



SOM DISTILLERIES & BREWERIES LTD.
26TH ANNUAL REPORT 2018 - 19

CORPORATE INFORMATION

DIRECTORS

Shri J.K.Arora
Chairman and Managing Director

Shri Satpal Arora
Independent Director

Shri Nakul Kam Sethi
Whole Time Director

Shri Deenanath Singh
Independent Director

Ms. Nishi Arora
Independent Director

REGISTERED OFFICE

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

CORPORATE OFFICE

23, Zone-II, M.P. Nagar,
Bhopal-462 011
Tel.: 0755 4271271, 4278827

AUDITORS

R.N.Gupta & Associates
Chartered Accountants
6, New Market, 1st Floor,
T. T. Nagar, Bhopal – 462003

BANKERS

State Bank of India
Punjab National Bank Ltd.
IFCI Ltd.
Lakshmi Vilas Bank Ltd.
IFCI Venture Capital Funds Ltd.

STOCK EXCHANGE

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

National Stock Exchange of India
C1 Block G, Bandra Kurla Complex,
Bandra (E), Mumbai – 400051

FROM THE CHAIRMAN'S DESK....

Dear friends and fellow shareholders,

It is my pleasure to address you all and update about the business performance for the year and various strategic initiatives undertaken by us which will form the base for our future growth.

The global economic activity softened during the latter part of the year due to various geo-political issues, country specific challenges in larger economies and financial tightening. However, economic activity is expected to pick up in the second half of 2019 driven by significant policy accommodation by major economies. Despite being the fastest growing economy, India's growth rate slowed down during the fiscal year led by subdued manufacturing activity, lower exports and global trade uncertainty. The Indian economy is expected to accelerate in 2019 driven by continued recovery of the investment activity and robust domestic consumption. The Indian Government has also undertaken various reforms to strengthen financial sector which are essential to secure the economy's growth prospects.

In FY2019, we recorded beer volume of 75.9 lakh cases, which is an increase of 1.2% compared to same period last year. Our IMFL volumes increased by 29.8% compared to FY2018 to reach 9.7 lakh cases. Our flagship brand 'Hunter' registered a growth of 7.9% compared to FY2018 to reach a volume of 32.5 lakh cases. This growth reinforces the quality of our product portfolio and our capability to market it as premium product. Our Total Income for the year was Rs. 3,967 million, representing an increase of 12.5% over FY2018. FY2019 EBITDA was Rs. 528 million with a margin of 13.3%. Our margins for the year were predominantly impacted due to higher costs pertaining to new glass bottles, employee and freight costs to target new markets. These cost pressures can be attributed to the expansion that we have undertaken in the last fiscal year and are transitional in nature.

FY2019 was an eventful year as we undertook various measures to secure future growth potential of the Company. During the year we started operation of our Karnataka and Odisha plants which has enabled us to enhance our presence in the existing markets and to lay stronger foundation in the new markets. During the year, we also started investment for doubling the capacity of the Bhopal plant based on the opportunities that we foresee from the neighbouring states. Our Karnataka subsidiary has already started generating profit in the first year of its operation and we anticipate Odisha subsidiary also to turn cash flow positive in its first year of operation. In FY2020, we expect a meaningful contribution from both these subsidiaries resulting in increased turnover and improvement in profitability.

Along with focus on growth and pan India presence of the Company, we also ensured that the strength of the balance sheet is maintained to ensure sustainability. The rating of our debt facilities by ICRA and Brickworks is a testament to our balance sheet strength. During the

quarter, Brickworks upgraded ratings on our fund-based facilities from 'Triple B' to 'Triple B+' and non-fund based facilities from 'A3' to 'A2'. ICRA has also rated our fund based and non-fund based facilities 'Triple B+' and 'A2+', respectively. Both the agencies have provided a stable outlook and have indicated upgrading it to 'Positive' outlook with improvement in profitability and scale.

We believe that the Company is currently at an inflection point and sufficient investment has already been made to enable the Company to be prepared for the next phase of growth. FY2019 was the year of investments and FY2020 will be a year of consolidation and reaping benefits of these investments. On the back of a strong demand pull for our products across markets and initiatives undertaken during the last year, we are confident of a robust financial performance and enhancing shareholders value.

Before closing, I would like to express my deepest gratitude to all the stakeholders who have striven to make our journey a success. I would like to thank all of you for your relentless support that renews our belief in ourselves and our potential to be more.

Warm Regards

J.K. Arora

(Chairman and Managing Director)

SOM DISTILLERIES & BREWERIES LIMITED

NOTICE TO MEMBERS

Notice is hereby given that the 26th Annual General Meeting of Som Distilleries & Breweries Limited will be held on Friday the 27th September, 2019 at 10.00 A.M. at Executive Club, Dolly Farms and Resorts Pvt. Ltd, 349, Village Shahoopur, P.O. Fatehpur Beri, New Delhi – 110030 to transact the following business:

ORDINARY BUSINESS

1. ACCOUNTS

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

“Resolved that Audited Financial Statement as at 31.03.2019 and Reports of the Auditors and Directors’ thereon for the year 2018-19 be and are hereby adopted.”

2. RETIREMENT OF DIRECTOR BY ROTATION

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

“Resolved that Shri Nakul Kam Sethi, who retires by rotation at this meeting and has offered himself for reappointment, be and is hereby reappointed as a Director.”

3. DECLARATION OF DIVIDEND FOR 2018-19

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

“Resolved that as recommended by the Board of Directors, the company do hereby declare a dividend of 15% i.e. Rs.1.50 per share of Rs.10 on all the 3, 24, 93,869 equity shares as on 31.3.2019 of the company for the year 2018-19, which dividend may be paid to holders of such shares as on the date of the 26th annual general meeting being held on 27.09.2019, proportionate to the period of holding.”

SPECIAL BUSINESS

4. APPOINTMENT OF SHRI SATPAL KUMAR ARORA AS AN INDEPENDENT DIRECTOR

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

“Resolved that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV of the Companies

Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 Shri. Satpal Kumar Arora (DIN: 00061420), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6), and who was appointed as an additional director from 13.10.2018 and in respect of whom the company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of director, be and is hereby appointed as an independent Director of the Company not liable to retire by rotation for a period of five years with effect from 13.10.2018.”

5. RE-APPOINTMENT OF SHRI DEENANATH SINGH AS AN INDEPENDENT DIRECTOR.

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

“Resolved that pursuant to the provisions of Sections 149(10), 150, 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 Shri Deenanath Singh (DIN: 00281542) who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) and in respect of whom the company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of director, be and is hereby reappointed as an independent Director of the Company not liable to retire by rotation, for a further period of five years with effect from 01.04.2019 to 31.03.2024.”

6. RE-APPOINTMENT OF MS NISHI ARORA AS AN INDEPENDENT DIRECTOR.

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

“Resolved that pursuant to the provisions of Sections 149(10), 150, 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 Ms Nishi Arora (DIN: 07021730) who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) and in respect of whom the company has received a notice in writing under section 160 of the Act from a member proposing her candidature for the office of director, be and is hereby reappointed as an independent Director of the Company not liable to retire by rotation, for a further period of five years with effect from 14.11.2019 to 13.11.2024.”

Notes:

- (a.) 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.
- (b.) The Register of Members of the company will remain closed from 19.09.2019 to 27.09.2019 (both days inclusive).
- (c.) All correspondence regarding dematerialization, transfer of shares, change of address etc. should be addressed to MAS Services Ltd, T-34, Okhla Industrial Area, Phase II, Delhi-110020 who are the Registrar and Transfer Agents (RTA).
- (d.) Any queries for being answered at the meeting must reach at least ten days in advance.
- (e.) Shareholders are requested to furnish their e-mail addresses to RTA so that annual report etc. can be sent by e-mail in future.
- (f.) Electronic voting is allowed from 23.09.2019 10.00 a.m. to 26.09.2019 at 5.00 p.m. in respect of each of the items of business mentioned above. Notes/procedure on electronic voting may be seen at pages 82 to 84.
- (g.) Explanatory statement under section 102 of the Companies Act, 2013 is attached.

