

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 which ensure long term sustainability. Value creation for stakeholders is thus 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 so as to meet the expectation of all the stakeholders. In line with these principles, the Company has formed three tiers of Corporate Governance structure, viz.:

(i) The Board of Directors - The primary role of the Board is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and

control by setting the goals & targets, policies, governance standards, reporting mechanism & accountability and decision making process to be followed.

(ii) Committees of Directors - such as Audit Committee, Nomination & Remuneration Committee, CSR Committee, Stakeholder Relationship Committee are focused 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 the support services are 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 corporate financial year 2017-18, the total Board consists of Four (4) directors, out of which Two (2) 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, 2018 are as under:

Name of Director	Category	Total Number of other Public Ltd/Private Ltd. Directorship as on date	No. of Committee position held in other public Companies	
			Chairman	Member
Mr. Tushar Bhandari	WTD & Executive Director	Nil	Nil	Nil
Mr. Manish Kumar Tibrewal	Non Executive & Non Independent Director	Nil	Nil	Nil
Mr. Nitin Tibrewal	Non Executive & Independent Director	1	Nil	Nil
Mrs. Abhijit Nagee	Non Executive & Independent Director	Nil	Nil	Nil

B. Selection and Appointment/Reappointment of Director:

The Nomination & Remuneration Committee 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 so as 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 2017-18 the Board of Directors met 5 (five) times on 26th May, 2017, 25th August, 2017, 25th November, 2017, 11th December, 2017, 10th February, 2018, The details of Board attendance are as under:

Name of Director	No. of Board Meeting held during the year(after appointment/before resignation)	No. of Board Meeting Attended	Attendance at the last AGM
Mr. Tushar Bhandari	05	05	Yes
Mr. Nitin Tibrewal	05	05	Yes
Mr. Manish Kumar Tibrewal	05	05	No
Mrs. Dishita Tibrewal*	01	01	No
Mrs. Abhijit Nagee	05	04	No

Note: *Stepped down on 26th May, 2017

D. Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 10th February, 2018 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 designed 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. The Company has appointed Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review there has been due compliance with the said code.

J. Disclosure of Relationship between Directors inter-se:

None of the directors are related inter se.

K. No. of Shares held By Non- Executive Director

Name of Director	No. of Shares Held
Mr. Nitin Tibrewal	200
Mr. Manish Kumar Tibrewal	Nil
Mrs. Abhijit Nagee	Nil

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

www.associatedalcohols.com

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 Company Secretary acts as secretary to the committee.

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, 2018 comprises of the following Directors of the Company. The Committee met four times during the year under review. The said meetings were held on 26th May, 2017, 25th August, 2017, 11th December, 2017 and 10th February, 2018.

Name	Designation	No. of meeting attended
Mr. Nitin Tibrewal	Chairman	4
Mr Tushar Bhandari	Member	4
Mrs. Abhijit Nagee	Member	4

Two out of three members of the audit committee are non-executive independent directors.

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.

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

The Remuneration Committee of the Company as on 31st March, 2018 comprises of the following Directors of the Company. The Committee met Two times during the year

Name of Director	Salary (₹ in Lakh)	Perquisites	Commission	Stock option Details	Period of Contract
Mr. Tushar Bhandari	23.44	1.49	-	-	5 years from 05.01.2017

Remuneration/Sitting fee to Other Non Executive Directors:

The details of sitting fee paid to each of the other non executive/Independent Directors during the year 2017-18 ended on 31st March, 2018 are given below:

(Amount in Lakh)

Name	Sitting Fee	Other Payment	Total
Mr. Nitin Tibrewal	0.09	-	0.09
Mr. Manish Kumar Tibrewal	0.06	-	0.06
Mrs. Abhijit Nagee	0.08	-	0.08
Mrs. Dishita Tibrewal	0.01	-	0.01

under review. The said meetings were held on 26th May, 2017, and 10th February, 2018.

