

10<sup>th</sup> July, 2023

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

To,  
The Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, G Block  
Bandra Kurla Complex,  
Mumbai - 400 051  
**NSE Symbol: ASALCBR**

**Sub:- Pursuant to Regulation 34(1) of SEBI (LODR) Regulations, 2015 submission of Annual Report FY 2022-23 along with Notice of 34<sup>th</sup> Annual General Meeting ('34<sup>th</sup> AGM') scheduled to be held on 02<sup>nd</sup> August, 2023 at 01:30 PM (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM).**

Dear Sir/Madam,

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

1. Notice of 34<sup>th</sup> Annual General Meeting to be held on 02<sup>nd</sup> August, 2023 at 01:30 PM (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM).
2. 34<sup>th</sup> Annual Report for the financial year 2022-23 of the Company containing the Financial Statements including Balance Sheet as at 31<sup>st</sup> March, 2023, and the Statement of the Profit and Loss and Cash Flow for the year ended 31<sup>st</sup> March, 2023 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 & BREWERIES LIMITED | 34<sup>th</sup> ANNUAL REPORT 2022-23

# REINVENTING OUR BUSINESS

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Unlocking Decades of Expertise: Expanding Horizons,  
Elevating Experiences and Embracing Premiumisation

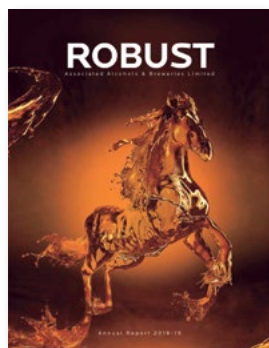
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## Forward-looking statement

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.

2018-19



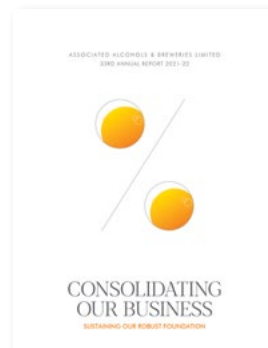
2019-20



2020-21



2021-22



## CONTENTS

### Part 1: Who we are and what we do

04 Corporate snapshot

08 Our performance over the years

### Part 2: What makes the Indian liquor sector one of the most attractive

13 The big picture at AABL

### Part 3: Forging a distinctive alco-beverage entity by combining spirits and beer

21 The amalgamation

### Part 4: Perspectives on our performance and prospects

28 Business review

### Part 5: How we are positioned to enhance shareholder value

37 Our business model

38 Our products and brands

41 Capitalising on the growing ethanol capacity in India

### Part 6: Building our business around responsibility

44 The Company's approach to ESG

49 Management discussion and analysis

58 Our team

59 Notice

75 Director's report

105 Financial statements

1

Expanding our geographic footprint for catalysing our growth

2

Embarked on a premiumisation journey to enhance profitability



3

Broad basing our resource base by diversifying into the ethanol segment

4

Creating a distinctive alco-beverage entity by uniting spirits and beer\*

## KEY MESSAGES OF THIS ANNUAL REPORT



5

Innovating for a sustainable tomorrow, targeting to be net zero for our carbon footprint by 2030

\* Merger application is pending with the Stock Exchanges for approval.





PART #1

WHO WE ARE  
AND WHAT WE  
DO

## CORPORATE SNAPSHOT

**Associated Alcohols & Breweries Limited is an attractive proxy of the growth in India's liquor industry.**

The Company is one of India's prominent producers of ENA, a critical resource for the production of premium liquor.

**The Company is engaged in the promotion and distribution of varied range of liquor brands.**

It achieved a remarkable sales milestone of one mn cases in Kerala in FY 2022-23.

**The Company is at the cusp of spectacular growth.**

It is diversifying to the manufacture grain-based ethanol to capitalise on a favourable government policy.

**The Company is investing in state-of-the-art bottling facilities for premium liquor manufacture.**

The Company is in the process of amalgamation to create a unique alco-beverage company to unlock rich multi-year growth potential.

### VISION

To establish an unparalleled legacy as the vanguard of liquor manufacturing, distillation, and bottling in India, while solidifying our position as a preeminent force in the esteemed realm of manufacturing and marketing within the liquor industry.

### MISSION

The Company is committed to wholeheartedly dedicating itself and utilising all available resources to attain exceptional global excellence in its current operational sectors, while actively pursuing avenues for sustained growth.

### VALUES

**Pursuit of excellence:** We relentlessly pursue excellence in every aspect of our operations, setting the bar high for quality, innovation, and customer satisfaction.

**Customer-centric approach:** We put our customers at the heart of everything we do, striving to understand their needs and surpass their expectations, delivering exceptional experiences and building lasting relationships.

**Integrity and transparency:** We operate with the utmost integrity and transparency, fostering trust among

our stakeholders and upholding ethical business practices.

**Continuous innovation:** We embrace a culture of continuous innovation, constantly seeking new ways to improve our products, processes, and services to stay ahead in a dynamic and competitive market.

**Environmental stewardship:** We are committed to environmental sustainability, minimising our carbon footprint, promoting responsible sourcing, and adopting eco-friendly practices to contribute to a healthier planet.



45

Mn litres, ENA manufacturing capacity

32

Bottling lines

12.5

Mn cases, bottling capacity



**Empowered and diverse team:** We value and empower our diverse team, fostering an inclusive environment where every individual's unique perspectives and talents are recognised and celebrated.

**Social responsibility:** We take our social responsibility seriously, actively engaging in initiatives that support the communities we operate in, and making a positive impact through philanthropy and responsible business practices.

**Collaborative partnerships:** We foster collaborative partnerships with suppliers, distributors, and stakeholders, leveraging their expertise and insights to drive mutual success and create shared value.

**Adaptability and agility:** We embrace change and possess the agility to adapt swiftly to evolving market trends and consumer preferences, enabling us to stay ahead of the curve.

**Employee growth and well-being:** We prioritise the growth, well-being, and personal development of our employees, providing them with opportunities for continuous learning, a safe and supportive work environment, and a healthy work-life balance.

## BACKGROUND

Associated Alcohols & Breweries Limited, established in 1989 by the late Shri Bhagwati Prasad Kedia, stands as a pioneering and flagship entity within the esteemed Associated Kedia Group. With an unwavering commitment to excellence, our core operations revolve around the manufacturing and

bottling of liquor, complemented by the production of premium offerings that embody our dedication to craftsmanship and exceptional quality.

## PROMOTERS

Mr. Anand Kumar Kedia and Mr. Prasann Kumar Kedia

## PRESENCE

As a prominent player in the industry, the Company has established itself as one of the country's largest distillers, enjoying a strong presence across five States. With a significant focus on Madhya Pradesh and Kerala, these regions serve as the primary drivers of our revenue, reaffirming our position as a leading player in the market.

## VALUE CHAIN

The Company is present throughout the alcohol value chain of its product portfolio, which includes extra neutral alcohol (ENA), potable alcohol, grain spirit (extra fine, triple-distilled), rectified spirit and IMFL.

Located in close proximity to the vibrant city of Indore in Madhya Pradesh, the Company's manufacturing plant stands as a good example of technological advancement and innovation. This cutting-edge facility houses state-of-the-art machinery and infrastructure, empowering us to achieve superior manufacturing capabilities. Strategically positioned, our plant serves as a central hub for production, enabling us to efficiently meet market demands while upholding uncompromising standards of quality.

## PRODUCTS PORTFOLIO

The Company expanded new products across the years. The Company makes the best spirits and guarantees clean fermentation. The Company serves Indian and international markets. The Company's product range comprises:

- Premium extra neutral alcohol
- Indian made Indian liquor (IMIL)
- Indian made foreign liquor (IMFL)
- Rectified spirit

## COLLABORATIONS

- United Spirits Limited (Diageo)
- Inbrev Beverages Private Limited

## PROPRIETARY BRAND

Central Province Whisky, Titanium Triple Distilled Vodka - Plain, Titanium Triple Distilled Vodka - Orange, James McGill Whisky, Jamaican Magic Matured Rum, Bombay Special Series, Mood Maker Whiskey and Lemount Brandy

## CREDIT SCORE

CRISIL rated the Company at A/A1 for financial liabilities.

## LISTING

The Company is listed on the National Stock Exchange and BSE Limited.



# MILESTONES



## 1989

The Company was established as a public limited Company.

## 1990

Started the production and marketing of portable alcohols.

## 1995

The distillery modernised and expanded.

## 2012

Redesigned manufacturing plants and processes to meet current requirements.

## 2015

Developed a fully integrated system, including SAP-ERP implementation.

## 2016

Bonus shares were issued in a 1:1 ratio.

## 2017

Began an ambitious expansion project to increase ENA capacity from 31.4 MLPA to 45 MLPA.

## 2018

The 45 MLPA ENA expansion project was completed.

## 2019

The expanded ENA capacity was operational for the first full year. The Company was listed on the National Stock Exchange.

## 2020

ENA was exported to one of Europe's most prestigious vodka manufacturers.

## 2021

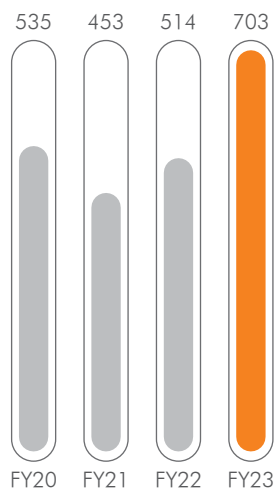
Ethonal Project announced

## 2022

Achieved 1 mn cases sale in Kerala.

# From past triumphs to present challenges: Charting a course for resurgence and future success

## 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

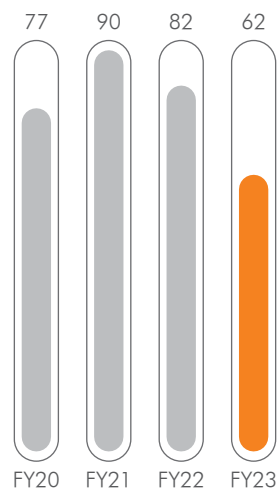
### What does it mean?

Aggregate sales increased 36% to ₹703 Crore in FY 2022-23

### 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.

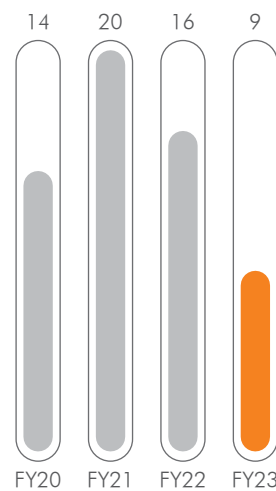
### What does it mean?

This helps create a robust growth engine and sustain profits.

### Value impact

The Company reported a 25% EBITDA decline due to a sharp rise in input costs

## EBIDTA MARGIN (%)



### Definition

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

### Why is this measured?

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

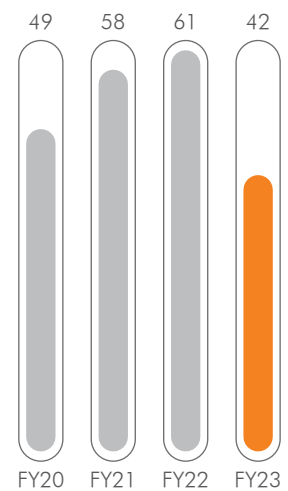
### What does it mean?

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

### Value impact

The Company reported a 700 bps decline in EBITDA margin in FY 2022-23 following an increase in input costs.

## 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?

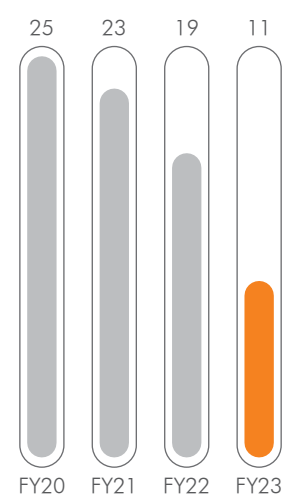
Ensures that adequate surplus is available for reinvestment.

### Value impact

The Company reported a 30% decrease in net profit in FY 2022-23 due to an increase in input costs.



## 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.

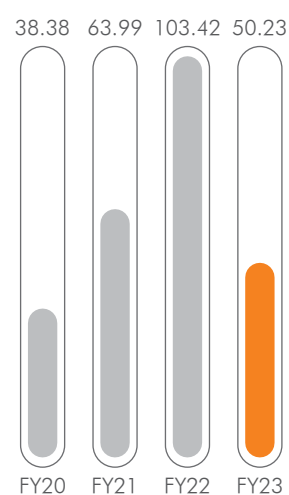
### What does it mean?

Enhanced RoE can potentially drive valuations and perception.

### Value impact

The Company reported a 800 bps decline in RoE during FY 2022-23.

## 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.

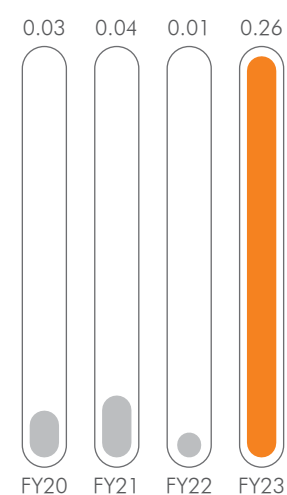
### What does it mean?

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 decreased on account of a decrease in EBITDA, even though on the overall it remained adequately comfortable.

## 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.

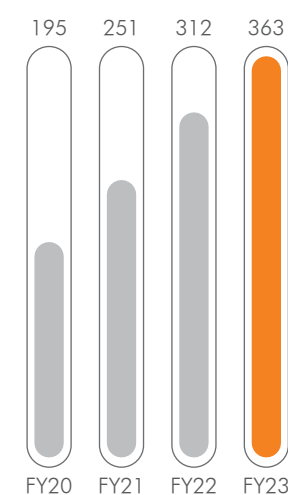
### What does it mean?

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

### Value impact

The Company's gearing increased on account of borrowings for the ethanol project.

## 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 by 16% during the year following the accretion of profits.



PART #2

WHAT MAKES  
THE INDIAN  
LIQUOR SECTOR  
ONE OF THE MOST  
ATTRACTIVE





# The big picture: An unprecedented India opportunity has emerged



For the last few decades, India has been one of the most attractive liquor opportunities in the world.

There was always an assumption that as India's markets grew, there would be an increase in liquor consumption.

There was a perception that as India's income grew, there would be a movement towards premium liquor brands.

There was a feeling that with social mores transforming and women becoming more financially independent than ever, there would be an increase in their liquor consumption.

There is a growing optimism that these realities have not just begun to happen; more than that, the country has reached an inflection point where these realities are becoming more visible and discernible.

One, India has emerged as the most populous country, surpassing China. The quantum addition to India's population each year is higher than the population of a number of countries put together.

Two, Indians are earning more than ever, graduating them from low priced liquor brands to the higher priced alternatives.

Three, the conventional taboo related to liquor consumption has declined, as a result of which liquor is more freely consumed today within family environments and by women than ever.

Four, the quantum of Indian population entering the drinking age each year – 10 mn - is equivalent to a number of countries combined.

Five, the emergence of e-commerce and modern trade formats are making it more anonymous and discreet to buy liquor, relevant in a socially sensitive country.

These realities indicate that India is where global majors seek to be – for reasons of volume and value-addition.

This reality is expected to make the coming decade one of the most attractive for focused alco-beverage companies.



**BIG NUMBERS**

**8**

US\$, market for no/  
low alcohol drinks in  
India, 2018

**11**

US\$, market for no/  
low alcohol drinks in  
India, 2022





## The 'V' word (volumes) is now being replaced by the 'P' word (premium)



For decades, India's liquor industry was dismissed for its price sensitivity.

Much of the Indian liquor sold was at the bottom end of the pricing pyramid.

There was an assumption that this trend would scarcely correct and that successful liquor companies would have to work harder to price correctly across the volume end to be able to generate a superior return on employed capital.

A new India is emerging within this sector.

The Indian consumer is willing to experiment better tastes and brands. The Indian consumer is willing to spend higher. The Indian consumer is willing to extend beyond a lifetime of staying with one brand by altering the palate. The Indian consumer is willing to consume a brand based on process hygiene and environment sustainability. The Indian consumer is keen to ascertain product traceability (what they

are paying for, where it came from, who made it and how).

The complement of most of these realities is reflected in a growing demand for low-calorie and moderate alcohol beverages – 'sober-curious' - driven by the younger generation's openness to experimentation.

And for all these considerations, the Indian consumer is willing to pay more.

A new space has opened for companies engaged in modern distilleries, efficient operations, sustainable practices, organic resource quality, eco-packaging and responsible production. Besides, a market has opened for ready-to-drink cocktails, marked by low alcohol beverages (5% alcohol or less), considered healthier on account of low alcohol content.

This reality is widening the scope for opportunity-focused companies possessing related experience and robust Balance Sheets.





# The Indian liquor market is evolving faster than ever.



The big question: which companies are expected to carve away a larger share of a rapidly growing and evolving Indian liquor market?

These are some of the players who will be attractively placed to do so.

**One**, companies that possess an experience in brand creation, launch, sustenance and maturing.

**Two**, companies that understand different local terrains with the consumption pattern being different in each.

**Three**, companies that possess the right brands that are not me-too but bring a new freshness to the marketplace.

**Four**, companies that are connected into an existing distribution pipeline of loyal trade partners, who provide a wide and deep market access to distribute the Company's progressively launched products

**Five**, companies that possess a backward integration into the manufacture of resources that makes it possible to moderate costs and widen the value chain.

**Six**, companies that possess core revenues derived from a clutch of successful brands or a related business, enhancing the overall risk appetite.

**Seven**, companies that have achieved superior scale, helping them strengthen their amortisation of fixed costs and enhancing their overall competitiveness.

**Eight**, resource manufacturing companies that are located proximately to raw materials.

**Nine**, companies with robust under-borrowed Balance Sheets that moderate the brand mortality risk associated with the business.

We are proud to be one of those companies that possess *all* these exceptional characteristics and advantages.

PART #3

FORGING A  
DISTINCTIVE ALCO-  
BEVERAGE ENTITY BY  
COMBINING SPIRITS  
AND BEER\*

Our proposed amalgamation with Mount Everest  
Breweries Limited stands as one of the pivotal  
drivers of stakeholder value creation.



We are merging the Group's spirits  
and beer businesses to capitalise on a  
favourable long-term industry outlook



### THE AMALGAMATION

Our proposed amalgamation with Mount Everest Breweries Limited stands as one of the pivotal drivers of stakeholder value creation. This transformative merger is poised to create a singularly listed entity in India, offering an unprecedented combination of beer and spirits products. The combination of B2B and B2C exposures is expected to create a distinctive alco-beverage organisation, positioning the Company as a multi-revenue, broad-based pyramid that consistently enhances value for stakeholders in a sustainable manner.

### THE PROPOSAL

The amalgamation of the Company with Mount Everest Breweries Limited ('MEBL') is a strategic move that brings together two dynamic entities in the liquor industry. The Scheme of Amalgamation is being done through the Hon'ble National Company Law Tribunal ('NCLT'), which is currently pending approval from the stock exchanges, Securities and Exchange Board of India ('SEBI'). This transformative merger aims to create a powerful and sustainable value proposition.

Upon implementing the scheme, MEBL will issue shares to the Company's shareholders based on the agreed swap ratio. However, this proposed scheme is subject to various approvals, including those from stock exchanges, the Securities and Exchange Board of India (SEBI), shareholders, creditors, NCLT, Regional

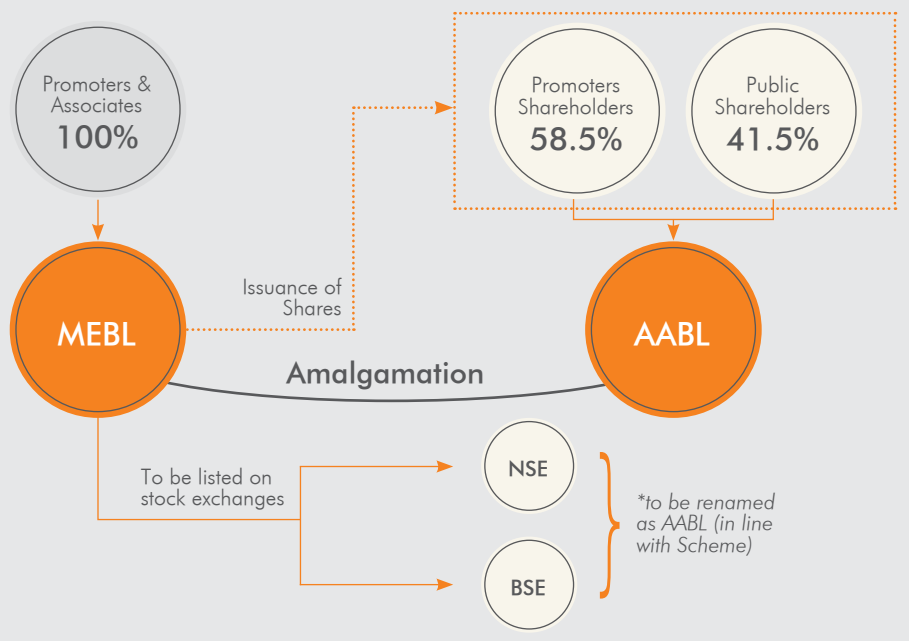
Director (RD), and Registrar of Companies (RoC).

This coming together of a resilient Indian spirits and resource company, with one of the largest and fastest-growing Indian beer companies, is set to enhance value in a distinctive manner. Once the scheme is in effect, MEBL will be listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), strengthening its position as a listed entity operating across spirits and beer.

The proposed amalgamation represents a significant step in creating a unique and diversified alco-beverage organisation that harnesses the Company's and MEBL's strengths. This strategic move is driven by a shared vision of growth, innovation, and delivering superior value to stakeholders in the dynamic Indian liquor industry.



Mechanics and structure of proposed amalgamation





## The beer business that will form an integral part of the amalgamated entity will represent an attractive complement to the Company's existing business model

Creation of a unique Indian alco-beverage supermarket

Progression of the Company from B2B to B2C

Expansion of the product basket and constituents

Increase in margins owing to the inclusion of branded products

### WHAT MAKES MOUNT EVEREST BREWERIES LIMITED ATTRACTIVE FOR AABL SHAREHOLDERS

**Status:** Largest in Madhya Pradesh by sales. Expanding reach across Goa, Maharashtra and the rest of India

**Engagement:** Strategic outsourcing manufacturing engagement with United Breweries Limited for its flagship brands

**State-of-the-art brewery:** Set up the most modern and technologically advanced brewery, delivering products of global quality standards

**Best quality:** Products matched with global quality benchmarks

**Strategic location:** Located off Indore, which is in the geographic centre of India, making it logistically easy to source grain and supply products

**Responsible manufacturing:** Globally accepted best practices in manufacturing, minimising environment impact

**Assured volumes:** Installed capacity of 1.5 mn cases per month, servicing a growing customer demand

### BIG NUMBERS

8

Lakh cases of beer sales, FY 2011-12

75

Lakh cases of beer sales, FY 2022-23

25

% proportion of revenues from proprietary brands, FY 2011-12

75

% proportion of revenues from proprietary brands, FY 2022-23



## The amalgamation players and the value provided by each



### AABL



### MEBL



## Why the timing for amalgamation is right for the Company



### Sizable AABL cash flows

75

₹ Crore, cash profit, FY 2021-22

56

₹ Crore, cash profit, FY 2022-23

### Debt on the books

4

₹ Crore, debt on books, FY 2021-22

95

₹ Crore, debt on books, FY 2022-23

### B2C revenue exposure

32

% of overall revenues generated from the B2C business, FY 2021-22

42

% of overall revenues generated from the B2C business, FY 2022-23

*Conclusion: Need to energise the Company with a profitable and fast-growing B2C sales component*





## PRINCIPAL COMMUNICATION

# The amalgamation has been designed to benefit the stakeholders of the Company in an attractively sustainable way

The proposed amalgamation represents the coming together of two different businesses

The amalgamation has been structured around complementarity

The reverse merger has been directed to create scale, profitability and sustainability

The reverse merger has been directed to create a completely unique alco-beverages company in India



### Rationale#1

The amalgamation between the two companies will create a unique Indian alco-beverage supermarket, offering resources (ENA/ethanol), beer, branded liquor and outsourcing relationships. This integrated approach will enhance the company's market position and provide a one-stop solution for customers.

### Rationale#2

By consolidating the product portfolio, the merged company will achieve enhanced sustainability with a consistent demand for products throughout the year, reducing the impact of seasonal variations.

### Rationale#3

The amalgamation will enable the progression of AABL from B2B to B2C, expanding its reach to retail consumers and establishing direct relationships, leading to increased brand visibility and market penetration.

### Rationale#4

Diversifying the product basket and widening access to retail consumers will create mass opportunities, leveraging economies of scale, driving growth and profitability.

### Rationale#5

The amalgamation will facilitate cross-sale and cross-synergies through various customer engagements that optimise revenue, strengthen relationships and improve cost efficiency.

### Rationale#6

The amalgamation will facilitate value-addition through a larger portfolio of branded products

## THE OUTCOMES

**The post-amalgamated Company will be three businesses in one**

*This will make it unique in India's alco-beverage industry*

**One**, the spirits business

**Two**, the beer business  
(following amalgamation)

**Three**, the distillery business  
(ENA and ethanol)



PART #4

PERSPECTIVES  
ON OUR  
PERFORMANCE  
AND PROSPECTS





BUSINESS REVIEW

# Your Company is transforming into a multi-revenue broad-based pyramid attractively positioned to enhance stakeholder value

**TUSHAR BHANDARI,**

*Whole Time Director*

## OVERVIEW

There were two ways of appraising your company's performance during the last financial year.

On the one hand, your company achieved record revenues of ₹703 Crore, an impressive growth rate of 37%. The Company reported high double-digit percentage growth in volume and revenue across all value-added product portfolios. The Indian Made Indian Liquor (IMIL) portfolio recorded a revenue of ₹240 Crore, marked by a spectacular growth of 51%. The Indian Made Foreign Liquor (IMFL) proprietary brand portfolio reported a revenue of ₹107 Crore, a growth of 66%. The IMFL licensed brand portfolio achieved ₹198 Crore in revenue, an exceptional growth of 83%.

These remarkable numbers are a testament to the effectiveness of the business model and the Company's commitment to enhance revenues through progressive capacity expansion and utilisation.

On the other hand, your company reported a 7% decline in EBITDA and a 6% decline in its profit after tax in FY 2022-23. This decline was on account of an unprecedented increase in the cost of grain, coal, and glass bottles. The cost per tonne of grain increased from an average ₹16,700 in FY 2021-22 to ₹19,300 in FY 2022-23. Coal prices increased from ₹7,400 to ₹10,600 a tonne; glass bottle cost climbed from ₹4.50 to ₹6 a unit. This volatility affected our EBITDA by approximately 9%. However, the implementation of operational improvements and cost optimisation measures partially

# 37%

The Company's revenues increased during the last financial year and finished the year under review with a topline of ₹703 Crore.



helped mitigate the effect of these price increases and without these timely measures, the EBITDA erosion would have been significant.

### KEY TAKEAWAYS

While we celebrate our record revenues and outperforming topline growth, we acknowledge the challenges manifested in a declining EBITDA and bottomline. Since the business is growing and heading in the right direction, we are confident that we will improve margins across the foreseeable future.

During the last few years, we spent the Company's energy and resources in building the IMFL proprietary brand portfolio in Kerala. We invested judiciously in product, bottling, and positioning. We are happy to share that our efforts started to generate upsides as we crossed a mn cases in annual sale and emerged among the top 5 liquor players in that State. The Company's performance in Kerala validated the conviction that the Company possesses the competence to enter distant markets, understand consumption patterns, launch a relevant yet differentiated product and build a loyal following. The success of the Company in Kerala provides optimism of replication in other markets. In a sector marked by a high mortality rate, the Company's success in Kerala also represents a validation of its distinctive insight and measured micro-market approach.

### INTO THE FUTURE

The Company progressed in enhancing its grain-based ethanol manufacturing capacity. The decision to extend from the manufacture of extra neutral alcohol to ethanol was made in the wake of the National Biofuels Policy 2018. This policy is encouraging the manufacture of ethanol across the country for onward blending with automotive fuel. The blending is expected to moderate oil imports and help automotive engines combust fuel better, resulting in lower pollution. The government announced a large and growing appetite for fuel and

a complement of concessional debt for commissioning ethanol manufacturing capacity, coupled with remunerative realisations. Your company intends to commission a 130 KLPD ethanol manufacturing capacity in FY 2023-24. This business is attractively placed: it enjoys access to a large volume of grain from the hinterland of its manufacturing facility that should sustain operations through the full year; the plant possesses a swing capacity that empowers it to move to ENA (its principal product) should market realities warrant.

The Company was also engaged in enhancing the bottling capacity at its Indore plant from one mn cases a month to 1.5 mn cases a month. By investing in enhanced bottling capacity within its campus, the Company is attractively placed to strengthen its competitiveness. This will empower the Company to capitalise on growth opportunities for its spirit business and deepen its relationship with Diageo.

The Company is embarking on a premiumisation journey with the launch of a range of products. The premium craft gin is ready for launch and will be available in the coming months. The Company's proposed products also comprise the following: blended scotch whisky and ready-to-drink, which are

expected to be launched in the later part of this year.

### HOLISTIC COMMITMENT

The merger of the Company with Mount Everest Breweries Limited will graduate the Company into a unique alcohol-beverage supermarket with all products in its portfolio. The merger will also help change the Company's DNA from a B2B company to a B2C company, helping maximise stakeholder value.

Sustainability and climate represent the forefront of the Company's agenda, reflecting in the commitment to responsible business practices. We set an ambitious target to achieve net zero emissions by 2030, emphasising our dedication to mitigating our environmental impact and contributing to a sustainable future. Our focus on sustainability extends beyond environmental considerations. We recognise the importance of social responsibility and have been actively involved in initiatives that promote social welfare, support local communities, and prioritise the well-being of our employees. By fostering a sustainability and social consciousness culture, we aim to create a positive and lasting impact on the world around us.

### CONCLUSION

Significant achievements and challenges characterised your company's performance during the last financial year. However, we remain optimistic about the future. We are confident that we are heading in the right direction and are determined to improve our profit margins. We will continue to navigate challenges, seize growth opportunities, and drive our company toward greater success. With a clear vision, a robust business model, and a focus on sustainability, we are confident in our ability to create long-term value for our stakeholders while contributing to a better and more sustainable world.

Your company achieved record revenues of ₹703 Crore, an impressive growth rate of 37%. The Company reported high double-digit percentage growth in volume and revenue across all value-added product portfolios.



BUSINESS REVIEW

# Unleashing the Power of Premium: Redefining Excellence



## OVERVIEW

India's consumerisation has brought about a remarkable shift in the way Indians entertain and unwind. This transformation is most evident in the increasing adoption of socialising accompanied with food and alcohol, a departure from the traditional home-based gatherings of the past. Alcohol, once considered a social taboo, has now become an essential element of vibrant get-together, reflecting the changing lifestyle preferences of Indians. With a growing willingness to explore new brands and categories, consumers are embracing premiumisation, making it imperative for the Indian alcohol industry to address evolving preferences.

## THE INDIAN ALCOHOL STORY

The history of alcohol in India stretches back centuries, with mentions of various fermented beverages in ancient scriptures. The colonial era introduced new distilleries and breweries, catering primarily to expatriates and paving the way for spirits like whisky and gin. Post-independence, the Indian alcohol industry experienced significant growth with the introduction of Indian Made Foreign Liquor (IMFL) and Indian Made Indian Liquor (IMIL) brands, tailored around Indian consumer preferences.

## THE RISE OF PREMIUMISATION

In recent years, there has been a noticeable shift in consumer preferences in the Indian alcohol market. Rising disposable incomes, exposure to international trends, and a desire for sophistication have catalysed the demand for premium offerings. Consumers seek superior premium spirits



that provide unique experiences, leading to the emergence of premium whiskies, craft gins, artisanal vodkas, and luxury liqueurs. This reflects the new normal in India, the world's most populous country and the fastest-growing major economy.