Place: Bhopal
Dated: 03.07.2019

BY ORDER OF BOARD OF DIRECTORS
J.K. ARORA
CHAIRMAN AND MANAGING DIRECTOR

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE OF THE ANNUAL GENERAL MEETING TO BE HELD ON FRIDAY THE 27TH SEPTEMBER, 2019 AT 10.00 HOURS AT EXECUTIVE CLUB, DOLLY FARMS AND RESORTS PVT. LTD, 349, VILLAGE SHAHOORPUR, P.O. FATEHPUR BERI, NEW DELHI –110030.

ITEM 4: APPOINTMENT OF SHRI SATPAL KUMAR ARORA AS AN INDEPENDENT DIRECTOR.

The Company appointed Shri Satpal Kumar Arora as an Independent Director from 13.10.2018 up to the date of next annual general meeting.

The company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of director.

It is proposed that Shri Satpal Kumar Arora may be appointed as an Independent Director of the Company under the provisions of the Companies Act, 2013 for a term of five years from 13.10.2018.

Shri Satpal Kumar Arora is M.Com. and L.L.B. and holds memberships of ICMA, ICSI and CAIIB.

He has vast experience in a nationalized Bank, in Industrial Finance Corporation of India and Tourism Finance Corporation of India.

The Company has received his consent and his declaration confirming that he is not disqualified from being appointed as a Director in terms of the provisions of the Act and that he meets the criteria of independence as prescribed by the Act. The Board is of the opinion that he fulfills the conditions prescribed under the Act for appointment as independent director and that his appointment on the Board as a Director will be useful to the company.

No Director or key managerial personnel or any of their relatives is concerned with or interested, financially or otherwise in the proposed.

ITEM NO. 5: RE-APPOINTMENT OF SHRI DEENANATH SINGH AS AN INDEPENDENT DIRECTOR.

The Company had appointed Shri Deenanath Singh as Independent Director w.e.f 01.04.2014 for five years .His term as Independent Director expires on 31.03.2019. He is an accounts and finance expert, and has gained vast experience in the field of finance and banking .His experience will certainly be an asset.

It is proposed that Shri Deenanath Singh may be re-appointed as an Independent Director of the Company

Place: Bhopal
Dated: 03.07.2019

under the provisions of the Companies Act, 2013 for a further period of five years with effect from 01.04.2019 subject to the approval of shareholders at the 26th Annual General Meeting by special resolution as proposed.

The Company has received his consent and his declaration confirming that he is not disqualified from being re-appointed as a Director in terms of the provisions of the Act and that he meets the criteria of independence as prescribed by the Act and the Rules. The Board is of the opinion that he fulfills the conditions prescribed under the Act and the Rules for re- appointment as independent director.

No Directors or key managerial personnel or any of their relatives is concerned or interested, financially or otherwise, in the proposed resolution.

ITEM NO 6. RE-APPOINTMENT OF MS NISHI ARORA AS AN INDEPENDENT DIRECTOR.

The Company had appointed Ms Nishi Arora as Independent/women Director from 14.11.2014 for five years. Her term as Independent Director will expire on 13.11.2019. She is a B.Com possessing good knowledge and experience in the field of purchase. Her experience will certainly be an asset.

It is proposed that Ms Nishi Arora be re-appointed as an Independent Director of the Company under the provisions of the Companies Act, 2013 for a further period of five years with effect from 14.11.2019 subject to the approval of shareholders at the 26th Annual General Meeting by special resolution as proposed.

The Company has received her consent and her declaration confirming that she is not disqualified from being re-appointed as a Director in terms of the provisions of the Act and that she meets the criteria of independence as prescribed by the Act and the Rules. The Board is of the opinion that she fulfills the conditions prescribed under the Act and the Rules for re- appointment as independent director.

No Directors or key managerial personnel or any of their relatives is concerned or interested, financially or otherwise in the proposed resolution.

BY ORDER OF BOARD OF DIRECTORS
J.K. ARORA
CHAIRMAN AND MANAGING DIRECTOR

SOM DISTILLERIES & BREWERIES LIMITED

REPORT OF DIRECTORS

To
The Shareholders
Som Distilleries and Breweries Ltd.

Sirs,

Your Directors have pleasure in presenting the Annual Report of your Company for the year ended on 31st March 2019.

1. WORKING RESULTS

The summarized working results on a standalone basis for the year are as under:-

Particulars	2018-19 Rs. (in crores)	2017-18 Rs. (in crores)
Sales & Other Income	410.86	430.41
EBIDTA	44.57	60.47
Depreciation	4.70	4.26
Profit for the year	32.00	47.43
Provision of Tax	11.86	22.20
Profit after Tax	20.14	25.23

There was a decrease in the turnover because of election in our key states and net profit during 2018-19 over the previous year was lower due to higher proportion of new glass bottles and increase in prices of malt and barley.

2. EXTRACT OF ANNUAL RETURN

The extract of annual return in Form MGT 9 is attached herewith as **Annexure I**.

3. MEETINGS OF BOARD OF DIRECTORS

During the financial year 2018-19, 18 meeting of the Board of Directors on 30.04.2018, 16.05.2018, 01.06.2018, 06.07.2018, 13.07.2018, 16.07.2018, 23.07.2018, 13.08.2018, 05.09.2018, 13.10.2018, 02.11.2018, 22.11.2018, 12.01.2019, 19.01.2019, 09.02.2019, 13.02.2019, 02.03.2019 and 27.03.2019.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors hereby certify:-

- that in the preparation of the accounts for 2018-19, the applicable accounting standards have been followed.
- that the Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the

company as at the end of the financial year and of the profit of the Company for the year.

- that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
- that the directors prepared the annual accounts on a going concern basis.
- that the directors had laid down internal financial controls to be followed by the company, which are adequate and were operating effectively.
- that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

5. DECLARATIONS BY INDEPENDENT DIRECTORS

Independent directors i.e. Shri Satpal Kumar Arora, Ms Nishi Arora and Shri D.N.Singh have given the requisite declarations under Section 149(7) of the Companies Act, 2013 to the effect that they meet the criteria of independence as provided under section 149(6).

6. COMMITTEES OF THE BOARD

Details of the Committees of the Board of Directors are given in the Corporate Governance Report attached as **Annexure VI**.

7. RESERVATION AND QUALIFICATION ON STATUTORY AUDIT REPORT AND SECRETARIAL AUDIT REPORT

There is no qualification, reservation or adverse remark or disclaimer of the statutory auditors and secretarial auditors to which a reply is needed from the Board.

Suggestions given by auditors in its Audit Report for the year 2018-19 regarding codification of internal financial controls, documentation of operations and effectively monitoring controls and more effectively segregating of duties, will be examined and action will be taken to the extent possible.

8. PARTICULARS OF LOAN, INVESTMENTS AND GUARANTEES.

The company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to

loans, investments and guarantees given by the Company during the year.

9. PARTICULARS OF CONTRACTS AND ARRANGEMENTS UNDER SECTION 188

Contracts or arrangements with related parties during the year 2018-19 were either within the limits as stated in rule 15 (3)(a) of Companies (Meetings of Board and its Powers) Rules, 2014 or were arm's length transactions or were in the nature of current accounts.

10. DIVIDEND

Directors have recommended for the year 2018-19, a dividend of 15% i.e. Rs.1.50 per share of Rs.10 on all the 3, 24, 93,869 equity shares as on 31.3.2019 of the company for the year 2018-19, which dividend may be paid to holders of such shares as on the date of the 26th annual general meeting being held on 27.09.2019, proportionate to the period of holding."

11. CONSERVATION, TECHNOLOGY, FOREIGN EXCHANGE

In terms of Rule 8(3) of Companies (Accounts) Rules, 2014, information about energy conservation and technology absorption is nil in regard to each of the respective items.

Information regarding foreign exchange is as follows:

***Earnings: Rs. 3, 80, 51,441/-**

***Outgo: Rs. 44, 65, 92,003/-**

12. CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee of the Board of Directors consisting of Shri Deena Nath Singh (Chairman), Shri Nakul Kam Sethi and Ms. Nishi Arora. The CSR activities of the company are conducted through Asha Mohan Foundation which is a registered society engaged in the education of children for the last more than ten years and has been established by the promoters of this company. The CSR Committee monitors the CSR expenditure of the company and has to ensure that at least 2% of the average net profit of the company made during the immediately preceding three years is incurred and well utilized for the education and other welfare activities. In respect of the year, 2018-19, a report under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached in **Annexure II**.

