



ASSOCIATED ALCOHOLS & BREWERIES LTD.

**Annual Report
2010-11**

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

STATUTORY AUDITORS

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

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

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

BANKERS

- ☐ IDBI Bank Limited

REGISTERED OFFICE

- ☐ Queens Court
8C, Queens Park,
Ballygunge, Kolkata-700 019
Email: gen@associatedalcohols.com
Phone : (033) 32511422
Fax : (033) 25339732

CORPORATE OFFICE

- ☐ Silver Arc Plaza
4th Floor
20/1 New Palasia
Indore – 452 001
Email: vndubey@associatedalcohols.com
Phone No. (0731) 2430865, 2434251
Fax : (0731) 2432586

COMPANY'S WEB SITE

- ☐ www.associatedalcohols.com

CORPORATE IDENTITY NUMBER (CIN)

- ☐ L15520WB1989PLC047211

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- Directors' Report
- Report on Management, Discussion and Analysis
- Report on Corporate Governance
- Auditors' Report
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Venue and other details:

Date	: September 30, 2011
Day	: Friday
Time	: 11.30 a.m
Venue	: "Shripati Singhania Hall" Rotary Sadan, 94/2, J.L. Nehru Road, Kolkata – 700020
Book Closure Date	: From September 26 th , 2011 to September 30 th , 2011

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of Associated Alcohols & Breweries Ltd will be held on Friday, the 30th day of September 2011 at 11.30 A.M. at "Shripati Singhania Hall" Rotary Sadan, 94/2, J.L. Nehru Road, Kolkata – 700020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet for the year ended on March 31, 2011 and the Profit and Loss Account as at that date together with the reports of the Directors and the Auditors thereon.
2. To appoint Director in place of Mr. Ashish Gadia, who retires by rotation and is eligible, for re-appointment.
3. To appoint Auditors and to fix their remunerations.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modifications, the following resolution as ordinary resolution:
"RESOLVED that Shri Nitin Tibrewal, who has been appointed as an Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956 and who holds office up to the date of ensuing Annual General Meeting and who is eligible for reappointment and in respect of whom the company has received notice in writing, pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company, liable to retire by rotation."

Place: Indore
Date: 29th August, 2011

By order of the Board of Director

Registered Office
Queens Court
8C, Queens Park,
Ballygunge, Kolkata-700 019

Ashish Gadia
Director

NOTES

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxies, in order to be valid must be deposited at the registered office of the company not less than 48 hrs before the time for the meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to special business to be transacted at the meeting is annexed hereto.
3. Shareholders are requested to bring their copy of Annual Report to the meeting.
4. Members/ Proxies should fill the Attendance slip for attending the meeting.
5. Corporate Members intending to send their authorized representative to attend the Annual General Meeting are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the meeting.
6. In case of joint holders attending the meeting, only such joint holder who is first in the order of names will be entitled to vote.
7. Members who hold shares in de-materialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
8. Members desirous of obtaining any information / details as regard accounts and operations of the Company are requested to write to the Company at least 7 days before the meeting to enable the Company to keep the required information ready at the time of meeting.
9. Members are requested to notify promptly any change in their addresses to the Registrar and Transfer Agent Ankit Consultancy Pvt. Ltd., (Unit: Associated Alcohols & Breweries Ltd.) 60, Electronics Complex, Pardeshipura, Indore-452010.
10. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 26th day of September, 2011 to Friday, the 30th day of September, 2011(both days inclusive).
11. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies through electronic mode. The companies can now send various notices / documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, members who hold physical shares are requested to register their e-mail addresses at <http://webmail.ankitonline.com> in respect of electronic holdings kindly update / register e-mails IDs with the Depository through their concerned Depository Participants.

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

ITEM NO. 4

Shri Nitin Tibrewal was appointed as an Additional Director with effect from 28th January, 2011. As per the provisions of section 260 of the Companies Act, 1956, he holds office as an additional director up to the date of ensuing Annual General Meeting. The Company has received notice under section 257 of the Companies Act, 1956 from a member, signifying his intention to propose the appointment of Shri Nitin Tibrewal, as a Director of the Company liable to retire by rotation.

SHRI NITIN TIBREWAL

Shri Nitin Tibrewal 32 years old is a Commerce graduate. He is young and dynamic and having rich experience in multi-functional areas.

The appointment of Shri Nitin Tibrewal shall be in the interest of the Company and the Board of Directors recommends the passing of this resolution.

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

Indore

29th August, 2011

By order of the Board of Director

REGISTERED OFFICE

Queens Court
8C, Queens Park,
Ballygunge, Kolkata-700 019

Ashish Galda
Director

DIRECTORS' REPORT*To the Members,*

Your Directors have pleasure in presenting their 22nd Annual Report together with the Audited Accounts and Auditor's Report of the Company for the year ended on 31st March 2011.

FINANCIAL RESULTS		(Rupees In Lacs)	
PARTICULARS	2010-2011	2009-2010	
Sales & Other Income	9211.79	11000.84	
Profit/(Loss) before Depreciation & Tax	493.07	481.82	
Profit/(Loss) before Tax	317.64	183.66	
Provision for- Current Tax	(68.49)	(31.94)	
Deferred Taxation	5.78	(32.18)	
Tax for Earlier Year	(9.09)	NIL	
Profit for the year	245.84	119.54	
Add: Balance brought forward from previous Year	1810.31	1740.77	
Profit available for appropriation	2056.15	1860.31	

APPROPRIATIONS

General Reserve	50.00	50.00
Amount carried to next year	2006.15	1810.31

RESULTS OF OPERATIONS

Your Company has achieved a turnover of Rs. 921.17 million in the current year against Rs. 1100.08 million in the previous year.

Operating Profit (EBIDTA) for the year stood at Rs 74.32 million, an increase of 0.42 % from Rs. 74.01 million in comparison to 2009-10. In view of the present scenario of the Industry, your Directors consider overall performance of the Company satisfactory.

MODERNISATION OF DISTILLERY UNIT

The modernization programme of the Distillery Unit undertaken by the Company is almost completed.

DIVIDEND

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

DIRECTORS

During the Financial Year Shri Nitin Tibrewal was appointed as an additional Director of the Company with effect from 28th January, 2011.

Shri Santosh Kumar Kedia, Shri Harshan Kumar Bhandari, Shri Surendra Khetawat, and Shri Ranjan Tibrewal have resigned from the Directorship of the Company due to their personal reasons with effect from 5th Day of February, 2011. Your Directors express their sincere appreciation for valued services rendered by all the above persons during their respective tenures.

Shri Ashish Gadia, Director retire by rotation and being eligible, offer himself for reappointment. The Board of Directors recommends their re-appointment as Director.

AUDITOR'S REPORT

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

AUDITORS

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

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

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

FIXED DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- (b) Appropriate accounting policies have been selected and applied consistently and that judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March 2011 and of its profit for the year ended on that date.
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records under the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

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

PERSONNEL

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

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

ACKNOWLEDGMENT

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

FOR AND ON BEHALF OF THE BOARD

Place: Indore

Dated: 29th, August, 2011

ASHISH GADIA
DIRECTOR

NITIN TIBREWAL
DIRECTOR

ANNEXURE - II TO THE DIRECTORS' REPORT

Information required under the Companies (Disclosure of particulars in the Report to the Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended on 31st March 2011.

A) CONSERVATION OF ENERGY

Your Company continues to give the highest priority to the conservation of the energy. All respects of generation and usage are regularly reviewed. The Company has been generating the Biogas from the industrial effluents of the Distillery which has resulted in substantial savings in primary fuel. The Company is successfully operating Turbine Gen-Set of 800 KW for co-generation of Power, which resulted in saving of power. Further the Company has installed Wind Power Generation Unit of 750 KW in Tamil Nadu.

B) TECHNOLOGY ABSORPTION

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	2010-2011	2009-2010
Foreign Exchange Earned (Export Sales)	32.25	14.93
Foreign Exchange Outgo/ Expenditure in foreign currency (Professional Development Expenses)	NIL	1.84

FOR AND ON BEHALF OF THE BOARD

ASHISH GADIA
DIRECTOR

NITIN TIBREWAL
DIRECTOR

Dated: 29th August, 2011
Place: Indore

MANAGEMENT DISCUSSION AND ANALYSIS

PRESENT INDUSTRY SCENARIO AND DEVELOPMENTS, OPPORTUNITIES, THREATS & PERFORMANCE:

The Company is mainly operating under the bulk Alcohol segment and supplies to the Government and leading IMFL manufacturers. The liquor consumption is growing by 15% CAGR. The Company's units are operating at optimum level. The Company is further concentrating for the value added products, IMFL to increase its margins in the coming years.