## CAPTURING OPPORTUNITIES

We are cognisant of significant opportunities that premiumisation offers in the Indian alcohol sector. We are committed to capitalising on them by broadbasing our portfolio and catering to evolving preferences.

To stay ahead of the curve, we are investing in product innovation, which involves exploring new flavors, strengthening our production technologies, and incorporating quality ingredients. In doing so, we aim to create premium offerings that address or exceed discerning customer expectations. We endeavour to balance traditional craftsmanship and modern techniques to deliver unique spirits.

In addition to product innovation, we emphasise premium branding. We understand that consumers are not just looking for quality spirits but also for a brand that resonates with their aspirations and lifestyles. We are investing in creating compelling brand stories, distinctive packaging, and engaging marketing campaigns that effectively communicate the premium proposition of our products.

Enhancing the overall consumer experience is another key aspect of our premiumisation strategy. We believe that premiumisation is not just about the product but the entire consumer journey. From the moment consumers discover our brand to purchase and even post-purchase engagement, we are focused on creating memorable experiences. This ensures availability through strategic partnerships and collaborations, providing superior service, and creating opportunities for consumers to engage

with our brand through events, tastings, and educational initiatives.

We recognise the importance of collaborations and partnerships with international spirits giants. Such alliances enable us to access global best practices, leverage their expertise, and foster knowledge exchange. By drawing from established players, we improve processes, refine offerings, and stay at the innovation forefront.

Our commitment to premiumisation extends beyond the product and consumer experience. We are mindful of the economic aspect and other benefits. A broader portfolio enhances revenues, prompts cross-sales and sharpens brand recall. It helps amortise fixed costs effectively and strengthens capital efficiency.

In line with premiumisation, we are considering a significant portfolio-broadening initiative by reverse-merging

with Mount Everest Breweries Limited, drawing beer into our portfolio. This merger of the spirits and beer businesses will create a unique entity within the alco-beverages industry, positioning us as a distinctive player in India's listed universe. The addition of a debt-free and growing beer business will enhance our financial standing and broadbase our revenue streams.

We are confident in our competence to launch, grow, and mature spirits brands. Our track record in successfully bottling and marketing brands for the world's largest spirits company is a testament to our capabilities. We demonstrated managerial competence by entering new territories and launching differentiated products. We possess a complement of spirit brands that are marketed in multiple States and contribute significantly to our revenues.

As we move forward, we are focused on a decisive premiumisation push. We are launching new spirit brands across different States and deepening our presence in Kerala. These initiatives are expected to enhance the average realisation per bottle and increase the proportion of revenues derived from premium products. We are committed to maintain a desired risk appetite and Balance Sheet integrity while enhancing premiumisation.

At the end of the day, our goal is to graduate from being a back-end resource provider to a branded consumer-facing personality. By embracing premiumisation, investing in innovation, branding, consumer experience, and fostering collaborations and partnerships, we are confident of creating a promising future that delights customers and enhances stakeholder value.

**TUSHAR BHANDARI**

Whole Time Director

Our commitment to premiumisation extends beyond the product and consumer experience. We are mindful of the economic aspect and other benefits. A broader portfolio enhances revenues, prompts cross-sales and sharpens brand recall. It helps us amortise fixed costs effectively and strengthens our capital efficiency.

## Our Premium Products in the Pipeline



## The Kerala success story

The Company entered this market in year 2018 with a white brandy brand

The Company launched a product at the price-sensitive end

The Company grew revenues from this State 114% in FY 2022-23

The Company generated sales in excess of one mn cases in FY 2022-23

The Company graduated to the premium end (15% of revenues in Kerala)

The Company took just four years to touch a mn cases in Kerala (fastest)

The Company is the fifth-largest spirits brand in Kerala

The Company intends to create a multi-product platform in the State

The Company intends to enhance Kerala revenues from premium products to 50%

Mount Everest Breweries Limited (MEBL) is poised to capitalise on the strength of its beer business to drive its premiumisation.

With the MEBL flagship brand Stok gaining recognition for its clear branding, growing volumes, profitability, and market presence, we are positioned to harness the positive momentum within the beer segment. MEBL's diverse portfolio, including the mass premium Lemount brand and the premium Stok brand, allows it to cater to price-sensitive and aspirational consumers, expanding its pan-national footprint and generating higher revenues. Through strategic initiatives and a commitment to quality, MEBL is unlocking the full potential of premium beer, offering a distinctive experience that resonates with beer enthusiasts across the nation.



## We are transforming our identity



Old logo



New logo

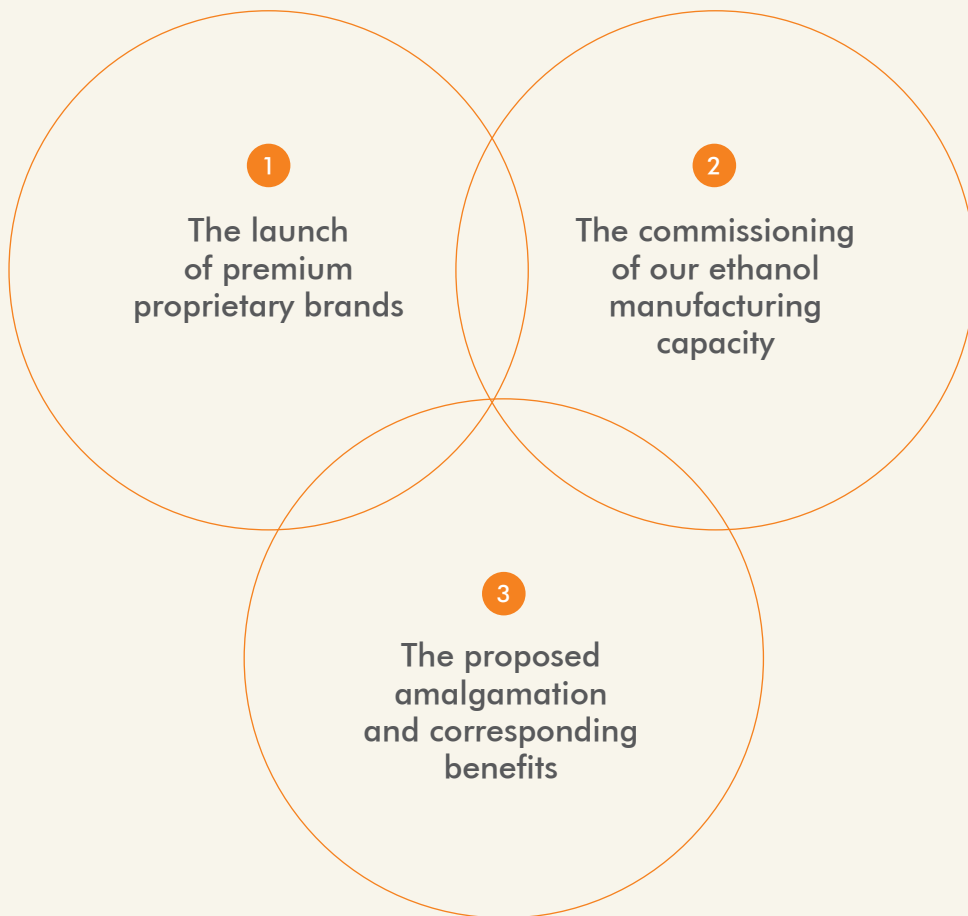
moving towards premiumisation

PART #5

HOW WE ARE  
POSITIONED TO  
ENHANCE VALUE



## 3 principal growth initiatives we have embarked upon to enhance long-term value



1

The launch  
of premium  
proprietary brands

2

The commissioning  
of our ethanol  
manufacturing  
capacity

3

The proposed  
amalgamation  
and corresponding  
benefits



### BALANCE SHEET ROBUSTNESS

- Net zero debt Company
- Net worth of ₹363 Crore in FY 2022-23 in AABL
- Amalgamated debt-equity ratio at 0.30

### EXTENSION

- Adding beer (proposed) and proprietary brands through added offerings
- Creating three complementary growth engines – ENA, spirits and beer
- Flexibility in principal relationships, enhancing spirits exposure and experience

### RESPECT

- Engaged in a business relationship with USL-Diageo for more than two decades.
- Validation of the Company's processes, practices and product quality
- Flexible arrangements with the principal (bottling cum franchise / bottling)

### ASPIRATIONAL GROWTH

- Increasing market share in the current States
- Expanding geographically to other states
- Expanding the product portfolio of premium proprietary brands

## Our business model

### INTEGRATION

- 57% of the ENA is consumed in-house in the manufacture of spirits brands
- The beer (following amalgamation) and spirits brands will use the same trade partners
- 60% of the energy needs of the distillery are addressed from within

### GEOGRAPHIC FOCUS

- Wider market presence
- Deeper penetration in existing markets with more products
- Geographical expansion to other States

### LOCATIONAL EXCELLENCE

- Integrated plant with all the product lines in one premises
- 125 acre land bank for prospective expansions
- Equidistance from all the major markets

### REVENUE VISIBILITY

- 33% revenue from IMIL products (secured through tenders)
- 27% revenue from established franchise brands (strong customer demand)
- ~70% cash flow from tendering, tie-ups, and value-added products (high certainty)



# Our Products and Brands





Our curated product portfolio addresses a range of consumer preferences. It encompasses licensed/franchised brands and proprietary brands, marked by comprehensive choice.

In addition to extensive brand offerings, our Company supplies quality extra neutral alcohol (ENA) to reputed liquor

players. This ENA, respected for its unmatched quality, helps customers produce value-added products. A commitment to the delivery of exceptional products extends beyond proprietary brands; we contribute to the success of our industry partners by providing superior ENA.

By deepening our portfolio, we ensure that our customers enjoy access to the finest available options. Whether it is our licensed/franchised brands or our proprietary brands, our goal is to offer a diverse quality range of products that enrich the consumer's experience.

### OUR PROPRIETARY BRANDS PORTFOLIO

- Central Province Whisky
- Titanium Triple Distilled Vodka - Plain
- Titanium Triple Distilled Vodka - Orange
- James McGill Whisky
- Jamaican Magic Matured Rum
- Bombay Special Series
- Mood Maker Whiskey
- Lemount Brandy

### LICENSED BRANDS/FRANCHISED BRANDS

- Bagpiper Deluxe Whisky
- White Mischief Orange Vodka
- White Mischief Ultra-Pure Vodka
- Director's Special Gold Whisky
- Director's Special Black Whisky
- McDowell's No. 1 XXX Rum
- McDowell's Blue Ribbon Dry Gin

### CONTRACT MANUFACTURING BRANDS

- VAT 69 Scotch Whisky
- Black & White Scotch Whisky
- Smirnoff Vodka
- Premium IMFL Brands:
- McDowell's No. 1 XXX Whisky
- Signature Rare Aged Whisky
- Antiquity Blue



## INTRODUCING NICOBAR GIN

*Embrace the spirit of exploration*

### Features

Crafted with a unique blend of explorative botanicals, offering a distinctive flavor that appeals to adventurous spirits.

Meticulously crafted with a balance of pine, citrus, and vibrant floral flavors, enhanced by three juniper varieties

Provides a premium experience with opulent fresh floral flavors, adding complexity to the classic gin experience.

### Value-addition

Marks an entry into the premium gin market

### Widening our product offering

Deepening our footprint in the States where the Company is present

### Focus

Designed to appeal to a diverse audience (including women)

Establish the Company as a leading gin player, offering a range of products to cater to different consumer preferences.



### CENTRAL PROVINCE WHISKEY

Refined blend of Indian grain spirits and imported malts. It is blended with Premium Matured Scotch. It is one of the fastest-selling whiskies in Madhya Pradesh. Available in 750 ml, 375ml and 180 ml bottles.



### JAMES MCGILL WHISKEY

One of the fastest-selling whiskies in Madhya Pradesh. Won an award for the best whiskey in the popular category. Available in 750 ml, 375ml and 180 ml bottles.



### BOMBAY SPECIAL WHISKEY

One of the highest selling whiskies in its own segment. Available in 750ml, 375 ml and 180 ml bottles.



### CAFÉ RUM WHISKEY

Packed in sachets of 50ml and around 20 sachets of 50ml are packed in one master pouch and 10 such master pouches containing 200 small sachets (10 litres) are packed in one corrugated box. Available in bottles of 750 ml, 375 ml and 180 ml bottles.



### TITANIUM TRIPLE DISTILLED VODKA

Triple distilled from 100% grain, made exclusively in small batches to maintain superfine quality and smooth taste. Won the award for best vodka in popular category. Available in 750 ml, 375ml and 180 ml bottles.



### TITANIUM VODKA (ORANGE FLAVOUR)

Triple distilled from 100% grain, made exclusively in small batches to maintain superfine quality and smooth taste. Won the award for best vodka in popular category. Available in 750 ml, 375ml and 180 ml bottles.



### JAMAICAN MAGIC MATURED RUM

Smooth yet complex finish. Available in 750 ml, 375ml and 180 ml bottles



### MOOD MAKER BRANDY

Smooth-tasting. Possesses a special aroma and heady flavor. Largest-selling brand in the Indian state of Kerala. Available in 750 ml, 375ml and 180 ml bottles



### LEMOUNT

Brewed with high-quality ingredients and advanced fermentation techniques giving it a unique smooth taste. Available in 650ml, 500ml and 325ml bottles

# Capitalising on the growing ethanol opportunity in India

Ethanol is one of the biggest successes of the Indian government's policy reform. Ever since the National Biofuels Policy was introduced in 2018, the transformation in India's ethanol segment has been immediate and dramatic. The segment has attracted its largest investment in decades within the space of a couple of years.

Oil petroleum and exporting countries (OPEC) indicate India could report the fastest average annual oil demand growth of 3.7% p.a. through to CY40. The use of ethanol is being seen as a game-changer, providing a range of upsides to transform the sector and society.

The increased use of ethanol as a fuel blend enhances value for farmers, industry, consumers and society – income, growth, clean air and resource security. This provides a long-term optimism about the sustainability of this policy. The ethanolisation of India validates that economic growth need not be dovetailed with environment degradation or a higher carbon footprint – a model for responsible sustained economic growth

Ethanol is a relatively cleaner blending media as it facilitates the complete combustion of the blended fuel and releases lower emissions. Sugarcane ethanol generates the lowest carbon footprint globally among biofuels with high energy efficiency (clean and renewable source of energy). This moderates healthcare expenses, diverting savings into productive spending.

These benefits, at 20% ethanol blending by 2025, could generate ₹30,000 Crore foreign exchange savings a year, enhance energy security, moderate carbon emissions, improve air quality, find an effective use for damaged food grain, increase farmer incomes,

widen employment and strengthen industrialisation.

The message on the wall is that bio-blending is not just a fad for the moment; it represents a long-term strategic shift expected to grow the sector and benefit the entire eco-system.

## ATTRACTIVELY PLACED

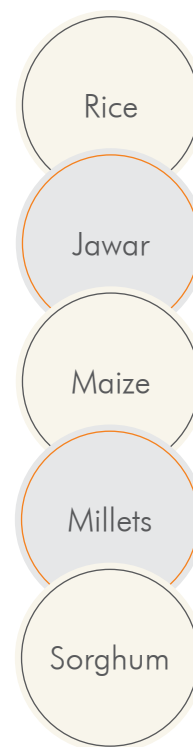
The Company intends to capitalise on the landmark Ethanol Blending Policy by utilising starch-rich grain to manufacture ethanol. The Company's proposed capacity flexibility will make it possible to shift from ethanol to ENA (and back) based on market realisations and prevailing profitability.

The Company is leveraging the Ethanol Interest Subvention Scheme, which enables the Company to secure loans at more affordable rates. This government initiative provides a significant advantage in financing the ongoing testing phase of our ethanol plant. We anticipate that the plant will soon commence commercial operations strengthening our position in the ethanol market and diversifying our product portfolio.

The Company's strategic location and access to one of India's largest grain baskets, puts it in a advantageous position to capitalise on its unique locational advantage. The Company benefits from its proximity to the rice bowl of Chhattisgarh, the abundant jawar-producing regions of Madhya Pradesh and Maharashtra, and the ability to source grains within a 400 km radius. This grants the Company easy access to a significant volume of grains, ensuring a steady and reliable supply for its ethanol operations.

Moreover, the Company's favorable location translates into lower inward logistics costs compared to other ethanol manufacturers in India. This

## COMPANY'S PROXIMATE ACCESS TO VARIOUS GRAIN TYPES



cost advantage enhances Company's competitiveness and positions it for greater profitability.

The Company's longstanding relationships with trade intermediaries strengthens its position in the ethanol sector. These partnerships enable the Company to navigate the market effectively, establish robust supply chains, and drive sustainable growth.

By leveraging its strategic locational advantage, AABL is positioned to maximise opportunities in the ethanol sector, ensuring a successful and prosperous future.



**Environmental**



**Sustainability**



**Governance**

PART #6

BUILDING OUR  
BUSINESS  
AROUND  
RESPONSIBILITY



# The Company's approach to Environment, Social and Governance

## HOW WE ARE DEEPENING OUR ESG COMMITMENT

At AABL, our business has been aligned with the UN's sustainable development goals (SDGs) that integrate our community and environmental efforts with the goal of creating a better and sustainable future for all. We strive to utilise renewable energy sources and practice responsible consumption.

## ENVIRONMENT

At AABL, we recognise that we are engaged in a business that is sensitive to Environment, Health & Safety (EHS) considerations. The distillery's operations have significant impacts on the environment. The industry is carbon-, water- and energy-intensive; these can, if unchecked, generate a substantial pollution load on the environment. In view of this, the Company has integrated EHS principles into its practices.

At AABL, we believe that responsible environment management can be business-strengthening as well in various ways.

**One**, it can reduce the Company's costs by minimising waste generation and optimising resource use (water and energy).

**Two**, environment management can enhance corporate reputation and improve engagements with stakeholders (customers, investors and regulatory agencies).

**Three**, it can ensure long-term sustainability by reducing negative environment outcomes, ensuring business continuity.

### OUR ENVIRONMENT MANAGEMENT APPROACH

At AABL, our environment management approach has comprised the 5R's approach (reduce, restore, recycle, renewable and replace), reflected in the following initiatives:

**Resource conservation:** In alignment with our steadfast commitment to sustainability, we have actively worked to increase our consumption of recycled glass bottles, reducing our reliance on new bottles. However, it is important to note that due to the increased demand and limited availability of recycled glass bottles in the last year, our utilisation rates for prominent brands experienced a decrease compared to the previous year. Nonetheless, we remain dedicated to our sustainability goals and will continue to explore opportunities to enhance our use of recycled materials while maintaining our focus on environmental stewardship and responsible resource management.

Consumption (mn)	FY 21	FY 22	FY 23
% recycled bottles	45	40	33



**Pollution control:** Emissions and pollutants are treated following a proactive investment in pollution control technologies.

**Water conservation:** Our water conservation practices in the alcobev sector are industry-leading. Through consistent efforts and technological upgrades, we have reduced water consumption in our distilleries to approximately 5.5 liters of water per bulk

litre of ENA production. This represents a significant decrease of 50% decrease in the consumption of water in ENA production over a period of 3 years.



**Energy conservation:** In our operations, we rely on coal-based boilers to meet 60% of our power demand. However, we are fully committed to achieving net-zero coal usage by implementing a series of measures. One of these measures includes the integration of renewable energy sources, such as solar power, near our plant. By feeding the solar energy generated into the grid, we aim to reduce our overall dependence on coal-based power generation and contribute to a significant reduction in our carbon footprint. This strategic initiative aligns with our commitment to energy conservation, sustainability, and the transition to cleaner and more environmentally friendly energy sources.



**Tree plantation:** During the year under review, AABL undertook the plantation of 450 trees at various locations near our plant.





The Company's 'zero pollution and zero waste' commitment was achieved through a combination of these approaches.

### MODERATING RESOURCE CONSUMPTION

The Company consumes significant amounts of fresh water and electricity from the captive power plant and the state electricity grid. The Company will also utilise ethanol as a renewable fuel. The resource consumption is monitored periodically and optimised.

The Company has and will enhance sustainability through the following strategies:

**Renewable energy:** The Company installed LED lights and solar panels to moderate electricity consumption.

**Water conservation:** The Company has implemented an efficient waste water management system, ensuring responsible treatment and disposal of wastewater to minimise environmental impact. By effectively managing water resources, the Company promotes sustainable water usage and reduces wastage, contributing to the preservation of groundwater. In addition, the Company has made significant investments in a river water pipeline system, enabling the

utilisation of river water as an alternative source. This strategic initiative not only reduces the reliance on groundwater but also actively contributes to the positive recharge of groundwater. Through these proactive measures, the Company showcases its commitment to environmental stewardship, conservation of groundwater resources, and the responsible management of water for a sustainable future.

**Sustainable fuel:** Ethanol that we intend to manufacture will help preserve foreign exchange reserves by reducing our country's reliance on imported fossil fuels like petrol and diesel. It is a renewable, cleaner-burning fuel that decreases pollution and mitigates climate change. Additionally, ethanol production will create a market for agricultural crops, supporting farmers' income and fostering a sustainable solution benefiting both the economy and the environment.

### OUR SUSTAINABILITY POLICIES

The Company has implemented a range of policies to ensure sustainability and resource efficiency. These policies have been directed at reducing the consumption of resources, preventing environmental damage and promoting the efficient use of scarce natural resources.

### OUR KEY EHS POLICIES

At AABL, our business is driven by a complement of policies that have instituted our approach to environment responsibility.

**Sustainability Policy:** This comprehensive policy guides all operations and decision-making, directed at enhancing long-term stakeholder value while minimising environment impact.

**Environmental Policy:** The Company developed an Environment Management System (EMS) to prevent, mitigate and control environmental damage caused by its operations or players across its value chain. The EMS includes contingency plans and processes for managing environmental deviations.

**Industrial Policy:** The Company ensures that its manufacturing processes and technologies are resource efficient and sustainable. This includes designing products that are sustainable and reducing waste generated during manufacture.

**Technology Development Policy:** The Company periodically reviews new technology development, deployment and commercialisation. Social, ethical and environmental considerations are incorporated into decision-making.

## OUR SOCIAL COMMITMENT

**Employees:** AABL invested in recruitment, retention, training and safety measures to enhance operational efficiency, effectiveness and safety protocols.

**Customers and vendors:** AABL strengthened its partnerships with vendors supplying capital equipment, spare parts and primary customers (trade partners). To accommodate the diverse range of materials, the Company opted to collaborate with a variety of resource providers.

**Community:** The Company actively involved the local community near its manufacturing site with the aim of expanding the sphere of prosperity through targeted interventions aligned with the sustainable development goals.

### OUR SAFETY COMMITMENT

At AABL, we manage a range of hazardous processes, products and heat, enhancing safety risks for workers. At our company, we take safety management seriously; identifying potential hazards

and mitigating their risks is crucial to our respect and business continuity.

We have implemented a system for responsible hazards identification, evaluation and control. We ensure that all equipment is periodically inspected and maintained to reduce the risk of failure. We provide hands-on training to ensure that our personnel understand and apply safety procedures. We encourage an open reporting culture where our personnel feel comfortable reporting hazards or incidents without the fear of retribution; we ensure that



our personnel remain vigilant and aware of potential hazards. We take measures to manage workplace stress and ensure that our personnel possess the necessary resources and support to manage stress. We ensure that our leaders set an example by following safety procedures, reporting hazards and incidents.

## SAFETY ASSESSMENT

Our risk assessment involves identifying potential hazards and taking reasonable steps to prevent them.

**Awareness programmes:** We conduct awareness programs for employees to educate them on potential workplace hazards and their effective management.

**Audits:** We conduct monthly site audits to assess that safety measures are in place coupled with improvement areas (reports shared with relevant departments).

**Safety observations:** We encourage employees to report potential safety hazards; we implement corrective actions promptly.

**Training programs:** We conduct comprehensive training programs that educate employees about safety procedures and hazards management.

**Firefighting drills:** We conduct firefighting mock drills to prepare our employees. We procured a multipurpose fire tender and trained the team to handle such emergencies.

**Work permit system:** We implemented a work permit system to ensure that all jobs are done safely under safe conditions.

## SAFETY INITIATIVES

**Enunciated policy:** Our occupational health and safety (OH&S) policy outlines the Company's strategic direction - redefine the relationship between all individuals in the Company, emphasising their roles in maintaining a safe and healthy work environment in accordance with established occupational health and safety standards.

### Importance within our strategic

**direction:** Our OHS practices aim to manage the health, safety, well-being and working capacity of our employees.

**Board focus and priority:** Our company prioritises all aspects of workplace health and safety, with a focus on primary hazards prevention and zero accidents goal.

### Awareness building / communication:

We utilise various communication categories to build awareness and enhance communication, which includes verbal, electronic, printed, pictorial and social communication.

**Team structure:** Our capable leadership oversees a team of trained safety professionals who dedicated to their roles.

**Team engagement:** Our belief is that every employee should have a sense of ownership and investment in the corporate safety culture.

**Periodic reporting:** We conduct regular risk assessments; we implement measures to mitigate hazards; we conduct periodic safety committee meetings.

**Training:** We conduct regular safety and health training across levels; each employee undergoes the training at least a month.

**Mock drills:** Mock drills simulate a disaster to demonstrate how employees should react; conducted on-site, they cover all departments and are carried out throughout the year.

## OUR HEALTH COMMITMENT

Certain activities within our workplace can compromise the health of our employees, marked by exposure to heat, noise, dust, hazardous chemicals, machines and psychological stress. To protect employees, we implemented the use of sprinklers and water tankers to control heat and fire hazards; we used bag filters to control dust pollution and particulate matter; we employed earmuffs and ear plugs in high noise areas.

The health measures for blue and white collar employees comprised the following:

- Establishment of a fully equipped occupational health centre operational round the clock manned trained medical staff and doctor.
- Identifying and reporting workplace hazards to ensure a safe working environment.
- Implementing workplace safety programmes
- Providing proper safety training to employees
- Use of protective safety equipment
- Reporting of unsafe working conditions
- Reducing workplace stress
- Promoting regular breaks

The Company's equipped occupational health centre operates 24/7, staffed with trained medical personnel and doctor. Every department has first-aid boxes; the Company has two ambulances to respond to emergencies.

The Company's health protection measures comprise the following:

**Health checks:** The Company organises free health check camps for employees. Qualified doctors offer advice and consultation.

**Training sessions:** External trainers train employees in healthy living; the sessions are held periodically.

We have set long-term goals to reduce healthcare overhead per employee.

We believe in moving from emergency room visits for common ailments that can be tackled with better fitness.

We evaluate the effectiveness of our health initiatives and analyse trends to gauge improvement areas. Our health indicators comprise the following: low absenteeism, high productivity, higher employee retention, low personal loans / salary advances for medical reasons and preventive care.



### OUR 2030 TARGETS

- Leverage AABL marketing and innovation to make moderation the norm – reaching 1 bn people with dedicated responsible drinking messaging
- Provide business and hospitality skills to 1,00,000 people, increasing employability and improving livelihoods through 'Learning for Life' and our other skills programmes
- 50% of beneficiaries from our community programmes are women and our community programmes will be designed to enhance ethnic diversity and inclusion of underrepresented groups
- Reduce water use in our operations with a 40% improvement in water use efficiency and 30% improvement across the Company
- Replenish more water than we use for our operations for all our sites in no water stress area by 2026
- Invest in improving access to clean water, sanitation and hygiene (WASH) in communities near our sites and local sourcing areas in all of our water-stressed markets
- Engage in collective action in all of our priority water basins to improve water accessibility, availability and quality and contribute to a net positive water impact
- Reduce our value chain carbon emissions by 50%
- Net zero in terms of use of fossil fuel in generation of electricity
- Achieve zero waste in our direct operations and zero waste to landfill in our supply chain
- Ensure 100% of our packaging is widely recyclable (or reusable/compostable)
- Continue our work to reduce total packaging and increase recycled content in our packaging (delivering a 10% reduction in packaging weight + increasing the % recycled content of our packaging to 60%)
- Set a target of 100% plastic bottles used are made from recycled material by 2030
- Provide all our local sourcing communities with agricultural skills and resources, building economic and environmental resilience (supporting 1,00,000 small holder farmers)

### OUR TARGETS

# 30

% targeted improvement in water use efficiency

# 0

Become net zero carbon in our direct operations

# 50

% reduction in our value chain carbon emissions

# 100

% energy needs through internal power generation

# 0

The targeted waste in our direct operations and landfill

# 100

% of our packaging that is widely recyclable (or reusable/compostable)

# 10

% targeted reduction in packaging weight

# 60

% increase in the recycled content of our packaging

# 60

% of our plastics designed to be widely recyclable (or reusable/compostable) by 2025

# 25

% recycled content in our plastic bottles by 2025

# 45

% recycled content in our plastic bottles by 2030

## OUR GOVERNANCE COMMITMENT

**Singular focus:** The Company specialises in delivering comprehensive liquor solutions with a strong emphasis on achieving business excellence.

**Controlled growth:** The Company actively invests in assets and projects that offer short-term returns on investment.

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

**Discipline:** At AABL, we prioritise running our business with discipline, encompassing accountability, professionalised management, checks and balances, technology investments and an audit-driven compliance approach. This discipline enhances outcome predictability and sustains our business. The successful adoption and implementation of IND AS had minimal material impact, validating our governance standards and reinforcing the credibility of our financials and asset values. As a result, our conservative Balance Sheet still holds untapped value in immovable properties.

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

**Broad-based:** The Company transitioned from producing ENA (Extra Neutral Alcohol) to engaging in contract liquor manufacturing and subsequently expanded into proprietary manufacturing and marketing of licensed brands. This strategic shift has diversified revenue streams and expanded the Company's market presence.

**Scale:** As one of the leading producers of grain-based ENA in India, the Company has achieved significant expansion at a lower capital cost per litre compared to industry greenfield benchmarks.

**Accruals-driven:** The Company is likely to remain zero-debt as it invests accruals in capacity growth.

**Responsibility:** The Company's business model adheres to ESG principles and is highly resilient against risks.

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

**Flexibility:** The Company's versatile multi-feedstock plant enables seamless transitions between different grain types according to market dynamics.

**Production integration:** In 2022-23, the Company's proprietary ENA consumption appetite was 57% of its requirement, which is likely to increase.

**Headroom:** With a substantial landholding at its manufacturing sites, the Company possesses the capacity to achieve sustainable growth and benefit from improved economies of scale.

# Management discussion and analysis

## GLOBAL ECONOMY

**Overview:** The global economic growth was estimated at a slower 3.2% in 2022, compared to 6% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the Russian invasion of Ukraine, unprecedented inflation, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.7% in 2022, among the highest in decades. US consumer prices decreased about 6.5% in 2022, the

highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years. The result is that the world ended in 2022 concerned that the following year would be slower.

The global equities, bonds and crypto assets reported an aggregated value drawdown of US\$ 26 trillion from peak, equivalent to 26% of the global gross domestic product (GDP). In 2022, there was a concurrently unique decline in bond and equity markets; 2022 was the only year when the S&P 500 and 10-year US treasuries delivered negative returns of more than 10%.

Gross FDI inflows – equity, reinvested earnings and other capital – declined 8.4% to US\$ 55.3 bn in April-December.

The decline was even sharper in the case of FDI inflows as equity: these fell 15% to US\$ 36.75 bn between April and December 2022. Global trade expanded by 2.7% in 2022 (expected to slow to 1.7% in 2023).

The S&P GSCI TR (Global benchmark for commodity performance) fell from a peak of 4,319.55 in June 2022 to 3,495.76 in December 2022. There was a decline in crude oil, natural gas, coal, lithium, lumber, cobalt, nickel and urea realisations. Brent crude oil dropped from a peak of around US\$ 120 per barrel in June 2022 to US\$ 80 per barrel at the end of the calendar year following the enhanced availability of low-cost Russian oil.

