



**18th ANNUAL
REPORT**
2010 - 2011

SOM DISTILLERIES & BREWERIES LIMITED



SOM DISTILLERIES & BREWERIES LIMITED
Eighteenth Annual Report

DIRECTORS

Shri Surjeet Lal	Chairman/Managing Director
Shri Shailendra Singh Sengar	Director
Shri Deenanath Singh	Director
Shri Guru Darshan Arora	Director

BANKER

Punjab National Bank Limited

AUDITORS

K.C. Khanna & Co.
Chartered Accountants
12, Zone-II, M.P. Nagar
Bhopal-462011

REGISTERED OFFICE

1-A, Zee Plaza, Arjun Nagar
Safdarjang Enclave,
Kamal Cinema Road,
New Delhi - 110029
Tel Nos. 011-26169909, 26169712

CORPORATE OFFICE

23, Zone-II, M.P. Nagar, Bhopal - 462011
Tel Nos. 0755-4271271, 4278827

FACTORY

Rojra Chak, District Raisen, Madhya Pradesh
Tel Nos. 07480-266244, 266245

STOCK EXCHANGE

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400001

NOTICE TO MEMBERS

Notice is hereby given that the 18th Annual General Meeting of Som Distilleries & Breweries Limited will be held on Friday the 30th September 2011 at 10.00 A.M. at Executive Club, Dolly Farms and Resorts Pvt. Ltd, 349, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi 110030 to transact the following business: -

ORDINARY BUSINESS

1. ACCOUNTS

To approve and adopt the Audited Profit & Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date and the reports of Directors' and Auditors' thereon.

2. APPOINTMENT OF SHRI DEENA NATH SINGH AS DIRECTOR

To appoint a director in place of Shri Deena Nath Singh who retires by rotation and being eligible, offers himself for re-appointment.

3. To declare a dividend on equity shares of the company for 2010-11.

4. APPOINTMENT OF AUDITORS

To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution: -

“Resolved that K.C. Khanna & Company, Chartered Accountants, Bhopal be and are hereby appointed as Auditors of the Company from the conclusion of 18th Annual General Meeting till the conclusion of 19th Annual General Meeting at a remuneration to be decided by the Chairman cum Managing Director with the consent of the auditors”.

Notes:-

- A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend and vote at the meeting instead of himself and such proxy need not be a member of the company. Proxies in order to be effective must be received at the Registered Office of the company at least 48 hours before the commencement of the meeting.
- The Register of Members of the company will remain closed from 23.09.2011 to 30.09.2011 (both days inclusive).
- All correspondence regarding dematerialization/transfer of shares, change of address etc. should be addressed to MAS Services Pvt. Ltd, T-34, Okhla Industrial Area, Phase II, Delhi-110021 who are the Registrar and Transfer Agents.
- Any queries for being answered at the meeting must reach at least seven days in advance.
- Shareholders are requested to furnish their e-mail addresses to RTA so that annual report can be sent by e-mail in future.

By Order of Board of Directors

PLACE: BHOPAL
DATED: 3rd September 2011

SURJEET LAL
CHAIRMAN AND MANAGING DIRECTOR



SOM DISTILLERIES & BREWERIES LIMITED
Eighteenth Annual Report

REPORT OF To,
DIRECTORS The Shareholders
Som Distilleries & Breweries Ltd.

Sirs,
Your Directors have pleasure in presenting the Eighteenth Annual Report of your Company for the year ended on 31st March 2011.

1. WORKING RESULTS

During the year 2010-2011 the factory produced 39602 KL of Beer and 3236 KL of IMFL compared with 27152 KL of Beer and 1011 KL of IMFL during the year 2009-2010.

The summarized working results for the year are as under:-

	2010-11	2009-10
	Rs. lakhs	Rs.lakhs
Sales & Other Income	18389.04	10522.79
Depreciation	298.87	186.89
Profit for the year	2169.06	1025.29
Provision of Tax	655.08	190.77
Profit after Tax	1513.98	834.52

It will be seen that the production and sales were substantially higher. Higher installed capacity and good demand for the products of the company enabled it to achieve much better results.

2. DIRECTORS:

There was no change in the constitution of the Board of Directors during the year 2010-11

3. DIVIDEND

Directors recommend for the year 2010-11, dividend of Re.0.75 (i.e.7.5%) on each share of Rs.10 on 27522400 equity shares payable to shareholders as on the date of Annual General Meeting.

4. AUDITORS

M/s K.C. Khanna & Co., Chartered Accountants, Bhopal retire at the ensuing 18th Annual General Meeting. They are eligible for reappointment. The Board recommends their reappointment.

5. STATUTORY INFORMATION

- (a) The information in respect of employees drawing remuneration above a certain limit as per Section 217 (2A) of the Companies Act, 1956 is NIL.
- (b) In terms of Section 217(1) (e) of the Companies Act, 1956 and the rules made there under,

information about energy conservation and technology absorption is nil in regard to each of the respective items. Information in Form-A is not required to be furnished in the case of this industry.

- (c) Information regarding foreign exchange is as follows: -

Earnings: Rs.2,19,06,290

Imports: Rs. 75,57,404

- (d) Directors Responsibility Statement

The Directors hereby certify:-

- i) that in the preparation of the accounts for 2010-2011, the applicable accounting standards have been followed.
- ii) that accounting policies have been stated in Schedule L to the Accounts. The accounting policies have been selected and applied consistently and judgements and estimates have been made which are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31.03.2011 and of the Profit of the Company for 2010-2011.
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for prevention and detection of frauds and other irregularities.
- iv) that the directors prepared the annual accounts on a going concern basis.

6. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Mumbai Stock Exchange, Corporate Governance Report including Management Discussion and Analysis and Certificate from Company Secretary in Practice regarding compliance of conditions of Corporate Governance are attached and form part of this report.

7. ACKNOWLEDGEMENTS

Directors are grateful for the co-operation received from business associates and the valued customers of the company. Directors wish to place on record their high appreciation of the services of executives, staff and workers of the company.

For and on behalf of the Board of Directors

Place: Bhopal
Date : 03.09.2011

SURJEET LAL
Chairman and Managing Director



ANNEXURE-I TO DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31st MARCH, 2011
(as required under clause 49 of the listing agreement)

1. Board of Directors

The Board consists of four directors including Chairman-cum-Managing Director. Two of the Directors on the Board are independent directors. All Directors are non-executive since no remuneration is paid to any director, except sitting fees, if claimed. The details of composition and categories of Directors are as under:

Sr. No.	Name of Director	Category
1.	SHRI SURJEET LAL, Chairman and M.D.	Non independent and Non Executive
2.	SHRID N SINGH	Independent and Non Executive
3.	SHRI SHAILENDRA SINGH SENGAR	Independent and Non Executive
4.	SHRI GURU DARSHAN ARORA	Non independent and Non Executive

- a) Non-executive directors are not paid any remuneration except sitting fees of Rs.1000/- per Board/Committee meeting attended, if claimed. No stock options were given to any directors.
- b) During the financial year 2010-11, the Board of Directors met seven times on 07.05.2010, 13-07-2010, 22-07-2010, 01-09-2010, 14-09-2010, 29-11-2010 and 17-01-2011. Each of the directors attended all the meetings. The minimum gap between any two meetings was less than four months. No director was a member of more than 10 committees and was not Chairman of more than five committees. A code of conduct for all Board members and senior managers has been framed and circulated. The code of conduct has been complied by all the directors and senior managers. Last AGM held on 29.09.10 was attended by Shri Surjeet Lal the chairman and managing director and Shri Deenanath Singh Chairman of the Audit Committee.