13. SECRETARIAL AUDIT

M.M.Chawla and Associates, Company Secretaries in Practice, Bhopal were appointed as Secretarial Auditor of the company to perform Secretarial Audit of the company for the year 2018-19 in terms of section 204

of the Companies Act, 2013 and to give other certificates/reports under SEBI regulations and circulars. The secretarial audit report in form MR-3 and other reports as per SEBI Regulations are attached herewith as **Annexure III, IV and V**.

14. DIRECTORS/CFO/INTERNAL AUDITOR.

Shri Satpal Kumar Arora was appointed as Independent and non-executive Director of the Company with effect from 13.10.2018, Shri Mahesh Kumar Batra, was appointed as Independent and non-executive Director of the Company with effect from 27.05.2019. Shri Deenanath Singh and Ms. Nishi Arora both are being re-appointed as Non-Executive/Independent Directors w.e.f 01.04.2019 and 14.11.2019 respectively, Shri Rajesh Dubey is the Chief Financial Officer and Shri Sourabh Tandon is the Internal Auditor. The Board now consists of Shri Jagdish Kumar Arora, CMD, Shri Nakul Kam Sethi (WTD), Shri Mahesh Kumar Batra, Shri Deenanath Singh, Shri Satpal Kumar Arora and Ms Nishi Arora.

15. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Woodpecker Distilleries and Breweries Private Limited is a wholly owned subsidiary of Som Distilleries and Breweries Limited which holds 5,09,95,000 equity shares of Rs. 10 each out of a total paid up capital of Rs. 5,10,00,000 shares of Rs. 10 each constituting 99.99% of the equity capital of the subsidiary. Also,

Som Distilleries And Breweries Odisha Private Limited is a wholly owned subsidiary of Som Distilleries and Breweries Limited which holds 2,50,05,000 equity shares of Rs. 10 each out of a total paid up capital of Rs. 2,50,100,000 shares of Rs. 10 each constituting 99.99% of the equity capital of the subsidiary. The consolidated financial statement combining the balance sheet of the two subsidiaries is also being attached.

16. AUDITORS

Appointment of M/s R.N.Gupta and Associates Chartered Accountants, Bhopal as auditors has already been made for 2019-20 and does not now require ratification since first proviso to section 139(1) of Companies Act, 2013 has been deleted with effect from 07.05.2018.

17. CORPORATE GOVERNANCE

Pursuant to Regulation 34 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Corporate Governance Report including Management Discussion and Analysis Report forms part of this report as **Annexures VI**.

18. OTHER STATUTORY INFORMATION

In respect of other various matters listed in section 134(3) and other sections of the Companies Act, 2013 and rules made there under, there is no further information to be furnished in this report. There are adequate internal financial controls keeping in view the size and nature of transactions of the Company. A system of evaluation of the performance of Directors is yet to be evolved. There were no Deposits during the year. Details of risk management policy are yet to be framed. The information/ratios as required under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016 are attached as **Annexure VII**.

19. 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.

Place: Bhopal
Dated: 03.07.2019

BY ORDER OF BOARD OF DIRECTORS
J.K. ARORA
CHAIRMAN AND MANAGING DIRECTOR

ANNEXURE I TO THE DIRECTORS REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN FOR THE FINANCIAL YEAR ENDED ON 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- (i) Corporate Identification Number : L74899DL1993PLC052787
- (ii) Registration Date : 26.03.1993
- (iii) Name of the Company : Som Distilleries and Breweries Limited
- (iv) Category / Sub-Category of the company : Company Limited By Shares/Indian Non-Government Company
- (v) Address: :
Registered Office and Contact Details: 1-A, Zee Plaza, Arjun Nagar, Safdarjung Enclave, Kamal Cinema Road, New Delhi - 110029
Telephone No. 011-26169909
Corporate Office and Contact Details: 23, Zone II, M.P.Nagar, Bhopal, Madhya Pradesh - 462011
Telephone No. 0755-4271271
- (vi) Whether listed company : Yes
- (vii) Name, Address and Contact details of Registrar and Transfer Agents, if any : MAS Services Ltd T-34, Okhla Industrial, Area, Phase-II, Delhi - 110020
Telephone No. 01126387281-83
E-mail: info@masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	BEER MADE FROM MALT PLUS WHISKIES	2203.00 PLUS 2208.30	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No.	Name and Address Of The Company	Cin/Gln	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Woodpecker Distilleries & Breweries Pvt. Ltd. Suit No.601, Shivkaran Apartments, Off Yari Road, Panchtantra Nagar, Andheri (W) Mumbai, Maharashtra 400061	U15400MH2010PTC211663	Wholly owned Subsidiary	99.99 %	Section 2(46) and 2(87) of Companies Act, 2013
2	Som Distilleries and Breweries Odisha Pvt. Ltd. 23, Zone II, M.P. Nagar Bhopal Madhya Pradesh 462011	U15500MP2013PTC030385	Wholly owned Subsidiary	99.99%	Section 2(46) and 2(87) of Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1.	Indian									
(a)	Individual/ HUF	2810274	200	2810474	10.21	2914308	1290516	4204824	12.94	2.73
(b)	Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(c)	State Govt (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d)	Bodies Corp.	3583817	NIL	3583817	13.02	3615470	NIL	3615470	11.13	(1.89)
(e)	Bank/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(f)	Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Sub-total (A) (1):-	6394091	200	6394291	23.23	6529778	1290516	7820294	24.07	0.84
2.	Foreign	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(a)	NRIs – Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b)	Other – Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(c)	Bodies Corp	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d)	Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(e)	Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Sub -total (A) (2):	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	6394091	200	6394291	23.23	6529778	1290516	7820294	24.07	0.84
B.	Public Share holding									
1.	Institutions									
(a)	Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b)	Banks / FI	21058	NIL	21058	0.08	19426	NIL	19426	0.06	(0.02)
(c)	Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d)	State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(e)	Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(f)	Alternate Investment Funds EQ INDIA FUND	500000	Nil	500000	1.82	960468	Nil	960468	2.96	1.14
(g)	Foreign Portfolio Investors	403465	Nil	403465	1.47	25000	Nil	25000	0.08	(1.39)
(h)	Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(i)	FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(j)	Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(k)	Others(specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Sub-total (B)(1):	924523	NIL	924523	3.37	1004894	NIL	1004894	3.09	(0.27)
2.	Non Institution									
a.	Bodies Corp									
i.	Indian	1156304	93300	1249604	4.54	976032	91900	1067932	3.29	(1.25)
ii.	Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b.	Individuals									
i.	Individual shareholders holding nominal share capital upto Rs. 2 lakh	3337094	1027259	4364353	15.86	3989347	961346	4950693	15.24	(0.62)
ii.	Individual shareholders holding nominal share capital in excess of Rs 2 lakh	14065853	NIL	14065853	51.11	13427694	NIL	13427694	41.32	(9.79)
c.	NBFCs registered with RBI	9500	NIL	9500	0.03	510	NIL	510	0	(0.03)
d.	Others (spec ify) non-resident Indian/obc	336926	NIL	336926	1.23	4085856	NIL	4085856	12.62	11.39
e.	others Clearing Member	157350	NIL	157350	0.57	135996	NIL	135996	0.42	(0.15)
f.	Any Other (specify) Trust	20000	NIL	20000	0.07	NIL	NIL	NIL	0	(0.07)
	Sub-total (B)(2):	19083027	1120559	20203586	73.41	22615435	1053246	23668681	72.84	(0.57)
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	20007550	1120559	21128109	76.77	23620329	1050546	24673575	75.93	(0.84)
3.	Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Grand Total (A+B+C)	26401641	1120759	27522400	100	30150107	2343762	32493869	100	Nil