A. OUTLOOK:

The Company is striving hard to improve cost efficiency, widen its reach to new consumer segments and consolidate further on its image. Barring unforeseen circumstances, the Company expects to improve its march towards improved profitability.

B. RISKS AND CONCERNS:

Stiff competition in the market does have an impact on the product pricing policies and put the operating margins under pressure. All the insurable interests of the Company including inventories, buildings, plants and machinery and liabilities under legislative enactments are adequately insured.

C. INTERNAL CONTROL SYSTEMS:

The system of internal control is being improved to ensure that all assets are safe and protected against loss from unauthorized use or disposition, and that all transactions are authorized, recorded and reported correctly. The Company regularly conducts internal check, using external and internal resources to monitor the effectiveness of internal control in the organization. The Company has a well-defined organization structure and authority limits. It strictly adheres to corporate policy with respect to financial reporting and budgeting functions. The Audit Committee of the Board of Directors deals with significant control issues and instructs further areas to be covered.

D. FINANCIAL CONTROLS

The total capital employed by the Company was Rs. 93.01 Crores at the year-end 2010-11 in comparison to Rs. 75.57 Crores at the end of previous year. The working capital and interest costs have been managed more efficiently. The bank borrowing to sustain the business was Rs. 24.44 Crores at the close of 2010-11 as against Rs. 15.63 Crores at the end of the previous year.

The interest outflow was Rs. 2.50 Crores in 2010-11 as against Rs. 2.58 Crores in 2009-2010, out of which working capital interest and bank charges accounted for Rs. 2.16 Crores as against Rs. 2.38 Crores in the previous year. The Company's management is committed to evolve strategy to achieve enhancement in the shareholders value through the adoption of strong fiscal discipline, improvement in operating efficiencies and resource utilization.

E. HUMAN RESOURCES:

Human capital continues to be a vital resource for the Company. Training and development of our human resources continued to receive focused attention. The Company has a continuous process to monitor individual performance. The Company continued to have cordial and harmonious relations with its employees.

F. CAUTIONARY STATEMENT :

Statement in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectation of future events. Actual results could however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include demand-supply conditions, finished goods prices, raw materials costs and availability, changes in Government regulations and tax structure and other factors. The Company assumes no responsibility of forward looking statement herein which may undergo changes in future on the basis of subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

MANDATORY REQUIREMENTS:

1. COMPANY'S PHILOSOPHY

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to represent the value, ethical and moral framework under which business decision are taken. The investors want to be sure that not only is their, capital handled effectively and adds to the creation of wealth, but the business decisions are also taken in a manner which is not illegal or involving moral hazard.

The core roles of the key entities flow from this structure. The core roles, in turn, determine the core responsibilities of each entity. In order to discharge such responsibilities, each entity is empowered formally with requisite powers.

In India, corporate governance practices are regulated by Clause 49 of the Listing Agreement entered into by companies with Stock Exchanges and the provisions of the Companies Act, 1956.

Keeping the above in mind, your Company has also committed itself to the philosophy of good Corporate Governance in all its dealing, utmost integrity in its conduct and in compliance with the highest standards of corporate values and ethics.

Your company consider Corporate Governance as a continuous journey to provide a congenial environment to harmonies the goals of maximizing the stakeholder' value and maintaining a customer-centric focus in all dealings with the outside world, besides keeping important segments of the society adequately informed.

Reporting requirements as per revised Clause 49 as applicable have been given due effect in this Report on Corporate Governance.

2. BOARD OF DIRECTORS

In terms of the Company's Corporate Governance policy, all statutory and other significant and material information are being placed before the Board to enable the Board discharge its responsibilities of strategic supervision of the Company.

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic supervision. The Board ensures that the Company has clear goals relating to shareholder value and its growth. The Board, as part and parcel of its functioning, also periodically reviews its role.

Composition of the Board.

The Company Board is a balanced Board, comprising Executive and Non-Executive Directors. As on 31st March 2011, the Board consisted of three (3) Directors, out of which one (1) Executive and two (2) Non- executive and Independent Directors, who are having expertise in their respective functional areas and capable of bringing in a wide range of managerial skills and business and professional acumen.

RESPONSIBILITIES:

The Board has a formal schedule of matters reserved for its consideration and decision which includes reviewing Company's performance, ensuring adequate availability of financial resources and reporting to shareholders. During the year under review the Board met 30 times and there was no gap exceeding one month between any two meetings. Board members ensure that their other responsibilities do not have material impact on their responsibilities as a Director of the Company.

During the year, thirty (30) Board Meetings were held on 5th April, 2010, 20th April, 2010, 30th April, 2010, 5th May, 2010, 20th May, 2010, 5th June, 2010, 21st June, 2010, 5th July, 2010, 20th July, 2010, 30th July, 2010, 5th August, 2010, 20th August, 2010, 27th August, 2010, 23rd September, 2010, 25th September, 2010, 20th October, 2010, 30th October, 2010, 4th November, 2010, 20th November, 2010, 6th December, 2010, 20th December, 2010, 20th January, 2011, 27th January, 2011, 28th January, 2011, 29th January, 2011, 5th February, 2011, 20th February, 2011, 21st February, 2011, 5th March, 2011, and 21st March, 2011.

Sr. No.	Name of Director	Category	Designation	Board Meetings Attended	Attendance at Last AGM	Total Number of other Directorship as on date#	No. of other Committee membership on date Member / Chairman
1.	Shri Sanotsh Kumar Kedia	ED	Director	24	Yes	1	- -
2.	Shri Harshan Kumar Bhandari	ED	Director	24	No		- -
3.	Shri Ashish Gadia	ED	Director	18	Yes		- -
4.	Shri Ranjan Tibrewal	NED	Director	16	No		
5.	Shri Surendra Kumar Khetawat	NED	Director	18	Yes	5	2 -
6.	Shri Manish Kumar Tibrewal	NED	Director	18	Yes	—	2 -
7.	Shri Nitin Tibrewal	NED	Director	6	No	-	

Details of shares held by the Non-Executive Directors as on 31st March, 2011 are as follows:

1. Shri Manish Kumar Tibrewal 200
2. Shri Nitin Tibrewal Nil

3. COMMITTEES OF THE BOARD

To enable better and more focused attention on the affairs of the Company, the Board has delegated specific matters to Committee of the Board set up for the respective purpose. The requirement that a Director shall not be a member of more than five Committees and Chairman of more than two Committees has been complied with while constituting the Committee of Directors.

(1) AUDIT COMMITTEE

The Audit Committee constituted as per the requirements of the provisions of Section 292A and in compliance of the requirements of Clause 49 of the Listing Agreement held its meeting on 30th April 2010, 30th July 2010, 30th October 2010 and 29th January 2011.

TERMS OF REFERENCE

To consider the scope of audit review, the effectiveness of the system of internal control, risk management and statutory compliances.

The Committee's powers and role are as stipulated in Clause 49 of the Listing Agreement and under Section 292A of the Companies Act 1956.

Sr. No.	Name	Executive / Non Executive	Category
1.	Shri Manish Kumar Tibrewal	Non-Executive & Independent	Chairman
2.	Shri Nitin Tibrewal	Non-Executive & Independent	Member
3.	Shri Ashish Gadia	Executive	Member
4.	Shri Ranjan Tibrewal	Non Executive	Resigned
5.	Shri Surendra Kumar Khetawat	Non-Executive & Independent	Resigned

Shri Ashish Gadia, Director alongwith the Statutory Auditors are invitees to the meeting.