2. Details of Directors seeking Re-appointment/ appointment at the forthcoming Annual General Meeting.

Shri Deena Nath Singh has been a Director on the Board of Directors of the company since 30.03.2006. He is a B.Sc.(Hons) and Intermediate (Group I) of ICWA with 13 years experience in accounts and commercial departments. He has also been appointed on the Audit Committee of the company and is Chairman of the Committee. He is not a member of any other Committee of the Board of Directors of this Company or any other company. Also, he is not interested in any other company as Director or shareholder or through relatives. He is an independent Director as per clause 49 of the listing agreement. The Board of Directors recommend his reappointment

3. Audit Committee

The Audit Committee comprises of three non-executive directors viz Shri D. N. Singh (Chairman), Shri G. D. Arora, Director and Shri Shailendra Singh Sengar, Director. Two of them are independent. All the members of the committee are financially literate and the Chairman Shri D. N. Singh, an independent director, is having wide experience of industry and has passed Intermediate(Group I) of ICWA. At the last AGM held on 29.09.2010, the Chairman of the Audit Committee Shri D.N. Singh attended the annual general meeting. During 2010-11 the audit committee met five times. The gap between any two meetings was not more than four months. The quorum was complied with. All the members of the committee attended all the meetings. The Committee has been given the powers and assigned the role as per clause 49 and as per section 292A of the Companies Act, 1956.

4. Remuneration Committee

No remuneration committee has been constituted since no remuneration was paid to any Directors, except sitting fees, if claimed.

5. Subsidiaries

The company is not having any subsidiary.

6. Disclosures

- (a) The Company has whistler blower policy under which all employees are having direct access to the management in case of any complaint about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics. No personnel was denied access to the audit committee.
- (b) No director is paid any remuneration by the company except sitting fees of Rs.1000/- for attending each Board Meeting, if claimed.
- (c) There were no instances of non-compliance or penalty imposed on the company by Mumbai Stock Exchange or SEBI or any other statutory authority on any matter related to capital market, during the last three years.
- (d) At the time of appointment/reappointment of Directors, requisite information about directors was given in the notice of general meetings.
- (e) The Company is complying with all mandatory requirements of Clause 49 of the listing agreement.

7. Whistle Blower Policy

It has been notified through a circular that whistle blowers can approach the audit committee members. During the year, no such approach was denied to anybody.



8. General Meetings

Particulars of Annual General Meetings and Extra Ordinary General Meetings held during the last four years

During Year	Date	Time	Venue	Meeting
2007-08	29 th Sept, 2007	10.00 A.M.	Executive Club, Dolly Farms and Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-30	14 th AGM
2008-09	30 th Sept., 2008	10.00A.M.	Executive Club, Dolly Farms and Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-30	15 th AGM
2009-10	30 th Sept., 2009	10.00A.M.	Executive Club, Dolly Farms and Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-30	16 th AGM
2010-11	29 th Sept., 2010	10.00 A.M./	Executive Club, Dolly Farms and Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-30	17 th AGM

No Special Resolution was put through postal ballot last year.

9. Means of Communication

The quarterly, half-yearly and yearly financial results of the company are sent to the stock exchange immediately after they are approved by the Board. These are also published in the prescribed pro-forma as per the listing agreement in two newspapers of Delhi from time to time. No presentations were made to any institutional investors or analysts. The Company also has exclusive e-mail ID i.e. sombreweries@gmail.com for investors to contact the company in case of any information and grievances.

10. Investor Correspondence:

Any query relating to shares and request for transactions such as transfer, transmission and nomination facilities, duplicate share certificates, change of address, non-receipt of dividend/Annual Report, and also regarding dematerialization/ rematerialisation of shares may be taken up with :

**MAS SERVICES PRIVATE LIMITED,
T-34,OKHLA INDUSTRIAL AREA
PHASE II, DELHI-110020
TELEPHONE NO. 011-26387281-83
FAX NO. 011- 26387384**



11. Management Discussion and Analysis Report

OVERVIEW

The Indian beer industry has been witnessing steady growth of 10 - 17% per year over the last ten years. The rate of growth has increased in recent years, with volumes crossing 230m cases during the F.Y. 2010-11. The ban on marketing is the greatest barrier for the higher growth of Industry. The licensing and the high Govt. control limit growth. However, the government is considering issuing licenses for outlets to sell beer and wine only, delinking it from the sale of spirits. This development would generate huge demand for the industry.

Taxation is yet another major factor which adversely affects the Indian brewing industry. Brewery industry in India is one of the heaviest taxed drinks in the world. Due to the prevalent excise taxation structure, the majority of Indians who consume alcohol prefer to purchase spirits over beer as it contains higher alcohol at a similar price. Some States have recently started to delink beer taxation from spirits, thereby promoting a logical growth in the future. Uniform tax regime for beer in all States will be a boon for the industry. If implemented, it will help the beer industry by rationalizing end consumer prices in all States, as is in the case of other consumer goods. Excessive regulation and Government intervention, in the areas of distribution and pricing, is affecting the growth and profitability of the industry. In addition, restrictions on advertising and licensing of retail outlets continue to present challenges to the Industry.

The low per capita consumption of beer in India as compared to the world average offers a phenomenal demand growth potential for the industry in years to come. This coupled with the youthful age of Indian population will add to the demand for the product. The gradual deregulation in the Indian beer industry too will give it a boost. Foreign brewers have been eyeing the Indian market for some years now as India is widely acknowledged to be the last untapped big growth market.

With leading brands and other international brands starting domestic production in India, indigenous brands such as your company face increasing competition. However, consistent investments by your Company, in the product, packaging and communication, along with well established distribution, puts SOM in a strong position, not only in its home state but also in other states where its presence has already increased.

While multinational companies are expected to increase competition in the premium beer segment, regional players with established domestic brands, particularly those of your Company have the advantage of having established brand equity in the regional market. Several international brewers have currently built brand associations and are marketing their brands aggressively through various point-of-sale promotions throughout their distribution networks. Your Company has the benefit of a strong route to market combined with established Indian leading brands.

PRODUCT WISE PERFORMANCE

Your Company is dealing in two products:

- 1) Beer
- 2) IMFL

The company has added to the production capacity 30,000 KL of beer with a capital investment of around Rs.296 million. The production of beer has an impressive growth of 46% over the previous year and stood at 39,602 KL. IMFL has also shown a good growth of 220% over the previous year.