(ii) Shareholding of Promoters

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	SURJEET LAL	766	0	0	0	0	0	0
2	AALOK DEEP FINANCE PVT. LTD.	551100	2.00	0	551100	1.70	0	(0.30)
3	DEEPAK ARORA	12900	0.04	0	68135	0.21	0	0.16
4	SWEENA ARORA	41	0	0	41	0	0	0
5	JAGDISH KUMAR ARORA	1888827	6.86	0	3098197	9.53	0	2.66
6	NATASHA ARORA	124730	0.45	0	144743	0.45	0	0
7	SUNITA ARORA	135110	0.49	0	153523	0.47	0	(0.02)
8	AJAY KUMAR ARORA	648100	2.35	0	740185	2.28	0	(0.07)
9	SOM DISTILLERIES PRIVATE LIMITED	3032717	11.01	0	3064370	9.43	0	(1.58)
	Total	6394291	23.23	0	7820294	24.07	0	0.84

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	6394291	23.23		
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	QUARTER ENDED	PURCHASED		
		30.06.2018	17653	6411944	23.30
		30.09.2018	38000	6449944	20.67
		31.12.2018	30000	6479944	20.77
	31.03.2019	1340350	7820294	24.07	
	At the End of the year	7820294		7820294	24.07

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

S. No.	For Each of the Top 10 Shareholders Name	Shareholding at the beginning of the year			Cumulative Shareholding during the year	% of total shares of the company
		Date	Change on subsequent dates			
			SOLD	BUY		
1	BANA SINGH	31.03.2018			1000915	3.63%
		30.03.2019	NIL	NIL	1000915	3.08%
2	AVINASH KUMAR	31.03.2018			982698	3.57%
		31.03.2019	NIL	NIL	982698	3.02%
3	SHIV CHARAN SINGH	31.03.2018			1005500	3.60%
		31.03.2019	NIL	NIL	1005500	3.09%
4	PREM CHAND PAL	31.03.2018			928800	3.37%
		31.03.2019	NIL	NIL	928800	2.85%
5	VINOD SINGH	31.03.2018			969800	3.52%
		31.03.2019	NIL	NIL	969800	2.98%
6	ANIL ARORA	31.03.2018			1024186	3.72%
		08.06.2018	NIL	500	1024686	
		29.06.2018	500	NIL	1024186	
		14.09.2018	NIL	500	1024686	
	30.03.2019			1024686	3.15%	
7	RAVINDRA CHAUHAN	31.03.2018			1176000	4.27%
		11.05.2018	5824	NIL	1170176	
		30.03.2019			1170176	3.60%
8	JITENDRA DEV	31.03.2018	NIL	NIL	899990	3.27%
		30.03.2019			899990	2.76%
9	VERMILLION PEAK MASTER FUND	17.08.2018			1227521	
		30.03.2019	NIL	NIL	1227521	3.77%
10	KARST PEAK ASIA MASTER FUND	31.03.2018			2455042	
		30.03.2019			2455042	7.55%

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of Directors and Key Managerial Personnel Name	Shareholding at the beginning of the year			Cumulative Shareholding during the year	% of total shares of the company
		Date	Change on subsequent dates			
			Reason	No. of shares		
1	JAGDISH KUMAR ARORA	31.03.2018	-	-	1888827	6.86%
		30.06.2018	Purchase	5000	1893827	6.88%
		30.09.2018	Purchase	19000	1912827	6.13%
		31.12.2018	Purchase	30000	1942827	6.23%
		31.03.2019	Purchase (50600) & Conversion of warrants to equity shares (1104770)	1155370	3098197	9.53%
2	NAKUL KAM SETHI	31.03.2018	-	-	-	-
		30.06.2018	-	-	6538	0.02%
		30.09.2018	Purchase	4000	10538	0.03%
		31.12.2018	Purchase	500	11038	0.03%
		31.03.2018	Purchase	1000	12038	0.03%

(vi) INDEBTEDNESS

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

Indebtedness at the beginning of the financial year		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i.	Principal Amount	30,47,63,499	15,99,44,503	-	46,47,08,002
ii.	Interest due but not paid	-	9,13,939	-	9,13,939
iii.	Interest accrued but not due	-	-	-	-
Total (i+ii+iii)		30,47,63,499	16,08,58,442	-	46,56,21,941
Change in Indebtedness during the financial year					
	Addition	23,17,82,643	24,44,92,609	-	47,62,75,252
	Reduction	6,53,79,380	5,83,89,023	-	12,37,68,403
	Net Change	29,71,62,023	30,28,81,632	-	60,00,43,655
Indebtedness at the end of the financial year					
iv.	Principal Amount	47,11,66,762	34,60,48,089	-	81,72,14,851
v.	Interest due but not paid	45,66,234	26,62,815	-	72,29,049
vi.	Interest accrued but not due	-	-	-	-
Total (i+ii+iii)		47,57,32,996	34,87,10,904	-	82,44,43,900

(vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) REMUNERATION TO MANAGING DIRECTOR : NIL
WHOLE-TIME DIRECTORS AND/OR MANAGER

S. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Shri Nakul Kam Sethi 65,83,370/- for the year	65,83,370/-
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission – as % of profit - others, specify	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	65,83,370/-	65,83,370/-
	Ceiling as per the Act		

Others, please specify Total (A) Ceiling as per the Act

B) REMUNERATION TO OTHER DIRECTORS : NIL
C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	6,63,792	7,55,592	14,19,384
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	Stock Option	NIL	NIL	NIL	NIL
	Sweat Equity	NIL	NIL	NIL	NIL
	Commission - as % of profit - Others, specify...	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	6,63,792	7,55,592	14,19,384

(viii) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : NIL

Place: Bhopal
Dated: 03.07.2019

BY ORDER OF BOARD OF DIRECTORS
J.K. ARORA
CHAIRMAN AND MANAGING DIRECTOR

ANNEXURE II TO THE DIRECTORS REPORT

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT-2018-19

1. Brief outline of the company's CSR policy etc.:

At present the CSR activities of the company are undertaken through Asha Mohan Foundation which is a registered society engaged in the education of children at Sehatganj, District Raisen, M.P. since last more than ten years and has been established by the promoters of this company. The CSR Committee monitors the CSR expenditure of the company through Asha Mohan Foundation to ensure that the at least 2% of the average net profit of the company made during the immediately preceding three years is incurred and well utilized for the education and other welfare activities of the society.

2. The Composition of the CSR Committee:

Corporate Social Responsibility Committee in terms of section 135 of the Companies Act 2013 consists of Shri Deena Nath Singh(Chairman), Shri Nakul Kam Sethi and Smt. Nishi Arora.

3. Average net profit of the company for last three financial years

YEAR	NET PROFIT (Rs. Crore)
2015-16	20.93
2016-17	23.71
2017-18	47.44
TOTAL	92.08
AVERAGE	30.69

4. Prescribed CSR Expenditure

(two per cent. of the amount as : Rs.61.38 lakhs per the average in item 3 above)

5. Details of CSR amount spent during the financial year.

- A) Total amount spent during the financial year 2018-19 : Rs. 62 lakhs
 B) Amount un-spent , if any : NIL

C) Manner in which the amount spent during the financial year is detailed below.

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs Local area or other State and district where projects or program was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs:- 1. Direct expenditure on projects or programs 2. overheads	Cumulative expenditure up to the reporting period	Amount spent direct or through implementing agency
i)	Children education and medical Aid	Children education and medical Aid	Local area Village: Sehatganj, Dist Raisen M.P	Rs 65 Lakh	The amount spent as above includes overheads also.	Cumulation is not relevant.	Rs. 62 lakh through Asha Mohan Foundation

D) In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount : N.A.

E) Responsibility Statement:

It is hereby stated on behalf of the CSR Committee that the implementation and the monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.

FOR CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Place: Bhopal
Dated: 03.07.2019

NAKUL KAM SETHI
DIRECTOR

NISHI ARORA
DIRECTOR

DEENANATH SINGH
CHAIRMAN

ANNEXURE III TO THE DIRECTORS REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014)]

To,
The Members,
Som Distilleries and Breweries Limited
Bhopal.
Sirs,

1. I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Som Distilleries and Breweries Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my/our opinion thereon.

