non-current assets | | |
| Financial assets -Loans | 0.30 | 0.30 |
| Current assets | | |
| Trade receivables | 8.00 | 23.03 |
| Other current assets | 0.03 | 0.03 |
| Current liabilities | | |
| Trade payables | 0.12 | 0.12 |

| Particulars | 2020-21 | 2019-20 |
|--|---------|---------|
| Revenue from operations (gross of excise duty) | 26.80 | 110.21 |
| Cost of materials consumed | - | 22.20 |
| Increase in inventories of finished goods, work-in-progress and stock-in-trade | - | 154.00 |
| Other expenses | 11.83 | 34.15 |

Notes to Financial Statements as on and for the year ended 31st March, 2021

56 DETAILS OF LOANS GIVEN, INVESTMENT MADE AND GUARANTEE GIVEN COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013

| Company | Refer Note No. | Nature of facility | 31st March 2021 | 31st March 2020 |
|---------------------------------|----------------|--------------------|-----------------|-----------------|
| Mount Everest Breweries Limited | 56.1 & 56.2 | Investment | 256.32 | 219.00 |
| Mount Everest Breweries Limited | 56.1 & 56.2 | Loan | 1,224.00 | 1,330.80 |
| Malwa Realities Pvt. Ltd. | 56.2 | Loan | 160.00 | 178.64 |
| Manjit Singh Bhatia | 56.2 | Loan | 145.73 | 152.92 |
| Anita Singh | 56.2 | Loan | - | 0.81 |

56.1 The company is having an unsecured exposure towards loans receivable to Mount Everest Breweries Limited. Mount Everest Breweries Limited is also dealing with the similar line of business & complements the company's sales distribution channels. Based on the performance of Mount Everest Breweries Limited, the company does not foresee any adverse impact on its financial statements.

56.2 All loans are given for the borrowers normal business purpose.

57 The Board of Directors at its meeting held on 28th May, 2021 recommended final dividend of Rs 1 per equity share of face value of Rs. 10 each for the financial year ended 31st March, 2021. The same amounts to Rs. 180.79 Lakhs. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence not recognized as a liability.

58 The Company's operations and financial results for the first quarter were adversely impacted by the outbreak of COVID-19 pandemic and its production facilities at Barwah works were under shutdown for a significant part of the quarter and subsequently it has achieved its normal volume of activities. In view of the impact of pandemic, the results for the year ended 31st March, 2021 are, therefore, not comparable with those of the comparative year ended 31st March, 2020. The Company has also considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, Investments, Inventories, receivables and other current assets. The company has performed sensitivity analysis on the assumptions used and expects to recover the carrying amount of these assets.

59 The Code on Social Security, 2020 relating to various employee benefits has received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been yet notified. The Company will assess the impact of the Code when it comes into effect and will account for any related impact in the period the Code becomes effective.

60 The figures for the previous period/year have been regrouped/reclassified/rearranged, wherever necessary, to correspond with the current period's classification/disclosure.

61 The Board of Directors have approved the financial statements for the year ended March 31, 2021 and authorised for issue on May 28, 2021.

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

(Gopal Jain)
 Partner
 (Membership No.059147)

Kolkata / Indore
 28th May, 2021

For and on behalf of the Board of Directors

Tushar Bhandari
 Whole Time Director
 DIN:03583114

Rahul Tiwari
 Chief Financial Officer

Sanjay Kumar Tibrewal
 Whole Time Director
 DIN: 00737877

Sumit Jaitely
 Company Secretary

Corporate Information

Board of Directors

Mr. Tushar Bhandari

Whole Time Director

Mr. Sanjay Kumar Tibrewal

Whole Time Director

(w.e.f. 13th April, 2021)

Mr. Nitin Tibrewal

Independent Director

Ms. Homai Ardeshir Daruwalla

Independent Director

Mr. Debashis Das

Non-Executive, None-Independent Director

Ms. Apurva Pradeep Joshi

Independent Director

Chief Financial Officer

Mr. Rahul Tiwari

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 Ltd

60, Electronic Complex, Pardeshipura

Indore – 452010

Email: investor@ankitonline.com

Phone No. (0731) 2551745/46

Bankers

HDFC Bank Limited

IDBI Bank Limited

Kotak Mahindra Bank Limited

Registered Office

04th Floor, BPK Star Tower

A.B. Road, Indore – 452008

Email: invetorrelations@aabl.in

Phone No. (0731) 4780400/490

Plant Distillery Complex

Khodigram, Tehsil-Barwaha

Distt. Khargone- 451115 (Madya Pradesh)

Bottling Plant

Udyog Vihar, Chorhata

Rewa, Madhya Pradesh

Company's Website

www.associatedalcohols.com

Corporate Identity Number

L15520MP1989PLC049380



ASSOCIATED

Dreams Determination Dexterity

ASSOCIATED ALCOHOLS & BREWERIES LIMITED

Registered Office:

4th Floor, BPK Star Tower, A.B. Road, Indore 452008

CIN: L15520MP1989PLC049380