MEETING AND ATTENDANCE:

The Committee met four times during the year under review. The said meetings were held on 30th April, 2010, 30th July, 2010, 30th October, 2010 and 29th January, 2011

S.No	Name	Executive / Non Executive	No. of meeting attended
1.	Shri Manish Kumar Tibrewal	Non-Executive & Independent	4
2.	Shri Nitin Tibrewal	Non-Executive & Independent	1
3.	Shri Ranjan Tibrewal	Non Executive	4
4.	Shri Surendra Kumar Khetawat	Non-Executive & Independent	3

(2) SHAREHOLDERS' / INVESTORS GRIEVANCES COMMITTEE

The Committee constituted to attend to and address the Shareholders' and Investors' grievances. This Committee meets periodically to approve transfer of shares and resolve investor's grievances, if any. The Committee oversees the performance of Registrars and Transfer Agents and recommends measures for overall improvement of the quantity of investor services.

S.No	Name of Directors	Category	Total Meetings 2010-2011	Nos. of meetings attended
1.	Shri Manish Kumar Tibrewal	Chairman	18	18
2.	Shri Nitin Tibrewal	Member	18	6
3.	Shri Ranjan Tibrewal	Member	18	15
4.	Shri Surendra Kumar Khetawat	Member	18	16

NAME AND DESIGNATION OF THE COMPLIANCE OFFICER:

Mr. S. M. Dubey

DETAILS OF SHAREHOLDERS COMPLAINTS RECEIVED:

Number of Complaint - 37
 Number of Complaints unsolved - Nil
 Pending Complaints - Nil

3. ANNUAL GENERAL MEETING

Location and time where last three Annual General Meetings were held:

AGM No.	Place	Date	Time
19th	"Shripati Singhanian Hall" Rotary Sadan, 94/2 J. L. Nehru Road, Kolkata - 700 020	23-09-2008	11.00 a.m.
20th	Hotel Himalaya, 134/1, Mahatama Gandhi Road, Kolkata - 700 007	30-09-2009	11.00 a.m.
21st	"Shripati Singhanian Hall" , Rotary Sadan, 94/2, J. L. Nehru Road, Kolkata - 700 020	30-09-2010	03.00 p.m.

The shareholders passed all the resolutions set out in the respective notices. There were no resolutions were passed through postal ballots under the applicable rules.

4. DISCLOSURES:

Details of materially significant related party transactions:

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

5. MEANS OF COMMUNICATION:

- Quarterly results are taken on record by the Board of Directors, and submitted the same to the Stock Exchange in terms of requirements of Clause 41 of the Listing Agreement along with Publication of Quarterly results in newspapers.
- The Management Discussion and Analysis Report forms part of Directors Report.

6. GENERAL SHAREHOLDER INFORMATION**Annual General Meeting**

Date	: 30 th September 2011
Venue	: "Shripati Singhanian Hall" Rotary Sadan, 94/2, J.L. Nehru Road, Kolkata-700020
Time	: 11.30 A.M.
Book Closure Date	: 26 th September 2011 to 30 th September, 2011
Dividend payment date	: N.A.
Listing on Stock Exchange	: Bombay Stock Exchange, Annual listing fee for the Year 2011-12 has been paid.
Custodial Fees to Depositories	: Fee for the year 2011-12 to NSDL and CDSL has been paid.

MARKET PRICE DATA: H/L OF EACH MONTH IN THE LAST FINANCIAL YEAR:

SHARE PRICE – HIGH & LOW (Rs.) – year 2010-11

Month	Apr 10	May 10	June 10	July 10	Aug 10	Sept 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11
Low	30.00	25.05	26.00	27.25	28.70	28.00	30.10	29.00	26.25	26.10	23.10	23.50
High	38.30	34.00	33.45	35.25	33.10	36.90	35.00	40.00	36.80	35.40	35.00	35.90

REGISTRAR & TRANSFER AGENTS:

Ankit Consultancy Pvt. Ltd., 60, Electronics Complex, Pardeshipura, Indore – 452010.
Phone No. 0731-2551745 / 2551746, e-mail: ankit_4321@yahoo.com

SHARE TRANSFER SYSTEM:

The Share transfer work and dematerialization/re-materialization work is assigned to M/s. Ankit Consultancy Pvt. Ltd., the Registrars and Share transfer Agent. Shares in physical form sent for transfer are normally registered and returned within a month from the date of receipt, if the documents are found in order in all respects. The Company has entered into agreement with CDSL and NSDL to facilitate holding of shares of the Company in dematerialized form.

Distribution of Shareholding as on 31st March 2011

Range in Rs.	Number of Holders	% to Total Holders	Shareholding (Rs. In Lacs)	% to total Capital
000001- 001000	4342	73.51	41.50	4.6
001001- 005000	1093	18.50	31.60	3.52
005001- 010000	247	4.18	20.42	2.26
010001- 100000	181	3.064	47.99	5.33
100001 - above	44	0.746	762.44	83.38
Total	5907	100.00	903.96	100

Sr.No	Particulars	No. of Shares	% to the total Paid up Share Capital
1.	Promoters/Directors & Relatives	43,36,700	47.97
2.	Mutual Funds/ UTI, Financial Institutions, Banks	2,200	0.02
3.	Bodies Corporate	30,88,814	34.17
4.	Indian Public	15,36,244	17.00
5.	NRIs/ OCBs	71385	0.79
6.	Clearing Members	4257	0.05
	TOTAL	90,39,600	100

DEMATERIALIZATION OF SHARES AND LIQUIDIZING:

91.13% of the Company's share capital is held in dematerialized form as on 31st March 2011. The company's shares are being regularly traded on the Bombay Stock Exchange., ISIN in CDSL and NSDL for Company's equity shares is INE 073G 01016. The code for the Share on Bombay Stock Exchange is 507526.

DECLARATION OF CODE OF CONDUCT AND ETHICS

The Board of Directors of the company has laid down code of conduct and ethics for the company, its directors and senior employees. All the Directors and the senior employees covered by the code affirmed compliance with code on an annual basis.

NON-MANDATORY REQUIREMENT:

The Company is in the process of implementation of non-mandatory requirements of Corporate Governance.

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

We have examined the compliance of conditions of Corporate Governance by Associated Alcohols & Breweries Limited for the year ended March 31, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that **subject to our observations that (i) quarterly financial results of the Company were considered and published without having them limited reviewed by the auditors and (ii) meeting of audit committee held without auditors participation**, the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, and to the best of our information and belief, there were no investor's grievance remaining unattended/pending for more than 30 days as at March 31, 2011.

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

For **B. K. Agrawal & Co.**
Chartered Accountants

For **M.D. Agrawal & Co.**
Chartered Accountants

(**CA B. K. Agrawal**)
PARTNER
M. No. 51873
FRN 314202E

(**CA M.P. Agrawal**)
PARTNER
M.No. 016736
FRN . 001177C

Place : Indore
Date : 29th August, 2011

AUDITOR'S REPORT

To the Shareholders,

We have audited the attached Balance Sheet of M/s. Associated Alcohols & Breweries Limited as at **31st March, 2011** and the related Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed ~~thereto, which~~ we have signed under reference to this report. These financial statements are the responsibility of the ~~Company's~~ management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those ~~standards require~~ that we plan and perform the audit to obtain reasonable assurance about whether the financial statements ~~are free of~~ material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and ~~disclosures~~ in the financial statements. An audit also includes assessing the accounting principles used and significant ~~estimates~~ made by management, as well as evaluating the overall financial statement presentation. We believe that ~~our audit~~ provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government and on the ~~basis of~~ such checks as were considered appropriate and according to the information and explanations given to us, ~~we state~~ that: -

- (i) (a) **The Company has not maintained proper records of fixed assets to show full particulars including quantitative details and situation of fixed assets.**
 - (b) As explained to us, these fixed assets have been physically verified by the management under the phased programme of physical verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The frequency of verification is reasonable, the company is in the process of compilation of the reports on physical verification and discrepancies if any, have not yet been identified.
 - (c) As per the information and explanation given to us and on our enquiries, the disposals of assets during the year were not substantial so as to have an impact on the operations of the company, or affect its status of going concern.
- (ii) (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories **(except for the stock of bottles of country liquor lying with third parties which are considered on the basis of excise records)**, followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) **The company is not maintaining any separate Stock Register.** However, transaction-wise stock details are compiled for control over the stocks and necessary details are obtained from the custodians of stocks viz., excise records. Discrepancies noticed on verification have been properly dealt with.
- (iii) (a) The Company has not granted any loans to the parties listed in the register maintained under section 301 of the Act, accordingly, clause III (a) to (d) of the order is not applicable.
 - (b) The company has not taken any loans from the parties covered in the register maintained under section 301 of the Act, accordingly clause III (e) to (g) of the order is not applicable.
- (iv) **In our opinion and according to the information and explanations given to us, there are no adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods.** Except as stated above, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register maintained under the said section.