OUTLOOK

Your Company has seen an impressive growth in the past in volumes as well as turnover. Your Company's turnover has increased from INR 542 million in 2007-08 to INR 1830 million in 2010-11. To cater to the growing demand your Company proposes to add 40,000 KL to its capacity during financial year 2011-12

OPERATIONS

Your Company successfully commissioned a state of art brewery with a production capacity of 29,200 KL of beer. The installed capacity of your Company for production of beer has now been increased to 59,200 KL in year under consideration. In view of the increase in demand for the Company's products and expanding the marketing area of the products in India and abroad, your Company is prompted to go for yet another expansion. The expansion of capacity by another 40,000 KL is under way and is expected to be commissioned by the end of the F.Y. 2011-12. The latest equipment is being installed with a vision of productivity and environmental conscienceness.



12. General Share Holder Information:

Annual General Meeting

Date & Time	:	30 th Day of September 2011 at 10.00 a.m.
Venue	:	at Executive Club, Dolly Farms and Resorts Pvt. Ltd, 439, Village Shahoorpur, P.O.Fatehpur Beri, New Delhi 30
Book Closure	:	23.09.2010 to 30.09.2010 (Both days inclusive)

Financial Calendar 2010-11 relating to approval of financial results.

First Quarterly Result	:	July, 2010
Second Quarterly Result	:	November, 2010
Third Quarterly Result	:	January, 2011
Fourth Quarter Result	:	May, 2011
Annual results for the year		
Ending on 31.03.2011	:	May, 2011
Listing on Stock Exchanges	:	Bombay Stock Exchange Limited, Mumbai
Equity Stock Code	:	507514
ISIN No.	:	INE480C01012

The Company has already paid the Listing fees of Bombay Stock Exchange Ltd., Mumbai for the year 2011-12.

Shareholders Grievances and Share Transfer Committee comprises of Chairman Shri G.D.Arora (non-executive) and Shri Surjeet Lal. The committee is duly authorized to effect transfers, transmission, issue of duplicate shares, dematerialization etc. The registrar and transfer agent, Mas Services Pvt. Ltd. has been authorized to effect transfers etc. The committee generally meets once in a month. The Committee has also been authorized to look into shareholders grievances. Under the SEBI Complaints Redress System, the company has authorised the RTA to give action taken report on shareholders complaints. During 2010-11, only 13 complaints were received from shareholders etc. which were resolved. There was no pending complaint as on 31.3.2011. There was no transfer pending for more than 21 days as at the end of the year. Shri Surjeet Lal, Managing Director is the Compliance Officer.

The shares of the Company have been dematerialized.

Form	No. of Shares As on 31.03.2011
De-mat	18603264
Physical	8919136

The promoters along with persons acting in concert held 13.566% of the paid up capital on 31.03.11, private bodies corporate held 3.195% while NRI's/OCBs held 0.036% on that date.

13. Market Price Data:

The monthly high and low market prices of the shares with volume at Mumbai Stock Exchange during the financial year 2010-11 are as under:

Period (2010-11)	High	Low	Volume of Shares Traded
April 2010	28.50	20.85	524641
May 2010	30.20	23.00	584841
June 2010	36.90	24.10	834595
July 2010	59.20	36.45	1369276
August 2010	84.90	56.10	967981
September 2010	105.75	80.15	2133793
October 2010	125.85	98.50	725616
November 2010	137.50	117.50	445239
December 2010	166.00	122.10	392110
January 2011	197.90	158.00	240263
February 2011	208.00	170.00	196989
March 2011	213.00	178.80	123275

Source: BSE Website

14. Registrar and Transfer Agents , Share Transfer System

M/s MAS SERVICES PRIVATE LIMITED
T-34, Okhla Industrial Area, Phase II,
Delhi 110 020

Share Transfers are registered and returned in the normal course within an average period of 15 days from the date of receipt, if the documents are in order in all respects.

15. Category-wise Shareholding as on 31.03.2011

Category	Number of shares	% of total shares
Indian Promoters	3733584	13.566%
Private Corporate Bodies	879403	3.195%
Indian Public	22688408	82.436%
Non-resident Indians, OCB's and others	9878	0.036%
Clearing Members	211127	0.767%
Total	27522400	100.00

The company has not issued any ADR/GDR.

16. Distribution of Shareholdings as on 31.03.2011

S.No.	Shareholding Nominal Value Rs.	No. of Shareholders	% to total	No. of Shares	Amount in Rs.	% to total
1.	1 to 5000	7503	93.682	1182484	11824840	4.296
2.	5001 to 10000	214	2.672	178425	1784250	0.648
3.	10001 to 20000	86	1.074	129382	1293820	0.470
4.	20001 to 30000	42	0.524	105650	1056500	0.384
5.	30001 to 40000	7	0.087	25012	250120	0.091
6.	40001 to 50000	22	0.275	107949	1079490	0.392
7.	50001 to 100000	48	0.599	402422	4024220	1.462
8.	100001 and above	87	1.086	25391076	253910760	92.256
	TOTAL	8009	100.000	27522400	275224000	100.000

17. Nomination Facility :

Individual shareholders can now avail of the facility of nomination. The nominee shall be the person in whom all rights of transfer and /or amount payable in respect of the shares shall vest in the event of the death of shareholder(s). A minor also can be a nominee provided the name of the guardian is given in the nomination form. The facility of nomination is not available to non-individual shareholders such as body corporate, financial institutions, karta of Hindu Undivided Families and holders of power of attorney.

18. Secretarial Audit for reconciliation of Capital:

As stipulated by SEBI, a qualified practicing Company Secretary carries out secretarial audit to reconcile the total of the capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and in physical form with the total issued/paid up capital and with total listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchange where the shares are listed.

19. CEO/CFO CERTIFICATION:

Shri Surjeet Lal, Chairman & Managing Director and Shri Rajesh Dubey, Deputy Manager(Accounts), of Som Distilleries & Breweries Ltd., have certified that:

(a) They have reviewed financial statements and the cash flow statement for the year ended 31st March 2011 and that to the best of their knowledge and belief:

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) They have indicated to the auditors and the Audit committee

- (i) Significant changes in internal control over financial reporting during the year.
- (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For and on behalf on the Board of Directors

Rajesh Dubey
Deputy Manager (Accounts)

Surjeet Lal
Chairman and Managing Director

Place: Bhopal

Dated: 03.09.2011



SOM DISTILLEREIS & BREWERIES LIMITED
Eighteenth Annual Report

**CERTIFICATE
OF COMPLIANCE
OF THE
CONDITIONS OF
CORPORATE
GOVERNANCE**

M.M. CHAWLA & ASSOCIATES
Company Secretaries
Ajay Tower, Mezzanine Floor, 104, E-5/1
Arera Colony (Commercial) Bhopal-462 016 (M.P)
Tel.: 91-755- 2462665

To,

The Members
Som Distilleries & Breweries Ltd

We have examined the compliance of the conditions of Corporate Governance by Som Distilleries & Breweries Limited, for the year ended on 31.03.2011, as stipulated in clauses 49 of the Listing Agreement (hereinafter referred to as the "Agreement") of Som Distilleries & Breweries Ltd with Mumbai Stock Exchange.