Regional growth (%)	2022	2021
World output	3.2	6.1
Advanced economies	2.5	5
Emerging and developing economies	3.8	6.3

## Performance of major economies

### United States:

Reported GDP growth of 2.1% compared to 5.9% in 2021

### China:

GDP growth was 3% in 2022 compared to 8.1% in 2021

### United Kingdom:

GDP grew by 4.1% in 2022 compared to 7.6% in 2021

### Japan:

GDP grew 1.7% in 2022 compared to 1.6% in 2021

### Germany:

GDP grew 1.8% compared to 2.6% in 2021

[Source: PWC report, EY report, IMF data, OECD data]

## Outlook

The global economy is expected to grow 2.8% in 2023, influenced by the ongoing Russia-Ukraine conflict. Concurrently, global inflation is projected to fall marginally to 7%. Despite these challenges, there are positive elements within the global economic landscape. The largest economies like China, the US, the European Union, India, Japan,

the UK and South Korea are not in a recession. Approximately 70% of the global economy demonstrates resilience, with no major financial distress observed in large emerging economies. The energy shock in Europe did not result in a recession and significant developments, including China's progressive departure from its strict zero-covid policy and the resolution of the European energy crisis, fostered optimism for an improved

global trade performance. Despite high inflation, the US economy demonstrated robust consumer demand in 2022. Driven by these positive factors, global inflation is likely to be still relatively high at 4.9% in 2024. Interestingly, even as the global economy is projected to grow less than 3% for the next five years, India and China are projected to account for half the global growth (Source: IMF).

## INDIAN ECONOMY

**Overview:** Even as the global conflict remained geographically distant from India, ripples comprised increased oil import bills, inflation, cautious government and a sluggish equity

market. India's economic growth is at 7.2% in FY 2022-23. India emerged as the second fastest-growing G20 economy in FY 2022-23. India overtook UK to become the fifth-largest global

economy. India surpassed China to become the world's most populous nation (Source: IMF, World Bank)

### Growth of the Indian economy

Regional growth (%)	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Real GDP growth(%)	3.7	-6.6%	8.7	7.2

### Growth of the Indian economy quarter by quarter, FY 2022-23

Regional growth (%)	Q1 FY 2022-23	Q2 FY 2022-23	Q3 FY 2022-23	Q4 FY 2022-23
Real GDP growth (%)	13.1	6.3	4.4	6.1

(Source: Budget FY 2023-24; Economy Projections, RBI projections)

According to the India Meteorological Department, the year 2022 delivered 8% higher rainfall over the long-period average. Due to unseasonal rains, India's wheat harvest was expected to fall to around 102 mn metric tons (MMT) in 2022-23 from 107 MMT in the preceding year. Rice production at 132 mn metric tons (MMT) was almost at par with the previous year. Pulses average grew to 31 mn hectares from 28 mn hectares. Due to a renewed focus, oilseeds area increased 7.31% from 102.36 Lakh hectares in 2021-22 to 109.84 Lakh hectares in 2022-23.

India's auto industry grew 21% in FY 2022-23; passenger vehicle (UVs, cars and vans) retail sales touched a record 3.9 mn units in FY 2022-23, crossing 3.2 mn units in FY 2018-19. The commercial vehicles segment grew 33%. Two-wheeler sales fell to a seven-year low; the three-wheeler category grew 84%.

Till the end of Q3 FY 2022-23, total gross non-performing assets (NPAs) of the banking system fell to 4.5% from 6.5% a year ago. Gross NPA for FY 2022-23 was expected to be 4.2% and a further drop is predicted to 3.8% in FY 2023-24.

As India's domestic demand remained steady amidst a global slowdown, import growth in FY 2022-23 was estimated at 16.5% to US\$ 714 bn as against US\$ 613 bn in FY 2021-22.

India's merchandise exports were up 6% to US\$ 447 bn in FY 2022-23. India's total exports (merchandise and services) in FY 2022-23 grew 14% to a record of US\$ 775 bn in FY 2022-23 and is expected to touch US\$ 900 bn in FY 2023-24. Till Q3 FY 2022-23, India's current account deficit, a crucial indicator of the country's balance of payments position, decreased to US\$ 18.2 bn, or 2.2% of GDP. India's fiscal deficit was estimated in nominal terms at ~ ₹17.55 Lakh Crore and 6.4% of GDP for the year ending 31<sup>st</sup> March, 2023. (Source: Ministry of Trade & Commerce)

India's headline foreign direct investment (FDI) numbers rose from US\$ 74.01 bn in 2021 to a record US\$ 84.8 bn in 2021-22, a 14% Y-o-Y increase, till Q3 FY 2022-23. India recorded a robust US\$ 36.75 bn of FDI. In 2022-23, the government was estimated to have addressed 77% of its disinvestment target (₹50,000 Crore against a target of ₹65,000 Crore).

India's foreign exchange reserves, which had witnessed three consecutive years of growth, experienced a decline of approximately US\$ 70 bn in 2022, primarily influenced by rising inflation and interest rates. Starting from US\$ 606.47 bn on 1<sup>st</sup> April, 2022, reserves decreased to US\$ 578.44 bn by 31<sup>st</sup> March, 2023. The Indian currency also weakened during this period, with the exchange rate weakening from ₹75.91 to a US dollar to ₹82.34 by 31<sup>st</sup> March,

2023, driven by a stronger dollar and increasing current account deficit. Despite these factors, India continued to attract investable capital.

The country's retail inflation, measured by the consumer price index (CPI), eased to 5.66% in March 2023. Inflation data on the Wholesale Price Index, WPI (calculates the overall price of goods before retail) eased to 1.3% during the period. In 2022, CPI hit its highest of 7.79% in April; WPI reached its highest of 15.88% in May 2022. By the close of the year under review, inflation had begun trending down and in April 2023 declined below 5%, its lowest in months.

India's total industrial output for FY 2022-23, as measured by the Index of Industrial Production or IIP, grew 5.1% year-on-year as against a growth of 11.4% in FY 2021-22.

India moved up in the Ease of Doing Business (EoDB) rankings from 100<sup>th</sup> in 2017 to 63<sup>rd</sup> in 2022. As of March 2023, India's unemployment rate was 7.8%.

In 2022-23, total receipts (other than borrowings) were estimated at 6.5% higher than the Budget estimates. Tax-GDP ratio was estimated to have improved by 11.1% Y-o-Y in RE 2022-23.

The total gross collection for FY 2022-23 was ₹18.10 Lakh Crore, an average of ₹1.51 Lakh a month and up 22% from



FY 2021-22, India's monthly goods and services tax (GST) collections hit the second highest ever in March 2023 to ₹1.6 Lakh Crore. For 2022-23, the government collected ₹16.61 Lakh Crore in direct taxes, according to data from the Finance Ministry. This amount was 17.6% more than what was collected in the previous fiscal.

Per capita income almost doubled in nine years to ₹172,000 during the year under review, a rise of 15.8% over the previous year. India's GDP per capita was 2,320 US\$ (March 2023), close to the magic figure of US\$ 2,500 when consumption spikes across countries. Despite headline inflation, private consumption in India witnessed continued momentum and was estimated to have grown 7.3% in FY 2022-23.

### Outlook

There are green shoots of economic revival, marked by an increase in rural growth during the last quarter and appreciable decline in consumer price index inflation to less than 5% in April 2023. India is expected to grow around 6-6.5% (as per various sources) in FY 2023-24, catalysed in no small measure by the government's 35% capital expenditure growth by the government. The growth could also be driven by broad-based credit expansion, better capacity utilisation and improving trade deficit. Headline and core inflation could trend down. Private sector investments could revive. What provides optimism is that even as the global structural shifts are creating a wider berth for India's exports, the country is making its largest infrastructure investment. This

unprecedented investment is expected to translate into a robust building block that, going ahead, moderates logistics costs, facilitates a quicker transfer of products and empowers the country to become increasingly competitive. This can benefit India's exports in general, benefiting several sectors. The construction of national highways in 2022-23 was 10,993 kilometres; the Ministry of Road Transport and Highways awarded highway contracts of 12,375 km in the last financial year (Source: IMF).

The global landscape favours India: Europe is moving towards a probable recession, the US economy is slowing, China's GDP growth forecast of 4.4% is less than India's GDP estimate of 6.8% and America and Europe are experiencing its highest inflation in 40 years.

India's production-linked incentive appears to catalyse the downstream sectors. Inflation is steady. India is at the cusp of making significant investments in renewable energy and other sectors and emerging as a suitable industrial supplement to China. India is poised to outpace Germany and Japan and emerge as the third-largest economy by the end of the decade. The outlook for private business investment remains positive despite an increase in interest rates. India is less exposed to Chinese economic weakness, with much less direct trade with China than many Asian peers.

Broad-based credit growth, improving capacity utilisation, government's thrust on capital spending and infrastructure

should bolster investment activity. According to our surveys, manufacturing, services and infrastructure sector firms are optimistic about the business outlook. The downside risks are protracted geopolitical tensions, tightening global financial conditions and slowing external demand.

### Union Budget FY 2023-24 provisions

The Budget 2022-23 sought to lay the foundation for the future of the Indian economy by raising capital investment outlay by 33% to ₹10 Lakh Crore, equivalent to 3.3% of GDP and almost three times the 2019-20 outlay, through various projects like PM Gati Shakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments. An outlay of ₹5.94 Lakh Crore was made to the Ministry of Defence (13.18% of the total Budget outlay). An announcement of nearly ₹20,000 Crore was made for the PM Gati Shakti National Master Plan to catalyse the infrastructure sector. An outlay of ₹1.97 Lakh Crore was announced for Production Linked Incentive schemes across 13 sectors. The Indian government intends to accelerate road construction in FY 2023-24 by 16-21% to 12,000-12,500 km. The overall road construction project pipeline remains robust at 55,000 km across various execution stages. These realities indicate that a structural shift is underway that could strengthen India's positioning as a long-term provider of manufactured products and its emergence as a credible global supplier of goods and services

## GLOBAL ALCOHOLIC BEVERAGE INDUSTRY OVERVIEW

The global alcoholic beverage is estimated to reach a value of US\$ 1,978.69 bn by the year 2030. This is an increase from its value of US\$ 1,561.99 bn in 2022 and represents a Compound Annual Growth Rate (CAGR) of 3.00% by 2023 to 2030.

Beer constitutes the largest segment of the market, with a market volume of US\$ 610.00 bn in 2023. China generates the

most revenue in the market, accounting for US\$ 336.40 bn in 2023.

On a per-person basis, the market is expected to generate revenues of US\$ 209.40 in 2023. The alcoholic drinks market is predicted to have 6.6% of its total revenue coming from online sales by 2023. Out-of-home consumption, such as in bars and restaurants, is expected to contribute to 42% of spending and 25% of volume

consumption by 2027. Volume is estimated to reach 306.40 bn litres by 2027, with an anticipated growth rate of 2.2% in 2024. The average volume per person in the alcoholic drinks market is expected to be 36.73 litres in 2023.

The global alcoholic beverages market is experiencing a rapid increase in demand due to various factors such as a growing youth population, rising middle-class income and a robust

economy. Consumers are seeking new and innovative alcoholic beverage options, leading to a surge in craft beer production and formulation. As a result, breweries around the world are expanding their craft beer offerings to meet this demand.

Further, consumers are becoming more aware of the potential negative effects of consuming low-alcohol beverages, which is leading to an increased demand for higher-alcohol content beverages. This shift in consumer preferences is driving the growth of high-performance

and high-quality alcoholic beverage manufacturers, who are experiencing significant commercial success.

(Source: statista.com, databridgemarketresearch.com)

## INDIAN ALCOHOLIC BEVERAGES MARKET OVERVIEW

The alcoholic drinks market is poised for significant growth, with an expected revenue of US\$ 49,580.00 mn in 2023.

The Spirits segment is the largest in the market, accounting for US\$ 34,470 mn of the total revenue in 2023.

On a per capita basis, the alcoholic drinks market is expected to generate US\$ 34.92 in revenue in 2023. Online sales are expected to contribute 0.5% of total revenue in the market by 2023.

Out-of-home consumption, such as in bars and restaurants, is expected to drive 11% of spending and 8% of volume consumption in the market by 2027. The

overall volume of the alcoholic drinks market is expected to reach 14,100 mn litres by 2027, with a projected growth rate of 3.9% in 2024.

On average, each person is expected to consume 8.58 litres of alcoholic beverages in 2023.

The emergence of reasonably priced premium brands and people's evolving drinking habits, especially among the younger generation, have brought about major changes in the Indian subcontinent's liquor market. A significant proportion of the alcohol industry is largely made up of Indian-made or -manufactured foreign liquor

(IMFL), Indian-made Indian liquor (IMIL), wine, beer and imported alcohol. Whiskey trumps the IMFL category in India. Moreover, vodka is flourishing as a consequence of a rise in pubs, hotels and restaurants, in addition to emerging nightlife and consumer choices.

The alcohol industry contributes significantly to the Indian economy. It not only generates up to 2 Lakh Crore in revenue to the states, but it also effectively assists nearly 40 Lakh farmers.

(Source: statista.com, timesofindia.com, ambrosiaindia.com)

## INDIAN WHISKY SEGMENT OVERVIEW

India is primarily a market for brown spirits, with whisky holding the lion's share. In fact, we are the world's largest whisky market by consumption, accounting for 10% of global liquor consumption.

The whisky segment is a significant contributor to the alcoholic drinks market, with a revenue of US\$ 18.38 bn expected in 2023 and an estimated annual growth rate of 5.34% from 2023 to 2027. The United States is the biggest revenue-generating market for whisky, with an estimated revenue of US\$ 18,570 mn in 2023.

On a per capita basis, the revenue generated in the whisky segment is expected to be US\$ 12.95 in 2023. The volume of whisky is projected to reach 3.93 bn litres by 2027, with a growth rate of 2.6% in 2024.

On average, each person is expected to consume 2.51 litres of whisky in 2023.

Whisky consumption is expected to reach 289.49 mn cases by 2027-28, generating revenue of more than ₹2,87,000 Crore. In 2021, India consumed 237.22 mn cases of whisky. North and East India represent

approximately 27% of total whisky consumption in India. Prestige whisky enjoys a substantial market share since it is the best economical whisky on the market. Consumers' preference for quality whisky, on the other hand, is witnessing rapid growth for premium whisky at a CAGR of 15.66% over the projected timeframe. The super-premium range of whisky is expensive and in short supply because it is exclusively available to the country's elite class.

(Source: statista.com, businesstoday.com, researchandmarkets.com)

## GLOBAL BEER MARKET

The global beer market has been experiencing tremendous growth, with the market size reaching US\$ 711 bn in 2022 and projected to reach US\$ 1,222.8 bn by 2032, growing at a CAGR of 23.7%. The popularity of beer

as an alcoholic drink for social events and gatherings has contributed to the market's growth.

China generates the highest revenue in the global comparison, with an expected revenue of US\$ 125.60 bn in 2023.

On average, each person is expected to generate US\$ 79.42 in revenue in 2023. Out-of-home consumption, such as in bars and restaurants, is responsible for over half of spending and a third of volume consumption in the beer



segment by 2027. Volume is expected to increase to 189.30 bn litres by 2027, with a growth rate of 2.1% in 2024. The average volume per person is expected to be 22.67 litres in 2023.

The increasing demand for premium and craft beers is boosting the expansion of the beer market. The growing

penetration of home-brewing and microbreweries is projected to grow to market share. The industry is also distinguished by high fixed costs, low marginal costs and a limited number of brands. As a consequence, new entrants find it challenging to establish a presence in the market. The European region

holds the largest market share for beer, while Asia Pacific is the fastest-growing region in the beer market. In 2025, the Asia Pacific region is predicted to be the biggest beer market, representing for more than 40% of worldwide demand.

(Source: openpr.com, statista.com, thebusinessresearchcompany.com)

### INDIAN BEER MARKET

In 2022, the beer market in India was worth ₹383.6 bn, but it is expected to grow at a CAGR of 8.1% from 2023 to 2028, reaching ₹622.4 bn by 2028.

The beer segment generates US\$ 10.19 per person in 2023 when considering the total population figures. In 2027, it is projected that 24% of spending and 16% of volume consumption in the beer segment will be from out-of-home consumption, such as bars and restaurants. The beer segment is

expected to reach a volume of 5.81 bn litres by 2027, with an estimated volume growth of 5.1% in 2024. The average volume per person in the beer segment is expected to be 3.39 litres in 2023.

This growth can be attributed to the increasing demand for alcoholic beverages among millennials during social gatherings and celebrations, growing urbanisation, an increase in disposable income as well as the changing lifestyle of consumers. The

market is benefiting from the ease of access to products through online platforms. India is one of the countries with the most progression and the least degree of infiltration, making it an ideal possibility for massive brewing companies.

(Source: statista.com, kenresearch.com, imarcgroup.com)

### INDIAN EXTRA-NEUTRAL ALCOHOL MARKET

The Indian market for extra neutral alcohol (ENA) was valued at ₹97.7 bn in 2022 and is expected to grow at a compound annual growth rate (CAGR) of 4.21% during 2022-2028 to reach ₹125.1 bn.

In India, almost 90% of ENA is used overview for potable alcohol, which accounts for an annual production capacity of nearly 2.7 bn litres.

Increased consumer disposable incomes, rapidly growing Western influence, cultural views toward drinking and a

fundamental change from country liquor to Indian-made foreign liquor (IMFL) are driving the increased production and consumption of potable alcohol made from ENA in India.

(Source: researchandmarkets.com)

### INDIAN SPIRITS SEGMENT OVERVIEW

The spirits segment is expected to generate US\$ 34.47 bn in revenue in 2023, with an estimated annual growth rate of 5.18% from 2023-2027. On a per-person basis, the expected revenue in 2023 is US\$ 24.28. Out-of-home consumption is expected to account for 4% of spending and 2% of volume consumption in the spirits segment by

2027. Volume is expected to reach 8,033 mn litres by 2027, with an expected growth rate of 2.6% in 2024. The average volume per person in the spirits segment is expected to be 5.13 litres in 2023.

The Indian spirits market has considerable scope for premium sales

growth, with approximately 20 mn cases (nine litres each) of liquor products sold throughout India on an annual basis, with yields ranging between 7% and 10% over the last five years.

(Source: globaldata.com, statista.com, just-drinks.com)



### INDIAN MADE FOREIGN LIQUOR SEGMENT OVERVIEW

The Indian made foreign liquor (IMFL) market in India was valued at approximately US\$ 20 mn in fiscal year 2021. Moreover, the market is expected to grow to more than US\$ 32 mn by the fiscal year 2025.

The market for IMFL increased by 13% to 353 mn cases in 2022. Sales volumes of

IMFL rose 24% to 120 mn cases during April-July, with demand increasing for all key segments - whisky, brandy, rum and vodka.

Characterised by a high base, whisky, which dominates two-thirds of the entire market, grew 17%, while brandy, the second largest category, grew 37%. Rum

and vodka revenues rose by 41% and 55%, respectively, whereas gin sales increased by 129%, albeit from a low base.

(Source: statista.com, economicstimes.com, bizzbuzznews.com)

### INDIAN MADE INDIAN LIQUOR SEGMENT OVERVIEW

Indian made Indian liquor (IMIL) had a market size of approximately 290 mn cases in India in fiscal year 2021. Additionally, this is expected to rise to 350 mn cases by fiscal year 2025. Indian made, Indian liquor, also known as 'country liquor,' is a variant of alcoholic beverage that is produced

domestically and includes approximately 30% alcohol. Arrack is a type of Indian liquor manufactured from sugarcane and coconut that is popular among blue-collar and lower-middle-class workers.

Another type of Indian liquor is Feni, which is primarily produced in Goa

and consists 42-45% alcohol and is made from cashew fruit and coconut. Toddy, another type of Indian liquor, is produced in Kerala from the sap of coconut palm trees.

(Source: statista.com)

### POTENTIAL FOR THE WINE SEGMENT IN INDIA

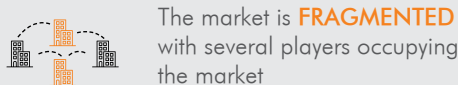
The wine market in India is expected to grow by US\$ 274 mn from 2021 to 2026, with a projected CAGR of 19.78%. The market is expected to experience a significant increase of 29.30% year-on-year in 2022.

Red wine dominates the market, capturing more than half of the market share, while rose wine represents only 4%. West India consumes the most wine, while East India consumes the least. In India, the urban population consumes the most wine. Imported wines endure

150% customs duties, curtailing foreign wine market availability.

Price is still the most important indicator of consumer wine selection, followed by a brand recall and the originating country.

### WINE MARKET IN INDIA 2022-2026



(Source: marketresearch.com, prnewswire.com)



## GROWTH DRIVERS

**Rising urbanisation:** India's urban population is forecasted to reach 675 mn by 2035, ranking second only to China's one bn. Rapidly increasing urbanisation, greater accessibility and advertising have all resulted in a higher consumption of alcohol.

**Young population:** More than 88% of Indians under the age of 25 purchase or consume liquor. India has one of the world's largest young populations, with 67.45% of the population aged 15 to 64.

**Rise in alcohol consumption in rural areas:** According to the National family health survey-5 (NFHS-5), 2019-21, alcohol consumption is higher in rural India than in urban India. Broadly speaking, 1% of women aged 15 and up consume alcohol, especially in comparison to 19% of men of the same age. This breaks down to 1.6% (rural) and 0.6% (urban) for women and 19.9% and 16.5% for men.

(Source: indianexpress.com)

**Increasing acceptance as a social beverage:** Wine and beer have been considered as a social beverage as the younger population grows, significantly increasing consumption of alcoholic beverages.

**Consumption by women:** The reality of today is far from the stereotypes. Women's tastes are more open to new experiences and they are eager to try newer cocktails, along with stronger drinks, depending on the day of the week and the social event. Potential female drinking participation in India is as high as 45%, with an actual penetration of around 18% (according to their internal workings) in 2021.

**Premiumisation:** India's alcohol market is currently among the fastest-growing in the global beverage industry. This growth is attributed to the rising urban population and disposable income, which are expected to drive the

expansion of the market. Additionally, the trend towards premium products and growth in consumption outside of home are driving revenue growth in the liquor market.

**Per capita consumption:** India's per capita alcohol consumption of 5.5 litres is low compared to the global average of 6.2 litres, which could potentially result in growth opportunities for the sector (Source: startuptalky.com)

**Increased alcohol accessibility and availability:** The availability of various alcohol brands and types has increased and they are now easily accessible through government-licensed outlets, government-run monopolies, private licensed retail chains (which have been permitted in recent years), as well as in restaurants and bars.

## COMPANY OVERVIEW

For detailed information about the Company's business overview, please

refer pages 01 to 48 of this annual report for comprehensive insights into

the Company's operations, market positioning, and growth strategies.

## FINANCIAL REVIEW

▪ The Company reported full-year revenue of ₹70,276 Lakh in FY 2022-23 compared to ₹51,422 Lakh in FY 2021-22, a growth of 37%. The growth was reported across all products of the Company.

▪ Operating EBITDA in FY 2022-23 decreased by 714 bps to 8.9% translating ₹6,237 Lakh for the following reasons:

- Sharp rise in the cost of key raw materials and packing materials like grain, coal and glass bottle
- The combined effect of the raw material price inflation and supply

chain disruptions led to an adverse impact of ~900 bps

- An ongoing cost optimisation initiative partially offset the inflation of inputs prices

▪ Profit before tax (PBT) decreased by 32% from ₹8,116 Lakh in FY 2021-22 to ₹5,548 Lakh in FY 2022-23

▪ Finance cost stood at ₹142 Lakh in FY 2022-23 compared to ₹93 Lakh in FY 2021-22.

▪ Depreciation amounted to ₹1,439 Lakh compared to ₹1,428 Lakh recorded in FY 2021-22.

▪ Tax expense stood at ₹1,392 Lakh compared to ₹2,035 Lakh in FY 2021-22.

▪ Consequently, the net profit year stood at ₹4,156 Lakh decreasing by 32% from ₹6,081 Lakh in FY 2021-22.

▪ The basic and diluted earnings per share stood at ₹23 in FY 2022-23.

▪ The Board recommended a final dividend of ₹1 per share (Face value ₹10) for FY 2022-23.

▪ Net worth as of 31<sup>st</sup> March, 2023, stood at ₹36,340 Lakh compared to ₹31,284 Lakh on 31<sup>st</sup> March, 2022.

▪ Free cash stood at ₹426 Lakh.

### Details of significant changes in key financial ratios

Ratios		FY 2021-22	FY 2022-23	Change	Remarks
Net profit margin	%	11.9	5.9	600 bps	Reduction in operating profit margin has resulted in a decrease in the ratio
Operating profit margin	%	16.0	8.9	710 bps	An increase in raw material and packing material prices has resulted in a decrease in the ratio
Debtor's turnover	times	16.4	33.4	51%	A decrease in trade receivables has resulted in an increase in the ratio.
Stock turnover	times	8.4	9.4	11%	No significant change
Debt-equity ratio	%	0.0	0.2	2000 bps	Augmentation in debt to equity ratio is attributable to the new term loans taken for the ethanol project.
Current ratio	times	2.4	2.5	2%	No significant change
Interest service coverage ratio	times	103.4	50.2	-106%	The lower debt service coverage ratio is on account of a reduction in profit after tax during the year.
Return on net worth	%	0.2	0.1	- 1000 bps	A decrease in profit for the year due to a reduction in margins has resulted in a decrease in the ratio.

#### OPPORTUNITIES

- Increasing purchasing power
- Rising urbanisation
- Demographic advantages
- Dynamic lifestyles and enhancing brand awareness
- Fresh product launches and innovations
- Expansion into new territories
- Establishing brand value through mergers and acquisitions

#### THREATS

- Inflation of raw material prices
- Availability and procurement of inputs
- Intense competition
- Regulatory shifts
- Growing health awareness among individuals, resulting in dietary shifts
- Any adverse impact on brand reputation
- Cybersecurity

### RISK MANAGEMENT

**Input cost inflation risk:** The Company's key input basket is dominated by key grain, coal, glass bottle and PET resin. Any supply chain interruptions, shortages, or price increases could influence costs, affecting margins.

**Mitigation:** The Company has built long-term relationships with suppliers over the years to ensure the continuous raw materials availability. To reduce risk, the Company enters into long-term contracts for all inputs to the extent available.

**Competition risk:** The Company faces competition, which could influence its overall growth and earnings trajectories.

**Mitigation:** The Company possesses a diverse product portfolio and is investing in a strong innovation pipeline. As a specialised player, the Company enjoys a thorough insight into consumer preferences and is positioned to capitalise. AABL is positioned for continued growth and expansion, thanks to its extensive distribution network, use of strategically located manufacturing facilities and diverse product portfolio.

**Regulatory risk:** The Company is in a highly regulated industry with constant changes in marketing regulations and duties on the products.

**Mitigation:** AABL possesses a diverse business portfolio that includes the production and sales of ENA, IMIL, IMFL, IMFL licensed brand, and contract manufacturing for Diageo-USL, and is not dependent on a single revenue stream. Further, with the experience of more than four decades, the Company has seen all possible market cycles and has been able to navigate successfully;



this demonstrates the capability of the leadership team and the Company.

**Cyber security:** The Company is using various softwares for day-to-day operation; any unauthorised personnel can access the Company's server from a remote location through hacking or a virus attack; this could lead to a financial loss.

**Mitigation:** The Company implemented a robust cybersecurity strategy to mitigate the risk of unauthorised access and potential financial and operational losses. This includes the deployment of a firewall system to create a secure barrier against external threats. Genuine software applications, regular hardware updates, up-to-date anti-virus solutions, and ongoing employee training enhance

the awareness of cybersecurity best practices. The Company put in place a disaster recovery mechanism and Digital Rights Management system. These measures ensure that the Company's digital infrastructure remains resilient and safeguarded against cyber threats.

## HUMAN RESOURCES

AABL acknowledges that its employees are integral to driving business success. The Company emphasises a skilled workforce. AABL fostered a culture that encourages employee retention and performance through effective personnel management practices, development initiatives, productivity enhancement efforts, and rewards programs. The team comprises a diverse and dynamic group

of professionals, spanning different generations and backgrounds, who bring a wealth of experience and a keen desire to learn. AABL remains committed to enhancing employee capabilities, equipping them with the necessary tools to thrive in a rapidly evolving industry and adapt to future challenges.

It is worth noting that the Company's industrial facilities operate smoothly

without the presence of labour unions, ensuring uninterrupted operations and minimal disruption. AABL's HR policies contribute to employee satisfaction, unwavering motivation, and a high retention rate. As of 31<sup>st</sup> March, 2023, the Company's workforce comprised 1,400 employees, including permanent staff and contract labour, supporting its efficiency and growth objectives.

## INTERNAL CONTROL SYSTEM

The Company has a strong internal control policy that is equivalent to its size and operations. The Board of Directors, in charge of the internal control system, puts down the guidelines and authenticates its sufficiency, efficacy and

implementation. The Company's internal control system is outlined to secure management productivity, measurability and verifiability, compliance with all applicable laws and regulations, trustworthiness of accounting and

management information and the preservation of the Company's assets, to immediately recognise and control the Company's operational, compliance related, economic and financial risks.

## CAUTIONARY STATEMENT

The statements made in this section, in relation to AABL, describe the Company's objectives, projections, expectations, and estimations, which may be considered forward-looking statements under applicable securities laws and regulations. It is important to

note that these statements are subject to certain risks and uncertainties, such as regulatory changes, local political or economic developments, and other factors, which could potentially cause the actual results of AABL to differ materially from the expectations expressed in

the forward-looking statements. AABL assumes no responsibility for any actions taken based on these statements and undertakes no obligation to publicly update or revise them to reflect subsequent events or circumstances.

# Our team raising the bar together



## NOTICE

**NOTICE IS HEREBY GIVEN** that the **34th Annual General Meeting** of the members of Associated Alcohols & Breweries Limited will be held on **Wednesday, August 02, 2023 at 01:30 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, 2023 and the reports of Board of Directors and Auditors thereon 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** the audited financial statement of the company for the financial year ended March 31, 2023 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 31, 2023 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** a dividend at the rate of ₹1/- (One Rupee Only) per equity shares of ₹10/- (Ten Rupees Only) each paid up as recommended by the Board of Directors, be and is hereby approved for the financial year ended March 31, 2023.”

3. To reappoint Mr. Tushar Bhandari (DIN 03583114), who is liable to retire by rotation and being eligible has offered himself for reappointment 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 provision of section 152 and other applicable provisions of the Companies Act, 2013 Mr. Tushar Bhandari who retires by rotation and being eligible be and is hereby re-appointed as a Director of the company.”

### SPECIAL BUSINESS

4. To Appoint Mr. Debashis Das (DIN 08755043) 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 provisions of Section

152 and any other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof, for the time being in force) and Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactments(s) thereof, for the time being in force), Mr. Debashis Das (DIN: 08755043) who was on the recommendation of the Nomination and Remuneration Committee appointed as an independent director of the company by the Board of Directors with effect from 08th May, 2023 and whose term of office was earlier liable to retire by rotation at the General Meeting be and is hereby appointed as an Independent Director of the company.

**RESOLVED FURTHER THAT** pursuant to the provisions 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) Mr. Debashis Das (DIN: 08755043), who has submitted a declaration that he 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 i.e with effect from 08th May, 2023.

**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. Prasann Kumar Kedia (DIN:00738754) as a Managing Director, and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as **Special 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-enactment(s) thereof, for the time being in force), Mr. Prasann Kumar Kedia (DIN: 00738754), 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 08th May, 2023 in terms of section 161(1) of the Companies Act, 2013 in accordance with the articles 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 – Managing Director of the company.