- (b) In our opinion and according to the information and explanations given to us, no transactions were made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of any party during the year have been made at the prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) According to the information and explanation given to us the company has not accepted deposits to which provisions of Section 58-A of the Companies Act, 1956 are applicable during the year. We have been informed that no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other courts or any other Tribunal.
- (vii) The Company has no internal audit system. It needs to be implemented formally and to make it commensurate with the size and nature of the Company's business.**
- (viii) As far as we are informed, the Central Government has not prescribed the maintenance of cost records by the company under section 209(1)(d) of the Companies Act, 1956 for the year ended on 31-03-2011.
- (ix) (a) According to the information and explanation given to us and on basis of our examination of the books of accounts of the company, the company has been generally regular in depositing undisputed statutory dues. Including Provident fund, Investors education and Protection fund, Employees' state Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities **except Service Tax**. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2011 for a period of more than six months from the date of becoming payable **except the Service Tax Amounting to Rs. 4.76 Lacs. However the same has been deposited by 25th August, 2011.**
- (b) According to the records of the company, dues of Sales-tax, Income-tax, Wealth-tax, Service tax, Custom duty, Excise duty/cess, which have not been deposited as on 31st March 2011 on account of any dispute are given below:-

Sr. No.	Name of the Statute	Nature of dues	Amount Rs. in Lacs	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax Demand - AY 2007-08	5.50	Commissioner of Income Tax (Appeals) XII - Kolkata
2	Income Tax Act, 1961	Fringe Benefit Tax Demand - AY 2007-08	0.42	Dy. Commissioner of Income Tax, Circle XII - Kolkata.
3	Entry Tax Act 2008-09	Entry Tax	9.29	Additional Commissioner, Commercial Tax, Indore
4	Entry Tax Act 2005-06	Entry Tax	16.62	Deputy Commissioner, Commercial Tax Appeals, Indore

- (x) The company has no accumulated losses at the year end. The company has not incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us, the company has not granted Loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund company or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) According to the information given to us the company has maintained proper records of transactions and contracts in respect of its dealing in shares, securities, Debentures and Other Investments and timely entries have been made therein. All the shares, securities, debentures and investments have been held by the company in its own name.
- (xv) According to the information and explanations given to us, the company has given guarantee aggregating to Rs. 31.00 Crores for Loans taken by a group company from a bank, and the guarantee have not been considered prima facie, prejudicial to the interest of the company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company has generally applied the term loans for the purpose for which the loans were obtained.
- (xvii) On the basis of the information and explanation given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, funds raised on short-term basis have not been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our Audit Report. Accordingly, the provisions of clause 4 (xix) of the Companies Act (Auditor's Report) Order 2003 are not applicable to the Company.
- (xx) During the period covered by our Audit Report, the Company has not raised any money by Public Issues.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Further to our above comments, we report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by the Companies Act, 1956 have been kept by the company so far as appears from our examination of those books.
3. The Balance Sheet, the Profit & Loss Account and the Cash Flow statement dealt with by this report are in agreement with the Books of Accounts.
4. In our opinion, Profit and Loss Account, the Balance Sheet and Cash Flow statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.

5. Based on the written representation made by all the Directors of the Company as on 31st March, 2011, we report that none of the Directors of the company is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Act.
6. In our opinion and to the best of information and according to the explanations given to us, annexed accounts read together **with** other notes on accounts given in Schedule XIV give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - a) In case of Balance Sheet of the state of affairs of the Company as at 31st March, 2011, and
 - b) In case of Profit & Loss Account of the Profit of the Company for the year ended on that date.
 - c) In case of cash flow statement of the cash flows of the Company for the year ended on that date.

For B. K. Agrawal & Co.
Chartered Accountants
Firm Registration No. 314202E

For M.D. Agrawal & Co.
Chartered Accountants
Firm Registration No. 001177C

(CA B. K. Agrawal)
PARTNER
M. No. 51873

(CA M.P. Agrawal)
PARTNER
M. No. 016736

Place : Indore
Dated : August 29, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE	31.03.2011 ₹	31.03.2010 ₹
<u>SOURCES OF FUNDS</u>			
<u>SHAREHOLDER'S FUNDS</u>			
EQUITY SHARE CAPITAL	I	90396000	90396000
RESERVE AND SURPLUS	II	363355324	338771264
<u>LOAN FUNDS</u>			
SECURED LOANS	III	244430486	156264599
UNSECURED LOANS	IV	159352078	97198866
TOTAL		857533888	682630729
<u>APPLICATION OF FUNDS:</u>			
FIXED ASSETS (GROSS BLOCK)	V	714286902	635269602
LESS: DEPRECIATION		297412557	267707410
NET BLOCK		416874345	367562192
INVESTMENTS (AT COST)	VI	20001000	20001000
CURRENT ASSETS, LOANS & ADVANCES :	VII		
INVENTORIES		160015197	184484761
SUNDRY DEBTORS		149840513	161245483
CASH & BANK BALANCES		88653747	59000120
LOANS & ADVANCES		283979405	158637563
		682488862	563367927
LESS : CURRENT LIABILITIES & PROVISIONS	VIII	189248773	195145937
NET CURRENT ASSETS		493240089	368221990
Less :- Differed Tax Liability (Net)		72614345	73192719
MISCELLANEOUS EXPENDITURE		32799	38266
TOTAL		857533888	682630729

NOTES TO THE ACCOUNTS
AS PER OUR REPORT OF EVEN DATE
ATTACHED HERE TO

XIV

FOR **B.K. AGRAWAL & CO.,**
Chartered Accountants

ON BEHALF OF THE BOARD

(**CA B.K. AGRAWAL**)
PARTNER
M.NO.- 51873
FRN -314202E

ASHISH GADIA
DIRECTOR

FOR **M.D. AGRAWAL & CO.,**
Chartered Accountants

NITIN TIBREWAL
DIRECTOR

CA M.P. AGRAWAL)
PARTNER
M.NO.- 16736
FRN -001177C

PLACE : INDORE
DATED : 29/08/2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

PARTICULARS	SCHEDULE	31.03.2011 ₹	31.03.2010 ₹
INCOME			
TURNOVER	IX	907354999	1085702602
OTHER INCOME		13824231	14382066
INCREASE/(DECREASE) IN STOCK	X	-17607414	18133139
TOTAL		903571815	1118217807
EXPENDITURE:			
MANUFACTURING EXPENSES	XI	673786413	925051645
OFFICIAL ADMN. & SELLING EXPENSES	XII	155461811	119152419
FINANCIAL CHARGES	XIII	25011602	25826179
MISC. EXPENSES W/OFF		5467	5467
TOTAL		854265292	1070035710
PROFIT BEFORE DEPRECIATION & TAX		49306523	48182097
DEPRECIATION		32208940	29815682
EXTRA ORDINARY ITEM		14666222	0
PROFIT BEFORE TAX		31763805	18366415
PROVISION FOR CURRENT TAX		6849275	3194512
PROFIT BEFORE DEFERRED TAXATION		24914529	15171903
DEFERRED TAXATION		(578374)	3217856
TAX OF EARLIER YEARS		908844	0
PROFIT FOR THE YEAR		24584060	11954047
BALANCE BROUGHT FORWARD FROM LAST YEAR		181031166	174077119
PROFIT AVAILABLE FOR APPROPRIATION		205615226	186031166
AMOUNT TRANSFERRED TO GENERAL RESERVE		5000000	5000000
BALANCE CARRIED FORWARD TO BALANCE SHEET		200615226	181031166
EARNING PER SHARE		1.10	1.32
Basic and Diluted Earning Per Share (Excluding Extra Ordinary item)			

NOTES TO THE ACCOUNTS

XIV

AS PER OUR REPORT OF EVEN DATE
ATTACHED HERE TOFOR **B.K. AGRAWAL & CO.,**
Chartered Accountants