The compliance of the 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 compliance of the conditions of Corporate Governance.

In our opinion and to the best of our information and according to the explanations given to us, the company has generally complied with the conditions of corporate governance as stipulated in the above mentioned Agreement.

As per the information given to us and records maintained by the Transfer Committee, no investor grievance was pending as on 31.03.2011.

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

For M. M. Chawla & Associates

M. M. CHAWLA
FCS

Place: Bhopal
Dated: 03.09.2011



AUDITORS REPORT TO SHAREHOLDERS

We have audited the attached Balance Sheet of SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI as at 31st March, 2011 and also the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. 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 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 misstatements. 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 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Government of India under sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above and on the basis of the audit indicated herein, 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 purposes of our audit.
2. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
3. The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
4. In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this Report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
5. Based on written representations received from the Directors, as at 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors are, prima facie, as at 31st March, 2011, disqualified from being appointed as Directors of the Company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the financial statement together with the notes thereon and the Schedules A to L attached thereto give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India,
 - a) in the case of the Balance Sheet, of the state of the Company's affairs as at 31st March, 2011
 - b) in the case of the Profit and Loss Account of the profit for the year ended on that date;
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

12, Zone II, M.P. Nagar,
BHOPAL 462 011

Dated: 30.05 2011

For K.C. KHANNA & Co.
Chartered Accountants
Firm Registration No. 000481N

Harsha Chandra
Partner
Membership No. 080489



SOM DISTILLERIES & BREWERIES LIMITED

Year ended 31.03.2011

Annexure to the Auditors' Report
(Referred to in our Report of even date)

1. (a) As per the information given to us the Company has maintained records showing full particulars, including quantitative details and situation of its fixed assets.
(b) We have been informed that the fixed assets other than Office Equipments and Furniture and Fixtures are stated to have been physically verified by the Management at the close of the financial year and no discrepancies have been noticed on such verification.
(c) No fixed assets have been disposed off during the year.
2. (a) As per the information given to us the inventory has been physically verified, during the year, by the Management. In our opinion, the frequency of verification is reasonable.
(b) The procedures of physical verification of inventories followed by the Management are adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory. No material discrepancies are stated to have been noticed on verification between the physical stocks as compared to book records.
3. (a) As per the information given to us, the Company has not granted any loans, secured or unsecured, to Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
(b) Not applicable.
(c) Not applicable.
(d) Not applicable.
(e) During the year the Company has not obtained any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act. However, in the earlier years, an unsecured loan had been obtained from one such company, which had been repaid during the year.
In addition thereto, the Company has an account in the nature of a current account with the same company. The maximum amount due to that company at any time during the year was Rs. 2,65,32,425 and the year end balance was Rs. nil.
(f) As per the information given to us, there are no stipulations as to the rate of interest and there are no other terms and conditions attached thereto. In our view, this is not prima facie, prejudicial to the interest of the Company.
(g) As per the information given to us, there are no stipulations as to the repayment of the principal amount and interest.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for the sale of goods and services. Such procedures for purchase of inventory need to be strengthened.
5. (a) According to information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
(b) In our opinion and according to information and explanation given to us, the transactions made in pursuance of such contracts or arrangements, exceeding the value of rupees five lacs in respect of any party, during the year, have been made at prices which are reasonable having regard to prevailing market price at that time.
6. According to the information and explanations given to us, the Company has not, during the year, accepted any deposits from the public.
7. In our view a regular system of internal audit of all areas of the Company's operations needs to be put in place and implemented.
8. The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for any of the Company's products.
9. (a) According to the records of the Company, provident fund dues, State excise and related dues have been regularly deposited with the appropriate authorities.
We have been informed that the Employees State Insurance Scheme is not applicable to the Company.
As per the records of the Company there are no undisputed statutory dues outstanding as at 31.03.2011 for a period exceeding a period of six months from the date they became payable.
(b) As per the information and explanations given to us, the statutory dues which have not been deposited on account of disputes are as follows:

Name of Statute	Nature of dues	Amount (Rupees in Lacs)	Period to which the amount relates	Forum where dispute is pending
M P Entry Tax Act, 1976	Entry Tax	4.85	1999-2000	Appeal Court, Commercial Tax, Bhopal

10. The Company has no accumulated losses. Further, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. As per the information given to us, the Company has not repaid the inter corporate deposit obtained from the Madhya Pradesh Industrial Development Corporation Ltd. (MPSIDC), a state level financial institution. The amount outstanding, since October 2002 is principal Rs. 7.00 crores plus applicable interest (refer Note B10 of Schedule L to the Accounts).
As per its records, the repayment of the loans from the Kotak Mahindra Bank Ltd., (KMBL) has not been in accordance with the initially accepted terms. As per the explanations given to us, this is due to the difference of opinion on certain matters between the Management of the Company and KMBL. We are therefore unable to determine the period of default, if any (refer Note B11 of Schedule L to the Accounts).
12. As per the information given to us, the Company has not granted, during the year, any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause 4 (xiii) of the Order are not applicable to the Company.
14. As per the information given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. The Company has given Corporate guarantees for loans obtained by a company under the same management. As has been explained to us, the terms and conditions thereof are not prejudicial to the interest of the Company.
16. As per the information given to us, the term loans have been applied for purposes for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. During the year, the Company has not made any preferential allotment of shares to anyone.
19. According to the information given to us, during the period covered by our Report the Company did not issue any debentures. Hence, the provisions of Clause 4 (xix) of the Order are not applicable to the Company.
20. The Company has not raised any money by way of public issue during the year. Accordingly, the provisions of Clause 4 (xx) of the Order are not applicable to the Company.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For K.C. KHANNA & Co.
Chartered Accountants
Firm Registration No. 000481N

Harsha Chandra
Partner
Membership No. 080489

12, Zone II, M.P. Nagar, BHOPAL 462 011
Dated: 30.05.2011



SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI
YEAR ENDED 31.03.2011
BALANCE SHEET

SCHE DULE	As At 31.03.2011 (Rs.)	As At 31.03.2010 (Rs.)
SOURCES OF FUNDS		
Shareholders Funds		
Share Capital	A 275,224,000	275,224,000
Reserves & Surplus		
Reserves & Surplus	B 392,716,140	298,678,073
Loan Funds		
Secured Loans	C 100,880,591	92,201,998
Unsecured Loans	D 107,270,329	179,843,329
	208,150,920	272,045,327
Deferred Tax liabilities(Net)	45,195,485	-
Total	921,286,545	845,947,400
APPLICATION OF FUNDS		
Fixed Assets		
Gross Block	E 698,655,687	386,963,607
Less : Depreciation	222,098,493	192,211,545
Net Block	476,557,194	194,752,062
Capital work-in-progress	8,178,362	259,947,859
Investment	F 1,000,000	1,000,000
Current Assets Loans & Advances	G 827,525,025	720,027,386
Less - Current Liabilities & Provisions	H 391,974,036	329,779,907
	435,550,989	390,247,479
	-	-
Total	921,286,545	845,947,400
Significant Accounting Policies & Other Notes	L	

For and on Behalf of the Board

D.N.SINGH

Director

S LAL

Chairman &
Managing Director

This is the Balance Sheet referred to in our Report of even date

For K.C.KHANNA & CO.