**RESOLVED FURTHER THAT** in accordance with the provisions 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 on force), approval of the shareholders be and is hereby accorded for the appointment of Mr. Prasann Kumar Kedia (DIN 00738754) as a Managing Director of the company for a period of 5 years with effect from 08th May, 2023 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. Prasann Kumar Kedia notwithstanding that such remuneration may exceed the individual overall limits as specified under Section 197 and 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 Appoint Mr. Anshuman Kedia (DIN:07702629) as a Whole Time Director, and in this regard to consider and if thought fit, to pass with or without modifications the following resolution as **Special 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-enactment(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-enactment(s) thereof, for the time being in force), Mr. Anshuman Kedia (DIN: 07702629), 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 08th May, 2023 in terms of section 161(1) of the Companies Act, 2013 in accordance with the articles 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 to be termed as Whole Time Director of the company.

**RESOLVED FURTHER THAT** in accordance with the provisions 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 on force), approval of the company be and is hereby accorded for the appointment of Mr. Anshuman Kedia (DIN 07702629) as a Whole Time Director of the company for a period of 5 years with effect from 08th May, 2023 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. Anshuman Kedia notwithstanding that such remuneration may exceed the individual overall limits as specified under Section 197 and 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”.

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

**“RESOLVED THAT** pursuant to the provisions of section 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including statutory modification(s) or re-enactment thereof for the time being in force) and as per recommendation and approval of the nomination and remuneration committee, the consent of Members be and is hereby accorded to the re-appointment and enhance salary of Mrs. Sangita Kedia who is Mother of Mr. Anshuman Kedia, Whole Time Director, at office or place of profit in the company, as Senior Executive – Vice President ESG of the Company, w.e.f. 01st April, 2023 at monthly remuneration of ₹ 10.00 Lakhs Per month in the scale of ₹ 10,00,000 – 20,00,000/- with the authority to the Board of Directors or Committee thereof of the company to grant such increments within the said scale as it may determine together with other benefits, perquisites, allowances, amenities and facilities as applicable /payable to the other employees occupying similar position in the said cadre as per applicable rules, which is commensurate with her experience and as per relevant industry standards.

**RESOLVED FURTHER THAT** the Nomination & Remuneration Committee/Board of Directors has the liberty to alter and vary such remuneration in the range of ₹ 10,00,000-20,00,000/- per month in accordance with the provisions of the Companies Act, 2013, to effect change in designation and responsibilities of Mrs. Sangita Kedia holding office or place of profit, within the maximum limit approved by the shareholders.

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

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

“**RESOLVED THAT** pursuant to the provisions of section 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including statutory modification(s) or re-enactment thereof for the time being in force) and as per recommendation and approval of the nomination and remuneration committee, the consent of Members be and is hereby accorded to the re-appointment and enhance salary of Mrs. Shweta Kedia who

is wife of Mr. Prasann Kumar Kedia, Managing Director, at office or place of profit in the company, as Senior Executive – Vice President CSR of the Company, w.e.f 01st April 2023 at monthly remuneration of ₹.10.00 Lakhs Per month in the scale of ₹ 10,00,000 – 20,00,000/- with the authority to the Board of Directors or Committee thereof of the company to grant such increments within the said scale as it may determine together with other benefits, perquisites, allowances, amenities and facilities as applicable /payable to the other employees occupying similar position in the said cadre as per applicable rules, which is commensurate with her experience and as per relevant industry standards.

**RESOLVED FURTHER THAT** the Nomination & Remuneration Committee/Board of Directors has the liberty to alter and vary such remuneration in the range of ₹ 10,00,000-20,00,000/- per month in accordance with the provisions of the Companies Act, 2013, to effect change in designation and responsibilities of Mrs. Shweta Kedia holding office or place of profit, within the maximum limit approved by the shareholders.

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

Place: Indore  
Date: 08th May, 2023

Registered office  
4th Floor, BPK Star Tower, AB Road,  
Indore - 452008 (M.P.)  
CIN: L15520MP1989PLC049380

**By Order of the Board of Directors**

**Sumit Jaitely**  
Company Secretary  
FCS: 9194



## NOTES:

1. Pursuant to the General Circulars 10/2022 dated 28.12.2022 and other relevant circulars issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/PoD-2/ P/CIR/2023/4 dated January 05, 2023 issued by SEBI (hereinafter collectively referred to as "the 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 General Circular No. 02/2022, dated 05th May, 2022 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2023, to conduct their AGMs on or before 30.09.2023, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020.

2. Since this AGM is being scheduled to be held through VC/OAVM, physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxy by the members is not available for the AGM and hence the proxy form, attendance slip and route map are not annexed to this notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before or after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. However, this number does not include the large Shareholders holding 2% or more share capital, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee, Risk Management 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](http://www.associatedalcohols.com) The Notice can also be accessed from the websites of the Stock Exchanges i.e. at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://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](http://www.evotingindia.com).
8. The recorded transcript of the forthcoming AGM shall also be made available on the website of the Company [www.associatedalcohols.com](http://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 & May 13, 2022 and January 05, 2023, Notice of the 34th AGM along with the Annual Report for the Financial Year 2022-23 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 2022-23 will also be available on the Company's website - <https://associatedalcohols.com> websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and NSE on [www.nseindia.com](http://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.
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 26th July, 2023. 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 26th July, 2023.

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 **Thursday, 27th July, 2023 to Wednesday, 02nd August, 2023** (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 26th July, 2023 Wednesday.
13. CS Ishan Jain, Practicing Company Secretary (FRN S2021MP802300, 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 firm registration number (FRN) 302049E, were re-appointed as Statutory Auditors of the Company for a period of five consecutive years at the 33rd Annual General Meeting ("AGM") of the Members held on August 05, 2022 until the conclusion of 38th Annual General Meeting. The second term of appointment of 5 years will be completed at the 38th Annual General Meeting, thus the appointment/reappointment of statutory auditors is in accordance with the provisions of the Companies Act, 2013. Previously, the appointment was subject to ratification by the members at every subsequent AGM, however pursuant to amendment 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 dispensed with. Further, the Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment 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. In accordance with the section 110 of the Companies Act, 2013 any item of business required to be transacted by means of postal ballot may be transacted at a general meeting by providing the members the facility to vote by electronic means. Hence as the facility to provide vote by electronic means being provided, the requirement of postal ballot be dispensed with.
17. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Board Report.
18. 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
19. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code and update signature etc.:
  - a. For shares held in electronic form: to their Depository Participants (DPs).
  - b. For shares held in physical form: to the Company/ Registrar and Transfer Agent in prescribed Form ISR-1, for update signature in prescribed Form ISR-2, and other

forms pursuant to SEBI Circular No. SEBI/HO/ MIRSD/ MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Company has sent letters for furnishing the required details; the same forms are available on the Company's website [www.associatedalcohols.com](http://www.associatedalcohols.com).

20. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website [www.associatedalcohols.com](http://www.associatedalcohols.com) and website of Company's Registrar and Transfer Agents, Ankit Consultancy Private Limited ("RTA") at [www.ankitonline.com](http://www.ankitonline.com). It may be noted that any service request can be processed only after the folio is KYC Compliant.

21. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of Dematerialisation.

Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

22. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

23. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website [www.associatedalcohols.com](http://www.associatedalcohols.com). Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.

24. In case of joint holders, the Member whose name appears

as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.

25. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).

The due dates for transfer of unclaimed / unpaid dividend to IEPF are as follows –

Sr. No.	Date of declaration of dividend	Dividend for Financial Year	Proposed Month and year of Transfer to IEPF
1	13.09.2016	2015-16	October, 2023
2	05.08.2017	2016-17	September, 2024
3	24.08.2018	2017-18	September, 2025
4	14.09.2019	2018-19	October, 2026
5	05.09.2020	2019-20	October, 2027
6	20.08.2021	2020-21	September, 2028
7	05.08.2022	2021-22	September, 2029

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

- 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 shareholder/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.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 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 at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, at investorrelations@aabl.in .

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

- (i) The voting period begins on **Saturday 29th July, 2023 at 09:00 AM (IST) and ends on Tuesday 01st August, 2023 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 26th July, 2023** 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 above said 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 <b>CDSL</b>	<ol style="list-style-type: none"> <li>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>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 &amp; 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.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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 &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	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.

- (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 toll free no. 1800225533
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,
  - 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 first time user follow the steps given below:
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>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.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> <li>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.</li> </ul>

- (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.
- (xvii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

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

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

## 29. 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@ankintonline.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.

## 30. 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 in the "Corporates" module.
- 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, write an email to helpdesk.evoting@cdslindia.com or contact toll free no. 1800225533.
- 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 toll free no. 1800225533.

## 31. OTHER INSTRUCTION

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during remote e-voting) and will submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The results will be announced within the time stipulated under the applicable laws.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.associatedalcohols.com and The Company shall simultaneously forward the results to National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), where the shares of the Company are listed.

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

### Item No. 4

The Board of Directors on the recommendation of Nomination & Remuneration Committee appointed (change in designation) Mr Debashis Das (DIN 08755043) as an independent director of the company with effect from 08th May 2023, pursuant to the section 149, 150 and 152 of the Companies Act, 2013 read with rules made thereunder and article 112 of the Articles of Association of the company.

Mr. Debahsis Das (DIN: 08755043) is not disqualified from being appointed as director in terms of section 164 of the Companies Act. The Company has also received a declaration from Mr Debashis Das (DIN: 08755043) that he 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, Mr Debashis Das (DIN: 08755043) fulfills the conditions for appointment as Independent Director as specified in the Companies Act and SEBI (LODR) Regulations, 2015. The profile of Mr Debashis Das (DIN: 08755043) is annexed to the Notice. The Board recommends the appointment of Mr Debashis Das (DIN: 08755043) as an Independent Director for approval of the members of the company by Ordinary Resolution. Copy of the draft letter of appointment of Mr Debashis Das (DIN: 08755043) 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 of the company during the normal business hours (11:00 AM to 02:00 PM) on all working days, upto the date of AGM of the company.

The change in designation of Mr. Debashis Das from Non-Executive Director to Independent Director is to comply with Regulation 17 (1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

Mr Debashis Das (DIN: 08755043) is not related to any director of the company, except Mr Das 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 Ordinary Resolution as set out at agenda Item No. 4 of the Notice for approval of the Members.

### Item No. 5

The Board of Directors on the recommendation of Nomination & Remuneration Committee appointed Mr. Prasann Kumar Kedia (DIN 00738754) as Managing Director of the Company with effect from 08th May, 2023 pursuant to the Section 152, 161, 196,197 and 198 of the Companies Act, 2013 read with the rules made thereunder and Article 132 of the Articles of Association of the Company. The appointment is for a period of 5 years with effect from 08th May, 2023.

Mr. Prasann Kumar Kedia (DIN 00738754) as an Additional Director 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. Prasann Kumar Kedia (DIN 00738754) for the office of the Director of the Company.

Mr. Prasann Kumar Kedia (DIN 00738754) is not disqualified from being appointed as Director in terms of Section 164 of the Act. The profile of Mr. Prasann Kumar Kedia (DIN 00738754) is annexed to the Notice.

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 Special Resolution as set out at agenda Item No. 5 of the Notice for approval of the Members.

### 1. 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. Prasann Kumar Kedia is associated with 29+ 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	Mr. Kedia is a postgraduate in management who firmly believes in moving forward with a team of dynamic, multifarious, and sharp individuals. As a thought leader he inspires his team and employees to achieve their full potential, thereby boosting their spirits, which ultimately reflects in their productivity and work efficiency. In addition to his exceptional leadership skills, Mr. Kedia has an in-depth knowledge of the business, industry, operations, finance accounts, compliances, and law. He is particularly proficient in Business Development and Product Brand Management, having demonstrated his expertise in these areas time and again.  Mr. Kedia is a seasoned professional with more than 29 years of rich experience in the industry. He is known for leading the baton from the front and driving new initiatives, his passion for innovation and relentless pursuit of excellence make him a respected figure in the business community and industry.
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. Prasann Kumar Kedia and detail of remuneration as specified in the agreement entered into with him are as follows.**

- Salary Presently ₹ 30.00 Lakhs Per month in the scale of ₹ 30,00,000 – 50,00,000/- with the authority to the Board of Directors or Committee thereof of the company to grant such increments within the said scale as it may determine.
- Perquisites & Allowance: The perquisites and allowances shall include House Rent Allowances, Medical Allowances and Leave Travel concession / Leave Travel Assistance - Once a year for self & family as per rules of the Company.
- Insurance - Payment of Insurance Premium for Life insurance, Group Insurance, Personal Accident Insurance for such amount as may be considered appropriate by the Board.
- Club fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.
- 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

- Reimbursement of expenses incurred for travelling, boarding and lodging during business trips, expenses of telephone at residence and cell phone.

- 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.
- The Managing 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.
- No sitting fees shall be payable for attending the Board meeting or committee meeting thereto.

**Item No. 6**

The Board of Directors on the recommendation of Nomination & Remuneration Committee appointed Mr. Anshuman Kedia (DIN 07702629) as Whole Time Director of the Company with effect from 08th May, 2023 pursuant to the Section 152, 161, 196, 197 and 198 of the Companies Act, 2013 read with the rules made thereunder and Article 112 of the Articles of Association of the Company. The appointment is for a period of 5 years with effect from 08th May, 2023.

Mr. Anshuman Kedia (DIN 07702629) as an Additional Director 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. Anshuman Kedia (DIN 07702629) for the office of the

Director of the Company.

Mr. Anshuman Kedia (DIN 07702629) is not disqualified from being appointed as Director in terms of Section 164 of the Act. The profile of Mr. Anshuman Kedia (DIN 07702629) is annexed to the Notice.

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. 6 of the Notice.

The Board recommends the Special Resolution as set out at agenda Item No. 6 of the Notice for approval of the Members.

#### 1. 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. Anshuman Kedia is associated with 8+ 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	Mr. Anshuman Kedia hails from the promoter family of Associated Alcohols & Breweries Limited.  Graduated from Regent's university London, Mr. Anshuman is a young and dynamic professional spearheading the brand development and marketing activities of the company. Mr. Anshuman represents the third generation of the family leading the business, Mr. Anshuman is also actively involved in the supply chain, business commercial and procurement function of the company.
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. Anshuman Kedia and detail of remuneration as specified in the agreement entered into with him are as follows.

- Salary Presently ₹20.00 Lakhs Per month in the scale of ₹ 20,00,000 – 30,00,000/- 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.
- Perquisites & Allowance: The perquisites and allowances shall include House Rent Allowances, Medical Allowances and Leave Travel concession Leave Travel Assistance - Once a year for self & family as per rules of the Company.
- Insurance - Payment of Insurance Premium for Life insurance, Group Insurance, Personal Accident Insurance for such amount as may be considered appropriate by the Board.
- Club fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.
- 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

- Reimbursement of expenses incurred for travelling, boarding and lodging during business trips, expenses of telephone at residence and cell phone.
- 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.
- 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.
- No sitting fees shall be payable for attending the Board meeting or committee meeting thereof.

#### Item No. 7

Mrs. Sangita Kedia is the Senior Executive and Vice President ESG (Environmental Social Governance) and associated with the company from long, she belongs to the core leadership group. Being an alumni of La Martiniere, Kolkata she completed her graduation from Shikshyatan College Kolkata. The salary and other facilities being enhanced is crossing the permissible limits and is falling under the provision of office or place of profit in

terms of section 188 of the Companies Act, 2013

None of the Directors except Mr. Anshuman Kedia including their relatives is concerned or interested financially or otherwise in the said resolution

The Board recommends the Ordinary Resolution as set out at agenda Item No. 7 of the Notice for approval of the Members.

**Item No 8**

Mrs. Shweta Kedia is the Senior Executive and Vice President CSR and associated with the company from long, she belongs to the core leadership group. She completed her Bachelor of Arts from the prestigious Lady Shri Ram College, Delhi. With an aim of giving back to the society, she laid the foundation and

Place: Indore  
Date: 08th May, 2023

**Registered Office:**  
4th Floor, BPK Star Tower, A.B. Road  
Indore -452008 (MP)  
CIN: L15520MP1989PLC049380

thus spearheads a leading social charitable organization in the Indore city.

Further to her social initiatives and activities, lies the promotion of local art, craft and artists in line with vocal for local initiatives. The salary and other facilities being enhanced is crossing the permissible limits and is falling under the provision of office or place of profit in terms of section 188 of the Companies Act, 2013.

None of the Directors except Mr. Prasann Kumar Kedia including their relatives is concerned or interested financially or otherwise in the said resolution.

The Board recommends the Ordinary Resolution as set out at agenda Item No. 8 of the Notice for approval of the Members.

**By Order of the Board of Directors**

**Sumit Jaitely**  
Company Secretary  
FCS: 9194

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

Name of the Director	Tushar Bhandari	Debashis Das	Prasann Kumar Kedia	Anhsuman Kedia
DIN	03583114	08755043	00738754	07702629
Date of Appointment on the Board	05.01.2017 (Re-appointment in AGM held on 20.08.2021)	16.05.2020 (Independent Director 08.05.2023)	08.05.2023	08.05.2023
Qualifications	MBA	Graduate Engineer	Post Graduate in Management	Graduate
Experience and Expertise	Mr Tushar Bhandari has an overall 17+ years of experience with 12+ years of experience in the liquor industry Mr Tushar initiated and successfully implemented the backward integration, he is instrumental in launching company's premium brands in the row and under his guidance the company cross the 1 Million cases benchmark in Kerala in short span.	Mr. Das is graduate engineer having 42+ years of rich experience in manufacturing operation and project in spirit industry.  Mr. Das has core expertise in project management, operation strategy innovation and cost control. Mr Das is operating as independent consultant providing management and consultancy services.	Mr. Prasann Kumar Kedia is a distinguished member of the promoter family of Associated Alcohols & Breweries Limited with more than 29 years of rich experience in the industry. As a visionary leader, Mr. Kedia's strategic thinking capabilities, business acumen and professional strengths have been instrumental in driving the company's growth and strengthening its leadership position in the industry  Mr. Kedia has an in-depth knowledge of the business, industry, operations, finance accounts, compliances and law. He is particularly proficient in Business Development and Product Brand Management.	Mr. Anshuman is a young and dynamic professional spearheading the brand development and marketing activities of the company. Mr Anshuman represents the third generation of the family leading the business, Mr. Anshuman is also actively involved in the supply chain, business commercial and procurement function of the company.
No. of meetings of Board attended during the year.	10	9	NA	NA
List of Directorship/ Membership/ Chairmanship of Committees of other Board.	1	Nil	7	15
Relationship between Directors inter-se	No	No	No	No
Shareholding in AABL (Equity)	5566	Nil	956200	1889600

<p>Terms &amp; conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person.</p>	<p>As per Nomination and Remuneration Policy of the Company and terms of agreement with the Director as displayed on the company's website viz. <a href="http://www.associatedalcohols.com">www.associatedalcohols.com</a></p>	<p>As per Nomination and Remuneration Policy of the Company and terms of agreement with the Director as displayed on the company's website viz. <a href="http://www.associatedalcohols.com">www.associatedalcohols.com</a></p>	<p>As per Nomination and Remuneration Policy of the Company and terms of agreement with the Director as displayed on the company's website viz. <a href="http://www.associatedalcohols.com">www.associatedalcohols.com</a></p>	<p>As per Nomination and Remuneration Policy of the Company and terms of agreement with the Director as displayed on the company's website viz. <a href="http://www.associatedalcohols.com">www.associatedalcohols.com</a></p>
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Place: Indore  
 Date: 08th May, 2023

By Order of the Board of Directors

**Registered Office:**  
 4th Floor, BPK Star Tower, A.B. Road,  
 Indore -452008 (MP)  
 CIN: L15520MP1989PLC049380

**Sumit Jaitely**  
 Company Secretary  
 FCS: 9194

## DIRECTORS' REPORT

### Dear Members,

Your Directors have pleasure in presenting their 34th Annual Report together with the Audited Accounts and Auditor's Report of the Company for the financial year ended on 31st March, 2023.

### 1. FINANCIAL RESULTS

A summary of the company's financial result year 2022-23 is as under:

PARTICULARS	(₹ in Lakhs)	
	2022-2023	2021-2022
Revenue from Operations	70,276.88	51,422.45
EBITDA (Net of Other Income)	6,237.44	8,220.98
Less: Interest	141.93	93.18
Profit before Depreciation	6,095.51	8,127.80
Less: Depreciation	1,438.87	1,427.56
Profit / (Loss) before Tax	4,656.64	6,700.24
Provision of Tax	1,392.54	2,035.68
Net Profit/Loss	3,264.41	4,664.56

### 2. FINANCIAL PERFORMANCE

Your company has achieved record revenues of ₹703 crore, demonstrating an impressive growth rate of 37%. Notably, the company has reported high double-digit growth in volume and revenue across all its value-added product portfolios. The IMIL (Indian Made Indian Liquor) portfolio recorded revenue of ₹240 crores, with a phenomenal growth rate of 51%. The IMFL (Indian Made Foreign Liquor) proprietary brand portfolio reported revenue of ₹107 crores, experiencing an outstanding growth rate of 66%. Furthermore, the IMFL licensed brand portfolio achieved ₹198 crores in revenue, showcasing an exceptional growth rate of 83%. These remarkable numbers are a testament to the effectiveness of the business model and the company's commitment to enhancing revenues through progressive capacity expansion and utilization.

Your company reported a 7% decline in EBITDA and a 6% decline in its profit after tax in FY 23. This decline is mainly on account of an unprecedented increase in the price of Grain, Coal, and Glass bottles. The cost per tonne of grain has experienced an average increase from ₹16,700 in FY 22 to ₹19,300 in FY 23. Coal prices have also risen from ₹7,400 to ₹10,600, and glass bottle costs have climbed from ₹4.50 to ₹6.00. These fluctuations have combined impacted our EBITDA, reducing it by approximately 9%. However, the implementation of operational improvements and cost optimization measures has helped partially mitigate the effects of these price increases. Without these timely and effective measures, the erosion of our EBITDA would have been more significant.

### 3. AMALGAMATION WITH AND INTO MOUNT EVEREST BREWERIES LIMITED

With the object to create a unique alco-beverage supermarket the Board of Directors in its meeting held on 09th August, 2022 has considered and approved the scheme of Amalgamation with and into Mount Everest Breweries Limited, with the proposed merger the company will transform from B2B company to B2C company With inclusion of MEBL, a well-established company in the beer industry, the merged entity is expected to be able to better compete with the global players.

The merger of AABL with and into MEBL will enable consolidation of the business and operations of AABL into MEBL, which complement the business of AABL and which will provide substantial impetus to growth, reduce operational costs, increase operational efficiencies, manage working capital and enable optimal utilization of various resources as a result of pooling of financial, managerial and technical resources of both the companies, thereby significantly contributing to business efficiency, future growth and maximizing shareholder value.

The BSE (through SEBI) in its mail dated 01.03.2023 has sought certain clarification and to reconsider the valuation exercise, the company has submitted the fresh valuation report as approved by the Board in its meeting held on 15.04.2023, the current status of the merger is the same is pending with BSE/NSE as on the date of this report.

### 4. SHARE CAPITAL

The paid-up equity share capital of the company as at 31st March, 2023 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 ensuing 34th 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 31st March, 2023 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 31st March, 2023. The Notes No. 2, 3 & 4 to the Financial Statements adequately cover the accounting policy and form an integral part of this report.

## 7. ETHANOL PROJECT

We are thrilled to announce that our long-anticipated ethanol project is on the verge of completion, marking a major milestone for our company. After meticulous planning, dedication, and investment, we are proud to share that commercial production is expected to commence by August 2023. This venture represents a significant step towards diversifying our product portfolio and tapping into the expanding market for ethanol.

The completion of our ethanol project brings forth a multitude of opportunities. Ethanol, as a clean and renewable fuel source, is experiencing rising demand due to its environmental benefits and government mandates. By entering the ethanol market, we are not only contributing to sustainable energy solutions but also capitalizing on a lucrative sector poised for substantial growth. With our state-of-the-art production facilities and commitment to quality, we are confident in our ability to deliver a superior product that meets the stringent industry standards.

The commercial production of ethanol is a testament to our vision and commitment to innovation. This project positions us at the forefront of the industry, enabling us to seize market opportunities and enhance our competitiveness. We look forward to the imminent launch of commercial production, as it marks a significant milestone in our company's journey and sets the stage for a successful foray into the ethanol market.

## 8. CCI INVESTIGATION

The officer of the Director General, Competition Commission of India has conducted a state wide investigation on the leading distillers of the state of Madhya Pradesh. As part of this investigation, a visit was made to the corporate office premises of the company on October 27, 2021.

During the investigation, the company officials extended their full cooperation and furnished all the necessary explanations and information requested by the CCI. The company has provided all the information as require by CCI from time to time.

However, it is mentioned that the company has not heard from the CCI following the submission of the requested information. The company remains prepared to provide any additional information or explanations as and when required by the CCI.

## 9. 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, for the year ended the 31st March, 2023, the applicable accounting standards read with the requirements set out under schedule III of the Act, have been followed and there is no material departure form the same 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, 2023 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.

## 10. 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, Corporate Social Responsibility Committee and Risk Management Committee.

Mr. Tushar Bhandari (DIN: 03583114) and Mr. Sanjay Kumar Tibrewal (DIN 00737877) are the Whole Time Directors 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. Tushar Bhandari, (DIN: 03583114) 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. Tushar Bhandari, has been given in the Notice convening this AGM.

#### **Change in Designation of Director**

The Designation of Mr. Debashis Das (DIN: 08755043) has been changed as Non-executive Independent Director from Non-executive Non-Independent by the Board of Directors w.e.f. 08th May, 2023 subject to the confirmation of members/ shareholder at the ensuing Annual General Meeting.

### **11. KEY MANAGERIAL PERSONNEL**

During the period under review following are the Key Managerial Personnel of the company as on 31st March, 2023:

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

#### **Note:**

Mr. Prasann Kumar Kedia has been appointed as an Additional Director w.e.f. 08th May, 2023 to be termed as Managing Director of the company after confirmation

of members/shareholder at the ensuing Annual General Meeting.

Mr. Anshuman Kedia has been appointed as an Additional Director w.e.f. 08th May, 2023 to be termed as Whole Time Director of the company after confirmation of members/ shareholder at the ensuing Annual General Meeting.

Mr. Sanjay Kumar Tibrewal has been appointed as Chief Financial Officer designated as Whole Time Director & CFO w.e.f. 25.05.2022 who has resigned from the post of Chief Financial Officer w.e.f. 12th November, 2022 and he resigned from the post of Whole Time Director w.e.f. 08th May, 2023 as well.

Mr. Ankit Agrawal has been appointed as Chief Financial Officer w.e.f. 12th November, 2022.

### **12. MEETING**

During the year Seven (10) Board, Six (6) Audit Committee, Three (3) Stakeholders Relationship committee, Two (2) Nomination & Remuneration Committee, Three (3) CSR Committee Meetings and Three (3) Risk Management Committee Meetings were convened and held.

### **13. 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.

### **14. 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".

### **15. 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 Certificate thereon are included as part of the Annual Report.

### **16. 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.

## 17. 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.

## 18. AUDITORS

M/s Singhi & Co., Chartered Accountants, Kolkata FRN (302049E) were re-appointed as Statutory Auditors of your company at the 33rd Annual General Meeting held on 05th August, 2022, for the second term of 5 (five) consecutive years to hold office till the conclusion of 38th Annual General Meeting of the Company to be held in the year 2027.

The Statutory Auditors have confirmed their eligibility and submitted the certificate in writing that they are not disqualified to hold the office of the Statutory Auditor.

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.

## 19. SECRETARIAL / COST 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 2022-23. The Secretarial Audit report for the Financial Year ended 31st March, 2023 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 2023-24.

### Cost Audit

The Company is not covered by the requirement of maintenance of cost records, as specified under subsection (1) of section 148 of the Companies Act, 2013.

## 20. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2023 is available on the Company's website on <https://associatedalcohols.com/investor-contact/>.

## 21. 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 D" and forms part of this report.

## 22. 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 No 61 to the financial statements.

## 23. 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.

## 24. 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.



## 25. 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.

## 26. 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.

## 27. 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.

## 28. TRANSFERS TO THE INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF" or "Fund") established by the Central Government, after completion of seven years from the date the dividend is transferred to unpaid/unclaimed account. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

The Company had advertised a notice in the newspapers seeking action from the Members who have not claimed their dividends for seven consecutive years or more. Thereafter, the Company has transferred such unpaid or unclaimed dividends and corresponding shares to IEPF, in relation to FY 2014-15.

Members/claimants whose shares or unclaimed dividend, have been transferred to the IEPF demat Account or the Fund, as the case may be, may claim the shares or apply

for a refund by approaching the company or the Company/ RTA for issue of Entitlement Letter along with all the required documents, before making an application to the IEPF Authority in Form IEPF – 5 (available on <http://www.iepf.gov.in>) along with requisite fee as decided by the IEPF Authority from time to time.

The Company will be transferring such unpaid or unclaimed dividends and corresponding shares to IEPF, in relation to FY 2015-16 within statutory timelines. Members are requested to ensure that they claim the dividends and shares referred above, before they are transferred to the said Fund.

## 29. MATERIAL CHANGES OCCURRED AFTER END OF FINANCIAL YEAR

No material changes and commitments which could affect your company's financial position have occurred between the end of the financial year of your company and date of this report.

## 30. WEB-LINK FOR DIVIDEND DISTRIBUTION POLICY

The Board of Directors of the Company has approved and adopted the Dividend Distribution Policy in line with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Report and is also uploaded on the website of the Company at is available on the Company's website on <https://associatedalcohols.com/policies/>.

## 31. DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Particulars	FY 2022-23	FY 2021-22
Debtor Turn Over Cycle	9 Days	16 Days
Inventory Turnover Cycle	43 Days	46 Days
Interest Coverage Ratio	50	103
Current Ratio	2.48	2.44
Debt Equity Ratio	0.21	0.01
Operating Profit Margin	10%	19%
Net Profit Margin	6%	12%
Return on Equity	15%	19%

## 32. 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**  
Whole Time Director  
DIN: 03583114

Place: Indore  
Date: 08th May, 2023

**Nitin Tibrewal**  
Independent Director  
DIN: 01892892

Annexure A

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

- I. Ratio of the remuneration of each executive Director to the median remuneration of the Employees of the company for the financial year 2022-23, the percentage increase in remuneration of Whole Time Directors, Chief Financial Officer and Company Secretary during the financial year 2022-23.

Sr. No.	Name of Director/KMP	Designation	Ratio of remuneration	% Increase in Remuneration in the Financial Year 2022-23
1	Mr. Tushar Bhandari	Whole Time Director	26x	10%
2	Mr. Sanjay Kumar Tibrewal	Whole Time Director	28x	44%
3	Mr. Ankit Agrawal*	Chief Financial Officer	-	NA
4	Mr. Sumit Jaitely	Company Secretary	10x	17%

\*Mr. Ankit Agrawal has been appointed as Chief Financial Officer of the Company w.e.f. 12th November, 2022.

- II. There were 534 permanent employees on the roll of the company as on 31st March, 2023.
- III. Median Remuneration of the employee of the Company during the financial year was ₹ 1.81 Lakh per annum.
- IV. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2022-23 was 10%.
- 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-E".
- 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 2022-23.**

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

Mr. Vedant Kedia

**Details**

- A. Mr. Anand Kumar Kedia, Age 58 years, Qualification Post Graduate in Commerce, Cadre Top Management – Business Promotion & Development, Joining Date 01/04/1990, Experience 33 years, Remuneration ₹ 359.78 Lakhs, Promoter Group.
- B. Mr. Prasann Kumar Kedia, Age 51 years, Qualification MBA, Cadre Top Management – Operation & Business Development, Joining Date 01/04/1994, Experience 29 years, Remuneration ₹ 359.78 Lakhs, Promoter Group.
- C. Mr. Anshuman Kedia, Age 30 years, Qualification Graduate, Cadre Senior Executive Joining Date 01/11/2015, Experience 8 years, Remuneration ₹ 83.78 Lakhs, Promoter Group.
- D. Mr. Vedant Kedia, Age 25 years, Qualification Graduate, Cadre Senior Executive Joining Date 01/04/2019, Experience 4 years, Remuneration ₹ 83.78 Lakhs, Promoter Group.