ON BEHALF OF THE BOARD

(CA B.K. AGRAWAL)
PARTNER
M.NO. - 51873
FRN -314202E**ASHISH GADIA**
DirectorFOR **M.D. AGRAWAL & CO.,**
Chartered Accountants**NITIN TIBREWAL**
Director**(CA M.P. AGRAWAL)**
PARTNER
M.NO. - 16736
FRN -001177CPLACE : INDORE
DATED : 29/08/2011

SCHEDULE - I : SHARE CAPITAL :	31.03.2011 ₹	31.03.2010 ₹
AUTHORISED : 110,00,000 EQUITY SHARES OF RS.10/- EACH	110000000	110000000
ISSUED, SUBSCRIBED AND PAID UP 9039600 (PREVIOUS YEAR 9039600) EQUITY SHARES OF RS.10/-EACH.	90396000	90396000
TOTAL	90396000	90396000

SCHEDULE -II : RESERVES AND SURPLUS:	BALANCE AS AT 01.04.2010 ₹	ADDITIONS ₹	DEDUCTIONS ₹	BALANCE AS AT 31.03.2011 ₹
CAPITAL RESERVE	2400000	0		2400000
SHARE PREMIUM	106706000	0	0	106706000
GENERAL RESERVE	48634098	5000000	0	53634098
PROFIT AND LOSS ACCOUNT	181031166	24584060	5000000	200615226
TOTAL	338771264	29584060	5000000	363355324

SCHEDULE - III : SECURED LOANS:	31.03.2011 ₹	31.03.2010 ₹
FROM BANK - SECURED BY INVENTORIES, RECEIVABLES, FIXED ASSETS AND PERSONAL GUARANTEE OF DIRECTORS	244430486	156264599
TOTAL	244430486	156264599

SCHEDULE IV : UNSECURED LOANS :	31.03.2011 ₹	31.03.2010 ₹
FROM DIRECTORS	0	0
FROM OTHERS	159352078	97198866
TOTAL	159352078	97198866

SCHEDULE V :
FIXED ASSETS AS AT 31/03/2011 :

GROSS BLOCK					DEPRECIATION				NET BLOCK	
NAME OF ASSETS	AS ON 01.4.2010 ₹	ADDITIONS DURING THE YEAR ₹	SALES DURING THE YEAR ₹	AS ON 31.03.2011 ₹	UPTO 01.04.2010 ₹	DURING THE YEAR ₹	WRITTEN BACK ₹	TOTAL UP TO 31.03.2011 ₹	AS ON 31.03.2011 ₹	AS ON 31.03.2010 ₹
GOODWILL	7200000	0	0	7200000	0	0	0	0	7200000	7200000
LAND	5260364	0	0	5260364	450000	30000	0	480000	4780364	4810364
BUILDING	41970409	0	0	41970409	17541090	1359621	0	18900711	23069698	24429319
PLANT & MACH.	512269687	2755192	1898750	513126128	228267164	27076161	1202224	254141101	258985028	284002523
FURNITURE & FIXT.	11640092	810792	0	12450884	6618699	879414	0	7498112	4952772	5021394
VEHICLES	27780486	4426034	1740186	30466334	14830457	2863744	1301568	16392633	14073701	12950028
CAPITAL W.I.P.	29148564	75476828	812610	103812782	0	0	0	0	103812782	29148564
TOTAL	635269602	83468846	4451546	714286902	267707410	32208940	2503792	297412557	416874345	367562192
PREVIOUS YEAR	560118757	80814986	5664141	635269602	242480524	29815681	4588795	267707410	367562193	317638233

SCHEDULE VI : INVESTMENTS :		31.03.2011 ₹	31.03.2010 ₹
LONG TERM UNQUOTED :			
ASSOCIATED HOUSING & INFRASTRUCT. LTD. 100 EQUITY SHARES OF RS.10/- EACH		1000	1000
MOUNT EVEREST BREWERIES LIMITED 200000 EQUITY SHARES OF RS.10/- EACH		20000000	20000000
TOTAL		20001000	20001000
SCHEDULE VII : CURRENT ASSETS, LOANS AND ADVANCES :		31.03.2011 ₹	31.03.2010 ₹
CURRENT ASSETS, LOANS AND ADVANCES : (AS TAKEN VALUED AND CERTIFIED BY THE MANAGEMENT)			
INVENTORIES :			
FINISHED GOODS		33563879	51171294
RAW MATERIALS		34003688	35269086
STOCK IN PROCESS		8259543	3017944
PACKING MATERIAL		46980161	80609501
CONSUMABLE STORES		37207926	14416936
TOTAL	(A)	160015197	184484761
SUNDRY DEBTORS (UNSECURED- CONSIDERED GOOD) DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS OTHER DEBTS		79931141 69909372	67580493 93664990
TOTAL	(B)	149840513	161245483
CASH & BANK BALANCES :			
-CASH IN HAND		47499767	45475770
-BALANCE WITH SCHEDULED BANKS IN INDIA		41153980	13524350
TOTAL	(C)	88653747	59000120
LOANS & ADVANCES (UNSECURED- CONSIDERED GOOD) -ADVANCES (RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED) -DEPOSITS -OTHER RECEIVABLES		259513639 8760540 15705226	129229350 16052966 13355247
TOTAL	(D)	283979405	158637563
TOTAL (A+B+C+D)		682488862	563367927
SCHEDULE - VIII: CURRENT LIABILITIES AND PROVISIONS:		31.03.2011 ₹	31.03.2010 ₹
SUNDRY CREDITORS :			
FROM MICRO, SMALL AND MEDIUM ENTERPRISES		1990915	1280078
FROM OTHERS		132378418	92763475
LIABILITIES TOWARDS INVESTOR EDUCATION AND PROTECTION FUND			
UNPAID DIVIDEND		118686	239098
OTHER LIABILITIES		47911478	97668774
		182399498	191951425
PROVISION:			
INCOME TAX		6787422	3121372
WEALTH TAX		61853	73140
TOTAL		189248773	195145937

SCHEDULE - IX: TURNOVER:	31.03.2011 ₹	31.03.2010 ₹
SALES	901475834	1081257886
MANUFACTURING CHARGES	5879165	4444716
TOTAL	907354999	1085702602

SCHEDULE - X: INCREASE/DECREASE IN STOCK:	31.03.2011 ₹	31.03.2010 ₹
FINISHED GOODS:		
-OPENING STOCK	51171294	33038155
-CLOSING STOCK	33563879	51171294
INCREASE/DECREASE IN STOCK:	-17607414	18133139

SCHEDULE - XI: MANUFACTURING EXPENSES:	31.03.2011 ₹	31.03.2010 ₹
RAW MATERIAL CONSUMED	601441536	577612381
STORES & SPARES	17376879	13728331
POWER AND FUEL	18020940	14009479
SALARY AND WAGES	10646236	9596602
INSURANCE	2083121	1603765
ENTRY TAX	3331307	2202676
BRAND OWNERS ENTITLEMENT	4683062	3275172
MISCELLANEOUS EXPENDITURE	16203333	303023239
TOTAL	673786413	925051645

SCHEDULE - XII: OFFICE, ADMINISTRATION AND SELLING EXPENSES:	31.03.2011 ₹	31.03.2010 ₹
DIRECTOR'S REMUNERATION	875000	960000
SALARY AND BONUS	10551150	7078075
PROVIDENT FUND AND ESI	1070961	872347
RENT, RATES AND TAXES	1051049	2695235
VEHICLE REPAIR AND MAINTENANCE	2843172	2690918
ELECTRICITY REPAIR AND MAINTENANCE	884229	688510
TRAVELLING EXPENSES	5018767	5225222
FREIGHT AND CARTAGE	19502062	17984741
AUDITOR'S REMUNERATION	397300	386410
MISCELLANEOUS EXPENSES	113268121	80570961
TOTAL	155461811	119152419

SCHEDULE - XIII: FINANCIAL CHARGES:	31.03.2011 ₹	31.03.2010 ₹
INTEREST ON TERM LOAN	3363455	1971722
OTHER INTEREST	18677248	22162012
BANK COMMISSION AND CHARGES	2970899	1692445
TOTAL	25011602	25826179

NOTES ON ACCOUNTS**SCHEDULE - XIV****PART – A - SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of Preparation of Financial Statements:**

The company adopts the mercantile system of Accounting and recognizes, Income and expenditure on accrual basis except where stated specifically. The financial statements have been prepared by following a going concern approach and are in conformity with the statutory provisions, accounting standards notified under Section 211 (3C) of the Companies Act, 1956 and the relevant provisions thereof and generally accepted practices prevailing in India except as otherwise stated.