Chartered Accountants
Firm Registration No: 000481 N

Bhopal
Dated : 30th May, 2011

Harsha Chandra
Partner
Membership No: 080489

18th ANNUAL REPORT
2010-2011



SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2011

PARTICULARS	SCHE DULE	As At 31.03.2011 (Rs.)	As At 31.03.2010 (Rs.)
INCOME			
Sales		1,829,691,834	1,047,877,969
Other Income		9,212,010	4,401,418
Increase/Decrease in Stock		(41,921,077)	39,804,533
		1,796,982,767	1,092,083,920
EXPENDITURE			
Materials Consumed	I	822,629,760	494,438,339
Manufacturing	J	287,516,634	207,332,217
Duties & Taxes		41,241,337	17,265,557
Administrative	K	55,375,055	47,914,390
Selling		318,292,649	198,350,627
Interest & Bank Charges		25,463,990	5,040,272
Depreciation		29,886,948	18,689,688
		1,580,406,373	989,031,090
Profit Before Tax		216,576,394	103,052,830
Prior Period Income/ (Expenses)		329,967	(523,349)
Profit Before Taxation		216,906,361	102,529,481
Taxation			
Current Tax		42,887,357	19,077,055
Deferred tax		22,620,732	-
Profit After Tax		151,398,272	83,452,426
Amount Available For Appropriation		151,398,272	-
Dividend Paid For The Year (2009-10)		9,179,034	-
Proposed Dividend		20,641,800	-
Provision for Dividend Tax		4,964,618	-
Balance Brought Forward		172,637,033	89,184,607
Profit Carried Forward		289,249,853	172,637,033
Earning Per Share (Basic and Diluted)		5.50	4.55
Significant Accounting Policies & Other Notes	L		

For and on Behalf of the Board

D.N.SINGH

Director

S LAL

Chairman &
Managing Director

This is the Profit & Loss Account referred to in our Report of even date

For K.C.KHANNA & CO.

Chartered Accountants
Firm Registration No: 000481 N

Bhopal
Dated : 30th May, 2011

Harsha Chandra
Partner
Membership No: 080489

18th ANNUAL REPORT
2010-2011

SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI
YEAR ENDED 31.03.2011
SCHEDULE TO BALANCE SHEET

	As At 31.03.2011 (Rs.)	As At 31.03.2010 (Rs.)
SCHEDULE "A" SHARE CAPITAL		
AUTHORIZED 3,50,00,000 Equity Shares (Previous Year 3,50,00,000) of Rs. 10 each	350,000,000	350,000,000
ISSUED, SUBSCRIBED AND FULLY PAID 2,75,22,400 Equity Shares (Previous Year 2,75,22,400) of Rs. 10 each	275,224,000	275,224,000
SCHEDULE "B" RESERVES & SURPLUS		
A) Capital Reserve (Refer schedule "L" Note 14)	3,930,000	3,930,000
B) Profit & Loss Accounts	266,675,100	172,637,033
C) Share Premium	122,111,040	122,111,040
	<u>392,716,140</u>	<u>298,678,073</u>
SCHEDULE "C" SECURED LOANS		
FROM BANKS		
Term Loans Secured by way of hypothecation of current assets personal guarantee of promoters. Part of loan is also secured by mortgage of company's Fixed assets Interest Accrued (Refer Schedule "L", Note B 11)	89,333,636	89,054,828
Vehicle Loans (Secured by way of Hypothecation of vehicles)	11,546,955	3,147,170
Total	<u>100,880,591</u>	<u>92,201,998</u>
SCHEDULE "D" UNSECURED LOAN		
Madhya Pradesh State Industrial Development Corporation Limited	107,270,329	109,770,329
OTHERS (A Company under the same management)	-	70,073,000
	<u>107,270,329</u>	<u>179,843,329</u>

SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI
YEAR ENDED 31.03.2011

SCHEDULE E.: FIXED ASSETS

PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK			
	AS AT 01.04.2010	ADDITIONS (Disposals)	AS AT 31.03.2011	UP TO 31.03.2010	FOR THE YEAR	UP TO 31.03.2011	AS AT 31.03.2010	AS AT 31.03.2011
A - TANGIBLE ASSETS								
Land (Freehold)	5,065,191	-	5,065,191		-	-	5,065,192	5,065,191
Buildings & Civil Works	70,458,999	53,165,261	123,624,260	23,739,374	2,981,350	26,720,725	46,719,625	96,903,535
Plant & Machinery	275,005,201	243,100,993	518,106,193	144,364,441	22,749,934	167,114,376	130,640,759	350,991,817
Furniture & Fixtures	1,767,618	49,018	1,816,636	1,487,087	105,715	1,592,801	280,531	223,835
Office Equipments	4,642,905	329,590	4,972,495	2,958,127	555,740	3,513,867	1,684,778	1,458,628
Vehicles	29,523,694	15,047,218	44,570,912	19,162,516	3,494,209	22,656,724	10,361,178	21,914,188
TOTAL (A)	386,463,607	311,692,080	698,155,687	191,711,545	29,886,948	221,598,493	194,752,063	476,557,194
B - INTANGIBLE ASSETS	500,000		500,000	500,000	-	500,000	-	-
TOTAL	386,963,607	311,692,080	698,655,687	192,211,545	29,886,948	222,098,493	194,752,063	476,557,194
Previous Year Rs.	374,264,347	12,699,260	386,963,607	173,521,857	18,689,688	192,211,545		
CAPITAL WORK IN PROCESS	259,947,859	12,360,214	272,308,073		29,886,948		259,947,859	454,699,922
Previous Year Rs.							8,178,362	484,735,556

SCHEDULE "F" INVESTMENT	1,000,000	1,000,000
(SBI Debt Fund Seies 370 Days-3 Growth)		
Market Value Rs. 10,61,230 (Previous year Rs.10,00,000)	1,000,000	1,000,000