**FOR AND ON BEHALF OF THE BOARD**

**Tushar Bhandari**

Whole Time Director

DIN: 03583114

Date: 08th May, 2023

Place: Indore

**Nitin Tibrewal**

Independent Director

DIN: 01892892

Annexure B

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. CSR Policy & Philosophy

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

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

Our passion in these activities make us more responsible year after year. As a responsible corporate citizen, we try to contribute for possible social, educational and environmental causes on a regular basis. We firmly believe that to succeed,

an organization must maintain highest standards of corporate behavior towards its investors, stakeholders, employees and societies in which it operates.

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

### 2. CSR Vision

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

### 3. Constitution of CSR Committee

In terms of section 135 of the Companies Act, 2013 and the Rules made thereunder, Board of Directors of the Company 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: ₹ 77,25,49,431/-

a. Total Amount Spent for the Financial Year: ₹ 1,60,58,089/- (1,40,00,000 +last year spent 20,58,089)

5. Prescribed CSR Expenditure (Two percent of amount as in item no. 4 above): ₹ 1,54,50,989/-

b. Amount Unspent if any: NA

6. Detail of CSR spends for the financial year:

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

Name of CSR Project	Implemented through	Amount Sanctioned	Amount Disbursed	Amount Utilised	Unspent Amount if Any
Multi Speciality Hospital at Barwaha	Babu Bhagwati Prasad Kedia Foundation	1,40,00,000/-	1,40,00,000/-	*	*

\* The aforementioned project is an ongoing project under the provisions of CSR as of 31st March, 2023, the allocated CSR funds are currently held by the trust. The trust is actively engaged in preparing a detailed project and comprehensive plan and conducting a feasibility study for the proposed project to ensure the viability and sucesess.

7. Reason for amount unspent: NA

### FOR AND ON BEHALF OF THE BOARD

**Tushar Bhandari**  
Whole Time Director  
DIN: 03583114

**Nitin Tibrewal**  
Independent Director  
DIN: 01892892

Place: Indore  
Date: 08th May, 2023

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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, 2023** 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, 2023** 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;
  - b. M.P. Foreign Liquor Rules, 1996;
  - c. Madhya Pradesh County Spirit Rules, 1995;
  - d. Madhya Pradesh Distillery Rules, 1995

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

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

### We further report that:

The Board of Directors of the Company is **duly constituted with proper balance of Executive Director, Non-Executive Directors, Independent Directors and Woman Director**. 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. Sanjay Kumar Tibrewal as Chief Financial Officer (CFO) of the Company on and from 25th May, 2022. Further, during the period under review re-appointment of Mr. Tushar Bhandari, Whole Time Director has been confirmed in the 33rd Annual General Meeting of the Company held on 05th August, 2022. We further report that, during the period under review, Mr. Sanjay Kumar Tibrewal who was appointed as Chief Financial Officer w.e.f. 25th May, 2022, resigned from his position on 12th November, 2022 and his resignation has been duly noted by the Board. Further,

Mr. Ankit Agrawal was appointed as Chief Financial Officer (CFO) of the Company on and from 12th November, 2022.

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, the Board of Directors have approved the the Scheme of Amalgamation

of Associated Alcohols & Breweries Limited ("Transferor Company" or "AABL" or "the Company") with and into Mount Everest Breweries Limited ("Transferee Company" or "MEBL"). The same is under consideration and pending for approval from Securities Exchange Board of India ("SEBI").

**Place: Kolkata**  
**Date: 08.05.2023**

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

**Arun Kr. Khandelia**  
**Partner**  
**FCS: 3829**  
**C.P. No.: 2270**  
**UDIN: F003829E000268161**

## SECRETARIAL COMPLIANCE REPORT Of Associated Alcohols & Breweries Limited for the Financial Year Ended 31st March, 2023

[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 Associated Alcohols & Breweries Limited ("the listed entity"),
  - b. the filings/ submissions made by the listed entity to the stock exchanges,
  - c. website of the listed entity,
  - d. any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2023 ("Review Period") in respect of compliance with the provisions of:
    - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
    - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");
- The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, 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 (Buyback of Securities) Regulations, 2018; **Not Applicable for the period under review**
  - (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable for the period under review**
  - (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable for the period under review**
  - (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable for the period under review**
  - (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 along with the circulars and guidelines issued there under;
  - (i) 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

I hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations /Remarks by PCS
1.	<b>Secretarial Standards:</b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	
2.	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"> <li>• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>• All the policies are in conformity with SEBI Regulations and have been reviewed &amp; updated on time, as per the regulations/circulars/ guidelines issued by SEBI</li> </ul>	Yes	



Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations /Remarks by PCS
3.	<b>Maintenance and disclosures on Website:</b> <ul style="list-style-type: none"> <li>• The Listed entity is maintaining a functional website</li> <li>• Timely dissemination of the documents/ information under a separate section on the website</li> <li>• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website</li> </ul>	Yes	
4.	<b>Disqualification of Director:</b> None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	None of the Director(s) of the Company is/ are disqualified under Section 164
5.	<b>Details related to Subsidiaries of listed entities have been examined w.r.t.:</b> <ol style="list-style-type: none"> <li>a. Identification of material subsidiary companies</li> <li>b. Disclosure requirement of material as well as other subsidiaries</li> </ol>	N.A.	
6.	<b>Preservation of Documents:</b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	
7.	<b>Performance Evaluation:</b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	
8.	<b>Related Party Transactions:</b> <ol style="list-style-type: none"> <li>a. The listed entity has obtained prior approval of Audit Committee for all related party transactions; or</li> <li>b. The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.</li> </ol>	Yes	
9.	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10.	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	
11.	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein.	N.A.	
12.	<b>Additional Non-compliances, if any:</b> No additional non-compliance observed for any SEBI regulation/circular/ guidance note etc.	No	No additional non-compliance was observed for SEBI regulation/circular/ guidance note during the year under review.

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations /Remarks by PCS
<b>1. Compliances with the following conditions while appointing/re-appointing an auditor</b>			
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	N.A.	Not Applicable during the period under review
<b>2. Other conditions relating to resignation of statutory auditor</b>			
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee: <ul style="list-style-type: none"> <li>a. In case of any concern with the management of the listed entity/ material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</li> <li>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.</li> <li>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</li> </ul> ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	N.A.	Not Applicable during the period under review
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure – A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019.	N.A.	Not Applicable during the period under review

The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
-	-	-	-	-	-	-	-	-	-	-

(a) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
-	-	-	-	-	-	-	-	-	-	-

Place: Kolkata

Date: 08.05.2023

For K. Arun & Co  
Company Secretaries

Arun Kr. Khandelia  
Partner  
FCS: 3829  
C.P. No.: 2270  
UDIN: F003829E000268161

## Annexure D

## 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

Particular	₹ in Lakh	
	2022-23	2021-22
Purchase of Stores & Spares/Import of Machinery	47.14	86.04
Foreign Travelling Expenses	49.84	10.34
Expenditure in foreign currency/Professional Development Expenses	Nil	Nil
Earning from Export/Sale of Spirit and IMFL	99.91	15.83

FOR AND ON BEHALF OF THE BOARD

**Tushar Bhandari**  
Whole Time Director  
DIN: 03583114

**Nitin Tibrewal**  
Independent Director  
DIN: 01892892

Place: Indore  
Date: 08th May, 2023

Annexure E

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,

S r . No	Name	Designation	Remuneration ₹ in Lakh	Qualification	Date of Joining Company	Age	Last Employed
1	Anand Kumar Kedia	Head-Business Promotion & development	359.78	Post Graduate 33 Years of vast Experience	01/04/1990	58	NA
2	Prasann Kumar Kedia	Head Operations & Development	359.78	MBA 29 Years of vast Experience	01/04/1994	51	NA
3	HK Bhandari	Plant Head	89.69	B.E.	01/10/2020 (Re-appointment)	74	NA
4	Anshuman Kedia	Senior Executive	83.78	Graduate	01/11/2015	30	NA
5	Vedant Kedia	Senior Executive	83.78	B. Sc Chemical Engineering	01/04/2019	25	NA
6	Sanjay Kumar Tibrewal	Whole Time Director	50.14	Graduate	01/04/1994	49	NA
7	Tushar Bhandari	Whole Time Director	46.60	MBA	01/11/2014	42	Kotak Mahindra Bank
8	Sandeep Kumar Mahendra	Head Production	37.99	Post Graduate	01/12/2005	53	Karan Distilleries Pvt Ltd
9	Sangita Kedia	Senior Executive	35.78	Graduate	01/11/2015	59	NA
10	Shweta Kedia	Senior Executive	35.78	Graduate	01/11/2015	51	NA

FOR AND ON BEHALF OF THE BOARD

**Tushar Bhandari**  
Whole Time Director  
DIN: 03583114

**Nitin Tibrewal**  
Independent Director  
DIN: 01892892

Place: Indore  
Date: 08th May, 2023

## 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 (AC), Nomination & Remuneration Committee (NRC), Corporate Social Responsibility (CSR) Committee, Stakeholder Relationship Committee (SHRC) and Risk Management Committee (RMC) 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 2022-23, 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, 2023 are as under:

Name of Director	Category	Number of Directorship held in the other Public Listed Companies	No. of Committee position held in other Listed Public Companies	
			Chairman	Member
Mr. Tushar Bhandari	WTD & Executive Director	Nil	Nil	Nil
Mr. Sanjay Kumar Tibrewal	WTD & Executive Director	Nil	Nil	Nil
Mr. Nitin Tibrewal	Non-executive & Independent Director	Nil	Nil	Nil
Ms. Homai Ardeshir Daruwalla	Non-executive & Independent Director	4	4	7
Mr. Debashis Das	Non-executive & Non Independent Director	Nil	Nil	Nil
Ms. Apurva Pradeep Joshi	Non-executive & Independent Director	3	1	4

**Name of the other Listed Entities where the person is a Director & category of Directorship:**

Name of the Directors	Name of the other Listed Entities in which person is a Director/holds Directorship	Category
Ms. Homai Ardeshir Daruwalla	AJR Infra And Tolling Limited	Non-executive & Independent Director
	Triveni Turbine Limited	Non-executive & Independent Director
	Triveni Engineering And Industries Limited	Non-executive & Independent Director
	Rolta India Limited	Non-executive & Independent Director
Ms. Apurva Pradeep Joshi	Quick Heal Technologies Limited	Non-executive & Independent Director
	Precision Camshafts Ltd	Non-executive & Independent Director
	Fidel Softech Limited	Non-executive & Independent Director

**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 2022-23 the Board of Directors met 10 (Ten) times on 03rd May, 2022 25th May, 2022, 29th June, 2022, 08th August, 2022, 08th August, 2022, 09th August, 2022, 12th November, 2022, 02nd January, 2023, 13th February, 2023 and 28th March, 2023.

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	10	10	Yes
Mr. Nitin Tibrewal	10	10	Yes
Mr. Sanjay Kumar Tibrewal	10	09	Yes
Ms. Homai Ardeshir Daruwalla	10	09	No
Mr. Debashis Das	10	09	Yes
Ms. Apurva Pradeep Joshi	10	09	Yes

**D. Separate Meeting of Independent Directors:**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, two separate meetings of the Independent Directors of the Company were held on 09th August, 2022 for consideration of scheme of amalgamation/merger with and into Mount Everest Breweries Limited and on 28th March, 2023 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
Ms. Homai Ardeshir Daruwalla	Nil
Mr. Debashis Das	Nil
Ms. Apurva Pradeep Joshi	Nil

#### 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 <https://associatedalcohols.com/policies/> 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 following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

1. Knowledge on Company's businesses (Liquor), policies and business culture major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
2. Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company,
3. Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,
4. Financial and Management skills,
5. Technical / Professional skills and specialized knowledge in relation to Company's business.

#### Matrix Setting out Skills / Expertise / Competencies of the Board Directors:

Skills / Expertise /	Mr. Tushar Bhandari Whole Time Director	Mr. Sanjay Kumar Tibrewal Whole Time Director	Mr. Nitin Tibrewal Independent Director	Ms. Homai Ardeshir Daruwalla Independent Director	Mr. Debashis Das Non Executive Director	Ms. Apurva Pradeep Joshi Independent Director
Knowledge about Company's product						
Behavioral skills						
Business Strategy						
Sales & Marketing						
Corporate Governance						
Forex Management						
Financial Skills						
Management skills						
Technical skills						
Professional skills						
Specialized knowledge in relation to Company's business						



## 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;
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. Approval of the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidates.
15. To review the system for storage, retrieval, display or printout of the electronic records, if the Books of Accounts are kept in electronic mode;
16. 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;
17. To perform such other functions as may be delegated by the Board and/or mandated by any regulatory provisions from time to time.
18. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

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, 2023 comprises of the following Directors of the Company. The Committee met 6 (Six) times during the year under

review. The said meetings were held on 25th May, 2022, 29th June, 2022, 08th August, 2022, 09th August, 2022, 12th November, 2022 and 13th February, 2023.

Name	Designation	No. of meeting attended
Mr. Nitin Tibrewal	Chairman	6
Mr. Tushar Bhandari	Member	6
Ms. Homai Ardeshir Daruwalla	Member	6
Ms. Apurva Pradeep Joshi	Member	6

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, 2023 comprises of the following Directors of the Company. The Committee met 2 (Two) time during the year under review. The said meetings were held on 25th May, 2022 and 12th November, 2022.

Name of Directors	Designation	No. of meeting attended
Mr. Nitin Tibrewal	Chairman	2
Ms. Homai Ardeshir Daruwalla	Member	2
Mr. Debashis Das	Member	2

##### (c) Performance Evaluation for Independent Directors:

Pursuant to the Provisions of the Companies Act, 2013 and as stipulated under regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board of Directors adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors. A structured evaluation process covering various aspects of the Boards functioning such as Composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc.

##### (d) Remuneration Policy:

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

##### Details of Remuneration to Executive Directors:

The terms of remuneration of Mr. Tushar Bhandari & Mr. Sanjay Kumar Tibrewal Whole Time Directors were approved by the Board of Director and approved by shareholders in the 32nd Annual General Meeting of the company.

During the financial year 2022-23, the particulars of remuneration paid to Whole-time Directors are as under:

Name of the Director	Salary (₹ in Lakh)	Perquisites	Commission	Stock option Details	Period of Contract
Mr. Tushar Bhandari	46.60	-	-	-	5 years from 05.01.2022
Mr. Sanjay Kumar Tibrewal	50.14	-	-	-	5 years from 13.04.2021

Services of the Whole-time Directors may be terminated by either party, giving the other party three months' notice. There is no separate provision for payment of severance pay.

#### Details of Remuneration/ Sitting fee to Non-Executive Directors:

The details of sitting fee paid to each of the other Non-Executive/Independent Directors during the year 2022-23 ended on 31st March, 2023 are given below:

Name	Sitting Fee	Other Payment	Total
Mr. Nitin Tibrewal	6.50	-	6.50
Ms. Homai Ardeshir Daruwalla	5.00	-	5.00
Mr. Debashis Das	4.25	-	4.25
Ms. Apurva Pradeep Joshi	4.25	-	4.25

During the year, there were no other pecuniary relationships or transactions of Non-Executive Directors with the Company except above mentioned sitting fee.

#### Directors' & Officers' Liability Insurance:

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has in place a Directors and Officers Liability Insurance policy.

### 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 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/transmission 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:-

- 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.

- Review of measures taken for effective exercise of voting rights by the shareholders.
- Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 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, 2023 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 25th May, 2022, 12th November, 2022, and 13th February, 2023.

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

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

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

**d) Share holder Compliant Status during the financial year 2022-23:**

No. of Shareholder Compliant received	No. of Complaint resolved	No. of Compliant Pending.
62	62	0

**6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

**a) Terms of reference**

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 Brief terms of reference of the Committee inter alia include the following:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;
- To recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- To monitor the Corporate Social Responsibility Policy of the company from time to time.

The CSR Committee of the Company as on 31st March, 2023 comprises of the following Directors. The Committee met 3 (Three) times during the year under review. The said meetings were held on 12th November, 2022, 13th February, 2023 and 28th March, 2023.

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

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

**7. RISK MANAGEMENT COMMITTEE:**

**a) Terms of reference**

Risk Management Committee (RMC) has been constituted by the Board of Directors of the Company pursuant to Regulation 21(5) of SEBI (LODR) Regulations, 2015 and the Committee has to discuss its roles and responsibilities pursuant to provisions of

the said regulation read with PART -D of Schedule II thereof, given as under.

The role of the committee shall, inter alia, include the following:

- To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectorial, sustainability (particularly, ESG related risks) information, cyber security risks or any other risk as may be determined by the Committee.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

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

The Risk Management Committee (RMC) of the Company as on 31st March, 2023 comprises of the following Directors. The Committee met 3 (Three) time during the year under review. The said meetings were held on 17th June, 2022, 12th December, 2022 and 13th February, 2023.

Sr. No.	Name of Directors	Category	Total Meetings held during the year	Nos. of Meetings attended
1.	Mr. Tushar Bhandari	Chairman	3	3
2.	Mr. Sanjay Kumar Tibrewal	Member	3	3
3.	Ms. Homai Ardeshir Daruwalla	Member	3	1
4.	Mr. Prasann Kumar Kedia	Member	3	1

## 8. WHOLE TIME DIRECTOR/CFO CERTIFICATION:

The Whole Time Director (WTD/CFO) 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.

## 9. INFORMATION ON GENERAL BODY MEETINGS:

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

AGM No.	Place	Date	Time	Special Resolution	Special Resolution through Postal Ballot
33rd	4th Floor, "BPK Star Tower" A.B. Road Indore – 452008 through Video Conferencing (VC)/ Other Visual Means (OAVM)	05.08.2022	02:00PM	Yes(1)	No
32nd	4th Floor, "BPK Star Tower" A.B. Road Indore – 452008 through Video Conferencing (VC)/ Other Visual Means (OAVM)	20.08.2021	01:00PM	No	No
31st	4th Floor, "BPK Star Tower" A.B. Road Indore – 452008 through Video Conferencing (VC)/ Other Visual Means (OAVM)	05.09.2020	02:00 PM	No	No

## 10. MEANS OF COMMUNICATION:

### 1. Financial Results:

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](http://www.associatedalcohols.com) and also uploaded on the website of the BSE Ltd and NSE.

Quarterly Results	Newspapers Publication	Displayed at Website
31.03.2023	Financial Express & Naidunia	<a href="http://www.associatedalcohols.com">www.associatedalcohols.com</a>
31.12.2022	Financial Express & Naidunia	<a href="http://www.associatedalcohols.com">www.associatedalcohols.com</a>
30.09.2022	Financial Express & Naidunia	<a href="http://www.associatedalcohols.com">www.associatedalcohols.com</a>
30.06.2022	Financial Express & Naidunia	<a href="http://www.associatedalcohols.com">www.associatedalcohols.com</a>

### 2. Presentations to institutional investors / analysts:

Detailed presentations are made to institutional investors and financial analysts on the Company's quarterly, half-yearly as well as annual financial results and are sent to the Stock Exchanges. These presentations, video recordings and transcript of the meetings are available on the website of the Company. No unpublished price sensitive information is discussed in the meetings with institutional investors and financial analysts.

### 3. Website:

The Company's website ([www.associatedalcohols.com](http://www.associatedalcohols.com)) contains a separate dedicated section 'Investor Relations' where shareholders information is available.

### 4. Letters / e-mails / SMS to Investors:

In accordance with the SEBI Circular Nos. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/655 dated November 03, 2021 & SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021, and Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37 dated March 16, 2023 the Company has sent letters to all holders of physical securities of the Company intimating them the requirement to furnish valid PAN, KYC details and Nomination details. Further, where the mobile numbers of the concerned shareholders / allottees were available, the Company has also sent SMS to them to update their e-mail address:

## 11. GENERAL SHAREHOLDER INFORMATION:

### a. Annual General Meeting

Date : 02nd August, 2023  
 Venue : 04th Floor, BPK Star Tower, Indore - 452008,  
 Time : 01:30 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 2023-24 from 01st April, 2023 to 31st March, 2024

The tentative due dates for declaration of quarterly results

Unaudited Financial Results for the 1st Quarter ended 30th June, 2023	Within 45 days
Unaudited Financial Results for the 2nd Quarter ended 30th September, 2023	Within 45 days
Unaudited Financial Results for the 3rd Quarter ended 31st December, 2023	Within 45 days
Audited Financial Results for the 4th Quarter ended 31st March, 2024	Within 60 days

### d. Book Closure Date:

27th July, 2023 to 02nd August, 2023

### e. Listing in Stock Exchanges:

BSE Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
Scrip Code : 507526	Scrip Symbol : ASALCBR
ISIN : INE073G01010	ISIN : INE073G01010

f. **Annual Listing Fee:** Annual listing fee for the year 2023-24 to the Stock Exchanges i.e. BSE Limited & National Stock Exchange of India Limited has been

paid.

g. **Custodial Fees to Depositories:** Fee for the year 2023-24 to NSDL and CDSL has been paid.

h. **Market Price Data:** High & Low of each month in the Financial Year- 2022-23

Months	BSE		NSE	
	High	Low	High	Low
April 2022	524.75	461.40	524.20	499.45
May 2022	513.00	380.05	437.95	426.35
June 2022	475.00	408.70	451.55	445.00
July 2022	451.10	422.30	440.00	432.90
August 2022	471.90	425.00	459.80	449.30
September 2022	528.80	408.00	528.80	515.00
October 2022	528.00	461.75	468.75	461.70
November 2022	485.30	427.05	441.95	430.00
December 2022	462.45	399.95	432.90	424.20
January 2023	433.55	383.95	405.00	392.05
February 2023	449.95	350.55	362.20	351.15
March 2023	378.35	311.40	334.95	319.90

### i. Registrar & Transfer Agents:

Ankit Consultancy Private Ltd. 60, Electronics Complex, Pardeshipura, Indore (M.P.) – 452010, Phone No. 0731- 4281333/4065797/799 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. The board has delegated the authority for approval of transfer, transmission etc. to Stakeholder Relationship Committee. The Company has entered into agreement with CDSL and NSDL to facilitate holding of shares of the Company in dematerialized form. Members may please note that SEBI vide Notification No. SEBI/LAD-NRO/GN/2022/66 dated 24th January, 2022 the transfer shall not be processed unless the securities are held in dematerialised form and that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialized form.

**k. Distribution of Shareholding as on 31st March, 2023:**

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	34711	79.30	10976360	6.07
1001 to 2000	4774	10.91	8034850	4.44
2001 to 3000	1280	2.92	3295710	1.82
3001 to 4000	733	1.67	2718970	1.50
4001 to 5000	564	1.29	2693180	1.49
5001 to 10000	904	2.07	6943210	3.84
10001 to 20000	437	1.00	6581900	3.64
20001 to 30000	126	0.29	3199900	1.77
30001 to 40000	61	0.14	2166740	1.20
40001 to 50000	40	0.09	1879270	1.04
50001 to 100000	66	0.15	4726250	2.61
100000 above	77	0.18	127575660	70.56
<b>Total</b>	<b>43773</b>	<b>100.00</b>	<b>180792000</b>	<b>100.00</b>

**l. Categories of Equity Shareholders as on 31st March, 2023:**

Sr. No	Particulars	No. of Shares	% to the total Paid up Share Capital
1	Promoters/ Promoter Group	10566440	58.45
2	Mutual Funds/ UTI, Fls, Banks	1200	0.01
3	Bodies Corporate	646973	3.58
4	Foreign Portfolio Investors	104471	0.58
5	Indian Public	5872867	32.48
6	NRIs/ OCBs	376797	2.08
7	IEPF Authority (MCA)	198177	1.10
8	Any other (clearing member, HUF, Trust, Directors & Relatives, KMP)	312275	1.72
	<b>Total</b>	<b>18079200</b>	<b>100.00</b>

**m. Dematerialization of shares and liquidity:**

96.71 % of the Company's share capital is held in dematerialized form as on 31st March, 2023 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 ASALCBR.

**n. Plant Location:**

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

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

Contract manufacturing unit: Trichur and Calicut Kerala.

**o. Registered Office and Correspondence address:**

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

**12. OTHER 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 2022-23 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 No 3 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.

**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 Annual Secretarial Compliance Report (ASCR) 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. Where the Board had not accepted any recommendation of any committee of the board which is mandatorily required, in the financial year.**

Your Board affirms that, there are no such instances where the Board has not accepted any recommendation of any committee of the Board during the financial year.

- g.** The total fees for all services paid by the company to M/s Singhi & Co. Statutory Auditor of the company is ₹24.25/- Lakhs.
- h.** Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 Number of Complaints Filed/Disposed/Pending – Nil.
- i.** 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](http://www.associatedalcohols.com).
- j.** Web link where, policy for determining material subsidiaries, policy on dealing with related party transactions, is disclosed: <https://associatedalcohols.com/policies/>
- k.** Web link under Regulation 27(2) of read with ASCR pursuant to Regulation 24(A) of SEBI (LODR) Regulations, 2015 is disclosed: <https://associatedalcohols.com/corporate-governance/>
- l.** 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.
- m.** 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.

- n.** A quarterly reconciliation of Share Capital as required by Securities and Exchange Board of India (SEBI) is being carried out by Independent Professional.
- o.** The Company has complied with the requirement specified in Regulations 17 to 27, clauses (b) to (i) and (f) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.
- p. Compliance under non-mandatory/discretionary requirements as specified in Part E of Schedule II of the SEBI (LODR) regulations 2015:**

The Company complied with all mandatory requirements and has adopted non-mandatory requirement as per details given below:

**i. The Board:**

The Company does not have Non-Executive Chairman.

**ii. Shareholder's Rights:**

The quarterly and half yearly results are published in the newspaper, displayed on the website of the Company and are sent to the Stock Exchanges where the shares of the Company are listed. The half-yearly results are not separately circulated to the shareholders.

**iii. Audit Qualification:**

The auditors have not qualified the financial statement of the Company. The Company continues to adopt best practices in order to ensure unqualified financial statements.

**iv. Separate post of Chairperson and the Managing Director or the Chief Executive Officer:**

The Company does not have Separate post of Chairperson and the Managing Director or the Chief Executive Officer.

**v. Reporting of Internal Auditor:**

The Internal Auditors of the Company report to the Audit Committee.

**vi. Disclosures with respect to demat suspense account/ Unclaimed Suspense Account:**

There is no equity shares lying in the demat suspense account/ Unclaimed Suspense Account during the year under review.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Tushar Bhandari**

Whole Time Director  
DIN: 03583114

Place: Indore

Date: 08th May, 2023

**NitinTibrewal**

Independent Director  
DIN: 01892892



## CERTIFICATION

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

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

Dear Sirs,

We have reviewed the financial statements and the cash flow statement for the quarter and year ended 31st March, 2023 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 violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting, and that have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware after and steps taken or propose to be taken for rectifying these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
  - (iii) There have been no instances of significant 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**  
Whole Time Director  
DIN: 03583114

**Ankit Agrawal**  
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**  
Whole Time Director  
DIN: 03583114

**Ankit Agrawal**  
Chief Financial Officer

Place: Indore  
Date: 08th May, 2023

## 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, 2023 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.	Sanjay Kumar Tibrewal	00737877	13/04/2021
3.	Nitin Tibrewal	01892892	28/01/2011
4.	Homai Ardeshir Daruwalla	00365880	16/05/2020
5.	Apurva Pradeep Joshi	06608172	12/09/2020
6.	Debashis Das	08755043	16/05/2020

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.

For K. Arun & Co.  
 Company Secretaries

Arun Kumar Khandelia  
 Partner  
 FCS: 3829  
 C.P. No.: 2270  
 UDIN: F003829E000268214

Place: Kolkata  
 Date: 08th May, 2023

## 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, 2023 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 31st March, 2023.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### Restriction on use

10. 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. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

(Jogesh Kumar Madhogaria)  
Partner  
Membership No. 301959  
UDIN No. 23301959BGZBWF4456

Place: Indore  
Dated: 08th May, 2023

# Financial Statements

# 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 31st March, 2023, 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 31st March, 2023, 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 31st March, 2023. 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><b>Inventory verification and existence</b></p> <p>The company deals with various types of bulk material &amp; Finished goods such as Spirit, Liquor, Grains, etc. The company has inventory of Finished Goods &amp; Raw materials at various locations amounting to ₹ 6,054.20 Lakhs as at 31st March, 2023 as detailed in Notes 13 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"> <li>➤ Obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to inventory valuation and existence.</li> <li>➤ 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 after the year end and we have applied the roll backward procedure as an alternative procedure and thus assessed the adequacy of controls over the existence of inventories.</li> <li>➤ Obtained statutory certificates confirming the stock lying at various locations.</li> <li>➤ 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.</li> <li>➤ Evaluated management judgment with regards to the application of provisions for obsolescence to the inventories.</li> </ul>



Key audit matters	How our audit addressed the key audit matter
<p><b>Disclosure of Contingency, litigation &amp; Taxation</b></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. 46.1} 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"> <li>➤ 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;</li> <li>➤ 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;</li> <li>➤ Discussed the status of significant known actual and potential litigations with the management &amp; noted that information placed before the board for such cases and</li> <li>➤ Assessment of the management’s assumptions and estimates related to the recognized provisions for disputes and disclosures of contingent liabilities in the financial statements.</li> </ul>

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

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company’s Annual Report but does not include the financial statements and our auditor’s 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditors’ Responsibility for the Audit of the 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 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 Financial Statements, including the disclosures, and whether the 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("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.
2. 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 with reference to financial statements 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 with reference to financial statements;

- 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 remuneration paid / provided by the company to its directors for the year ended 31st March, 2023 is in accordance with the provisions of section 197 of the Act read with Schedule V of 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 46 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.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 65 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed

in Note 65 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The dividend proposed in the previous financial year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

As stated in Note 62 to the financial statements, the Board of Directors of the Company has proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

**For Singhi & Co.**

Chartered Accountants  
Firm Registration No.302049E

**(Jogesh Kumar Madhogaria)**

Partner

Membership No. 301959

UDIN: 23301959BGZBWE2974

Place: Indore

Dated: 8th May, 2023



## 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 31st March, 2023)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. a. A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- B. The Company has maintained proper records showing full particulars of Intangible assets.
- b. The Company has a program of physical verification of its property, plant and equipment in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. Pursuant to the program, certain property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company at the balance sheet date.
- d. According to the information and explanations given to us, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) and Intangible assets during the year.
- e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. a. 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. 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. In our opinion, the frequency of such verification is reasonable and procedure and coverage as followed by the management was appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from the banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company for the respective quarters except for the following quarter (refer note no 28.4 of the financial statements):

(Amount ₹ in Lakhs)

Quarter Ending	Particulars	Amount as per books of accounts	Amount reported in quarterly statement	Variance	Reason for Variance
Dec 2022	Current Assets	16,357	16,097	(260)	Because of regrouping of investment from non-current to current.

- iii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investment in, granted any loans or advances in the nature of loans, or stood guarantee, or provided any security, secured or unsecured, to any Companies, firms, limited liability partnerships or any other parties during the year, except for granting loans to one company during the year, details of which are stated below.