2. Based on my verification of the Som Distilleries and Breweries Ltd.'s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that subject to what is stated in the Financial Statement for 2018-19 read with the Auditors and Directors reports, the company has, during the audit period covering the financial year ended on 31.03.2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

3. I have examined the books, papers, minute books, forms and returns filed, report of Company Secretary to the Board of Directors and other records maintained by Som Distilleries and Breweries Limited for the financial year ended on 31.03.2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

(v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act') :-

- (a) The Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011.
- (b) The Securities & Exchange Board of India (Prohibition Of Insider Trading) Regulations, 2015.
- (c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (d) The Securities & Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999.
- (e) The Securities & Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008.
- (f) The Securities & Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealings with the Clients.
- (g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (i) Secretarial Standards as issued by The Institute of Company Secretaries of India.
- (j) Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange Ltd

During the period under review the company has complied with the provisions of the Acts, Rules, Regulations, guidelines, Standards etc. mentioned above except that

- (i) There was a delay of 56 days in submitting applications to BSE and NSE for listing of shares in respect of 1288906 equity shares allotted to promoters on 02.03.2019 for which the stock exchanges have levied fine and which has been paid by the company.
- (ii) BSE/NSE have imposed fines in regard to non-conformity in constitution of Audit Committee and Nomination and Remuneration Committee

during a period. The said mistake has since then been corrected.

(iii) The matter regarding delays in intimating purchase of Shares by the promoters during 2011-13, though technical in nature is under consideration of Adjudicating officer of SEBI.

4. Departmental Heads of the company have reported compliance with following laws applicable to the company during the financial year 2017-18. These reports were duly taken on record by the Board of Directors.

1. Income tax Act, 1961.
2. Goods and Services Tax
3. Foreign Exchange Management Act, 1999.
4. The M.P.Excise Act, 1915.
5. Factories Act, 1948.
6. Industrial Disputes Act, 1947
7. The Payment of Wages Act, 1936
8. The Minimum Wages Act, 1948
9. Employees' State Insurance Act, 1948
10. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
11. The Payment of Bonus Act, 1965.
12. The Payment of Gratuity Act, 1972
13. The Contract Labour (Regulation & Abolition) Act, 1970
14. The Maternity Benefit Act, 1961
15. The Child Labour (Prohibition & Regulation) Act, 1986
16. The Industrial Employment (Standing Order) Act, 1946
17. Workmen Compensation Act, 1923.
18. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
19. Water (Prevention and Control of Pollution) Act, 1974.
20. Water (Prevention and Control of Pollution) Cess Act, 1977
21. Air (Prevention and Control of Pollution) Act, 1981
22. Environment (Protection) Act, 1986.
23. Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

There are adequate systems and processes in the Company commensurate with the size and operations in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The following major points may be noted:

- i. The company acquired 25 lakh equity shares of Som Distilleries and Breweries Odisha Private Limited on 26.03.2019. Som Distilleries and Breweries Odisha Private Limited is now a wholly owned subsidiary of the company with a paid up capital of Rs.25.01 crores and is engaged in setting up a factory in Odisha for manufacture of beer.
- ii. The other wholly owned subsidiary of the company is Woodpecker Distilleries and Breweries Private Limited engaged in similar business in Karnataka with a paid up capital of Rs. 51 crores.
- iii. The company allotted on 13.07.2018, 24,55,042 fully paid up equity shares to Karst Peak Asia Master Fund of Cayman Islands and another 12,27,521 fully paid equity shares to Vermilion Peak Master Fund of Cayman Islands both at a price of Rs. 271.55 per shares totaling to 36,82,563 shares. This allotment of 36,82,563 shares was made at a price of Rs. 271.55 per shares in accordance with chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
6. Also the company issued on 16.07.2018, 12,88,906 warrants convertible into equal number of equity shares to five of the promoters at a price of Rs. 271.55 per shares in accordance with chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. 25% of the price was received in advance and balance was received on exercise of options and allotment of 1288906 shares on 02.03.2019. These shares are in the process of listing and dematerialization.

For M.M.CHAWLA AND ASSOCIATES

M.M.CHAWLA
FCS 67, C P 716
PR: 552/2017

Place: Bhopal
Dated: 03.07.2019

ANNEXURE IV TO THE DIRECTORS REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
SOM DISTILLERIES AND BREWERIES LIMITED
1A, ZEE PLAZA, ARJUN NAGAR, S.J.ENCLAVE,
KAMAL CINEMA ROAD, NEW DELHI. DL 110029

Sirs,

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Som distilleries and Breweries limited having CIN: L74899DL1993PLC052787 and having registered office at 1A, ZEE PLAZA, ARJUN NAGAR, S.J.ENCLAVE, KAMAL CINMA ROAD, NEW DELHI. DL 110029 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company and its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	JAGDISH KUMAR ARORA	00224633	04.02.2017
2.	DEENA NATH SINGH	00281542	30.03.2006
3.	NISHI ARORA	07021730	14.11.2014
4.	NAKUL KAM SETHI	06512548	01.06.2018
5.	SATPAL KUMAR ARORA	00061420	13.10.2018
6.	SURJEET LAL	00227331	03.02.2017 (Resign on 27.05.2019)

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

Place: Bhopal
Dated: 03.07.2019

For M.M.CHAWLA AND ASSOCIATES

M.M.CHAWLA
FCS 67, C P 716
PR: 552/2017

ANNEXURE V TO THE DIRECTORS REPORT

CERTIFICATE OF COMPLIANCE OF THE CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members
Som Distilleries & Breweries Ltd

Sirs,

We have examined the compliance of the conditions of Corporate Governance by Som Distilleries and Breweries Limited for the year ended on 31.03.2019 as stipulated in para E of schedule V read with regulation no. 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 and subject to what is stated in the Financial Statement for 2018-19 read with the Auditors and Directors reports thereon, the company has generally complied with the conditions of corporate governance as stipulated in the above mentioned Regulations.

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 AND ASSOCIATES

Place: Bhopal
Dated: 03.07.2019

M.M.CHAWLA
FCS 67, C P 716
PR: 552/2017

ANNEXURE IV TO THE DIRECTORS REPORT

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31st MARCH, 2019

[As required under Regulations 34(3) and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

A. RELATED PARTY TRANSACTIONS

Contracts or arrangements with related parties during the year 2018-19 as detailed in note no. 37 of Financial Statement, were either within the limits as stated in rule 15 (3)(a) of Companies (Meetings of Board and its Powers) Rules, 2014 or were arm's length transactions or were in the nature of current account.

B. MANAGEMENT DISCUSSION AND ANALYSIS

1. Economy and Outlook

The growth momentum in the global economy seen in 2017 also continued during the initial months of 2018. However, the economic activity during the latter part of 2019 was adversely impacted by various factors such as the US-China trade tensions, macroeconomic stress in Argentina and Turkey, disruptions to the auto sector in Germany, tighter credit policies in China and the financial tightening alongside the normalization of monetary policy in the larger advanced economies. As a result of these challenges, the global economic growth slowed down to 3.4% in 2018 from 4.0% in 2017.

Slowdown in the economic activity continued in the first half of 2019. However, some pickup is anticipated in the second half of the year due to significant policy accommodation by major economies given limited inflationary pressures. 2019 is expected to record a growth of 3.3% as most of the positive developments will trigger in latter part of the year. The situation is expected to improve further in 2020 with growth rate expected at 3.6%. Beyond that, the global economy is anticipated to stabilize primarily driven by growth in China and India, and their increasing weights in the world income.

Indian economy increased by 7.1% in 2018. Despite being the fastest growing economy, the growth rate softened during the second half of the fiscal year led by subdued manufacturing activity, lower exports and global trade uncertainty. 2018 was predominantly a period with stable interest rates and lower inflation. The investment in the economy continued to remain strong primarily supported by focus on public infrastructure such as roads, railways, inland waterways and affordable housing. However, the private investment remained weak due to factors such as non-banking financial company (NBFC) crisis.