(b) Fixed Assets:

Fixed assets are stated at cost inclusive of inward freight, duties, taxes, financial cost and other expenses upto putting the assets in use.

(c) Investments:

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost, Provisions for diminution in the value of the long-term investments is made only if such a decline is other than temporary.

(d) Inventories:

Inventories are valued at lower of cost or net realizable value except cost of work in progress, which is determined on absorption costing method.

(e) Loans:

Loans are stated inclusive of interest accrued thereon.

(f) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Gross turnover includes Excise Duty on sales but does not include Sales Tax and VAT.

Income from Services

Revenue from service contracts are recognized pro-rata over the period of the contract as and when services are rendered and are net of service tax.

Interest

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

Dividend is recognized when the shareholders' right to receive payment is established by the Balance Sheet Date.

(g) Bottling Business:

The company is having arrangement for manufacturing of the products of certain brand owners on fixed charge basis. In view of state excise laws, these transactions have taken place in the name of the company, and accordingly included in Balance Sheet and Profit & Loss account notwithstanding the risks and rewards being with respective brand owners.

(h) Depreciation:

Depreciation has been provided on straight-line method as per rates prescribed under Schedule XIV to the Companies Act, 1956. Leasehold land is amortized over the period of lease.

(i) Impairment of Assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior years is reversed if there has been a change in the estimate of recoverable amount.

(j) Employee Benefits:

(i) The company's contribution to Provident Fund and Employees State Insurance Scheme are charged to profit & loss account.

(ii) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

(iii) Post employment and other long-term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the profit and loss account.

(iv) Encashment of leave is recognized, provided and paid on yearly basis. There is no accumulation of the same except current year.

(k) Earning Per Share:

The earning considered in ascertaining the company's earning per share (EPS) comprise of the net profit after tax. The number of shares used in computing diluted EPS comprise of weighted average shares considered for deriving basic EPS and also the weighted average number of Equity Shares which could have been issued on the conversion of all dilutive potential Equity Shares.

(l) Prior Period Items:

Income and expenses, which arise in the current year as a result of errors or omissions in the preparation of financial statements of one or more prior periods, are stated as prior period adjustments in the notes of Accounts.

(m) Foreign Currency Transaction:

(i) Foreign Currency transactions are recorded at the exchange rate prevailing on the date of transaction.

(ii) Monetary items denominated in foreign currencies (such as cash receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable as on that date.

(iii) Non-Monetary items denominated in foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction.

(iv) Any gains or losses arising due to exchange differences at the time of translation or settlement are accounted for in the Profit and Loss Account.

(n) Provision, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(o) Lease Asscts:

Leases where the lessor effectively retain substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a Straight-line basis over the lease term. Lease income is recognized in the Profit and Loss Account on an accrual basis.

(p) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

(q) Export Benefits:

The benefits accrued under the Duty Draw Back Scheme as per the Export and Import Policy in respect of exports made under the said Scheme are recognized under the head "Other Income from Operations".

(r) Taxation:

- (i) Current Tax : Provisions for Income Tax and Wealth Tax are determined in accordance with the provisions of Income Tax Act, 1961 and Wealth Tax Act, 1957, respectively.
- (ii) Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred tax assets are recognized to the extent there is reasonable certainty that these assets can be realized in future.

PART – B – NOTES ON ACCOUNTS

1. Subscribed and Paid up Share Capital includes 16,38,700 Equity shares (Previous Year-16,38,700 Equity shares) allotted earlier as fully paid bonus shares by capitalization of revaluation reserve of Rs. 163.87 lacs.
2. Estimated amount of capital contracts remaining to be executed on capital accounts not provided for Rs. 290.62 Lacs (Previous Year: Rs. 466.99 Lacs).
3. Contingent Liabilities in respect of following not provided for -
 - i) Bank guarantee amounting to Rs.255.52 Lacs (Previous Year Rs. 102.66 Lacs).
 - ii) Corporate Guarantee amounting to Rs.31.00 Crores (Previous year Rs.25.50 Crores) given to secure borrowings of M/s. Mount Everest Breweries Ltd.
 - iii) VAT Tax Payable of Rs. 40.18 lacs on country Liquor Bottles written off against the bottle Deposit due to change in the M.P. State Government Excise Policy.
 - iv) Demand in respect of Matters under dispute/ appeals:

Sr. No.	Name of the Statute	Nature of dues	Amount (Rs. in lacs)	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax Demand - AY 2007-08	5.50	Commissioner of Income Tax (Appeals) XII - Kolkata
2	Income Tax Act, 1961	Fringe Benefit Tax Demand - AY 2007-08	0.42	Dy. Commissioner of Income Tax, Circle XII - Kolkata
3	Entry Tax Act 2008-09	Entry Tax	9.29	Additional Commissioner, Commercial Tax, Indore
4	Entry Tax Act 2005-06	Entry Tax	16.62	Deputy Commissioner, Commercial Tax Appeals, Indore

4. Depreciation includes Rs.30,000/- (previous year Rs.30,000/-) being the proportionate amount of Lease Premium, of lease hold Factory Land divided over the tenure of lease amortized for the year.
5. Loan given includes Rs.6.54 Crores (Previous Year Rs. 5.17 Crores) given free of interest to a company within the group.
6. The Company has filed a case under Section 138 of Negotiable Instrument Act, for recovery of dues from M/s. Jaipur Distilleries Ltd. for dishonour of cheque of Rs. 70 lacs for which a provision was made in earlier year.
7. Loans, Advances, Deposits, Creditors and Debtors accounts have been taken as per books of accounts and these are subject to confirmation.
8. In the opinion of the Board, the current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance sheet and provision of know liabilities is adequate and not in excess of the amount, reasonable and necessary.
9. Tax deducted at source on interest income Rs.12,23,506/- (Previous Year Rs. 8,11,786/-).
10. Other Income includes interest income Rs. 1,21,60,905/- (Previous year Rs. 70,98,986/-), Duty Draw Back Rs. 1,74,640/- (previous year Rs. 94,400/-), Profit on Sale of fixed assets Rs.54,022/- (previous year Rs. 2,65,360/-), Misc. Insurance claim Receipts Rs. 14,34,664/- (previous year Rs. 3,05,659/-), Foreign Currency fluctuation gain Nil (Previous Year Rs. 2,661/-) and Keyman Policy receipts NIL (Previous Year Rs. 66,15,000/-).
11. As per clause 6(xiv) of the Terms and Conditions of the Tender Notice No. 5(1)2011-3 dated 22nd January 2011 issued by the Office of the Excise Commissioner Madhya Pradesh, Gwalior and published in the Official Gazette (S.No. 27) of the State of Madhya Pradesh, with effect from 1st April, 2011, the Company is not under an obligation to take back old glass bottles from the retailers against bottle deposits in respect of its Country Liquor sale. Accordingly, the Company is not under an obligation to refund the security deposit lying with it for empty glass bottles. Owing to aforesaid change in State Government Excise Policy for manufacture and supply of Country Liquor, the bottles lying with third parties and security deposit on such bottles as on 31st March 2011 has been written off which resulted in an extra ordinary income of Rs. 1,46,66,222/-.
12. Directors' remuneration represents aggregate amount of salary paid to Whole-Time Directors.
13. Misc. office, administration and selling expenses include loss on sale of assets Rs.1,27,420/- (Previous year Rs. 36,596/-), Foreign Currency fluctuation Loss Rs. 34,432/- (Previous Year Nil), Sundry Balances written off Rs. 14,92,423/- (Previous Year Nil) and Rs.2,32,48,282/- (previous year nil) being loss on derivative business.
14. Manufacturing expenses includes Rs.14,65,826/- (Previous Year Rs. 1,44,735/-), Office, administrative Expenses includes Rs. 14,40,855/- (Previous Year Rs. 2,62,210/-) and financial charges includes Rs. 5,68,774/- (Previous Year Nil) for the prior periods.
15. As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

DEFINED CONTRIBUTION PLAN

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:-

	2010-2011	2009-10
Employer's Contribution to Provident Fund -	Rs.10,70,961/-	Rs. 8,02,789/-