Name of Directors	Designation	Nos. of meetings attended
Mr. Nitin Tibrewal	Chairman	2
Mr. Manish Kumar Tibrewal	Member	2
Mrs. Abhijit Nagee	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 Whole Time Director & Non-Executive Director:

The terms of remuneration of Mr. Tushar Bhandari, Whole Time director was approved by the Board of Director and approved by shareholders in the previous Annual General Meeting of the company.

During the financial year 2017-18, the particulars of remuneration paid to Whole-time Director is as under: -

5. STAKEHOLDER RELATIONSHIP COMMITTEE:

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 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.

Name of Directors	Category	Total Meetings 2017-2018	Nos. of meetings attended
Mr. Nitin Tibrewal	Chairman	14	14
Mr. Manish Kumar Tibrewal	Member	14	14
Mr. Tushar Bhandari	Member	14	14

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

c) Share holder Compliant Status during the financial year 2017-18:

No. of Shareholder Compliant received	No. of Complaint resolved	No. of Compliant Pending.
91	91	0

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

S.No	Name of Directors	Category	Total Meetings 2017-2018	Nos. of Meetings attended
1.	Mr. Tushar Bhandari	Chairman	2	2
2.	Mr. Manish Kumar Tibrewal	Member	2	2
3.	Mr. Nitin Tibrewal	Member	2	2

7. WTD Certification

The Whole Time Director(WTD) have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI(LODR) Regulations, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

8. INFORMATION ON GENERAL BODY MEETINGS

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

AGM No.	Place	Date	Time
28th	"Shripati Singhanian Hall" , Rotary Sadan, 94/2, Chowranghee Road, Kolkata – 700 020	05.08.2017	10:00 AM
27th	"Shripati Singhanian Hall" , Rotary Sadan, 94/2, Chowranghee Road, Kolkata – 700 020	13.09.2016	11:00 AM
26th	Dum Dum Municipality Town Hall, Dum Dum municipality, 44, Dr. Sailen Das Sarani, Dum Dum, Kolkata – 700028	28.09.2015	03:00 PM

9. MEANS OF COMMUNICATION

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

Quarterly Results	News papers Publication	Displayed at Website
31.03.2018	Financial Express & Arthik Lipi	www.associatedalcohols.com
31.12.2017	Financial Express & Arthik Lipi	www.associatedalcohols.com
30.09.2017	Financial Express & Arthik Lipi	www.associatedalcohols.com
30.06.2017	Financial Express & Arthik Lipi	www.associatedalcohols.com

10. GENERAL SHAREHOLDER INFORMATION.

a. Annual General Meeting

Date	24th August, 2018
Venue	"Shripati Singhanian Hall" Rotary Sadan, 94/2, Chowranghee, Kolkata – 700 020
Time	10:00 AM

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 2018-19 from April 01, 2018 to March 31, 2019

The tentative due dates for declaration of quarterly results

Unaudited Financial Results for the 1st Quarter ended 30th June, 2018	Within 45 days
Unaudited Financial Results for the 2nd Quarter ended 30th September, 2018	Within 45 days
Unaudited Financial Results for the 3rd Quarter ended 31st December, 2018	Within 45 days
Audited Financial Results for the 4th Quarter ended 31st March, 2019	Within 60 days

d. Book Closure date :

18th August 2018 to 24th August, 2018

e. Listing in Stock Exchange:

Bombay Stock Exchange

Stock Code	507526
ISIN	INE073G01016

f. Annual Listing Fee:

Annual listing fee for the Year 2018-19 of the Stock Exchange have been paid.

g. Custodial Fees to Depositories:

Fee for the year 2018-19 to NSDL and CDSL has been paid.

h. Market Price Data:

High & Low of each month in the last Financial Year- 2017-18

Months	High	Low
April 2017	161.00	108.95
May 2017	137.80	108.00
June 2017	136.05	115.05
July 2016	178.75	137.00
August 2017	164.85	120.00
September 2017	179.00	147.20
October 2017	197.00	148.35

Months	High	Low
November 2017	233.50	170.00
December 2017	279.40	197.00
January 2018	309.00	245.00
February 2018	289.80	211.00
March 2018	285.00	231.15

i. Registrar & Transfer Agents:

Ankit Consultancy Pvt. Ltd., 60, Electronics Complex, Pardeshipura, Indore – 452010.