The growth of Indian economy is projected to pick up to 7.3% in 2019 and 7.5% in 2020. This increase will be primarily driven by the continued recovery of the investment activity and robust domestic consumption. Also, expansionary stance of the monetary policy and expected impetus from the fiscal policies will also contribute to the growth. The Reserve Bank of India (RBI) has also taken an accommodative stance and has already cuts rates thrice in 2019. Further rate cuts are expected during the year which should provide additional stimulus to the economy. Furthermore, various reforms have been undertaken to strengthen financial sector balance sheets, including accelerated resolution of non-performing assets under a simplified bankruptcy framework which are essential to secure the economy's growth prospects.

2. Indian Alcobev Industry

India is the third largest spirits market by volume in the world, just behind China and Russia. The Indian alcobev industry can broadly be classified into five categories, namely Indian Made Foreign Liquor (IMFL), India Made Indian Liquor (IMIL), foreign liquor Bottled in Origin (BIO), Beer and Wine. IMFL primarily comprises of brown spirits such as whisky, rum, and brandy, and white spirits which includes gin, vodka and white rum. The alcoholic strength of IMFL generally does not exceeds 42.8%. IMIL is also referred as country liquor. It is produced in licensed distilleries and made of cheaper raw material, primarily rectified spirits of grains or molasses. IMIL generally has an alcohol content of around 30%. BIO forms a very small part of alcohol consumption in India. It is usually consumed by the rich and the upper middle class in metropolitan cities. It is also subjected to customs duty, making it much more expensive. Beer can broadly be classified into two subcategories, strong beer with an alcohol content of around 6-8% and mild or lager beer which has an alcohol content of 4-6%. Wine is an alcoholic drink made from fermented grapes. The major variants of wine are red, white and sparkling. The recent trends in the alcoholic beverages segments includes launch of flavoured alcoholic drinks and ready to drink (RTD).

Beer Industry

Indian beer industry is primarily dominated by strong beer which accounts for over 85% of the total beer volumes sold in India. The beer consumption in the country is inclined towards the southern states which accounts for more than half of the volumes consumed in India. Around 30% of the total consumption is contributed by western region and equally spread between northern and eastern states. India has one of the lowest per capita alcohol consumption rates globally which is an indicator of the prevailing opportunity. The growth in the beer market is predominantly driven by young consumers and professionals who consider beer as a trendy drink, as compared with traditional spirits. Furthermore, rising disposable incomes, changing preferences and favorable demographics coupled with increasing social acceptance is also anticipated to contribute to growth of the industry in the medium term. India adds over 19 million people to the legal drinking age every year and only one in eight women consume beer, compared to one in two in more mature markets. This presents significant industry growth potential.

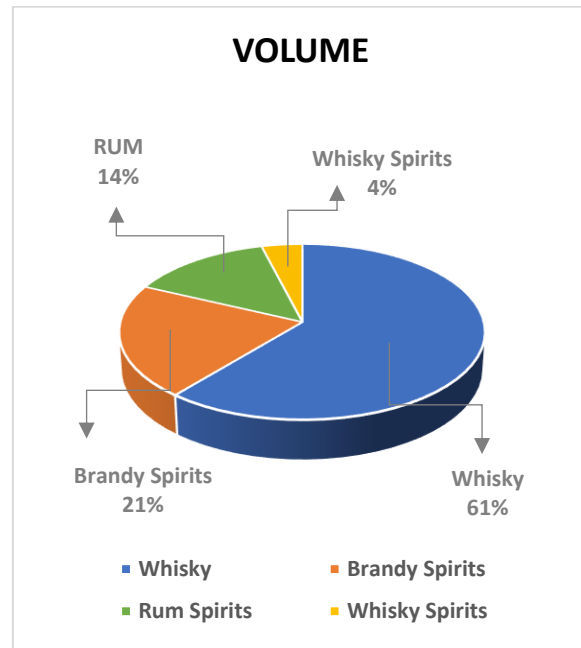
In 2018 India accounted for consumption of 2,426 million liters or 311 million cases of beer. (1 case is equivalent to 12 bottles of 650 ml each). The beer consumption increased by 5.4% compared to same period last year. Beer volume is anticipated to record a 2018-23 CAGR of 4.5% to reach 3,024 million or 388 million cases. In value terms, the beer industry was valued at Rs. 519 billion in 2018, which is an increase of 8.0% compared to same period last year. Beer industry is expected to reach a value of Rs. 736 billion by 2023, indicating a CAGR of 7.2% during the same period. Higher growth rate of value compared to the volume growth is an indicator of shifting preference towards premium products. (Source: Euro monitor International)

IMFL Industry

Indian IMFL industry continued to be dominated by brown spirits which accounted for 96% and 94% of the market in volume and value terms, respectively in 2018. In IMFL, whisky was the major contributor with 61% of the volumes followed by brandy and rum with 21% and 14% of the total volume, respectively. White spirits accounted for 4% of the total volume. In value terms, whisky accounted for 73% followed by brandy and rum with 11% and 9% of the total value. White spirits accounted for 6% of the total value consumption in 2018. The increasing preference towards premium products is evident from the higher contribution by whisky and vodka in value terms compared to volume consumption. (Source: Euro monitor International)

During the year, IMFL consumption in India was 2,738 million liters or 304 million cases of 9 liters each. IMFL volume is expected to grow at a CAGR of 2.8% during 2018-2023 to reach 350 million cases by 2023. In value terms, IMFL consumption in India stood at Rs. 2,323 billion in 2018, indicating a growth of 6.3% over last year. During 2018-2023, IMFL value is anticipated to grow at a CAGR of 5.1% to reach Rs. 3,053 billion in 2023. (Source: Euro monitor International)

Sales of Spirits by Category (Volume): 2018



Sales of Spirits by Category (Value): 2018



3. Demand Drivers for the Alcobev Industry

India offers significant long-term potential for the alcobev industry, driven by favourable demographics, rapid urbanisation, increasing social acceptance and the emergence of a sizeable middle class.

- **Urbanization:** Increasing migration to developed or metro cities results in people being exposed to more variety of choices of alcoholic beverages.
- **Disposable Income:** Driven by the growth of the economy, the Indian middle-class population has been

able to enhance their disposable income which is resulting in driving consumer demand. In addition, the growing purchasing power and rising influence of the social media have enabled Indian consumers shift their preference towards more premium and lifestyle products. Furthermore, various measures undertaken by the government over last few years such as direct benefit transfer and various agricultural reforms are also anticipated to increase purchasing power of rural India and drive consumption further. The Indian middle class is moving to an upper income group with changing lifestyles, luxury preferences and ability to pay more for premium products.

- **Young Population:** India's demographic mix is skewed towards younger generation and has over 60% of its population in the age group 15-45 years. Additionally, around 19 million people get added to the legal age for drinking every year, which provides a significant opportunity for the alcohol industry in India.
- **Social Acceptance:** Improvement in standard of living coupled with rising awareness has resulted in increased social acceptance of alcohol consumption. This acceptability extends to drinking in family environments, at social events, and by females as well as youngsters.
- **Family Structure:** Indian families are shifting towards more nuclear structure as compared to traditional joint family structure. As a result, the decision makers in houses are younger generation who are more inclined towards affluent lifestyle.
- **Alcohol Availability:** Focus on premiumization coupled with entrance of international players in India has resulted in availability of a wide variety of choices for aspirational Indian population. Wider choice will cater to a broader target audience resulting in increased demand for the industry.

4. Business Overview

The only listed Beer and IMFL Company in India, SOM Distilleries & Breweries Limited 'SDBL', 'SOM' or 'the Company' is based in Bhopal and is one of the leading alcoholic beverages manufacturers in India. SDBL is primarily engaged in the production of beer and blending and bottling of IMFL. SOM offers a broad portfolio of products at every price point to cater to varied preferences of its consumers. The product portfolio consists of various options across beer, rum, brandy, vodka and whisky categories.

The Company's flagship brands include Hunter, Black Fort, Power Cool and Woodpecker in the Beer segment and, Milestone 100 whisky and White Fox vodka in the IMFL segment. Other popular IMFL brands of SOM include Pentagon, Legend, Genius, Sunny, Gypsy and Blue Chip. With 89% of the topline coming from beer, the Company has three key millionaire brands (with sales more than 1 million cases per annum) – Hunter, Black Fort and Power Cool. Hunter and Woodpecker brands are supplied as

draught beer to all major hotels in Madhya Pradesh and Chhattisgarh.