DEFINED BENEFIT PLAN

The Company has taken Group Gratuity Policy of LIC of India. The Present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

I. Reconciliation of opening and closing balances of obligation.

	2010-11 ₹	2009-10 ₹
Liability at the beginning of the year	32,94,014	23,54,688
Current Service Cost	3,83,489	1,38,086
Interest Cost	2,63,521	1,88,375
Benefits paid	(19,748)	(1,92,300)
Actuarial (gain)/Loss on obligations	4,39,255	8,05,165
Liability at the end of the year	43,60,531	32,94,014

II. Reconciliation of opening and closing balances of fair value of plan assets.

	₹	₹
Fair value of plan assets at the beginning of the year	26,04,724	24,09,123
Expected return on plan assets	2,17,342	2,17,342
Contribution by the employer	6,47,662	1,70,559
Benefits paid	(19,748)	(1,92,300)
Actuarial (gain)/Loss	50,477	-----
Fair value of plan assets at the end of the year (refer note)	35,00,457	26,04,724

III. Expenses recognized in Profit & Loss Account

	₹	₹
Current Service Cost	3,83,489	1,38,086
Interest Cost	2,63,521	1,88,375
Expected return on plan assets	(2,17,342)	(2,17,342)
Total Actuarial (gain)/loss	3,88,778	8,05,165
Total Expenses included in employee cost	8,18,446	9,14,284

IV. Amount recognized in the Balance Sheet.

	₹	₹
Defined benefit obligation as at the end of the year	43,60,531	32,94,014
Fair Value of Plan Assets at the end of the year	35,00,457	26,04,724
Surplus / (Deficit)	(8,60,074)	(6,89,290)

V. Principal actuarial assumptions

	₹	₹
Discount rate	8.25%	8%
Expected rate of return on plan of assets	8.25%	8%
Salary increment rate	6%	6%
Composition of plan assets		
Investment with insurer	100%	100%

16. Related parties disclosure as per Accounting Standard -18 is given hereunder:

A. List of Related Parties where control exists and related parties with whom transactions have taken place.

S.No.	Name of the Related Party	Relationship
01.	Mr. Santosh Kumar Kedia	Key Managerial Personnel
02.	Mr. Harshan Kumar Bhandari	Key Managerial Personnel
03.	Mr. Ashish Kumar Gadia	Key Managerial Personnel
04.	Mrs. Chandadevi Kedia	Relative of Key Managerial Personnel
05.	Mrs. Uditia Bhandari	Relative of Key Managerial Personnel
06.	Mr. Anand Kumar Kedia	Individual owning voting power giving control or significant influence.
07.	Mr. Prasann Kumar Kedia	Individual owning voting power giving control or significant influence.
08.	Mrs. Ram Dulari Kedia	Individual owning voting power giving control or significant influence.
09.	Mrs. Sangita Kedia	Individual owning voting power giving control or significant influence.
10.	Mrs. Sweta Kedia	Individual owning voting power giving control or significant influence.
11.	Venkareshwar Inv. & Fin. (P) Ltd	Enterprise over which persons referred hereinabove have been able to exercise significant influence.
12.	Snehsil Hirise (P) Ltd	Enterprise over which persons referred hereinabove have been able to exercise significant influence.

A. Related party transaction

Particulars	Key Managerial personnel		Relatives of Key Managerial personnel		Individual owning voting power giving control or significant influence		Enterprise over which persons referred hereinabove able to exercise significant influence	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sales/purchase	--	-	-				33.95	
Managerial Remuneration	8.75	9.60						
Salary	1.36		3.24	3.24	7.20	7.20		
Rent	-	-	1.06	0.96	1.20	1.20		
Loan given		-					45.78	40.38

Guarantees obtained from certain Key Managerial personnel for the financial facilities availed from Banks / FI's to extent of Rs. 2700 Lacs.

17. Reporting of earning per shares as required with Accounting Standard 20 is given hereunder:

Particulars		Financial Year	
		2010-2011	2009-10
Face Value per Share (Rs.)		10/-	10/-
a. Weighted average number of Equity Shares			
1. Number of Equity Shares at the beginning of the year		9039600	9039600
2. Number of Equity Shares at the end of the year		9039600	9039600
3. Weighted average number of Equity Shares outstanding during the year (on annualized basis)		9039600	9039600
b. Net Profit after tax available for Equity Share holders (Rs. In lacs)		245.84	119.54
c. Net Profit after tax available for Equity Share holders (Rs. In lacs) (excluding Extra Ordinary Item)		99.18	119.54
c. Basic and diluted Equity per share (in Rs.) annualized (excluding Extra Ordinary Item)		1.10	1.32

18. Deferred Tax Liability Comprise of the following

		As at 31 st March, 2011	As at 31 st March, 2010
a. Deferred Tax Liability			
	Related to Fixed Assets	726.14	731.93
b. Deferred Tax Assets			
	Disallowance under Income Tax Act, 1961	Nil	Nil
	Total	726.14	731.93

1. SEGMENT REPORTING :

The Company has identified primary reportable segments viz Potable Alcohols & Wind Power Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprises as a whole and not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Particulars	CURRENT YEAR (Rs. IN LACS)				PREVIOUS YEAR (Rs. IN LACS)			
	Potable Alcohol	Wind Power/	Others	Total	Potable Alcohol	Wind Power/	Others	Total
REVENUE :								
External Revenue :	9024.77	48.78	--	9073.55	10857.03	--	--	10857.03
Un-allocated revenue :				138.24	--	--	--	143.82
Total Revenue :			--	9211.79		--	--	11000.85
Particulars	CURRENT YEAR (Rs. IN LACS)				PREVIOUS YEAR (Rs. IN LACS)			
	Potable Alcohol	Wind Power	Others	Total	Potable Alcohol	Wind Power	Others (Derivatives)	Total
Allocated Expenses	8034.47	23.08	232.48	8290.03	10082.39	0.12		10082.51
RESULT :								
Segment Result:	990.30	25.70	(232.48)	783.52	774.64	(0.12)		774.52
Unallocated expenditure net of un-allocated Income :				215.75				332.60
Interest Expenses :				250.13				258.26
Profit before taxation but after prior period adjustments :				317.64				183.66
Provision for Taxation :								
Current Year :				68.49				31.94
Earlier Year				9.09				
Deferred Tax :				(5.78)				32.18
Profit / (Loss) after tax		-	-	245.84				119.54
OTHER INFORMATION								
Segment Assets :	10528.31	420.36		10948.67	8858.12	414.71		9272.83
Un-allocated Assets :				245.30				236.87
Total Assets :			-	11193.97				9509.70
Segment Liabilities :	1824.00			1824.00	1156.80	30.79		1187.59

Particulars	CURRENT YEAR (Rs. IN LACS)				PREVIOUS YEAR (Rs. IN LACS)			
	Potable Alcohol	Wind Power	Others	Total	Potable Alcohol	Wind Power	Others	Total
Unallocated Liabilities	-	-	-	4832.45				3298.51
Total Liabilities :				6656.45				4486.10
Segment Capital Expenditure	834.69			834.69	393.32	414.83	-	808.15
Un-allocated Capital Expenditure							-	-
Segment Depreciation and Amortization	300.26	21.83		322.09	298.04	0.12	-	298.16
Un-allocated Depreciation and Amortization								
Segment Non-cash expenses other than Depreciation and Amortization :								-
Unallocated Non-cash expenses other than Depreciation and Amortization								-
Depreciation and Amortization								-

20. Payment to auditors represents:

- Audit fee
- Other Services

2010-11	2009-10
3,80,400/-	3,86,410/-
70,897/-	58,950/-
<u>4,51,297/-</u>	<u>4,45,360/-</u>

21. Dues to Micro, Small and Medium Enterprises.

Based on, and to the extent of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at 31.03.2011 and 31.03.2010 are furnished below: MSMED information

Particulars	2010-11	2009-10
Principal amount due to suppliers under MSMED Act, as at 31st March	19.91	12.80
Interest accrued and due to suppliers under MSMED Act, on the above amount as at 31st March		
Payment made to suppliers (other than interest) beyond the appointed day, during the year		
Interest paid to suppliers under MSMED Act, (other than section 16)		
Interest paid to suppliers under MSMED Act, (section 16)		
Interest due and payable to suppliers under MSMED Act, for payment already made.		
Interest accrued and remaining on paid at the end of the year to suppliers under MSMED Act.		