SCHEDULE "G" CURRENT ASSETS
LOANS & ADVANCES

CURRENT ASSETS			
Inventories			
(as taken, valued and certified by the Management)			
Raw Material	60,882,580	58,076,314	
Stores Consumables & Packing Materials	135,911,277	122,493,037	
Stock In Process	23,314,220	28,029,881	
Finished Goods	27,687,144	64,892,559	
	247,795,221	273,491,791	
Sundry Debtors			
(Unsecured, considered good)			
Outstanding for a period exceeding six months	26,841,219	45,821,988	
Other Debts	288,965,374	191,432,098	
	315,806,593	237,254,086	
Cash in hand	33,701,812	23,676,712	
Balances with Scheduled Banks			
Current Accounts	143,535,238	21,447,122	
Deposit Accounts	12,569,738	13,395,747	
	156,104,976	34,842,869	
LOANS & ADVANCES			
Advances & other amounts recoverable in cash or kind or for value to be received	74,116,423	150,761,928	
Total	827,525,025	720,027,386	

SCHEDULE "H" CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES		
Dealership & Other Deposits	2,139,276	17,603,884
Sundry Creditors	225,837,841	233,200,464
Other Liabilities	112,315,895	66,869,811
PROVISIONS		
Provision for Dividend Tax	4,964,618	-
Provision for Leave Encashment	1,617,641	1,769,456
Provision for Gratuity	2,414,497	1,375,944
Provision for Income Tax	42,684,268	8,960,348
Total	391,974,036	329,779,907

SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI
YEAR ENDED 31.03.2011
SCHEDULE TO PROFIT & LOSS ACCOUNT

	As At 31.03.2011 (Rs.)	As At 31.03.2010 (Rs.)
SCHEDULE "I" MATERIALS CONSUMED		
Opening Stock	180,569,351	182,268,391
Add : Purchases (Raw Materials & Chemicals)	323,906,348	177,505,269
Add : Purchases (Stores)	514,947,918	315,234,030
	1,019,423,617	675,007,690
Less : Closing Stock	196,793,857	180,569,351
Total	822,629,760	494,438,339
SCHEDULE "J" MANUFACTURING EXPENSES		
Power & Fuel	55,243,806	39,496,193
Production Duties	71,870,915	56,574,476
Machinery Maintenance	24,042,707	10,588,287
Factory Insurance	378,530	428,469
Consumables	13,661,605	6,492,434
Miscellaneous	1,990,227	1,290,575
Royalty	120,328,844	92,461,783
Total	287,516,634	207,332,217
SCHEDULE "K" ADMINISTRATIVE EXPENSES		
Salaries & Allowances	24,909,775	19,028,152
Travelling	6,666,193	3,348,230
Printing & Stationery	1,277,430	758,207
Conveyance	3,921,226	3,049,827
Rent	462,200	157,224
Insurance	265,452	242,403
Repairs & Maintenance	1,009,366	1,014,948
Postage, Telegrams & Telephones	2,798,509	1,899,160
Auditors Remuneration	157,729	134,566
Legal & Professional	3,244,960	1,362,468
General Charges	5,991,199	12,999,366
Vehicle Maintenance	4,518,039	3,092,678
Rate & Taxes	152,977	827,161
Total	55,375,055	47,914,390



SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI

Year ended 31.03.2011

SCHEDULE "L": SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles (GAAP), in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government under section 211(3c) of the Companies Act 1956.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and disclosures of contingent liabilities on the date of the financial statements. Examples of such estimates include provision for doubtful debts/advances, future obligations in respect of retirement benefits etc. Difference if any between the actual results and estimates is recognized in the period in which the amounts are crystallized.

2. Fixed Assets and depreciation

Tangible Assets

Fixed assets other than land (including site development) are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost (freight, duties, levies etc.) of bringing the asset to its working condition for its intended use and capitalization of interest and other expenses incurred upto the date of commissioning.

Depreciation is provided on fixed assets on the Straight Line Method in accordance with the rates specified under Schedule XIV to the Companies Act, 1956 from the month following the month of acquisition/commissioning.

Intangible Assets

Trade Marks/Copyrights and Brands are accounted at cost which is amortized over a period of five years.

3. Inventories

Inventories are stated at lower of cost and net realizable value. Costs are arrived at as follows:

- (i) Raw materials, components, Packing material, stores and spares on first in first out basis.
- (ii) Stock-in-process and finished goods taking into account the annual average cost of materials consumed, direct production expenses, interest, depreciation and related Government duties.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.



4. Foreign Currency Transaction

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transactions.

Current assets and liabilities in foreign currency are converted at the exchange rate prevailing at the year end and exchange differences are recognized in the Profit and Loss Account.

5. Revenue recognition

All revenues are generally recognized on accrual basis except where there is uncertainty of ultimate realisation.

6. Retirement and other employee benefits

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the said fund are due.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation done as per projected unit credit method, carried out by an independent actuary at the end of year. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

7. Provision for Current and Deferred Tax

Provision for Current Tax is made after taking into consideration benefits admissible under the Income Tax Act, 1961. Deferred Tax resulting from 'timing difference' between taxable and accounting income is computed using tax rates and laws that are enacted or substantively enacted by the Balance Sheet date.

Deferred tax asset is recognized only to the extent that there is reasonable certainty that asset will be realized in future.

8. Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the assets exceeds the recoverable amount.

SCHEDULE "L": SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

B. OTHER NOTES

- In the opinion of the Board the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amounts at which they are stated.
- Term Loans due within one year Rs. 7,47,61,555 (Previous year Rs. 3,46,17,864). Vehicle loans due within one year Rs. 54,87,262 (Previous Year Rs. 19,43,020).
- Amounts due from a company under the same management Nil (previous year Nil). Maximum amount outstanding at any time during the year Rs. 12,39,24,720 (previous year Rs. 3,17,17,754)
- Amount due from Directors Nil (previous year Nil). Maximum amount due from Directors at any time during the year Nil (previous year Nil).
- Other income includes interest on bank fixed deposits and security deposits (gross) Rs. 4,34,076 (previous year Rs. 7,05,489); Income tax deducted at source thereon Rs. 76,382 (previous year Rs. 84,858).
- Included in Administrative Expenses under Schedule "K" : Salaries and Allowances Employer's Contribution to Provident Fund Rs. 3,49,294 (Previous year Rs. 3,33,436); General Charges Staff welfare Rs. 16,66,951 (previous year Rs. 8,49,869).
- Directors' remuneration Rs. Nil (previous year Rs. Nil).
- Selling Expenses include commission to selling agents Rs. 49,83,881 (previous year Rs. 10,13,415).
- Interest & Bank charges include interest on term loans Rs. 2,38,64,700 (previous year Rs. 39,52,218); Vehicle Loan Rs. 3,72,465 (previous year Rs. 3,10,178).
- The Company has made a fresh offer for settlement of its outstandings with the Madhya Pradesh State Industrial Development Corporation Ltd. (MPSIDC) as per its policy in this regard. The Company had also made a token payment which has been realised. In accordance with the said policy, the management is confident of arriving at a mutually acceptable settlement and is of the considered opinion that the final liability thereagainst will not exceed the balance outstanding reflected in the books of the Company as at 31.03.2011. Consequently no further provision towards interest is considered necessary.
- The Company in an advanced stage of finalization of the terms of repayment of the outstandings of Kotak Mahindra Bank Ltd. (KMBL). The management is hopeful of mutually acceptable solution which is likely to fructify shortly.
In view thereof, the Company has provided interest on KMBL's outstandings on the basis of the "term sheet" provided by KMBL and accepted by the Company. Further, in view of the abovementioned negotiations, the interest so computed has been included under Current Liabilities.