Particulars	Amount (₹ in lakhs)
Aggregate amount provided during the year	2,700.00
Balance outstanding as at balance sheet date	2,614.62



- b. In our opinion and based on the audit procedures conducted by us, the terms and conditions of the loans granted and investment made during during the year are, prima facie, not prejudicial to the interest of the Company.
- c. In respect of loans granted by the company during the year, the schedule of repayment of principal and interest has been stipulated. The loans and interest thereon were not due for repayment at the balance sheet date.
- d. In respect of loans granted by the company, there has been no overdue amount for more than ninety days, hence reporting under this clause is not applicable.
- e. During the year loans granted to two parties in the previous year has fallen due which has been extended and to be paid in the next financial year. The aggregate amount of such loans extended and its percentage on total loans is stated below:

Name of the Parties	Aggregate amount of loans or advances in the nature of loans granted during the year (₹ in Lakhs)	Aggregate overdue amount settled by Extension (₹ in Lakhs)	Percentage of the aggregate to the total loans granted during the year
Prosperous Multibusiness Pvt. Ltd.	-	210.83	13.91%
Vijay Soni	-	210.83	

- f. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under this clause is not applicable.
- 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 and investments made have been complied with by the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public 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 to the Company.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of company's products. Accordingly, clause 3(vi) of the Order is not applicable.
- 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 ₹132.50 Lakhs.
- c. Details of Statutory dues referred to in sub clause (a) above which have not been deposited as on 31st March 2023 on account of any dispute are given below: -

Sr. No.	Name of the Statute	Nature of Case	Amount (₹ In Lakhs)	Period to which Amount Relates	Forum at which case is pending
1	Entry tax Act, 1976	Entry Tax Demand	6.76	2008-09	M.P Commercial Tax Appellate Board Indore Bench
			40.00	2012-13	Hon'ble High Court at Madhya Pradesh
			26.77	2017-18	M.P Commercial Tax Appellate Board Indore Bench
2	The Madhya Pradesh VAT Act, 2002	VAT Demand	420.48	2013-14 2014-15	Hon'ble High Court at Madhya Pradesh
			247.46	2015-16	Hon'ble Supreme Court of India, Delhi
			28.00	2016-17	M.P Commercial Tax Appellate Board, Indore Bench
			560.86	2017-18 2018-19 2019-20	Hon'ble High Court at Madhya Pradesh
3	The Central sales tax Act, 1956	Central Sales Tax Demand	53.15	2017-18 2018-19 2019-20	Hon'ble High Court at Madhya Pradesh
4	The Madhya Pradesh Excise Act, 1915	Excise Duty Demand	1.68	2011-12 2012-13	Board of Revenue (department of M.P.)
			124.06	2011-12, 2013-14 to 2017-18, 2019-20	State Excise Commissioner Gwalior
			39.32	2009-10 to 2012-13	Hon'ble High Court at Madhya Pradesh

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- ix. a. In our opinion, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender during the year.
- b. In our opinion and based on the information and explanation given to us by the management of the company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- c. The Company has obtained term loans during the year and the same has been applied for the purpose for which the Loans were obtained.
- d. On an overall examination of the financial statements of the Company, funds raised on short term basis have not been used during the year for long term purposes by the company.
- e. The company does not have any subsidiaries, associate or joint venture and accordingly reporting under clause 3(ix)(e) and (f) of the Order is not applicable.
- x. a. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.
- b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. a. Based on examination of the books and records of the Company and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year.
- b. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, wherever applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards 24 "Related Party Disclosures".

- xiv. a. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a. 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. Accordingly, the requirement to report on clause (xvi) (a) & (b) of the order is not applicable to the Company.
- b. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- c. Based on the information and explanations provided by the management of the Company, the Group does not have any CIC's, which are part of the Group. Accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the current financial year 2022-23 and in the immediately preceding financial year 2021-22.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. a. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of subsection (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable.
- b. In respect of ongoing projects, the Company does not have any unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year and also at the end of the current financial year. Hence, reporting under this clause is not applicable for the year.

**For Singhi & Co.**

Chartered Accountants  
Firm Registration No.302049E

**(Jogesh Kumar Madhogaria)**

Partner

Membership No. 301959

UDIN: 23301959BGZBWE2974

Place: Indore

Dated: 8th May, 2023

## 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 WITH REFERENCE TO FINANCIAL STATEMENTS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

We have audited the internal financial controls with reference to financial statements of Associated Alcohols & Breweries Limited (“the Company”) as of 31st March, 2023 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

#### Meaning of Internal Financial Controls with reference to financial statements

A company’s internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2023, 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

**(Jogesh Kumar Madhogaria)**  
Partner  
Membership No. 301959  
UDIN: 23301959BGZBWE2974

Place: Indore  
Dated: 8th May, 2023

## Balance Sheet as at 31st March, 2023

(₹ in Lakhs)

Particulars	Note No.	As at	
		31st March, 2023	31st March, 2022
<b>ASSETS</b>			
<b>1 NON-CURRENT ASSETS</b>			
a Property Plant and Equipment	5	10,552.44	11,158.59
b Capital Work-In-Progress	6	11,049.22	2,358.99
c Intangible Assets	7	2.38	14.91
d Right of Use Assets	8	488.66	97.99
e Financial Assets			
i Investments	9	4,478.08	2,489.23
ii Other Financial Assets	10	322.55	2,560.69
f Non-Current Tax Assets	11	60.04	60.04
g Other Non-Current Assets	12	2,507.72	1,917.54
<b>2 CURRENT ASSETS</b>			
a Inventories	13	8,419.25	6,495.44
b Financial Assets			
i Investments	14	1,557.82	-
ii Trade Receivables	15	1,850.70	2,358.11
iii Cash and Cash Equivalents	16	84.35	203.86
iv Bank balances other than above	17	6,094.75	7,895.78
v Loans	18	3,108.41	675.25
vi Other Financial Assets	19	631.92	471.93
c Other Current Assets	20	2,589.23	1,263.05
<b>Total Assets</b>		<b>53,797.52</b>	<b>40,021.40</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 EQUITY</b>			
a Equity Share Capital	21	1,807.92	1,807.92
b Other Equity	22	34,532.46	29,476.21
<b>2 LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
a Financial Liabilities			
i Borrowings	23	6,668.52	133.49
ii Lease Liabilities	24	464.31	80.89
b Provisions	25	143.46	112.56
c Deferred Tax Liabilities (Net)	26	321.40	436.39
d Non-Current Tax Liabilities (Net)	27	33.27	33.27
<b>CURRENT LIABILITIES</b>			
a Financial Liabilities			
i Borrowings	28	2,822.85	319.96
ii Lease Liabilities	29	49.69	9.76
iii Trade Payables	30		
- Total outstanding dues of micro enterprises and small enterprises; and		223.11	506.18
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,363.16	4,240.37
iv Other Financial Liabilities	31	2,765.69	1,871.30
b Other Current Liabilities	32	1,547.62	988.89
c Provisions	33	6.82	4.21
d Current tax liabilities (Net)	34	47.24	-
<b>Total Equity and Liabilities</b>		<b>53,797.52</b>	<b>40,021.40</b>
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)

**(Jogesh Kumar Madhogaria)**  
Partner  
(Membership No.301959)

Place: Indore  
8th May, 2023

**For and on behalf of the Board of Directors**

**Tushar Bhandari**  
Whole Time Director  
DIN:03583114

**Ankit Agrawal**  
Chief Financial Officer

**Nitin Tibrewal**  
Independent Director  
DIN: 01892892

**Sumit Jaitely**  
Company Secretary

**Statement of Profit and Loss** for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>INCOME</b>			
Revenue from Operations	35	70,276.88	51,422.45
Other Income	36	891.50	1,416.00
<b>Total Income</b>	(A)	<b>71,168.38</b>	<b>52,838.45</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	37	38,203.34	23,962.69
Purchases of Stock -in- Trade	38	197.41	97.49
Changes in Inventories of Finished Goods & Work-in-Progress	39	(1,024.05)	(138.41)
Excise Duty		199.97	163.80
Employee Benefits Expense	40	3,534.41	3,158.86
Finance Costs	41	141.93	93.18
Depreciation and Amortisation Expense	42	1,438.87	1,427.56
Power and Fuel		8,374.59	5,893.67
Other Expenses	43	14,553.77	10,063.37
<b>Total Expenses</b>	(B)	<b>65,620.24</b>	<b>44,722.21</b>
<b>Profit before Exceptional Items and Tax</b>		<b>5,548.14</b>	<b>8,116.24</b>
Exceptional Items	(C)	-	-
<b>Profit before Tax</b>	(D)=(A-B-C)	<b>5,548.14</b>	<b>8,116.24</b>
Tax Expense:	44		
Current Tax		1,505.92	2,121.89
Deferred Tax		(113.38)	(86.21)
<b>Total Tax Expenses</b>	(E)	<b>1,392.54</b>	<b>2,035.68</b>
<b>Profit after Tax</b>	(F)=(D-E)	<b>4,155.60</b>	<b>6,080.56</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
a) Remeasurement of defined benefit plan		(6.91)	8.17
b) Equity instrument through Other Comprehensive Income		1,086.76	195.32
c) Income tax relating to above items		1.59	(2.06)
<b>Other Comprehensive Income for the year ended (Net of Tax)</b>	(G)	<b>1,081.44</b>	<b>201.43</b>
<b>Total Comprehensive Income for the year ended</b>	(F+G)	<b>5,237.04</b>	<b>6,281.99</b>
<b>Earnings per Equity Shares of par value of ₹10 each</b>			
Basic & Diluted Earnings Per Share (₹)	45	22.99	33.63
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)

**(Jogesh Kumar Madhogaria)**

Partner  
(Membership No.301959)

Place: Indore  
8th May, 2023

**For and on behalf of the Board of Directors**
**Tushar Bhandari**

Whole Time Director  
DIN:03583114

**Ankit Agrawal**

Chief Financial Officer

**Nitin Tibrewal**

Independent Director  
DIN: 01892892

**Sumit Jaitely**

Company Secretary



## Cash Flow Statement for the year ended 31st March, 2023

(₹ in Lakhs)

S.No	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Profit Before Tax</b>	<b>5,548.14</b>	<b>8,116.24</b>
	<b>Adjustments for:</b>		
	Depreciation / Amortisation	1,438.87	1,427.56
	Finance Cost	141.93	93.18
	Impairment allowances of Doubtful Debts/ Advances	34.64	269.56
	Bad debts	-	89.80
	Interest Income	(591.08)	(581.18)
	(Profit)/Loss on disposal of Property Plant & Equipment	58.52	(87.22)
	Provision no longer required written back	(128.99)	(81.00)
	Gain/(Loss) on Sale/Mark to Market of Non current Investment	(119.93)	(30.04)
	Sundry Balances Written Back	(11.84)	(471.30)
	Advances written off	-	3.92
	Other Provisions Created/(utilised)	94.63	19.72
	<b>Operating Profit before Working Capital Changes</b>	<b>6,464.89</b>	<b>8,769.24</b>
	<b>Movement in Working Capital :</b>		
	(Increase)/Decrease in Trade Receivables	548.35	1,209.28
	(Increase)/Decrease in Inventories	(2,018.44)	(748.78)
	(Increase)/Decrease in Financial Assets	(196.28)	(206.88)
	(Increase)/Decrease in Other Assets	(1,335.77)	(620.12)
	Increase/(Decrease) in Trade Payables	(2,019.45)	1,944.28
	Increase/(Decrease) in Financial Liabilities	109.03	(60.55)
	Increase/(Decrease) in Other Liabilities & Provisions	587.42	(58.71)
	<b>Cash Generated from Operations</b>	<b>2139.75</b>	<b>10,227.76</b>
	Direct Taxes Paid	(1,463.48)	(2,304.50)
	<b>Net Cash Flow generated from Operating Activities</b>	<b>676.27</b>	<b>7,923.26</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase of Property Plant & Equipment, CWIP and Intangible Assets	(9,287.84)	(3,973.29)
	Proceed from the Sale of Property Plant & Equipment	-	96.05
	Purchase of Non Current Investments	(811.94)	(2,000.55)
	Purchase of Current Investments	(1,555.39)	-
	Loan (Given)/Refund (Net)	(2,332.08)	894.78
	Movement in Fixed Deposits	4,256.81	(2,319.54)
	Interest Income received	308.06	304.52
	<b>Net Cash Flow used in Investing Activities</b>	<b>(9,422.38)</b>	<b>(6,998.03)</b>

## Cash Flow Statement for the year ended 31st March, 2023

S.No	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Proceeds from Non Current Borrowings	6,594.46	-
	Repayment of Non Current Borrowings	(59.43)	(59.43)
	Proceeds from/(Repayment) of Current Borrowings	2,502.89	(439.87)
	Proceeds from/(Repayment) of Lease Liabilities	(93.40)	(66.41)
	Finance Cost paid	(83.73)	(93.67)
	Interest Paid on Lease Liabilities	(53.40)	(13.80)
	Dividend Paid	(180.79)	(180.79)
	<b>Net Cash Flow used in Financing Activities</b>	<b>8,626.60</b>	<b>(853.97)</b>
	<b>Net increase/(decrease) in Cash and Cash equivalent (A+B+C)</b>	<b>(119.51)</b>	<b>71.26</b>
	<b>Cash &amp; Cash equivalent at the beginning of the year</b>	<b>203.86</b>	<b>132.60</b>
	<b>Cash &amp; Cash equivalent at the end of the year</b>	<b>84.35</b>	<b>203.86</b>

### 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.
- As per Ind AS 7, the Company is required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Company did not have any material impact on the Statement of Cash Flows therefore reconciliation has not been given.

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)

**(Jogesh Kumar Madhogaria)**  
Partner  
(Membership No.301959)

Place: Indore  
8th May, 2023

**For and on behalf of the Board of Directors**

**Tushar Bhandari**  
Whole Time Director  
DIN:03583114

**Ankit Agrawal**  
Chief Financial Officer

**Nitin Tibrewal**  
Independent Director  
DIN: 01892892

**Sumit Jaitely**  
Company Secretary

## Statement of Change in Equity for the year ended 31st March, 2023

### a) Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
<b>Balance as at 1st April 2021</b>	<b>1,807.92</b>
Add/(Less): Changes in Equity Share Capital due to prior year errors	-
Restated balance as at 1st April 2021	1,807.92
Add/(Less): Changes in Equity Share Capital during the year	-
<b>Balance as at 31st March 2022</b>	<b>1,807.92</b>
<b>Balance as at 1st April 2022</b>	<b>1,807.92</b>
Add/(Less): Changes in Equity Share Capital due to prior year errors	-
Restated balance as at 1st April 2022	1,807.92
Add/(Less): Changes in Equity Share Capital during the year	-
<b>Balance as at 31st March, 2023</b>	<b>1,807.92</b>

### 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	
<b>Balance as at 1st April, 2021</b>	<b>163.10</b>	<b>1,289.07</b>	<b>21,866.52</b>	-	56.32	<b>23,375.01</b>
Profit for the year	-	-	6,080.56	-	-	6,080.56
Other Comprehensive Income	-	-	-	6.11	195.32	201.43
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>6,080.56</b>	<b>6.11</b>	<b>195.32</b>	<b>6,281.99</b>
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	-	-	6.11	(6.11)	-	-
	-	100.00	(274.68)	(6.11)	-	(180.79)
<b>Balance as at 31st March, 2022</b>	<b>163.10</b>	<b>1,389.07</b>	<b>27,672.40</b>	-	251.64	<b>29,476.21</b>
Profit for the year	-	-	4,155.60	-	-	4,155.60
Other Comprehensive Income	-	-	-	(5.32)	1,086.76	1,081.44
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>4,155.60</b>	<b>(5.32)</b>	<b>1,086.76</b>	<b>5,237.04</b>
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	-	-	(5.32)	5.32	-	-
	-	100.00	(286.11)	5.32	-	(180.79)
<b>Balance as at 31st March, 2023</b>	<b>163.10</b>	<b>1,489.07</b>	<b>31,541.89</b>	-	1,338.40	<b>34,532.46</b>

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)

**(Jogesh Kumar Madhogaria)**

Partner  
(Membership No.301959)

Place: Indore  
8th May, 2023

**For and on behalf of the Board of Directors**

**Tushar Bhandari**  
Whole Time Director  
DIN:03583114

**Ankit Agrawal**  
Chief Financial Officer

**Nitin Tibrewal**  
Independent Director  
DIN: 01892892

**Sumit Jaitely**  
Company Secretary

## Notes to Financial Statements as on and for the year ended 31st March, 2023

### 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, 2023 and authorised for issue on 8th May, 2023.

### 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 be 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

## Notes to Financial Statements as on and for the year ended 31st March, 2023

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

All the other assets are classified as non-current.

A liability is current when:

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

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

### 2.7. MEASUREMENT OF FAIR VALUES

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

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

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

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

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

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

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

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

### 2.8. RECENT ACCOUNTING DEVELOPMENTS

(A) The Company has adopted, with effect from 01 April 2022, the following new and revised standards, and interpretations. Their adoption has not had any impact on the amounts reported in the financial statements.

1. Amendment to Ind AS 37 regarding costs that an entity needs to include when assessing whether a contract is onerous or loss-making.
2. Amendment to Ind AS 109 Financial Instrument regarding inclusion of fees in the '10 per cent' test for derecognition of financial liabilities.

## Notes to Financial Statements as on and for the year ended 31st March, 2023

3. Amendment to Ind AS 103 Business Combination, Reference to the Conceptual Framework for Financial Reporting.

### (B) Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31st March, 2023, effective from 01st April 2023, resulting in certain amendments as mentioned below:

1. Ind AS 1 Presentation of financial statements: The amendment requires disclosure of material accounting policies rather than significant accounting policies;
2. Ind AS 12 Income Taxes: The amendment clarifies application of initial recognition exemption to transactions such as leases and decommissioning obligations;
3. Ind AS 8 Accounting Policies, Change in Accounting Estimates and Errors: The amendment replaces definition of 'change in accounting estimates' with the definition of 'accounting estimates'

These amendments are not expected to have any impact in the financial statements of the Company.

## 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, 2023

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

### 3.4. PROPERTY, PLANT AND EQUIPMENT

#### 3.4.1. Tangible Assets

##### 3.4.1.1. Recognition and Measurement:

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

##### 3.4.1.2. Subsequent Measurement:

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

##### 3.4.1.3. Depreciation and Amortization:

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

## Notes to Financial Statements as on and for the year ended 31st March, 2023

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

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

#### 3.4.1.4. Disposal of Assets

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

#### 3.4.1.5. Capital Work in Progress

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

### 3.5. LEASES

#### 3.5.1. Company as a lessee

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

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

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

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



## Notes to Financial Statements as on and for the year ended 31st March, 2023

remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

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

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

### 3.5.2. Company as a lessor

#### ➤ Finance Lease

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

#### ➤ Operating Lease

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

## 3.6. REVENUE RECOGNITION

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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, 2023

### ➤ 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);
- Measured at Fair Value Through Profit or Loss (FVTPL); and

## Notes to Financial Statements as on and for the year ended 31st March, 2023

- Equity Instruments designated at Fair Value through Other Comprehensive Income (FVTOCI).

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

Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

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

➤ Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Equity instruments which are, held for trading are classified as at FVTPL.

➤ Equity Instruments designated at FVTOCI: For equity instruments, which has not been classified as FVTPL as above, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial 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, 2023

### 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, 2023

### 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 the "Ethanol" business as an additional segment along with its existing business 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.

## Notes to Financial Statements as on and for the year ended 31st March, 2023

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

Notes to Financial Statements as on and for the year ended 31st March, 2023

5 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023								
	Gross Carrying Amount		Accumulated Depreciation			Net Carrying Amount As at 31st March, 2023			
	As at 31st March, 2022	Additions	Disposals	As at 31st March, 2023	As at 31st March, 2022	Depreciation charged during the year	Deductions	As at 31st March, 2023	
Freehold Land	412.68	470.65	-	883.33	-	-	-	-	883.33
<b>Sub-Total</b>	<b>412.68</b>	<b>470.65</b>	-	<b>883.33</b>	-	-	-	-	<b>883.33</b>
Buildings	1,928.63	-	3.08	1,925.55	434.69	78.39	1.87	511.21	1,414.34
Plant and Equipment	13,970.33	156.19	287.30	13,839.22	5,768.56	1,085.16	246.84	6,606.88	7,232.34
Furniture & Fixtures	745.81	-	3.51	742.30	326.41	63.25	2.88	386.78	355.52
Office Equipment	118.55	12.83	38.07	93.31	79.54	13.50	33.73	59.31	34.00
Vehicles	937.28	147.23	4.28	1,080.23	367.75	108.41	1.96	474.20	606.03
Computer	105.20	14.95	2.81	117.34	82.94	10.17	2.65	90.46	26.88
<b>Sub-Total</b>	<b>17,805.80</b>	<b>331.20</b>	<b>339.05</b>	<b>17,797.95</b>	<b>7,059.89</b>	<b>1,358.88</b>	<b>289.93</b>	<b>8,128.84</b>	<b>9,669.11</b>
<b>Total</b>	<b>18,218.48</b>	<b>801.85</b>	<b>339.05</b>	<b>18,681.28</b>	<b>7,059.89</b>	<b>1,358.88</b>	<b>289.93</b>	<b>8,128.84</b>	<b>10,552.44</b>

Particulars	Year Ended 31st March 2022								
	Gross Carrying Amount		Accumulated Depreciation			Net Carrying Amount As at 31st March, 2022			
	As at 31st March, 2021	Additions	Disposals	As at 31st March 2022	As at 31st March, 2021	Depreciation charged during the year	Deductions	As at 31st March 2022	
Freehold Land	418.71	-	6.03	412.68	-	-	-	-	412.68
<b>Sub-Total</b>	<b>418.71</b>	-	<b>6.03</b>	<b>412.68</b>	-	-	-	-	<b>412.68</b>
Buildings	1,919.02	9.61	-	1,928.63	352.38	82.31	-	434.69	1,493.94
Plant and Equipment	12,428.17	1,548.62	6.46	13,970.33	4,700.25	1,074.45	6.14	5,768.56	8,201.77
Furniture & Fixtures	745.81	-	-	745.81	258.28	68.13	-	326.41	419.40
Office Equipment	103.65	14.90	-	118.55	66.22	13.32	-	79.54	39.01
Vehicles	927.30	59.57	49.59	937.28	310.14	104.73	47.12	367.75	569.53
Computer	93.86	11.34	-	105.20	74.61	8.33	-	82.94	22.26
<b>Sub-Total</b>	<b>16,217.81</b>	<b>1,644.04</b>	<b>56.05</b>	<b>17,805.80</b>	<b>5,761.88</b>	<b>1,351.27</b>	<b>53.26</b>	<b>7,059.89</b>	<b>10,745.91</b>
<b>Total</b>	<b>16,636.52</b>	<b>1,644.04</b>	<b>62.08</b>	<b>18,218.48</b>	<b>5,761.88</b>	<b>1,351.27</b>	<b>53.26</b>	<b>7,059.89</b>	<b>11,158.59</b>

Notes:

- 5.1 Refer note no. 47 for information on Property Plant and Equipment pledged as securities by the Company .
- 5.2 During the year no revaluation has been carried out in respect of Property Plant and Equipment.
- 5.3 All Immovable properties are held in the name of the Company.

## Notes to Financial Statements as on and for the year ended 31st March, 2023

### 6 CAPITAL WORK-IN-PROGRESS

Movement of Capital work in progress are as below :-

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March 2022
Opening Balance	2,358.99	922.89
Add: Addition during the year	8,700.14	2,356.69
Less: Capitalised during the year	(9.91)	(920.59)
Closing balance	11,049.22	2,358.99

Notes:

#### 6.1 CWIP ageing schedule as at 31st March, 2023 :

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Project in Progress	8,692.53	2,356.69	-	-	11,049.22
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>8,692.53</b>	<b>2,356.69</b>	<b>-</b>	<b>-</b>	<b>11,049.22</b>

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, CWIP completion schedule:

Particulars	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
Ethanol Project	9,792.12	-	-	-
<b>Total</b>	<b>9,792.12</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### CWIP ageing schedule as at 31st March, 2022 :

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Project in Progress	2,356.69	2.30	-	-	2,358.99
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2,356.69</b>	<b>2.30</b>	<b>-</b>	<b>-</b>	<b>2,358.99</b>

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, CWIP completion schedule:

Particulars	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
Grain Weighing System	2.30	-	-	-
<b>Total</b>	<b>2.30</b>	<b>-</b>	<b>-</b>	<b>-</b>

Notes:

#### 6.2 Refer note no. 47 for information on Property Plant and Equipment pledged as securities by the Company.



## 7 INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023							Net Carrying Amount As at 31st March, 2023	
	Gross Carrying Amount			Accumulated Amortisation			As at 31st March, 2023		
	As at 31st March, 2022	Additions	Disposals	As at 31st March, 2022	Amortisation charged during the year	Deductions			
Computer Software	163.30	0.53	153.51	10.32	148.39	3.66	144.11	7.94	2.38
<b>Total</b>	<b>163.30</b>	<b>0.53</b>	<b>153.51</b>	<b>10.32</b>	<b>148.39</b>	<b>3.66</b>	<b>144.11</b>	<b>7.94</b>	<b>2.38</b>

(₹ in Lakhs)

Particulars	Year Ended 31st March 2022							Net Carrying Amount As at 31st March, 2022	
	Gross Carrying Amount			Accumulated Amortisation			As at 31st March 2022		
	As at 31st March, 2021	Additions	Disposals	As at 31st March, 2021	Amortisation charged during the year	Deductions			
Computer Software	157.06	6.24	-	163.30	145.93	2.46	-	148.39	14.91
<b>Total</b>	<b>157.06</b>	<b>6.24</b>	<b>-</b>	<b>163.30</b>	<b>145.93</b>	<b>2.46</b>	<b>-</b>	<b>148.39</b>	<b>14.91</b>

Notes:

7.1 During the year no revaluation has been carried out in respect of intangible assets.

## Notes to Financial Statements as on and for the year ended 31st March, 2023

## 8 RIGHT OF USE ASSETS

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023									
	Gross Carrying Amount			Accumulated Depreciation				Net		
	As at 31st March, 2022	Additions during the year	Disposals	As at 31st March, 2023	As at 31st March, 2022	Depreciation charged during the year	Deductions	As at 31st March, 2023	As at 31st March, 2023	Carrying Amount As at 31st March 2023
Leasehold Land	29.04	-	-	29.04	2.81	0.95	-	3.76	3.76	25.28
<b>Sub-Total</b>	<b>29.04</b>	<b>-</b>	<b>-</b>	<b>29.04</b>	<b>2.81</b>	<b>0.95</b>	<b>-</b>	<b>3.76</b>	<b>3.76</b>	<b>25.28</b>
Buildings	290.37	467.00	-	757.37	218.61	75.38	-	293.99	293.99	463.38
<b>Sub-Total</b>	<b>290.37</b>	<b>467.00</b>	<b>-</b>	<b>757.37</b>	<b>218.61</b>	<b>75.38</b>	<b>-</b>	<b>293.99</b>	<b>293.99</b>	<b>463.38</b>
<b>Total</b>	<b>319.41</b>	<b>467.00</b>	<b>-</b>	<b>786.41</b>	<b>221.42</b>	<b>76.33</b>	<b>-</b>	<b>297.75</b>	<b>297.75</b>	<b>488.66</b>

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022									
	Gross Carrying Amount			Accumulated Depreciation				Net		
	As at 31st March, 2021	Additions during the year	Disposals	As at 31st March 2022	As at 31st March, 2021	Depreciation charged during the year	Deductions	As at 31st March 2022	As at 31st March 2022	Carrying Amount As at 31st March 2022
Leasehold Land	29.04	-	-	29.04	1.85	0.96	-	2.81	2.81	26.23
<b>Sub-Total</b>	<b>29.04</b>	<b>-</b>	<b>-</b>	<b>29.04</b>	<b>1.85</b>	<b>0.96</b>	<b>-</b>	<b>2.81</b>	<b>2.81</b>	<b>26.23</b>
Buildings	290.37	-	-	290.37	145.74	72.87	-	218.61	218.61	71.76
<b>Sub-Total</b>	<b>290.37</b>	<b>-</b>	<b>-</b>	<b>290.37</b>	<b>145.74</b>	<b>72.87</b>	<b>-</b>	<b>218.61</b>	<b>218.61</b>	<b>71.76</b>
<b>Total</b>	<b>319.41</b>	<b>-</b>	<b>-</b>	<b>319.41</b>	<b>147.59</b>	<b>73.83</b>	<b>-</b>	<b>221.42</b>	<b>221.42</b>	<b>97.99</b>

Notes:

- 8.1** 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.
- 8.2** Refer note no. 47 for information on Right of Use Assets pledged as securities by the Company .

Notes to Financial Statements as on and for the year ended 31st March, 2023

9 NON - CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
<b>A INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>			
<b>Investments in Unquoted Equity Instruments</b>			
2,00,000 [ Previous Year 2,00,000 ] equity shares of ₹10 each fully paid up of Mount Everest Breweries Limited	56 & 63	1,538.40	451.64
10,000 [ Previous Year Nil ] equity shares of ₹10 each fully paid up of Babu Bhagwati Prasad Kedia Foundation		1.00	-
<b>B INVESTMENTS IN QUOTED DEBENTURES AT AMORTISED COST</b>			
Nil [ Previous Year 20 ] Non-Convertible Debentures (NCD) of ₹10 Lakhs each in Piramal Enterprises Limited SR 01 BR NCD 27MR24		-	208.07
<b>C INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS</b>			
<b>Investments in quoted Mutual Funds</b>			
(i) 23,50,478.587 [ Previous Year 23,50,478.587 ] units of ₹10/- each in Bharat Bond FOF April 2025 Direct Plan		260.95	254.39
(ii) 20,00,380.096 [ Previous Year 20,00,380.096 ] units of ₹10/- each in Aditya Birla Sun Life Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund		209.80	203.56
(iii) 39,72,648.71 [ Previous Year 33,99,080.511 ] units of ₹10/- each in Tata Arbitrage Fund Direct Plan Growth		503.77	407.40
(iv) 20,01,921.946 [ Previous Year 20,01,921.946 ] units of ₹10/- each in ICICI Prudential PSU Bond Plus SDL 40:60 Index Fund Sep 2027		209.62	203.68
(v) 4,358.20 [ Previous Year Nil ] units of ₹10/- each in SBI Magnum Ultra Short Fund Duration		224.81	-
(vi) 4,44,892.821 [ Previous Year Nil ] units of ₹10/- each in DSP MF Collection Account Direct Growth		204.60	-
(vii) 16,57,176.10 [Previous year Nil ] units of ₹10/- each in SBI Arbitrage Opportunities Fund Direct Plan Growth		500.79	-
<b>Investments in Unquoted Mutual Funds</b>			
(i) 2,49,988 [ Previous Year 2,49,988 ] units of ₹100/- each in ICICI Prudential Long Short Fund Series I Class A 40 Oct 2021		269.36	256.54
(ii) 4,99,975 [ Previous Year 4,99,975 ] units of ₹100/- each in Alpha Alternative MSAR LLP class A1 Nov 2021		554.98	503.95
		<b>4,478.08</b>	<b>2,489.23</b>
<b>Aggregate Amount of quoted Investments-At Cost</b>		<b>2,069.96</b>	<b>1,251.01</b>
<b>Aggregate Amount of quoted Investments-At Market value</b>		<b>2,114.34</b>	<b>1,277.10</b>
<b>Aggregate Amount of Unquoted Investments-At Cost</b>		<b>950.97</b>	<b>949.97</b>

## Notes to Financial Statements as on and for the year ended 31st March, 2023

**10 OTHER FINANCIAL ASSETS**

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Fixed Deposits with Banks (Maturities over 12 months)	10.1 & 10.2	146.44	2,420.88
Security deposits (Unsecured & Considered good)		176.11	139.81
		<b>322.55</b>	<b>2,560.69</b>

**10.1** Includes deposit of ₹46.13 Lakhs (PY 2022: ₹74.62 Lakhs) held as margin money & security against tender and label registration including interest accrued.

**10.2** Refer Note No. 47 for information related to other financial assets pledged as securities by the Company.

**11 NON-CURRENT TAX ASSET (NET)**

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Income Tax Appeal Deposit	11.1	60.04	60.04
		<b>60.04</b>	<b>60.04</b>

**11.1** During the previous year, the company had received a refund of ₹64.35 Lakhs including interest of ₹5.68 Lakhs as against the income tax paid under protest in relation to the income tax proceedings for the AY 2012-13 to 2017-18 and 2018-19 as reported in previous year. The Company is in the process of getting refund of the balance amount.