22. Earning and Expenditure of Foreign Currency.
Earnings:

Export Sales

2010-11

32.25

(Rs. In Lacs)

2009-10

14.93

Expenditure:

Professional Development Exp.

NIL

1.84

23. Additional information under part II schedule VI to the Companies Act, 1956.
A) CAPACITY & PRODUCTION

Product	Unit	Licensed Capacity		Installed Capacity		Production	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
POTABLE ALCOHOL	Proof Ltr. in Lacs	524.38	778.15	420.00	420.00	201.68	137.53
WIND POWER GENERATION	KW in Lacs	62.415	62.415	62.415	62.415	14.63	

B) TURNOVER & STOCK

TURNOVER PRODUCT	UNIT	2010-11		2009-2010	
		QTY	Rs.Lacs	QTY	Rs.Lacs
POTABLE ALCOHOL	Proof Ltr. in Lacs	249.42	8467.53	226.57	10596.87
OTHERS			498.45		215.71
WIND POWER GENERATION	KW in Lacs	14.63	48.78		
MFG. CHARGES			58.79		44.45
STOCK (Potable Alcohol)		QTY	AMT.	QTY	AMT.
OPENING STOCK	Proof Ltr. in Lacs	21.19	511.70	12.76	330.38
CLOSING STOCK	Proof Ltr. in Lacs	11.53	335.64	21.19	511.70

C) RAW MATERIALS CONSUMED

PARTICULARS	UNIT	2010-11		2009-10	
		QTY.	Rs.Lacs	QTY.	Rs. Lacs
MOLASSES	Lacs MT.	0.20	1023.59	0.10	570.51
GRAIN	Lacs MT.	0.25	2301.17	0.20	1770.92
SPIRIT	Proof Ltr. in Lacs	38.08	631.34	97.47	2002.38
COAL	Lacs MT.	0.18	744.28	0.12	376.90
OTHER CONSUMABLES			426.13		223.71
PACKING MATERIALS			887.91		831.70

24. Previous Year's figures have been regrouped, re-casted and/or rearranged wherever necessary.

 FOR B.K. AGRAWAL & CO.
Chartered Accountants

 FOR M.D. AGRAWAL & CO.
Chartered Accountants

(CA B. K. Agrawal)

Partner

M. No. 51873

FRN 314202E

Place : Indore

Date : August 29, 2011

(CA M. P. Agrawal)

Partner

M.No. 016736

FRN . 001177C

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(AS PER SCHEDULE VI, PART IV OF THE COMPANIES ACT, 1956)

i) **REGISTRATION DETAILS**

Registration details	47211	State Code	21
Balance Sheet	31.03.2011		

ii) **CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSSAND)**

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

iii) **POSITION OF MOBILISATION AND DEPLOYMENT OF FUND (AMOUNT IN THOUSAND)**

Total Liabilities	1119396	Total Assets	1119396
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SOURCES OF FUNDS

Paid up Capital	90396	Reserves & Surplus	363355
Secured Loans	244430	Unsecured Loans	159352
Deferred Taxes	72614	Current Liabilities	189249

APPLICATION OF FUNDS

Net Fixed Assets	416874	Investments	20001
Net Current Assets	682489	Misc. Expenditure	32

iv) **PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)**

Turnover	921179	Total Expenditure	889415
(including other income)			
Profit/Loss before tax	31764	Profit/Loss After Tax	24584
Earning per share	2.72	Dividend Rate	0.00%

v) **GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY**

1. Item Code No. (ITC Code)	220710.01
Product Description	Rectified Spirit
2. Item Code No. (ITC Code)	220710.09
Product Description	Other Spirit
3. Item Code No. (ITC Code)	220830
Product Description	Whiskies

Place : INDORE
Dated: 29TH AUGUST 2011

ON BEHALF OF THE BOARD

ASHISH GADIA
DIRECTOR

NITIN TIBREWAL
DIRECTOR

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2011

	2010-2011	2009-2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	31763805	18366415
ADJUSTMENT FOR DEPRECIATION	32208940	29815682
PROFIT ON SALE OF CAPITAL ASSETS	-54022	-265360
LOSS ON SALE OF CAPITAL ASSETS	127420	527092
OTHER INCOME FROM INVESTMENTS	-12160905	-3589584
INTEREST PAID	25011602	25826179
MISC. EXP. WRITTEN OFF	5467	5467
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	76902306	70685891
ADJUSTMENT FOR CHANGE IN TRADE AND OTHER RECEIVABLES	-113936872	30208730
INVENTORIES	24469564	31605423
TRADE PAYABLES	-9551927	10981951
CASH GENERATED FROM OPERATIONS	-22116929	143481996
INTEREST PAID	-25011602	-25826179
DIRECT TAX PAID	-3194512	-3521032
NET CASH FLOW FROM OPERATIONS (A)	-50323043	114134784
B. CASH FLOW FROM INVESTMENTS		
PURCHASE OF FIXED ASSETS	-82656236	-80814986
SALES OF FIXED ASSETS	1061746	813613
PURCHASE OF INVESTMENTS	0	-20000000
SALES OF INVESTMENTS	0	0
INCOME FROM INVESTMENTS	12160905	3589584
NET CASH USED IN INVESTMENTS (B)	-69433585	-96411789
C. CASH FLOW FROM FINANCE		
PROCEEDS FROM ISSUE OF SHARES	0	0
PROCEEDS FROM ISSUE OF WARRANTS/forfeiture	0	0
PROCEEDS FROM LONG TERM BORROWINGS	150319099	19299030
TAX PROVISION OF EARLIER YEAR	-908844	0
DIVIDEND PAID	0	0
SHARE ISSUE EXPENSES	0	0
NET CASH FLOW FROM FINANCE (C)	149410255	19299030
NET CASH FLOW / OUTFLOW (A+B+C)	29653627	37022026
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	59000120	21978094
(CLOSING BALANCE)	88653747	59000120
NET INCREASE / DECREASE IN CASH	29653627	37022026

Notes :

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- The following have been considered under financing activities :- Cash credit / Working capital demand loan and other borrowings being source of finance.
- Proceeds from borrowings are shown net of repayments.
- Purchase of fixed assets are shown inclusive of movements in capital work - in - progress.
- Cash and cash equivalents represent cash & bank balances only.
- Previous year's figures have been regrouped wherever necessary.

ON BEHALF OF THE BOARD

ASHISH GADIA
DIRECTORPlace : INDORE
Dated: 29TH AUGUST, 2011NITIN TIBREWAL
DIRECTOR

ASSOCIATED ALCOHOLS & BREWERIES LTD.

Registered Office : Queens Court, 8-c, Queens Park,
Ballygunge, Kolkata - 700 019

PROXY FORM

Reg. Folio No. _____

No. of Shares held _____

I/We _____ of _____

Being a member/members of Associated Alcohols & Breweries Limited appoint _____ of
_____ or failing him _____ of _____

as my/our proxy to vote for me/us on my/our behalf at the 22nd ANNUAL GENERAL MEETING of the Company to be held on 30th September, 2011 and at any adjournment thereof.

Signed this _____ Day of _____ 2011.

Signature
(Affix a Revenue Stamp)

Note - This Form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

ASSOCIATED ALCOHOLS & BREWERIES LTD.

Registered Office : Queens Court, 8-c, Queens Park,
Ballygunge, Kolkata - 700 019

ATTENDANCE SLIP

(To be handed over the entrance of the meeting hall)

I hereby record my presence at the Twenty Second Annual General Meeting of the Company held at "Shripati Singhanania Hall", Rotary Sadan, 94/2, J.L. Nehru Road, (Chouranghee Road), Kolkata - 700 020 on Friday, 30th day of September 2011 at 11.30 a.m.

Full name of Member (in block letters) _____

Reg. Folio No. _____ No. of Shares held _____

Full name of Proxy (in block letters) _____

Member's / Proxy's signature _____



Corporate Office :

Associated Alcohols & Breweries Limited

4th Floor, Silver Arc Plaza, 20/1, New Palasia, Indore-452 001, India

Phone: +91 731 2430865, 2434251 Fax : +91 731 2432586

E-mail : gen@associatedalcohols.com

Website : www.associatedalcohols.com