- Original title deeds in respect of part of freehold land belonging to the Company have been lodged with the Company's bankers for the purposes of mortgage to secure the credit facilities granted to the Company
- The Company has not received any information from any of the suppliers of their being a Micro, Small and Medium Enterprises Unit under Micro, Small and Medium Enterprises Development Act, 2006. Hence, amounts due to Micro and Small Scale Enterprises outstanding as on March 31st 2011 are not ascertainable.
- Capital Reserve comprises the amount forfeited against share warrants.
- On the basis of actuarial valuation, as per the projected unit credit method by an insurance company, the company has made a suitable provision in the accounts for the payment of gratuity. Since this is the first year, the information as per "AS-15 - Employee Benefits" is not available this year.
- CAPACITIES ETC. (in KL) (As certified by the Management)

		2010-11	2009-10
<i>Licensed Capacity</i>	Beer	99,200	30,000
	IMFL	6,700	6,700
<i>Installed Capacity</i>	Beer	59,200	29,200
	IMFL	5,400	5,400
<i>Actual Production</i>	Beer	39,602	27,152
	IMFL	3,236	1,011

- MATERIALS CONSUMED (As certified by the Management)

BEER	Quantities (MT)		Rupees	
	2010-11	2009-10	2010-11	2009-10
Barley Malt	6,401.47	4,231.44	13,42,89,344	8,29,85,535
Sugar	1,469.33	964.21	4,52,91,872	2,26,52,272
Hops	12.76	13.85	85,50,558	1,85,36,601
Chemicals & Essence		—	1,31,39,330	84,44,295

IMFL	Quantities (Proof KL)		Rupees	
	2010-11	2009-10	2010-11	2009-10
ENA Spirit	2,428.17	766.27	4,97,84,172	1,78,09,349
Chemicals & Essence		—	6,49,642	2,30,668



SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI

Year ended 31.03.2011

SCHEDULE "L": SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

B. OTHER NOTES (Contd.)

18. Particulars in respect of opening and closing stocks and sales of finished goods (As certified by the Management)

Particulars	Quantities		Rupees	
	2010-11	2009-10	2010-11	2009-10
BEER*(Cases)				
Opening stocks	3,36,365	1,19,494	6,12,12,461	2,15,32,454
Sales	51,33,711	30,11,028	1,66,38,38,339	98,34,95,177
Closing Stock	72,558	3,36,365	1,51,36,196	6,12,12,461
Draught Beer (BL)				
Sales	637790	3,72,970	3,88,76,938	2,42,17,062
IMFL**(Cases)				
Opening stocks	29,178	23,901	45,82,994	66,50,432
Sales	3,44,342	1,10,057	12,69,76,556	4,01,65,730
Closing Stock	56,060	29,178	1,25,50,948	45,82,994

*46,21,637 cases of 7.80 liters and 2,48,266 cases of 12.00 liters

**Cases of 9.00 liters each

19. Remuneration to Auditors

	2010-11	2009-10
(Including service tax)		
As Auditor	1,25,742	90,446
Certification	31,987	44,120

20. a) Value of Imports calculated on CIF basis

	2010-11	2009-10
i) Raw & Packing Materials	44,10,955	92,39,437
ii) Components and spare parts	31,46,449	8,66,727
b) Expenditure in Foreign Currency		
Bank Charges	45,052	13,310



SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI

Year ended 31.03.2011

B. OTHER NOTES (Contd.)

- c) Composition of raw material, packing materials, stores, spares consumed.

Particulars	Raw Materials & Packing Materials		Stores & Spares	
	2010-11	2009-10	2010-11	2009-10
Imported				
Percentage	1.32	1.39	17.54	11.17
Value(Rs.)	1,09,39,423	68,55,920	39,47,409	11,00,614
Indigenous				
Percentage	98.68	98.61	82.46	88.83
Value(Rs.)	81,16,90,337	48,75,82,418	1,85,55,021	87,50,865
Total	100	100	100	100
Total	82,26,29,760	49,44,38,338	2,25,02,430	98,51,479

21. Earning in Foreign Exchange

	2010-11	2009-10
i) Exports of Goods calculated on FOB basis		
- Direct	2,08,22,420	48,80,252
- Indirect	8,42,940	31,24,670
ii) Others	2,40,930	46,039

22. Contingent Liabilities

Claims against the Company not acknowledged as debts

	2010-11	2009-10
i) Disputed Entry Tax demands	4,85,850	4,85,850
ii) Guarantees given by Bankers on behalf of the Company not provided for	7,25,000	51,15,312
iii) Estimated amount of contracts remaining to be executed on capital account and not provided for	9,21,640	Nil
iv) Corporate guarantee given by the Company on behalf of a Company under the same management.	6,79,00,000	6,79,00,000

23. The company is engaged in the business of manufacture and sale of Beverage Alcohol (Beer and IMFL) which constitutes a single business segment. The company's exports outside India did not exceed the threshold limits for disclosure as envisaged in AS 17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India. In view of the above, primary and secondary reporting disclosures for business/geographical segment as envisaged in AS - 17 are not applicable to the Company.



SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI

Year ended 31.03.2011

SCHEDULE "L": SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

B. OTHER NOTES (Contd.)

24. Information as per Accounting Standard (AS) 18: "Related Party Disclosures" is:

I Related Parties

Associates	Key Managerial Personnel	Relatives of Key Managerial Personnel
Som Distilleries Private Limited	Mr. S. Lal	-

II Transactions with Related Parties

(In Rupees)

Nature of Transactions	Som Distilleries P. Ltd. (Associate)	Key Managerial Personnel	Relatives of Key Managerial Personnel
Purchase of Goods	5,03,88,000 (2,11,20,000)	Mr. S. Lal	-
Other transactions	Dr. 72,54,80,767 Cr. 60,02,57,246	--	-
Trade Receivables Unsecured Loans	NIL NIL	--	-

(Previous years figures are stated in brackets)

25. Earnings per share in accordance with Accounting Standard (AS) 20 on "Earnings per Share" are given below :

	Particulars	31.03.2011	31.03.2010
a)	Numerator Profit/(Loss) after tax Rs.	151,398,272	8,34,52,426
b)	Weighted average number of equity shares Nos.	2,75,22,400	1,83,58,148
c)	Basic & Diluted Earning per shares (Rs.)	5.50	4.55
f)	Nominal value of shares (Rs.)	10.00	10.00



SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI

Year ended 31.03.2011

B. OTHER NOTES (Contd.)

26. Balances standing at the debit or credit in the accounts of various parties are subject to confirmation and reconciliation.
27. Previous year's figures have been regrouped/ restated wherever considered necessary to make them comparable to those of the current year.
28. All figures in the Balance Sheet, Profit & Loss Account and Schedules have been rounded off to the nearest rupee.