**12 OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Capital Advances			
Secured and Considered good		317.29	838.25
Unsecured and Considered good		1,686.87	585.32
Unsecured and Considered doubtful		32.00	32.00
		2,036.16	1,455.57
Less: Impairment allowances for doubtful advances	12.1	(32.00)	(32.00)
		2,004.16	1,423.57
Advances other than Capital Advances			
Deposit - Appeals		503.56	493.97
		<b>2,507.72</b>	<b>1,917.54</b>

**12.1 Movement in Impairment allowances for doubtful advances:**

Particulars	Amount
As on 1st April, 2021	-
Add: Created	32.00
Less: Utilized/ Reversed	-
<b>As on 31st March, 2022</b>	<b>32.00</b>
As on 1st April, 2022	32.00
Add: Created	-
Less: Utilized/ Reversed	-
<b>As on 31st March, 2023</b>	<b>32.00</b>

**12.2** Refer Note No. 47 for information related to other non current assets pledged as securities by the Company .

## Notes to Financial Statements as on and for the year ended 31st March, 2023

### 13 INVENTORIES

(At lower of cost or net realisable value, refer accounting policy 3.1)

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Raw Materials		1,740.36	1,303.75
Work-in-Progress /Semi Finished goods		1,051.62	584.15
Finished Goods		3,262.23	2,705.65
Stores and Spares	13.1	755.59	821.29
Packing Materials	13.3	1,609.45	1,080.60
		<b>8,419.25</b>	<b>6,495.44</b>

#### 13.1 The above includes goods-in-transit as under:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Stores & Spares	-	10.47
	-	10.47

**13.2** Refer Note No. 47 for information on inventories pledged as securities by the Company.

**13.3** 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 ₹394.52 Lakhs (PY 2022 ₹299.89 lakhs).

### 14 CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>A INVESTMENTS IN QUOTED DEBENTURES AT AMORTISED COST</b>		
(i) 500 Nos [ Previous Year Nil] Non Convertible Debentures (NCD) of ₹1,00,000/- each fully paid up in Tata Cleantech Capital Limited SR A FY 2020-21 BR NCD 20JL23 FVRS1LAC	581.16	-
(ii) 30 Nos [ Previous Year Nil ] Market Link Debentures (MLD) of ₹10 Lakhs each in Piramal Enterprises Limited SR 01 BR NCD 27MR24 FVRS10LAC	329.33	-
<b>B INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS</b>		
<b>Investments in quoted mutual funds</b>		
(i) 16,444.813 [ Previous Year Nil ] units of ₹1,844.46/- each fully paid up in HDFC Overnight fund- Direct Plan Growth Option	647.33	-
	<b>1,557.82</b>	-
<b>Aggregate Amount of quoted Investments-At Cost</b>	<b>1,555.39</b>	-
<b>Aggregate Amount of quoted Investments-At Market value</b>	<b>1,557.82</b>	-

### 15 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Trade Receivables	15.1		
(a) Trade Receivables Considered good - Secured		-	-
(b) Trade Receivables Considered good - Unsecured		1,850.70	2,358.11
(c) Trade Receivables which have significant increase in Credit Risk; and		-	-
(d) Trade Receivables - credit impaired		322.74	363.68
		2,173.44	2,721.79
Less: Allowances for Credit Impairment	15.2	(322.74)	(363.68)
		<b>1,850.70</b>	<b>2,358.11</b>

## Notes to Financial Statements as on and for the year ended 31st March, 2023

15.1 Refer Note No. 47 for information on Trade Receivables pledged as securities by the Company.

### 15.2 Movement in Impairment allowances for Doubtful Receivables:

Particulars	Amount
As on 1st April, 2021	126.13
Add: Created	237.55
Less: Utilized/ Reversed	-
<b>As on 31st March, 2022</b>	<b>363.68</b>
As on 1st April, 2022	363.68
Add: Created	34.64
Less: Utilized/ Reversed	(75.58)
<b>As on 31st March, 2023</b>	<b>322.74</b>

### 15.3 Trade Receivables ageing schedule

Trade Receivables ageing schedule as at 31st March 2023

S. No	Particulars	Outstanding for the following periods from due date of payment						Total
		Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 year	
1	Undisputed Trade receivables – considered good	-	1,784.34	0.56	52.16	6.13	7.50	1,850.70
2	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
3	Undisputed Trade Receivables – credit impaired	-	-	61.89	14.49	125.26	42.24	243.88
4	Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
5	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed Trade Receivables – credit impaired	-	-	-	-	30.91	47.95	78.86
<b>SUB-TOTAL</b>			<b>1,784.34</b>	<b>62.45</b>	<b>66.65</b>	<b>162.30</b>	<b>97.70</b>	<b>2,173.44</b>
7	Allowances for Credit Impairment	-	-	(61.89)	(14.49)	(156.17)	(90.19)	(322.74)
<b>TOTAL</b>		-	<b>1,784.34</b>	<b>0.56</b>	<b>52.16</b>	<b>6.13</b>	<b>7.50</b>	<b>1,850.70</b>

## Notes to Financial Statements as on and for the year ended 31st March, 2023

### Trade Receivables ageing schedule

Trade Receivables ageing schedule as at 31st March 2022

S. No	Particulars	Outstanding for the following periods from due date of payment						Total
		Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 year	
1	Undisputed Trade receivables – considered good	-	2,159.80	122.51	66.33	9.48	-	2,358.12
2	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
3	Undisputed Trade Receivables – credit impaired	-	96.30	8.69	133.46	9.76	36.60	284.81
4	Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
5	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed Trade Receivables – credit impaired	-	-	-	30.91	43.88	4.07	78.86
<b>SUB-TOTAL</b>		-	<b>2,256.10</b>	<b>131.20</b>	<b>230.70</b>	<b>63.12</b>	<b>40.67</b>	<b>2,721.79</b>
7	Allowances for Credit Impairment	-	(96.30)	(8.69)	(164.37)	(53.64)	(40.67)	(363.68)
<b>TOTAL</b>		-	<b>2159.80</b>	<b>122.51</b>	<b>66.33</b>	<b>9.48</b>	-	<b>2,358.11</b>

15.4 There are no unbilled trade receivables at the balance sheet date.

### 16 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Balances With Banks :	16.1		
In Current Accounts		41.33	174.86
Cash on Hand		43.02	29.00
		<b>84.35</b>	<b>203.86</b>

16.1 Refer Note No. 47 for information related to cash and cash equivalents pledged as securities by the Company .

### 17 BANK BALANCES OTHER THAN ABOVE

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Fixed Deposits with Banks (having maturity of more than 3 months but less than 12 months)	17.1 & 17.2	6,041.81	7,847.30
Balance in :-			
-Unpaid Dividend Accounts		52.94	48.48
		<b>6,094.75</b>	<b>7,895.78</b>

17.1 Includes deposit of ₹1,374.03 Lakhs (PY 2022: ₹216.77 Lakhs) held as margin money & security against tender and label registration.

17.2 Refer Note No. 47 for information related to bank balances other than cash and cash equivalents pledged as securities by the Company .

## Notes to Financial Statements as on and for the year ended 31st March, 2023

### 18 LOANS (Unsecured & Considered good)

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Loans to body corporates/ others	61		
-Unsecured Considered good		3,032.06	643.99
Loans and advances to employees	18.1		
-Unsecured Considered good		76.35	31.26
		<b>3,108.41</b>	<b>675.25</b>

**18.1** ₹28.57/- Lakhs (PY 2022 Nil Lakhs) is due from a Director/KMP of the company.

**18.2** Refer Note No. 47 for information related to loans pledged as securities by the Company .

### 19 OTHERS FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Security Deposit			
-Considered good	19.1	631.92	471.93
-Considered doubtful		-	-
		<b>631.92</b>	<b>471.93</b>
Less: Provision for doubtful Security Deposit	19.2	-	-
		<b>631.92</b>	<b>471.93</b>

**19.1** Refer Note No. 47 for information related to other financial assets pledged as securities by the Company .

### 19.2 Movement in Impairment allowances for doubtful security deposit:

Particulars	Amount
As on 1st April, 2021	81.00
Add: Created	-
Less: Utilized/ Reversed	(81.00)
<b>As on 31st March, 2022</b>	<b>-</b>
As on 1st April, 2022	-
Add: Created	-
Less: Utilized/ Reversed	-
<b>As on 31st March, 2023</b>	<b>-</b>



## Notes to Financial Statements as on and for the year ended 31st March, 2023

### 20 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Advances for supply of goods and rendering of services			
Considered good		124.49	309.64
Considered doubtful		1.90	1.90
		126.39	311.54
Less: Provision for doubtful advances	20.1	(1.90)	(1.90)
		124.49	309.64
Balances with Government & Statutory Authorities		1,876.50	418.95
Prepaid Expenses		588.24	534.46
		<b>2,589.23</b>	<b>1,263.05</b>

#### 20.1 Movement in Impairment allowances for doubtful advances:

Particulars	Amount
As on 1st April, 2021	1.90
Add: Created	-
Less: Utilized/ Reversed	-
<b>As on 31st March, 2022</b>	<b>1.90</b>
As on 1st April, 2022	1.90
Add: Created	-
Less: Utilized/ Reversed	-
<b>As on 31st March, 2023</b>	<b>1.90</b>

20.2 Refer Note No. 47 for information related to other current assets pledged as securities by the Company .

### 21 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March 2022	
	No. of Shares	Amount	No. of Shares	Amount
<b>21.1 Authorised Share Capital</b>				
Equity Shares:				
Equity Shares of ₹10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
	<b>2,50,00,000</b>	<b>2,500.00</b>	<b>2,50,00,000</b>	<b>2,500.00</b>
<b>21.2 Issued Share Capital</b>				
Equity Shares of ₹10/- each	1,80,79,200	1,807.92	1,80,79,200	1,807.92
	<b>1,80,79,200</b>	<b>1,807.92</b>	<b>1,80,79,200</b>	<b>1,807.92</b>
<b>21.3 Subscribed and Paid-up Share Capital</b>				
Equity Shares of ₹10/- each fully paid-up	1,80,79,200	1,807.92	1,80,79,200	1,807.92
	<b>1,80,79,200</b>	<b>1,807.92</b>	<b>1,80,79,200</b>	<b>1,807.92</b>

#### 21.4 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.

#### 21.5 Terms/ Rights attached to Equity Shares :

The Company has only one class of issued shares i.e. Equity Shares having par value of ₹10/- per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

## Notes to Financial Statements as on and for the year ended 31st March, 2023

### 21.6 Shareholding Pattern with respect of Holding or Ultimate Holding Company

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

### 21.7 Details of Equity Shareholders holding more than 5% shares in the Company

Name of Shareholders	As at 31st March 2023		As at 31st March 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of ₹10/- each fully paid				
Smt. Ramdulari Kedia	-	-	19,71,600	10.91%
Shri Anshuman Kedia	18,89,600	10.45%	9,03,800	5.00%
Smt. Shweta Kedia	15,42,000	8.53%	15,42,000	8.53%
Smt. Sangita Kedia	14,86,400	8.22%	14,86,400	8.22%
Shri Vedant Kedia	9,85,800	5.45%	-	-
Shri Prasann Kumar Kedia	9,56,200	5.29%	9,56,200	5.29%

**21.8** 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.

**21.9** 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.

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

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

### 21.12 Details of Shareholding of Promoters & Promoters group in the Company

S. No	Particulars	No. of Shares as at 31st March, 2023	No. of Shares as at 31st March, 2022	% of total shares as at 31st March, 2023	% of total shares as at 31st March, 2022	% Change during the year
	<b>Promoter</b>					
1	Ram Dulari Kedia	-	19,71,600	-	10.91%	100.00%
2	Anand Kumar Kedia	7,27,400	7,27,400	4.02%	4.02%	-
3	Prasann Kumar Kedia	9,56,200	9,56,200	5.29%	5.29%	-
	<b>Promoter Group</b>					
1	Sangita Kedia	14,86,400	14,86,400	8.22%	8.22%	-
2	Shweta Kedia	15,42,000	15,42,000	8.53%	8.53%	-
3	Anshuman Kedia	18,89,600	9,03,800	10.45%	5.00%	109.07%
4	Vedant Kedia	9,85,800	-	5.45%	-	100.00%
5	Prasann Kumar Kedia (HUF)	8,96,600	8,96,600	4.96%	4.96%	-
6	Bhagwati Prasad Prasanna Kumar (HUF)	7,89,640	7,89,640	4.37%	4.37%	-
7	Bhagwati Prasad Kedia (HUF)	4,92,400	4,92,400	2.72%	2.72%	-
8	Ramdulari Anand Kumar (HUF)	4,80,000	4,80,000	2.65%	2.65%	-
9	Anand Kumar Kedia (HUF)	3,20,400	3,20,400	1.77%	1.77%	-

**21.13** The shareholding pattern has been disclosed based on the information shared by the registrar and share transfer agent of the Company on the respective balance sheet date.

## Notes to Financial Statements as on and for the year ended 31st March, 2023

### 22 OTHER EQUITY

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Securities Premium	22.1	163.10	163.10
General Reserve	22.2	1,489.07	1,389.07
Retained Earnings	22.3	31,541.89	27,672.40
Other Comprehensive Income	22.4	1,338.40	251.64
		<b>34,532.46</b>	<b>29,476.21</b>

#### Nature/ Purpose of each reserve

- Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This reserve is utilised in accordance with the provisions of the Companies Act 2013.
- General Reserve: The reserve arises on transfer portion of the net profit to general reserve.
- Retained Earning: Generally represents the undistributed profit/amount of accumulated earnings of the company.
- Other Comprehensive Income (OCI) : Other Comprehensive Income (OCI) represents the balance in equity for items to be accounted under OCI and comprises of the following:
  - Equity Instruments through OCI: The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income.
  - Remeasurement of defined benefit obligations: The actuarial gains and losses arising on defined benefit obligations have been recognised in OCI. The amount is subsequently transferred to retained earnings as per the Schedule III requirement.

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>22.1 Securities Premium</b>		
Balance at the beginning and at the end of the year	163.10	163.10
<b>22.2 General Reserve</b>		
Balance at the beginning of the year	1,389.07	1,289.07
Add: Transfer from Retained Earnings	100.00	100.00
Balance at the end of the year	<b>1,489.07</b>	<b>1,389.07</b>
<b>22.3 Retained Earnings</b>		
Balance at the beginning of the year	27,672.40	21,866.52
Add: Profit for the year	4,155.60	6,080.56
	<b>31,828.00</b>	<b>27,947.08</b>
Less: Transfer to General Reserve	(100.00)	(100.00)
Less: Dividend paid	(180.79)	(180.79)
Add/(Less): Other Comprehensive Income arising from Remeasurements of defined benefit obligation (net of tax)	(5.32)	6.11
	<b>(286.11)</b>	<b>(274.68)</b>
<b>Balance at the end of the year</b>	<b>31,541.89</b>	<b>27,672.40</b>

**Notes to Financial Statements** as on and for the year ended 31st March, 2023

Particulars		As at 31st March, 2023	As at 31st March, 2022
<b>22.4</b>	<b>Other Comprehensive Income</b>		
	<b>Equity instrument through Other Comprehensive Income</b>		
	Balance at the beginning of the year	251.64	56.32
	Add/(Less): Change in Fair Value (net of tax)	1,086.76	195.32
	Balance at the end of the year	<b>1,338.40</b>	<b>251.64</b>
	<b>Remeasurement of Defined Benefit Obligation</b>		
	Balance at the beginning of the year	-	-
	Add/(Less): Changes during the year (net of tax)	(5.32)	6.11
	Add/(Less): Transferred to Retained Earnings	5.32	(6.11)
	Balance at the end of the year	-	-
		<b>34,532.46</b>	<b>29,476.21</b>

**23 NON CURRENT BORROWINGS**

(₹ in Lakhs)

Particulars	Refer Note No.	Non-Current Portion		Current Maturities	
		As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
<b>Secured</b>					
Term loan from a bank	23.1 (b)	6,593.66	-	984.94	-
Vehicle loan from banks	23.1 (a)	74.86	133.49	58.62	59.42
		6,668.52	133.49	1,043.56	59.42
Less: transfer to current borrowings	28	-	-	(1,043.56)	(59.42)
		<b>6,668.52</b>	<b>133.49</b>	-	-

**23.1** Details of Security:

- 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 8.90% p.a.
- Term loan from a bank are secured against first pari passu charge on entire fixed assets including those of ethanol unit & second pari passu charge over entire current assets of the Company. Further personal guarantee of promoters are provided. The loans are repayable on quarterly instalments as per the terms of loans which are ranging 60 months. The interest rates are varying from 6.50% p.a. to 8.34% p.a.

**23.2** The Carrying amount of the Financial and Non financial assets pledged as security for current and non current borrowings is given in Note 47.

**23.3** There has been no default in repayment of loan during the year based on the repayment schedule.

**24 Unsecured**

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Lease Liabilities	24.1	464.31	80.89
		<b>464.31</b>	<b>80.89</b>

**24.1** 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.

## Notes to Financial Statements as on and for the year ended 31st March, 2023

### 25 PROVISIONS

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
<b>Provision for Employee Benefits</b>			
Gratuity	50.2.5 & 33.1	46.59	32.78
Leave encashment	33.1	96.87	79.78
		<b>143.46</b>	<b>112.56</b>

### 26 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Deferred Tax Liabilities</b>		
Arising on account of :		
Property Plant & Equipment & Intangible Assets	598.28	650.42
	<b>598.28</b>	<b>650.42</b>
Less: Deferred Tax Assets		
Arising on account of :		
Impairment allowances for Doubtful Receivables	81.23	91.54
Unrealised gain on non current investment	22.78	4.38
Provision for on obsolete, non moving and slow moving stock	101.23	75.48
Amalgamation expenses allowed on deferred basis as per Income Tax Act, 1961	10.53	-
Amount deductible on payment basis	61.11	42.63
	<b>276.88</b>	<b>214.03</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>321.40</b>	<b>436.39</b>

#### 26.1 Movement in deferred tax liability/(asset) during the year ended 31st March, 2023

Particulars	As at 31st March, 2022	Charge/(credit) in Statement of Profit & Loss	Charge/(credit) in Other Comprehensive Income	As at 31st March, 2023
<b>Deferred tax liability/(asset)</b>				
Property Plant & Equipment & Intangible Assets	650.42	(52.14)	-	598.28
Impairment allowances for Doubtful Receivables	(91.54)	10.31	-	(81.23)
Unrealised gain on non current investment	(4.38)	(18.40)	-	(22.78)
Provision for on obsolete, non moving and slow moving stock	(75.48)	(25.75)	-	(101.23)
Amalgamation expenses allowed on deferred basis as per Income Tax Act, 1961	-	(10.53)	-	(10.53)
Amount deductible on payment basis	(42.63)	(16.89)	(1.59)	(61.11)
	<b>436.39</b>	<b>(113.38)</b>	<b>(1.59)</b>	<b>321.40</b>

## Notes to Financial Statements as on and for the year ended 31st March, 2023

### Movement in deferred tax liability/(asset) during the year ended 31st March, 2022

Particulars	As at 1st April, 2021	Charge/(credit) in Statement of Profit & Loss	Charge/ (credit) in Other Comprehensive Income	As at 31st March, 2022
<b>Deferred tax liability/(asset)</b>				
Property Plant & Equipment & Intangible Assets	685.89	(35.47)	-	650.42
Impairment allowances for Doubtful Receivables	(31.75)	(59.79)	-	(91.54)
Unrealised gain on non current investment	-	(4.38)	-	(4.38)
Impairment allowances for Security Deposit	(20.39)	20.39	-	-
Provision for on obsolete, non moving and slow moving stock	(59.67)	(15.81)	-	(75.48)
Amount deductible on payment basis	(53.54)	8.85	2.06	(42.63)
	<b>520.54</b>	<b>(86.21)</b>	<b>2.06</b>	<b>436.39</b>

### 27 NON CURRENT TAX LIABILITY (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for tax (net)	33.27	83.85
Add : Provision for Tax [Previous year Including interest of ₹17.87 Lakhs]	-	2,139.76
Less : Advance Income Tax	-	2,190.35
	<b>33.27</b>	<b>33.27</b>

### 28 CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
<b>Secured</b>			
Working Capital loans from Banks repayable on demand	28.1	1,779.29	260.53
Current maturities of long term borrowings	23	1,043.56	59.43
		<b>2,822.85</b>	<b>319.96</b>

#### 28.1 Details of Security

Working capital facilities from the banks (fund based and non fund based) are secured/ to be secured by first pari passu charge over entire current assets of the Company and second pari passu charge over entire Property, Plant and Equipment (except certain freehold land) of the Company. The facilities are also secured by personal guarantees of certain KMPs/Employees of the Company. The interest rates are 7.65% - 9.00% p.a. at the balance sheet date.

**28.2** Refer Note No. 47 for information on the carrying amounts of financial and non-financial assets pledged as security for current borrowings.

**28.3** The above secured working capital borrowings are utilised towards meeting day to day cash outflow requirements for liabilities in normal operating cycle of the business.

**28.4** The quarterly returns or statements of current assets filed by the Company with bank or financial institutions are in agreement with the books of accounts except are as under:

## Notes to Financial Statements as on and for the year ended 31st March, 2023

Quarter Ending	Particulars	Amount as per books of accounts	Amount reported in quarterly statement	Variance	Reason for variance
December 2022	Current Assets	16,357.00	16,097.00	260.00	Because of regrouping of investment from non current to current.
June 2021	Current Assets	19,689.00	19,887.00	(198.00)	Because of provisional figures reported to banks earlier to finalizations of quarterly accounts.
	Current Liabilities	5,274.00	5,863.00	(589.00)	

### 29 Unsecured

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Lease Liabilities	24.1	49.69	9.76
		49.69	9.76

### 30 TRADE PAYABLES

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
<b>Trade Payables for goods and services</b>			
-Total outstanding dues of micro enterprises and small enterprises; and	48	223.11	506.18
-Total outstanding dues of creditors other than micro enterprises and small enterprises	30.1	2,363.16	4,240.37
		2,586.27	4,746.55

#### 30.1 Trade Payable ageing schedule

Trade Payable ageing schedule as at 31st March 2023

S. No	Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
				Less than 1 year	1-2 Years	2-3 Years	More than 3 year	
1	MSME	-	-	223.11	-	-	-	223.11
2	Others	345.91	14.64	1,964.85	17.41	10.96	9.39	2,363.16
3	Disputed dues- MSME	-	-	-	-	-	-	-
4	Disputed dues- Others	-	-	-	-	-	-	-

Trade Payable ageing schedule as at 31st March 2022

S. No	Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
				Less than 1 year	1-2 Years	2-3 Years	More than 3 year	
1	MSME	-	-	504.18	2.00	-	-	506.18
2	Others	208.52	1,810.65	2,189.14	16.16	4.92	10.98	4,240.37
3	Disputed dues- MSME	-	-	-	-	-	-	-
4	Disputed dues- Others	-	-	-	-	-	-	-



## Notes to Financial Statements as on and for the year ended 31st March, 2023

### 31 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Amount payable for Capital Goods		1,387.18	648.37
Security Deposit		196.50	125.00
Interest accrued and not due on Borrowings		46.55	-
Unpaid dividends	31.1	52.94	48.48
Employees related dues		325.10	216.90
Other Payable (Including marketing and other liabilities)		757.42	832.55
		<b>2,765.69</b>	<b>1,871.30</b>

31.1 ₹2.53/- Lakhs [Previous Year Nil] due & transfer during the year to the Investor Education and Protection Fund.

### 32 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory Dues Payable	1,319.47	810.00
Advances Received from Customers	228.15	178.89
	<b>1,547.62</b>	<b>988.89</b>

### 33 PROVISIONS

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
<b>Provision for Employee Benefits</b>			
Gratuity		-	-
Leave encashment	33.1	6.82	4.21
		<b>6.82</b>	<b>4.21</b>

#### 33.1 Movement of Provision (Current and Non Current)

Particulars	Employee Benefit	
	Gratuity	Leave encashment
As on 1st April, 2021	81.20	79.05
Add: Created	48.42	10.79
Less: Payment/ Reversed	(96.84)	(5.85)
<b>As on 31st March, 2022</b>	<b>32.78</b>	<b>83.99</b>
As on 1st April, 2022	32.78	83.99
Add: Created	49.91	34.01
Less: Payment/ Reversed	(36.10)	(14.31)
<b>As on 31st March, 2023</b>	<b>46.59</b>	<b>103.69</b>

### 34 CURRENT TAX LIABILITY (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for tax [Including interest of ₹4.80/- Lakhs]	1,510.72	-
Less: Advance Income Tax	1,463.48	-
	<b>47.24</b>	<b>-</b>



## Notes to Financial Statements as on and for the year ended 31st March, 2023

### 35 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Refer Note No.	For the year ended 31st March, 2023	For the year ended 31st March 2022
Sale of Products (including Excise Duty)	35.1	68,612.88	50,157.15
Sale of Services		1,334.67	936.56
Other Operating revenues			
- Miscellaneous Sales		308.52	309.53
- Rent Income		20.81	19.20
		<b>70,276.88</b>	<b>51,422.45</b>

#### 35.1 Disclosure pursuant to IND As 115, Revenue from contract with Customer:

Particulars	For the year ended 31st March, 2023	For the year ended 31st March 2022
Revenue from operations (A)	69,947.55	51,093.71
Excise duty on sale (B)	199.97	163.80
Revenue from operations excluding excise duty on sale (A-B)	<b>69,747.58</b>	<b>50,929.91</b>

Particulars	For the year ended 31st March, 2023	For the year ended 31st March 2022
<b>(I) Revenue from contracts with customers disaggregated based on nature of product or services</b>		
<b>Manufacturing</b>		
Packed Potable Alcohol	51,885.86	31,561.31
Spirit	11,506.30	12,728.20
By Product	4,784.47	5,093.63
Sanitizer	2.62	512.18
Others	236.22	158.95
<b>Trading</b>		
Packing Material	-	102.89
Packed Potable Alcohol	197.41	-
<b>Revenue from Sale of services</b>		
Job Work Charges	1,334.67	936.56
<b>Other operating revenues</b>		
- Miscellaneous Sales	308.52	309.53
- Miscellaneous Rent Income	20.81	19.20
	<b>70,276.88</b>	<b>51,422.45</b>
<b>(II) Revenue from contracts with customers disaggregated based on geography</b>		
India	70,176.97	51,406.62
Outside India	99.91	15.83
<b>(III) Revenue from contracts with customers disaggregated based on type of customer</b>		
Direct Sale	42,062.37	36,100.00
Through distribution channel/ Intermediary	28,214.51	15,322.45

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.

## Notes to Financial Statements as on and for the year ended 31st March, 2023

**36 OTHER INCOME**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March 2022
<b>Interest Income</b>		
Deposit with banks etc - Financial assets measured at amortised cost	457.98	475.34
Income from alternative investment fund measured at fair value through profit & loss	16.44	-
On Bond/ Debentures measured at fair value through profit & loss	10.54	7.01
Others (from statutory authorities etc)	-	5.68
Loans - Financial assets measured at amortised cost	116.66	93.15
<b>Other Non Operating Income</b>		
Excess Liabilities Written Back	11.84	471.30
Profit on Sales/Discard of Property, Plant & Equipment	-	87.54
Claim Receipts	17.50	23.96
Miscellaneous Receipts	0.41	140.98
Gain on foreign currency transactions and translations	-	-
Share of profit from alternative investment fund	3.97	-
Gain on Sale of Non current Investment (Net)	19.87	0.43
Gain on Sale of Current Investment (Net)	17.78	-
Gain on Mark to Market of Investment (Net)	89.52	29.61
Provision no longer required back	128.99	81.00
	<b>891.50</b>	<b>1,416.00</b>

**37 COST OF MATERIALS CONSUMED**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March 2022
Raw Materials	21,817.58	15,648.63
Packing Materials	16,385.75	8,314.06
	<b>38,203.34</b>	<b>23,962.69</b>

**38 PURCHASE OF STOCK - IN - TRADE**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March 2022
Purchases of Stock -in- Trade	197.41	97.49
	<b>197.41</b>	<b>97.49</b>

**39 CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March 2022
<b>Inventories at the beginning of the year</b>		
Finished Goods	2,705.65	2,426.35
Work in progress	584.15	725.04
	<b>3,289.80</b>	<b>3,151.39</b>
<b>Inventories at the end of the year</b>		
Finished Goods	3,262.23	2,705.65
Work in progress	1,051.62	584.15
	<b>4,313.85</b>	<b>3,289.80</b>
	<b>(1,024.05)</b>	<b>(138.41)</b>

## Notes to Financial Statements as on and for the year ended 31st March, 2023

### 40 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Refer Note No.	For the year ended 31st March, 2023	For the year ended 31st March 2022
Salaries, Wages & Bonus		3,345.17	2,995.90
Gratuity	50.2.5	43.02	39.44
Contribution to Provident & Other funds		107.21	95.65
Staff Welfare expenses		39.01	27.87
		<b>3,534.41</b>	<b>3,158.86</b>

### 41 FINANCE COST

(₹ in Lakhs)

Particulars	Refer Note No.	For the year ended 31st March, 2023	For the year ended 31st March 2022
Interest Expenses	41.1	42.50	34.63
Other Borrowing Costs	41.2	46.03	45.47
Interest on lease liabilities		53.40	13.08
		<b>141.93</b>	<b>93.18</b>

**41.1** Borrowing cost capitalised during the year is ₹206.94 Lakhs at interest ranging from 7.25% p.a to 8.90% p.a. (PY 2022 ₹ Nil)

**41.2** Other Borrowing cost includes interest on Income Tax for the year is ₹4.80 Lakhs (PY 2022 17.87 Lakhs)

### 42 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	Refer Note No.	For the year ended 31st March, 2023	For the year ended 31st March 2022
On Tangible Assets	42.1	1,435.21	1,425.10
On Intangible Assets		3.66	2.46
		<b>1,438.87</b>	<b>1,427.56</b>

**42.1** Depreciation on tangible assets includes ₹76.32 Lakhs (PY 2022 73.83 Lakhs) for Right of Use Assets.

**Notes to Financial Statements** as on and for the year ended 31st March, 2023

**43 OTHER EXPENSES**

(₹ in Lakhs)

<b>Particulars</b>	<b>For the year ended 31st March, 2023</b>	<b>For the year ended 31st March 2022</b>
Manufacturing, Administrative & Selling Expenses		
Consumption of Stores and Spares	1,105.75	793.49
Insurance	90.13	85.33
Brand Franchise fees	1,096.00	851.76
Bottling Fees	3,399.98	2,339.83
Bottling Expenses	2,024.73	1,068.31
Obsolete, Non Moving, Slow Moving Stock	94.63	19.72
Other Manufacturing Expenses	855.12	406.42
Rent	28.60	27.76
Rates & Taxes	1,535.19	1,242.60
Repairs & Maintenance:		
Building	20.39	5.01
Plant & Machinery	250.64	177.71
Others	18.28	6.94
Warehouse Handling Charges	209.05	204.24
Freight, Forwarding & Transportation	2,113.99	1,040.98
Corporate Social Responsibility Expenditure	140.00	45.02
Impairment allowance for Doubtful Receivable/Advances	34.64	269.56
Loss on Sales/Discard of Property Plant & Equipment	58.52	0.32
Bad debts [net of write back of allowance of ₹75.58 Lakhs (PY 2022 Nil)]	-	89.80
Advances written off	-	3.92
Payment to the Auditors:		
Audit Fees	12.00	12.00
Certification / Other services	16.32	10.20
Reimbursement of expenses	0.80	0.65
Increase/ (Decrease) in Excise Duty	(34.54)	(61.68)
Other Expenses	1,483.54	1,423.47
	<b>14,553.77</b>	<b>10,063.37</b>

**44 TAX EXPENSE**

(₹ in Lakhs)

<b>Particulars</b>	<b>Refer Note No.</b>	<b>For the year ended 31st March, 2023</b>	<b>For the year ended 31st March 2022</b>
Current Tax	44.2	1,505.92	2,121.89
Deferred Tax		(113.38)	(86.21)
		<b>1,392.54</b>	<b>2,035.68</b>

**44.1** Income tax has been provided based on the rates mentioned under section 115BAA of the Income Tax Act 1961.

## Notes to Financial Statements as on and for the year ended 31st March, 2023

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

Particulars	For the year ended 31st March, 2023	For the year ended 31st March 2022
Profit before income tax expense	5,548.14	8,116.24
Indian Statutory Income Tax rate*	25.17%	25.17%
Estimated Income Tax Expense	1,396.47	2,042.86
<b>Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense</b>		
Effect of Deferred Tax created at different rate	18.40	4.84
Expenses not Deductible	37.65	(17.53)
Effect of Income Tax for Earlier Years	-	-
Others	(59.98)	5.51
<b>Income tax expense in Statement of Profit &amp; Loss</b>	<b>1,392.54</b>	<b>2,035.68</b>

\* Applicable Indian Statutory Income Tax rate for Financial Year 2023 & 2022 is 25.17% & 25.17% respectively.