Phone No. 0731- 4281333 /2551745 /2551746, E-mail: ankit_4321@yahoo.com

j. Share Transfer System:

The Share transfer/transmission work and dematerialization/re-materialization work is assigned to M/s. Ankit Consultancy Private Limited, the Registrars and Share Transfer Agent. Shares in physical form for transfer/transmission are normally registered and issued within 15 days from lodgment, subject to the documents being in order. The board has delegated the authority for approval of transfer, transmission etc. to stakeholder relationship committee comprising two non-executive directors and one executive director. A summary of transfer/transmission of shares so approved by committee is placed before the Board. The Company has entered into agreement with CDSL and NSDL to facilitate holding of shares of the Company in dematerialized form.

k. Distribution of Shareholding as on 31st March, 2018

Range in No. of Shares	Number of Holders	% to Total Holders	Shares Amount in ₹	% to total Capital
Up to 1000	2693	33.13	1249100	0.69
1001 to 2000	3525	43.36	6891370	3.81
2001 to 3000	239	2.94	640420	0.35
3001 to 4000	430	5.29	1690390	0.93
4001 to 5000	155	1.91	756570	0.42
5001 to 10000	544	6.69	4328580	2.39
10001 to 20000	254	3.12	4048110	2.24
20001 to 30000	80	0.98	2088410	1.16
30001 to 40000	42	0.52	1528020	0.85
40001 to 50000	25	0.31	1143830	0.63
50001 to 100000	65	0.80	4728170	2.62
100000 above	77	0.95	151699030	83.91
Total	8129	100.00	180792000	100.00

l. Categories of Equity Shareholders as on 31st March, 2018:

Sr. No	Particulars	No. of Shares	% to the total Paid up Share Capital
1	Promoters/Directors & Relatives	105,66,440	58.45
2	Mutual Funds/ UTI, FIs, Banks	2400	0.01
3	Bodies Corporate	3270197	18.09
4	Foreign Portfolio Investors	10000	0.06
5	Indian Public	4039708	22.33
6	NRIs/ OCBs	151568	0.84
7	Any other (clearing member)	38887	0.22
	Total	1,80,79,200	100.00

m. Dematerialization of shares and liquidity:

93.51 % of the Company's share capital is held in dematerialized form as on 31st March, 2018 the Company's shares are being regularly traded on the Bombay Stock Exchange., ISIN in CDSL and NSDL for Company's equity shares is INE073G01016. The code for the Share on Bombay Stock Exchange is 507526.

n. Plant Location:

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

Bottling plant: Udyog Bihar, Chorhata, Rewa, Madhya Pradesh

Contract manufacturing unit: Bangalore, Karnataka and Trichur, Kerala

o. Correspondence address:

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

11. DISCLOSURES:**a. 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.

b. 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.

c. 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. In staying true to our values of strength, performance and passion and in line with our vision of being one of the most respected companies in India, the company is committed to high standard of corporate governance and stakeholder responsibility. The fraud risk management policy ensures that strict confidentiality is maintained while dealing with concern and also that no discrimination will be meted out to any person for genuinely raised concern.

d. Web link where, policy for determining material subsidiaries, policy on dealing with related party transactions, is disclosed:

www.associatedalcohols.com.

FOR AND ON BEHALF OF THE BOARD

Tushar Bhandari

Director

DIN: 03583114

Nitin Tibrewal

Director

DIN: 01892892

Place: Indore

Date: 28th May, 2018