Signatures to Schedules A to L

D.N. SINGH
Director

S. LAL
Chairman & Managing Director

For K.C. KHANNA & CO.
Chartered Accountants
Firm Registration No: 000481 N

Harsha Chandra
Partner
Membership No: 080489

Place: Bhopal

Date: 30th May, 2011



SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI
Cash Flow Statement for the Year Ended 31ST MARCH, 2011

	Year Ended 31.03.2011	Year Ended 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	216,906,361	102,529,481
Adjustment for:		
Depreciation	29,886,948	18,689,688
Deferred Revenue Expenses written off	-	-
Interest	25,463,990	5,040,272
Dividend income	(2,357,114)	-
Operating Profit before Working Capital Changes	269,900,185	126,259,441
Adjustment for:		
Trade and other Receivables	(78,552,506)	(37,164,468)
Inventories	25,696,571	(38,105,491)
Trade Payable	(12,877,347)	(9,571,378)
Loan & Advances	76,645,505	(17,785,272)
Cash Generated from Operations	280,812,407	23,632,832
Direct Taxes Paid	(9,163,437)	13,317,834
CASH FLOW BEFORE EXTRAORDINARY ITEMS	271,648,970	10,314,998
Extraordinary Items	-	-
NET CASH FROM OPERATING ACTIVITIES (A)	271,648,970	10,314,998
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(68,280,329)	(38,026,952)
Dividend received	2,357,114	-
Investment SBI fund	-	(1,000,000)
Net Cash used in Investing Activities (B)	(65,923,215)	(39,026,952)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital & Application Money	-	76,777,240
Borrowings (Net)	(63,894,405)	(38,505,157)
Interest Paid	(1,878,098)	(5,040,272)
Dividend Paid	(8,666,045)	-
Net Cash from Financing Activities (C)	(74,438,549)	33,231,811
Net Increase/ (Decrease) in Cash and Cash Equivalents	131,287,207	4,519,857
Cash and Cash Equivalents : Opening Balance	58,519,581	53,999,724
Cash and Cash Equivalents : Closing Balance	189,806,788	58,519,581

Notes to the Cash Flow Statement for the Year ended 31ST MARCH, 2011

	Year Ended 31.03.2011	Year Ended 31.03.2010
1. Cash and cash equivalents include :		
Cash in Hand	33,701,812	23,676,712
Balances with Scheduled Banks		
On current account	143,535,238	21,447,122
On deposit account	12,569,738	13,395,747
	189,806,788	58,519,581
Less: Unrealised translation gain on foreign currency cash and cash equivalents	-	-
	189,806,788	58,519,581

2. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard on 'Cash Flow Statements (AS3)'

3. Previous year's figures have been regrouped/ restated wherever necessary.

For and on behalf of the Board

D.N.SINGH Director	S LAL Chairman & Managing Director
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This is the Cash Flow Statement referred to in our Report of even date

For K.C.KHANNA & CO.
Chartered Accountants
Firm Registration No: 000481 N

Harsha Chandra
Partner
Membership No: 080489

Bhopal
Dated : 30th May, 2011



SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI
EIGHTEENTH ANNUAL REPORT

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details:

Registration No. State Code
(Refer Code List 1)

Balance Sheet Date
Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Rights Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	<input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="6"/>	Total Assets	<input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="6"/>
Sources of Funds			
Paid-Up Capital	<input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="4"/>	Reserves & Surplus	<input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="6"/>
Secured Loans	<input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="0"/>	Unsecured Loans	<input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="0"/>
Application of Funds			
Net Fixed Assets	<input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="5"/>	Investments	<input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>
Net Current Assets	<input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="0"/>	Miscellaneous Expenditure	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Accumulated Losses	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Capital Expenses in Progress	<input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="8"/>

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	<input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="4"/>	Total Expenditure	<input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="8"/>
+ - Profit / Loss Before Tax	<input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="6"/>	+ - Profit / Loss After Tax	<input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="8"/>
Earning Per Share in Rs.	<input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="0"/>	Dividend Rate %	<input type="text" value="7.5"/>

V. Generic names of Three Principal Products/Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	<input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>
Products Description	<input type="text" value="B"/> <input type="text" value="E"/> <input type="text" value="E"/> <input type="text" value="R"/> <input type="text" value="M"/> <input type="text" value="A"/> <input type="text" value="D"/> <input type="text" value="E"/> <input type="text" value="F"/> <input type="text" value="R"/> <input type="text" value="O"/> <input type="text" value="M"/> <input type="text" value="M"/> <input type="text" value="A"/> <input type="text" value="L"/> <input type="text" value="T"/>
Item Code No. (ITC Code)	<input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>
Products Description	<input type="text" value="W"/> <input type="text" value="H"/> <input type="text" value="I"/> <input type="text" value="S"/> <input type="text" value="K"/> <input type="text" value="I"/> <input type="text" value="E"/> <input type="text" value="S"/>
Item Code No. (ITC Code)	<input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="1"/>
Products Description	<input type="text" value="R"/> <input type="text" value="U"/> <input type="text" value="M"/>

Bhopal
Dated : 30th May 2011

D N SINGH
Director

S . LAL
Chairman & Managing Director



SOM DISTILLERIES & BREWERIES LIMITED

Registered office; 1 A, Zee Plaza, Arjun Nagar, Safdarganj Enclave,
Kamal cinema road, New Delhi – 110029

ATTENDANCE SLIP

I/We hereby record my/our presence at the 18th Annual General meeting on the above named Company held on Friday the 30th September 2011 at 10.00 AM at Executive Club, Dolly Farms and Resorts Pvt. Ltd. 349, Village Shaoorpur, P.O. Fatehpur Beri, new Delhi 110030.

Names and Address of Shareholder:
Folio No/ DPID CLIENT ID No. :

SIGNATURE OF THE SHAREHOLDERS OR PROXY

NO. OF SHARES HELD

NOTE: Shareholder/Proxy holder must bring this admission Slip to the meeting and hand over at the venue duly signed.

.....cut here.....

SOM DISTILLERIES & BREWERIES LIMITED

Registered office: 1 A, Zee Plaza, Arjun Nagar, Safdarganj Enclave,
Kamal cinema road, New Delhi – 110029

PROXY FORM

I/We.....of.....being a member/members of Som Distilleries & Breweries Limited hereby appoint.....of.....or failing him/her.....of.....or failing him/her.....of.....as my/our proxy to attend and vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on Friday the 30th September 2011 at 10.00 AM or at any adjournment thereof.

Signature this.....day of.....2011

Folio No./ DPID CLIENT ID No.

Affix Revenue Stamp

SIGNATURE

Note: The proxy in order to be effective should be duly stamped. Completed and signed and must be deposited at the registered office of the company of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.