### 45 EARNING PER SHARE

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March 2022
Nominal Value of Equity Share (₹)	10.00	10.00
Profit attributed to the Equity shareholders of the Company	4,155.60	6,080.56
Weighted average number of equity share	1,80,79,200	1,80,79,200
<b>Basis and diluted earning per share (₹)</b>	<b>22.99</b>	<b>33.63</b>

There are no dilutive equity shares in the Company.

### 46 CONTINGENT LIABILITIES & COMMITMENT TO THE EXTENT NOT PROVIDED FOR:

#### 46.1 Contingent Liabilities

SL. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>A</b>	<b>Claims/Disputes/Demands not acknowledged as debts -</b>		
i.	Entry Tax demand under dispute	113.37	83.63
ii.	Central Sales Tax demand under dispute	53.15	13.22
iii.	M.P. VAT demand under dispute	1,499.27	928.41
iv.	Service Tax demand under dispute	-	26.00
v.	Central Excise demand under dispute	-	7.65
<b>B</b>	<b>Guarantee -</b>		
i.	Bank Guarantees outstanding at the Year end	1,414.59	527.64

**46.2** 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.

#### 46.3 Commitments

SL. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
i.	Estimated amount of contracts remaining to be executed on Capital Account (net of advances)	5,089.02	7,781.73

## Notes to Financial Statements as on and for the year ended 31st March, 2023

### 47 ASSETS PLEDGED AS SECURITY

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

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Current</b>		
<b>Financial Assets</b>		
<b>First charge/ Second charge</b>		
Trade Receivables	1,850.70	2,358.11
Cash and cash equivalents	84.35	203.86
Bank balances other than cash and cash equivalents	6,094.75	7,895.78
Other Financial Asset	3,740.33	1,147.18
<b>Non-Financial Assets</b>		
Inventories	8,419.25	6,495.44
Other Current Assets (excluding Balances with Government Authorities & Pre-paid expense)	124.49	309.64
<b>Total current assets pledged as security</b>	<b>20,313.87</b>	<b>18,410.01</b>
<b>Non-Current</b>		
<b>First charge/ Second charge</b>		
Right of use Assets (Leasehold land)	0.73	0.76
Freehold land	1.27	1.27
Building	1,414.34	1,493.94
Plant & Machinery	7,232.34	8,201.77
Furniture, Fittings and Equipment	416.40	480.67
Vehicle (First charge)	606.03	569.53
Capital Work-In-Progress	11,049.22	2,358.99
<b>Financial Asset</b>		
Other Financial Asset	146.44	2,420.88
<b>Total non-currents assets pledged as security</b>	<b>20,866.77</b>	<b>15,527.81</b>
<b>Total assets pledged as security</b>	<b>41,180.64</b>	<b>33,937.82</b>

### 48 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.

SL. No.	Particulars	As at 31st March 2023	As at 31st March 2022
i	Principal & Interest amount remaining unpaid but not due as at year end	223.11	506.18
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	-	12.16
v	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

## Notes to Financial Statements as on and for the year ended 31st March, 2023

### 49 LEASES

The company has elected to apply IND As 116 to its leases with modified retrospective approach. Under this approach, the company has recognized lease liabilities and corresponding equivalent right of use assets. In the statement of profit & loss for the year ended, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expenses on right of use assets and finance cost for interest accrued on such lease liability.

#### 49.1 Movement in Lease Liabilities during the year ended 31st March 2023

Particulars	As at 31st March 2023	As at 31st March 2022
Balance at the beginning of the year	90.65	170.86
Additions	467.00	-
Interest Cost accrued during the year	53.40	13.08
Deletions	-	-
Payment of lease liabilities	97.05	93.29
<b>Balance at the end of the year</b>	<b>514.01</b>	<b>90.65</b>

#### 49.2 Future Payment of Lease liabilities on an undiscounted basis

At 31st March 2023, the future payment of lease liabilities on an undiscounted basis are as follows:

Particulars	As at 31st March 2023	As at 31st March 2022
Less than one year	101.03	18.70
One to five years	571.15	93.49
More than five years	179.65	26.02
<b>Total undiscounted lease liabilities</b>	<b>851.83</b>	<b>138.21</b>
<b>Lease liabilities included in the statement of financial position</b>	<b>514.00</b>	<b>90.65</b>
Current Lease Liabilities	49.69	9.76
Non- Current Lease Liabilities	464.31	80.89

#### 49.3 Amounts recognized in Profit or Loss

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest expense on lease liabilities	53.40	13.08
Depreciation expense of right-of-use assets	76.32	73.83
Expense relating to short-term leases (included in other expenses)	28.60	27.76
	<b>158.32</b>	<b>114.67</b>

### 50 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.

#### 50.1 Defined Contribution Plan

##### 50.1.1 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, 2023

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

SL. No.	Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
a	Provident Fund	77.50	71.22
b	Employee State Insurance contribution	21.94	17.53

### 50.2 Defined Benefit Plan:

The following are the types of defined benefit plans

#### 50.2.1 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.

#### 50.2.2 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.

#### 50.2.3 Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

Particulars	Gratuity	
	2022-23	2021-22
Balance at the beginning of the year	304.65	276.00
Current Service Cost	41.97	36.63
Interest Cost on Defined Benefit Obligation	21.02	18.22
Actuarial Gain and Losses arising from		
Changes in demographic assumptions		
Changes in financial assumptions	(3.05)	(8.19)
Experience Adjustment	10.50	(1.93)
Benefits Paid from the Plan Assets	(17.12)	(16.08)
Balance at the end of the year	357.97	304.65



## Notes to Financial Statements as on and for the year ended 31st March, 2023

### 50.2.4 Reconciliation of the Plan Assets

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components:

Particulars	Gratuity	
	2022-23	2021-22
Balance at the beginning of the year	271.87	194.80
Interest Income on Plan Assets	19.98	15.41
Remeasurements of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	0.55	(1.95)
Employer Contributions to the Plan	36.10	79.69
Benefits Paid from the Plan Assets	(17.12)	(16.08)
Balance at the end of the year	311.38	271.87

### 50.2.5 Amount recognized in Balance sheet

Particulars	Gratuity	
	2022-23	2021-22
Present value of Benefit Obligation at the end of the year	(357.97)	(304.65)
Fair value of Plan Assets at the end of the year	311.38	271.87
Funded Status (Surplus/(Deficit))	(46.59)	(32.78)
Net (Liability)/Asset recognized in the Balance sheet	(46.59)	(32.78)

### Expenses recognized in Profit or Loss

Particulars	Gratuity	
	2022-23	2021-22
Current Service Cost	41.97	36.63
Interest Cost	21.02	18.22
Interest Income on Plan Assets	(19.98)	(15.41)
Expenses recognized	43.01	39.44

### 50.2.6 Remeasurements recognized in Other Comprehensive Income

Particulars	Gratuity	
	2022-23	2021-22
Actuarial (gain)/ Loss on defined benefit obligation	7.46	(10.12)
Return on plan assets greater/ (lesser) than discount rate	(0.55)	1.95
Net(income)/ Expense for the year recognized in OCI	6.91	(8.17)

### 50.2.7 Major Categories of Plan Assets

Particulars	Gratuity	
	2022-23	2021-22
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, 2023

### 50.2.8 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 year. The Company's investment are fully secured and would be sufficient to cover its obligations.

### 50.2.9 Actuarial Assumptions

Particulars	Gratuity	
	2022-23	2021-22
Financial Assumptions		
Discount Rate	7.20%	7.10%
Salary Escalation Rate	7.00%	7.00%
Demographic Assumptions		
Mortality Rate	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)
Attrition rate	2%	2%

**50.2.10** 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.

**50.2.11** At 31st March 2023, the weighted average duration of the defined benefit obligation was 9 years (previous year 10 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

Expected benefits payment for the year ending on	Gratuity
31st March 2024	29.06
31st March 2025	16.87
31st March 2026	66.81
31st March 2027	39.23
31st March 2028	36.81
31st March 2029 to 31st March 2033	275.34

**50.2.12** The Company expects to contribute H40 Lakhs to its gratuity fund in 2023-24.

### 50.2.13 Sensitivity Analysis

The sensitivity analysis below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	Gratuity	
	2022-23	2021-22
Effect on DBO due to 1% increase in Discount Rate	(27.89)	(24.70)
Effect on DBO due to 1% decrease in Discount Rate	32.71	28.94
Effect on DBO due to 1% increase in Salary Escalation Rate	27.92	24.41
Effect on DBO due to 1% decrease in Salary Escalation Rate	(24.27)	(21.92)

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.

## 51 CORPORATE SOCIAL RESPONSIBILITY

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. Details are as under:

## Notes to Financial Statements as on and for the year ended 31st March, 2023

### 51.1

(₹ in Lakhs)

Particulars	2022-23	2021-22
Gross Amount required to be spent by the Company during the year	154.51	130.91

### 51.2

(₹ in Lakhs)

Particulars	2022-23		2021-22	
	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	140.00	-	-	-
On purpose other above	-	-	45.02	-

### 51.3 Disclosure of CSR activities:-

(₹ in Lakhs)

S. No	Particulars	2022-23	2021-22
(i)	Amount required to be spent by the Company during the year	154.51	130.91
(ii)	Amount of expenditure incurred	140.00	45.02
(iii)	Excess/(Shortfall) at the end of the year	(14.51)	(85.89)
(iv)	Excess spent from previous year utilized during the current year	14.51	85.89
(v)	Total of previous years Excess/(shortfall)	20.58	-
(vi)	Excess spent amount carried forward	6.07	20.58
(vii)	Nature of CSR activities	1) Contribution to implementing agency for ongoing projects for promoting health care.	"1) COVID 19 support. 2) Promoting educational vocational training skill development. 3) Promoting health care including preventive health care and organizing camps."
(viii)	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	1) Contribution amounting to ₹140.00 Lakhs to Babu Bhagwati Prasad Kedia Foundation (Sec. 8) Company for ongoing project of multi speciality hospital.	-
(ix)	where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

## Notes to Financial Statements as on and for the year ended 31st March, 2023

### 52 RELATED PARTY DISCLOSURES

#### 52.1 Name of the related parties and description of relationship

##### A) Key Management Personnels (KMP)

- Mr. Prasann Kumar Kedia, Managing Director (with effect from 8th May, 2023)
- Mr. Tushar Bhandari, Whole Time Director
- Mr. Sanjay Kumar Tibrewal, Whole Time Director & CFO\*
- Mr. Anshuman Kedia, Whole Time Director (with effect from 8th May, 2023)
- Mr. Nitin Tibrewal, Independent Director
- Ms. Apurva P. Joshi, Independent Director
- Ms. Homai A. Daruwalla, Independent Director
- Mr. Debashish Das, Non Executive Independent Director
- Mr. Ankit Agrawal, CFO (with effect from 12th November, 2022)
- Mr. Sumit Jaitely, Company Secretary
- Mr. Anand Kumar Kedia (KMP as per the definition of IND AS)

##### Relatives:

- Mr. H.K. Bhandari (Father of Mr Tushar Bhandari)
- 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. Vedant Kedia (Son of Mr Prasann Kumar Kedia)

##### Others:

- Babu Bhagwati Prasad Kedia Foundation (Section. 8 Company)

\*Mr. Sanjay Kumar Tibrewal was also appointed CFO with effect from 25th May, 2022 and resigned on 12th November 2022. He also resigned from the post of WTD with effect from 8th May 2023.

#### 52.2 Summary of transactions with the related parties

Particulars	2022-23			2021-22	
	Key Management Personnels	Relatives of KMP's	Others	Key Management Personnels	Relatives of KMP's
Remuneration	852.14	340.78	-	828.99	337.85
Rent Expense	18.92	39.32	-	16.59	37.69
Loan & Advances	35.00	-	-	-	-
Sitting fees	20.00	-	-	13.25	-
Corporate Social Responsibility	-	-	140.00	-	-

#### 52.3 Summary of Outstanding balances with the related parties

Particulars	As at 31st March 2023		As at 31st March 2022	
	Key Management Personnels	Relatives of KMP's	Key Management Personnels	Relatives of KMP's
Remuneration Payable	72.46	28.40	-	-
Balances Payable	0.53	-	2.43	-
Loan & Advances Receivable	28.57	-	-	-
Balances Receivable	0.57	0.60	1.18	-

## Notes to Financial Statements as on and for the year ended 31st March, 2023

### 52.4 Key Management Personnel compensation

Particulars	For the year ended 31st March, 2023	For the year ended 31st March 2022
Short-term employee benefits	852.14	828.99
Post-employment benefits *	-	-
Long term benefits *	-	-
<b>Total compensation</b>	<b>852.14</b>	<b>828.99</b>

\* 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.

### 52.5 Major terms and conditions of transactions with related parties

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

### 53 SEGMENT REPORTING

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a Company basis and are not allocated to operating segments.

The Company had initiated the process of setting up an Ethanol manufacturing facility having a capacity of 130 Kilo liter per day (KLPD) in the previous year and expects to commission the manufacturing facility in the second quarter of the financial year 2023-2024. The Company has identified the "Ethanol" business as an additional reporting segment along with its existing business segment "Potable Alcohols," in line with the reporting requirement of Ind AS-108 "Operating Segment". The Ethanol business is currently in the project stage, and the segment assets and liabilities pertaining to the segment as of 31st March 2023 amounting to ₹13,392.53 /- Lakhs and ₹8,811.53/- Lakhs, respectively.

### 54 FAIR VALUE MEASUREMENT

Categories of Financial Assets & Financial Liabilities as at 31st March 2023 and 31st March 2022

Particulars	31st March 2023			31st March 2022		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Investments						
- Equity Instrument	-	1,539.40	-	-	451.64	-
- Mutual fund, Alternative Fund and Debenture	3,586.01	-	910.49	1,829.52	-	208.07
Trade Receivables	-	-	1,850.70	-	-	2,358.11
Cash and Cash Equivalents	-	-	84.35	-	-	203.86
Bank Balance other than above	-	-	6,094.75	-	-	7,895.78
Loans to Employees	-	-	76.35	-	-	31.26
Loans to Body Corporates	-	-	3,032.06	-	-	643.99
Other Financial Assets	-	-	954.47	-	-	3,032.62
<b>Total Financial Assets</b>	<b>3,586.01</b>	<b>1,539.40</b>	<b>13,003.17</b>	<b>1,829.52</b>	<b>451.64</b>	<b>14,373.69</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	9,491.37	-	-	453.45
Lease Liabilities	-	-	514.00	-	-	90.65
Trade Payables	-	-	2,586.27	-	-	4,746.55
Other Financial Liabilities	-	-	2,765.69	-	-	1,871.30
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>15,357.33</b>	<b>-</b>	<b>-</b>	<b>7,161.95</b>

## Notes to Financial Statements as on and for the year ended 31st March, 2023

### 55 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

55.1 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:

Particulars	31st March 2023		31st March 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Investments	910.49	910.49	208.07	208.07
Trade Receivables	1,850.70	1,850.70	2,358.11	2,358.11
Cash and Cash Equivalents	84.35	84.35	203.86	203.86
Bank Balance other than above	6,094.75	6,094.75	7,895.78	7,895.78
Loans to Employees	76.35	76.35	31.26	31.26
Loans to Body corporate	3,032.06	3,032.06	643.99	643.99
Other Financial Assets	954.47	954.47	3,032.62	3,032.62
<b>Total Financial Assets</b>	<b>13,003.17</b>	<b>13,003.17</b>	<b>14,373.69</b>	<b>14,373.69</b>
<b>Financial Liabilities</b>				
Borrowings	9,491.37	9,491.37	453.45	453.45
Lease Liabilities	514.00	514.00	90.65	90.65
Trade Payables	2,586.27	2,586.27	4,746.55	4,746.55
Other Financial Liabilities	2,765.69	2,765.69	1,871.30	1,871.30
<b>Total Financial Liabilities</b>	<b>15,357.33</b>	<b>15,357.33</b>	<b>7,161.95</b>	<b>7,161.95</b>

55.2 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.

55.3 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.

55.4 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.

### 56 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 table.

## Notes to Financial Statements as on and for the year ended 31st March, 2023

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

Particulars	31st March 2023			31st March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Investment						
- Equity Instruments	-	-	1539.40	-	-	451.64
- Mutual fund and Alternative fund	3586.01	-	-	1,829.52	-	-
<b>Total Financial Asset</b>	<b>3586.01</b>	<b>-</b>	<b>1539.40</b>	<b>1,829.52</b>	<b>-</b>	<b>451.64</b>

### 56.2 Description of significant unobservable inputs to Valuation

Particulars	31st March 2023	31st March 2022
Fair Value of Equity Instrument	1,538.40	451.64
Significant unobservable input - Weighted average cost of capital	13.00%	15.60%
Sensitivity Factor (+/-)	1%	1%
Sensitivity of input on Fair Value of Equity Instrument		
Increase	(121.01)	(33.10)
Decrease	150.16	37.60

**56.2.1** During the year ended March 31, 2023 and March 31, 2022, 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.

### 56.3 Explanation to the Fair Value hierarchy

The Company measures Financial instruments, such as, unquoted investments and mutual funds/bonds 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 have been made based on level 3 inputs as per the hierarchy mentioned in the Accounting Policies. The valuation of unquoted equity instrument have been valued based on the valuation technique applicable. The valuation of mutual funds/bonds have been valued at the market value as at balance sheet date.

## 57 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, 2023

### 57.1 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, 2023

Ageing schedule	0-365 days	366-720 days	Above 720 days
Gross carrying amount	1,846.79	66.65	260.00
Expected credit losses (Loss allowance provision)	61.89	14.49	246.37
Carrying amount of trade receivables (net of impairment)	1,784.90	52.16	13.64

As on 31st March, 2022

Ageing schedule	0-365 days	366-720 days	Above 720 days
Gross carrying amount	2,387.30	230.70	103.79
Expected credit losses (Loss allowance provision)	104.99	164.37	94.32
Carrying amount of trade receivables (net of impairment)	2,282.31	66.33	9.47

Reconciliation of loss allowance provision	Amount
Loss allowance on 1 April 2022	363.68
Changes in loss allowance	34.64
Bad Debts adjutsed	(75.58)
Loss allowance on 31 March 2023	322.73

### 57.2 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.

#### 57.2.1 Maturity Analysis for financial liabilities

a The following are the remaining contractual maturities of financial liabilities as at 31st March 2023

Particulars	On Demand	Less than 6 months	6 months to 1 year	More than 1 year	Total
Borrowings					
Loan from banks*	-	411.82	631.74	6,668.52	7,712.08
Current Borrowings	1,779.29	-	-	-	1,779.29
Lease Liabilities	-	24.85	24.85	464.31	514.01
Trade payables on demand	-	2,586.27	-	-	2,586.27
Other financial liabilities on demand	-	2,765.69	-	-	2,765.69
<b>Total</b>	<b>1,779.29</b>	<b>5,788.63</b>	<b>656.59</b>	<b>7,132.83</b>	<b>15,357.33</b>



## Notes to Financial Statements as on and for the year ended 31st March, 2023

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2022

Particulars	On Demand	Less than 6 months	6 months to 1 year	More than 1 year	Total
Borrowings					
Vehicle Loan from banks*	-	26.07	33.35	133.49	192.91
Current Borrowings	260.53	-	-	-	260.53
Lease Liabilities	-	4.88	4.88	80.89	90.65
Trade payables on demand	-	4,746.55	-	-	4,746.55
Other financial liabilities on demand	-	1871.30	-	-	1,871.30
<b>Total</b>	<b>260.53</b>	<b>6648.80</b>	<b>38.23</b>	<b>214.38</b>	<b>7161.94</b>

\* 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.

### 57.3 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.

#### 57.3.1 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.

#### 57.3.2 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.

## 58 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.

Particulars	31st March 2023	31st March 2022
Net Debt	9,407.02	249.59
Total Equity	36,340.38	31,284.13
Net Debt to Equity Ratio	0.26	0.01

## 59 DETAILS OF KEY FINANCIAL RATIOS

S. No	Ratio	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for variance
1	Current ratio	Current Assets	Current Liabilities	2.48	2.44	1.57%	-
2	Debt-equity ratio	Total Borrowings	Equity	0.212	0.006	3341.53%	Augmentation in debt to equity ratio is attributable to new term loan taken for the ethanol project.
3	Debt service coverage ratio	Profit after tax, Non cash operating expense, interest, other adjustment if any	Interest & Lease Payments, Principal Repayments	25.19	44.12	-42.91%	Lower debt service coverage ratio is on account of reduction in profit after tax during the year.
4	Return on equity ratio	Profit after tax	Average shareholder's equity	0.12	0.22	-42.93%	Reduction in return on equity ratio due to reduction in profit after tax during the year.
5	Inventory turnover ratio	Revenue from operations	Average inventory	9.42	8.39	12.36%	-
6	Trade receivables turnover ratio	Revenue from operations	Average trade receivables	33.40	16.45	103.04%	Decrease in trade receivables has resulted in increase in ratio.
7	Trade payables turnover ratio	Cost of material consumed & Purchase stock in Trade	Average trade payable	2.62	1.50	74.56%	Decrease in trade payables has resulted in increase in ratio.
8	Net capital turnover ratio	Revenue from operations	Closing working capital	4.84	4.50	7.59%	-
9	Net profit ratio	Profit after tax	Revenue from operations	0.06	0.12	-49.99%	Augmentation in total revenue but not reflecting in profit after tax thereby decrease in net profit ratio.
10	Return on capital employed	Profit before interest and tax	Capital employed	0.13	0.26	-51.19%	Augmentation in total revenue but not reflecting in profit before tax & Interest thereby decrease in return on capital employed.
11	Return on investment	Net gain/ (Loss) on sale/ fair value changes of investment	Average investment	0.28	0.17	68.20%	Increase in return on investment has resulted in improvement in ratio.

## Notes to Financial Statements as on and for the year ended 31st March, 2023

### 60 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. During the current financial year, arrangement has been ended and affect of the same is considered in preparation of financial statements. The summary of adjustments made are as below:

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Non-current assets</b>		
Financial assets -Security Deposit	-	0.30
<b>Current assets</b>		
Trade receivables	-	7.37
Other current assets- Advance for supply of goods and rendering of services	-	0.03
<b>Current liabilities</b>		
Trade payables	-	0.12

Particulars	2022-23	2021-22
Revenue from operations (gross of excise duty)	-	2.11
Cost of materials consumed	-	-
Increase in inventories of finished goods, work-in-progress and stock-in-trade	-	-
Other expenses	-	2.74

### 61 DETAILS OF LOANS GIVEN, INVESTMENT MADE AND GUARANTEE GIVEN COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013

(₹ in Lakhs)

Company/ Others	Refer Note No.	Nature of facility	31st March 2023	31st March 2022
Mount Everest Breweries Limited	61.1 & 61.2	Investment	1,538.40	451.64
Mount Everest Breweries Limited	61.1 & 61.2	Loan	2,614.62	-
Prosperous Multibusiness Private Limited	61.2	Loan	114.96	200.00
Vijay Soni	61.2	Loan	100.48	200.00
Malwa Realities Pvt. Ltd.	61.2	Loan	82.13	102.91
Manjit Singh Bhatia	61.2	Loan	119.87	141.07

**61.1** 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.

**61.2** All loans/Advances are given for the borrowers normal business purpose.

**62** The Board of Directors at its meeting held on 8th May, 2023 recommended dividend of ₹1 per equity share of face value of ₹10 each i.e @10% for the financial year ended 31st March, 2023. The same amounts to ₹180.79 Lakhs. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence not recognized as a liability.

**63** The Board of Directors of the Company, in their meeting held on 9th August 2022, had approved the Scheme of Arrangement ("SOA") pursuant to sections 230 to 232 and other relevant provisions of the Companies Act, 2013, for the amalgamation of the company with M/s Mount Everest Breweries Limited (MEBL), the appointed date for the proposed scheme is 1st April 2022.

During the year ended 31st March 2023, the Bombay Stock Exchange returned the SOA, by citing certain inconsistencies in the valuation methodologies of both the Companies involved with further advice to reconsider the valuation. Basis such direction, the company has obtained a fresh valuation report along with a fairness report thereon which has been approved by the board of directors of the Company in their meeting dated 15th April 2023 and subsequently submitted to the Stock Exchange for further action. The fresh valuation report also substantiates the valuation considered by the company in its previous submission to the Stock Exchanges. The Company has not received any further communication from the stock exchanges till date.

## Notes to Financial Statements as on and for the year ended 31st March, 2023

**64** In the previous year, The Office of the Director General, Competition Commission of India (CCI) conducted a statewide search on 27th October 2021 on the leading distillers of the state of Madhya Pradesh. Similarly, a search was also conducted in the Company's registered office on the same day to examine the process of supply & sale of the Company's products. The company has yet to receive any information from the CCI.

### 65 ADDITIONAL REGULATORY REQUIREMENTS SCHEDULE III:

**65.1** The Company do not have any Benami property, and does not have any proceeding initiated or pending for holding any Benami property under Benami Transactions (Prohibition) Act 1988, (45 of 1988).

**65.2** The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**65.3** The Company have not traded or invested in crypto currency or virtual currency during the financial year.

**65.4** The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**65.5** The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**65.6** The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**65.7** The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve bank of India.

**65.8** The Company does not have any transactions with Companies which are struck off except the following:-

S.No	Name of the struck off Companies	Nature of transactions	Balance outstanding as at 31st March, 23	Balance outstanding as at 31st March, 22	Relationship with the struck off Company
1	Swami Marketing Company Private Limited	Receivables	2.02	2.02	Customer

S.No	Name of the struck off Companies	Nature of transactions	No of Shares held as at 31st March, 23	No of Shares held as at 31st March, 22	Relationship with the struck off Company
1	Parmatma Securities Limited	Shares held	300	600	Shareholder
2	Newage Services (P) Limited	Shares held	900	1,800	Shareholder
3	Automotive Vyapaar Private Limited	Shares held	3,400	3,400	Shareholder
4	LFL leasing Finance Private Limited	Shares held	100	200	Shareholder
5	Buddhidhan Investments Limited	Shares held	300	600	Shareholder
6	Dolby Traders Private Limited	Shares held	1700	3,400	Shareholder
7	BDS Trading (P) Limited	Shares held	200	400	Shareholder
8	Chanddela Prading Company Private Limited	Shares held	1700	3,400	Shareholder
9	Jay Bharat Holding Private Limited	Shares held	11300	22,600	Shareholder
10	Rathnatraya Finance Investment Private Limited	Shares held	100	200	Shareholder
11	Talbros Investments Private Limited	Shares held	1700	3,400	Shareholder

## Notes to Financial Statements as on and for the year ended 31st March, 2023

S.No	Name of the struck off Companies	Nature of transactions	No of Shares held as at 31st March, 23	No of Shares held as at 31st March, 22	Relationship with the struck off Company
12	Mega Byte Finance and Investments Private Limited	Shares held	100	200	Shareholder
13	Balaji Yarn Limited	Shares held	100	200	Shareholder
14	Excell Capital Market Service Private Limited	Shares held	200	400	Shareholder
15	Arihants Securities Limited	Shares held	1,000	-	Shareholder
16	Godline Polymer Pvt. Ltd.	Shares held	600	1,200	Shareholder
17	Sonmarg Investment Pvt Ltd	Shares held	1,700	3,400	Shareholder
18	Viniyas Finance & Investments Pvt Ltd	Shares held	100	100	Shareholder
19	Upwan Commerce Pvt. Ltd.	Shares held	300	300	Shareholder
20	Murbad Steels Limited	Shares held	200	200	Shareholder
21	M/S Harish Port Folio Pvt.Ltd	Shares held	100	100	Shareholder

\* The Equity shares held are ₹10/- paid up.

- 66** Previous year figures have been regrouped/ rearranged whenever necessary, to conform to current year classification in order to comply with the requirements of amended Schedule III to the Companies Act, 2013 effective from 01st April, 2021.
- 67** The Board of Directors have approved the financial statements for the year ended 31st March, 2023 and authorised for issue on 8th May, 2023 and the same shall be placed for the approval of the shareholders at the ensuing annual general meeting.

As per our report of even date

**For Singhi & Co.**

Chartered Accountants  
(Firm Registration No.302049E)

**(Jogesh Kumar Madhogaria)**

Partner  
(Membership No.301959)

Place: Indore  
8th May, 2023

**For and on behalf of the Board of Directors**

**Tushar Bhandari**  
Whole Time Director  
DIN:03583114

**Ankit Agrawal**  
Chief Financial Officer

**Nitin Tibrewal**  
Independent Director  
DIN: 01892892

**Sumit Jaitely**  
Company Secretary

# Corporate Information

## Board of Directors

**Mr. Prasann Kumar Kedia**

*(Managing Director w.e.f. 08.05.2023  
appointment put henceforth for approval in  
34<sup>th</sup> AGM)*

**Mr. Anshuman Kedia**

*(Whole Time Director w.e.f. 08.05.2023  
appointment put henceforth for approval in  
34<sup>th</sup> AGM)*

**Mr. Tushar Bhandari**

*Whole Time Director*

**Mr Sanjay Kumar Tibrewal**

*Whole Time Director  
(Resigned w.e.f. 08.05.2023)*

**Mr. Nitin Tibrewal**

*Independent Director*

**Mr. Debashis Das**

*Independent Director w.e.f. 08.05.2023*

**Ms. Apurva Pradeep Joshi**

*Independent Director*

**Ms. Homai A Daruwalla**

*Independent Director*

## Chief Financial Officer

**Mr. Ankit Agrawal**

## Company Secretary

**Mr. Sumit Jaitely**

## Statutory Auditors

**M/s Singhi & Co.**

*Chartered Accountants  
161, Sarat Bose Road, Kolkata – 700026*

## Secretarial Auditors

**K Arun & Co.**

*Company Secretaries  
Shantiniketan, 8 Camac Street, 8<sup>th</sup> Floor,  
Kolkata – 700017*

## Registrar and Share Transfer Agent (RTA)

**Ankit Consultancy Private Ltd**

*60, Electronic Complex, Pardeshipura  
Indore - 452010 (Madhya Pradesh)  
Email: investor@ankitonline.com  
Phone No. (0731) 4065797/99*

## Bankers

HDFC Bank Limited

IDBI Bank Limited

Kotak Mahindra Bank Limited

## Registered Office

*04<sup>th</sup> Floor, BPK Star Tower, A.B. Road,  
Indore - 452008 (Madhya Pradesh)  
Email: investorrelations@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](http://www.associatedalcohols.com)

## Corporate Identity Number

L15520MP1989PLC049380



ASSOCIATED ALCOHOLS & BREWERIES LIMITED

Registered Office:

4<sup>th</sup> Floor, BPK Star Tower, A.B. Road, Indore 452008

CIN: L15520MP1989PLC049380