SOM has a total capacity of 22.8 million cases per annum of beer and 3.3 million cases per annum of IMFL. This capacity is spread across three facilities located in Bhopal (Madhya Pradesh), Hassan (Karnataka) and Barapada, (Odisha).

Capacity (in million cases)	SDBL (Bhopal)	Woodpecker (Karnataka)	SDBOPL (Odisha)	Total Capacity
Beer	15.2#	3.4	4.2	22.8
IMFL	0.6	2.7	-	3.3

upon completion of the expansion

During the FY 18-19; the company made strategic investments at the Bhopal plant; initiated the process of doubling the beer capacity from 7.6 million cases of beer to 15.2 million cases of beer. The company is at an advanced stage of commissioning the enhanced capacity.

5. Strategy and Outlook

We have consciously opted for growth but not at the cost of profitability in the long term, both autonomously and through new business and acquisitions. Growth gives us the opportunity to invest in our people, safety, innovations, markets and our environment.

The beer industry is a highly competitive environment and has experienced a tapered growth in beer sales over the few years. The Company will continue to maintain the competitiveness of its products through increased channel development, point of sale displays.

The management has critically examined the Company's processes and made significant changes in order to reduce costs and remove unnecessary complexity in the business. In order to strengthen the Company's profitability and fill the volume gaps, management will be aggressively seeking new opportunities in fiscal 2019-20 through effective relationships as well as broadening the Company's distribution base.

6. We are Evolving

- We are in the phase of transition: from a regional player we are now moving towards having a nationwide footprint
- We continue to make organizational changes in terms of quality of manpower we employ; the integration of our plants; have the right processes in order to enhance our productivity and to be cost efficient in the long run.
- We have been investing in our brands; creating the right supply chain infrastructure to take care of the increased requirements in the short to medium term.
- We intent to become the employer of choice in our industry and the broader FMCG industry.

7. Threats and Concerns

The alcohol industry in India is highly regulated. The industry also falls under the purview of national laws and regulatory bodies, such as the Food Safety and Standards Authority of India (FSSAI). Compliance with relevant regulations results in higher operating costs and also limits the Company's ability to quickly capitalise on the opportunities that Indian market offers.

- **Restriction on direct promotion:** Advertising by alcohol manufacturers in India is banned, as a result the companies have to depend on surrogate advertising (like glasses, mineral water, music items having identical brand names). The advertisement can legally be undertaken only at the point of sale.
- **Stringent Regulations:** In India, every state has its set of regulations which govern the value chain of industry including manufacturing, retailing, pricing and levies thereby, hindering the economies of scale. Furthermore, regulations pertaining to licensing, setting up or expansion of new facilities, existing brewing or distilling and bottling capacities, manufacturing processes, marketing, sales & advertising and distribution poses additional challenge for the industry.
- **Minimum Legal Age:** All the states in India have legal ages varying between 18-25 years. If these states increase the drinking age or states with lower age bracket decides to increase the age, it could impact sales of alcohol.
- **Low Penetration:** The current per capita consumption of beer in India is one of the lowest in the world. Also, alcohol is sold through a meagre 86,000 outlets, which is extremely low when compared to the rest of the world. One of the reasons for a low per capita consumption of liquor in India is the low affordability levels, which is a direct fallout of high taxation.
- **Limited Pricing Power:** In many states, where the government is also the biggest distributor, it fixes the prices at which it buys products from the alcoholic beverage companies and the prices at which they will sell to the end consumers. The state governments decide the end consumer price, leaving manufactures with no say in determining their selling price. On the other hand, the recent increases in duties and taxes has led to an increase in the end consumer price which has adversely impacted the purchasing power.
- **Prohibition:** Some of the states have banned alcohol with the objective of improving public health and responsibility. In past, such bans have not been very successful and even the social objective is also defeated as it gives rise to illegal trading of liquor in states where it is banned. Such bans impact the volume in short term but in medium to long term the decline in volume is compensated by higher volumes in the neighbouring states.
- **Irregular and High Taxation:** The alcohol industry has been kept outside the purview of GST. However, the industry would be liable to pay GST on the input raw materials, which may impact the gross margins. Taxation by volume continues to adversely impact the beer segment. The tax structure for alcoholic drinks does not adjust for the level of alcohol in a particular drink. Considering the ratio of excise duty adjusted to alcohol content, IMFL appears to be more affordable than beer because it has a higher alcohol/price ratio. This makes beer an expensive drink compared with other spirits in terms of price per unit of alcohol. The excise and other taxes put together comprise over 50% of the final retail price. There is a complex multi-layer taxation structure and this makes the alcohol industry less affordable and also restricts the pricing power.
- **Barriers to Scale:** Every state government has its own rules and regulations in addition to the regulations set up by the central government. As a result, tax and duties are imposed on inter-state movement of alcohol which restricts consolidated operations and resulting synergy benefits.
- **Volatility in the Prices of Key Raw Material:** The beer and IMFL industry can be adversely impacted due to the volatility in key input raw material prices such as barley, ENA and glass bottles. Since the pricing power is limited, companies would not be able to fully pass on the higher costs to consumers.
- **Competition:** Over last few years, many international companies have entered the Indian market due to the immense potential prevailing in the country. These players could impact volumes primarily in the metros as their products are well known among affluent or lifestyle seeking consumers. Furthermore, increasing trend of the craft beer among urban population also increases the competition as beers can be manufactured with very limited investment in a smaller size brewery as compared to significant investment required in traditional breweries.

8. Performance Review

During FY2019, beer volumes grew by 1.2% y-o-y to reach 7.59 million cases. IMFL volumes stood at 0.97 million cases, indicating a growth of 29.8% compared to FY2018. This growth in beer volumes during the year was achieved despite prevailing industry challenges such as glass bottle shortages. The increase in IMFL volumes was primarily on account of increased supply from the Karnataka plant. In FY2019, beer accounted for 89% (vs. 91% in FY2018) and IMFL 11% (vs. 9% in FY2018) of the total volumes sold during the year.

Driven by the volume growth, total income for the year stood at Rs. 3,967 million, recording a growth of 12.5% compared to FY2018. Revenue from beer increased by 7.6% to Rs. 3,255 million and revenue from IMFL increased by 28.9% to 622 million. Of the total revenue 84% (FY2018: 86%) was contributed by beer and remaining 16% (FY2018: 14%) was contributed by IMFL. This revenue growth was

achieved despite the industry challenges such as shortages of glass bottles and assembly elections in three of our key markets (Madhya Pradesh, Chhattisgarh and Karnataka). The commissioning of our IMFL facility at Karnataka was delayed which also impacted contribution from IMFL business during the first half of the year. FY2019 financials include performance of Odisha plant for 10 days which contributed approximately Rs. 10 million of sales to the topline.

EBITDA for the year declined by 12.7% to Rs. 528 million. EBITDA margins for the year was 13.3% compared to 17.2% in FY2018. As the Company is in a growth phase, higher costs pertaining to the usage of new glass bottles, higher employee and freight costs to target new markets impacted the margins during the period. Our consolidated PAT was Rs. 197 million in FY2019 with margin of 5.0%. The cost pressure on our financials during the year were transitional in nature and should normalize in FY2020.

Ratios	FY2018	FY2019	Comments
Debtor Turnover (Days)	60	79	Total receivables in days increased due to delay in receivables getting realised in the key state of Madhya Pradesh. The situation has since then normalised.
Inventory Turnover (Days)	62	175	Inventory quadrupled due to higher finish goods and higher raw material inventory at the end of the financial year.
Interest Coverage (x)	6.4x	3.5x	Interest expense increased by over 40% due to increase in debt related to expansion activity undertaken during the year
Current Ratio (x)	1.2x	1.5x	Current liabilities increased by 119% and current assets increased by 73% due to consolidation of subsidiaries in FY2019
Debt to Equity (x)	0.56x	0.54x	Gross debt increased by 86% which was used for expansion in Karnataka, Odisha and Madhya Pradesh. Equity also increased due to preferential allotment and conversion of warrants.
Return on Equity (%)	13.1%	10.7%	Net profit declined by 22% and net worth almost doubled due to preferential allotment and conversion of promoter warrants
EBIT Margin (%)	15.9%	11.1%	Higher costs pertaining to new glass bottles, employee and freight costs to target new markets.
EBITDA Margin (%)	17.2%	13.3%	
Net Profit Margin (%)	7.2%	5.0%	Lower operating profit coupled with higher depreciation on the Karnataka plant. Interest expense was also higher due to increase in debt.

9. Liquidity and Ratings

The net worth of the Company at a consolidated level was Rs. 3,107 million at the end of the year compared to Rs. 1,611 million as of 31st March 2018. This increase in net worth was primarily due to preferential allotment of Rs. 1,000 million, conversion of promoter warrants worth Rs. 350 million and balance was contributed by retained earnings during the year.

During the year, Brickworks upgraded ratings on SOM's fund-based facilities from 'Triple B' to 'Triple B+' and non-fund based facilities from 'A3' to 'A2'. ICRA has also rated the Company's fund based and non-fund based facilities 'Triple B+' and 'A2+', respectively. Both the agencies have provided a stable outlook and have indicated upgrading it to 'Positive' outlook with improvement in profitability and scale.

10. Major Corporate Developments

- (a.) **Orissa Acquisition:** In July 2018, the Company announced acquisition of a brewery in Odisha through its proposed subsidiary, SOM Distilleries & Breweries Odisha Private Ltd. for a total consideration of Rs. 460 million. The capacity of this newly acquired unit is 42 Lakh cases per annum. This plant started commercial production in March 2019. During the year, the Company also invested on modernization and upgradation of the plant. This will be operating as a fully owned subsidiary of SOM.
- (b.) **Footprint Expansion:** Continuing the expansion initiatives started last year, SOM continued to enhance its presence in the new states. The initial response of the Company's brands in these new states has been very encouraging. SOM is anticipating further market share gains soon.
- (c.) **Speciality Beers:** SOM has signed an MOU with White Owl Brewery, India's foremost craft beer company for the manufacture of all their speciality beers. This collaboration with White Owl is a testament to the Company's technical capabilities on producing the finest craft beer in the country.
- (d.) **Export Order:** SOM's beer brands are approved by FDA for supply to the United States of America. Currently, export orders accounts for less than 1% of the total sales value. The Company expects its export business to grow and contribute meaningfully in the medium to long term.
- (e.) **Karnataka Facility:** The Company started commercial production of IMFL from Karnataka plant in November 2018 and White Fox RTD in January 2019. As Karnataka and the neighbouring states has strong demand for IMFL, SOM expects meaningful contribution in FY2020. The Company also received approval for the Canteen Stores Department (CSD) for supply in Karnataka. With this addition SOM will now be able to supply to all the CSD depots in India.

11. Business Strategy

Premiumisation of Portfolio

SOM is focused on providing the customers with premium experience in the strong beer market. The Company's flagship brand 'Hunter' recorded a growth of 7.9% compared to FY2018 to reach 32.5 Lakh cases. This improvement is a testament to our capability to market it as a premium product, leading to shift in consumer preferences towards the brand. The Company is well placed to capitalize on changing consumer preferences for its premium products.

New Launches and Strengthening of the Core Brands

SDBL lays utmost importance in ensuring that its product profile matches the evolving consumer tastes and preferences and focuses on providing product that are contemporary. The Company recently launched Pentagon whisky and Woodpecker wheat beer in select markets in Northern India. The recent new launches by SOM, along with the existing strong portfolio, is not only expected to enable the Company to cater to a wider consumer base but also profitably optimize the product mix for the Company.

Pan India Expansion

The Company has a well-defined business strategy to also expand its customer base and outreach. SOM's bottling agreement with two of the leading liquor manufacturers is aimed at enhancing the Company's supplies to the Canteen Store Departments as well as to some of the key markets in North India. During the year, the Company's two new subsidiaries in Karnataka and Odisha became operational enabling it to further widen its reach across India. This is in line with SOM's strategy to expand its footprint in existing markets and enter new states. The Company has a vision of becoming one of the top brewing companies in India and its strong balance sheet provides ample scope for inorganic growth as and when the opportunity arises.

Human Resources

SOM believes that employees are our most important asset and they drive the organisation to excellence. The talent pool and its strong alignment with the Company's vision has contributed substantially to enhancing our standing and achieving new milestones. We focus on developing and nurturing distributed leadership so that we are managed by a team of competent, passionate and inspiring leaders, capable of building a future-ready organisation through continuous learning, innovation and world-class execution.

The Company continuously explores new approaches to learning and development to keep the workforce relevant in an evolving landscape. We enhance our talent pool through employee engagement and career development initiatives. During the year, we remained focused on various strategic learning programmes, employee engagement and health management initiatives to enable overall professional and personal development of its employees. We have initiated group medical insurance for the

employees at all the locations. As on 31st March 2019, 303 employees are on our payroll and we boast of a diversified workforce structure at all levels.

Owing to the cordial rapport between management and employees, there was no industrial unrest causing loss in production across all manufacturing facilities.

12. Internal Control Systems & Their Adequacy

SOM remains committed to ensuring an effective internal control environment that provides assurance on orderly and efficient conduct of operations. This ensures that the Company's assets and interests are carefully protected, and operations are conducted within a framework of appropriate checks and balances. The system helps mitigate and reduce risks that may prevent the Company from achieving its business objectives and to provide reasonable assurance that all material misstatements, frauds or violations of laws and regulations will be prevented. The Company's robust internal audit processes ensures adequacy of controls, systems and policies that are in place. The findings of the internal audit studies are placed before the audit committee every quarter. The framework is tested for effectiveness periodically across all of the Company locations by the corporate audit team and is reviewed by the management for corrective action.

13. Corporate Social Responsibility

Corporate social responsibility forms an integral part of the Company's business activities. SOM actively contributes to the social, economic and environmental development of the community in which it operates, ensuring participation from the community and thereby creating value. The Company's CSR policy outlines its strategy to bring about a positive impact on the society through various initiatives relating to poverty, education, environment protection and healthcare. SOM endeavours to serve the society and achieve excellence. The Company continues to remain focused on improving the quality of life and engaging communities through ensuring environment sustainability, promoting healthcare, promoting education and many more activities.

The annual report on Corporate Social Responsibility activities as required under Sections 134 and 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014 is provided in the Annexure forming part of this Report. As per the section 135 of the Companies Act, 2013, a CSR committee is in place. During the year, SOM spent Rs. 6.2 million on CSR activities as per the CSR policy of the Board.

14. Responsible Drinking

Alcohol has been an integral part of social life across our country from time immemorial. Still, on some occasions, in some places and for some people, alcohol is not appropriate. The negative health effects of excessive alcohol consumption are very much evident, and our products carry the statutory warning too. Young people have an increased risk as their bodies are still developing. The statutory age limit is, therefore, an important starting point in our vision of sensible drinking. We also advocate moderate consumption of alcohol across our distribution channels.

15. Information Technology (IT)

SOM views IT as a necessary business enabler. The Company's operations are increasingly dependent on IT systems and there is a need to manage the information effectively. A strong IT infrastructure is critical as it binds the Company's varied operations into a cohesive unit. SDBL is embracing digitisation to create engaging customer experiences. IT has been one of the key factors driving robust growth of the Company and facilitating it to effectively manage its network of distribution channels. SOM embraced technology in a big way to service its customers better and establish more efficient channels of communication not only within the Company but also with the distributors and channel partners. The IT platform encompasses all core business processes and provides comprehensive data and analytics that enables better decision making. SOM continuously invests in upgrading to the latest technology enhancements to deliver business efficiencies. The Company is also in the process of implementing ERP system across the manufacturing units and depots. Once implemented this will enable in further strengthening of the supply chain efficiencies, with increased qualitative control. Processes have been standardised across the Company to ensure streamlining of the systems across the operational value chain.

16. Supply Chain Management

An effective supply chain system is a critical ingredient for ensuring smooth operation and enhancing profitability. Having a robust supply chain is essential for SOM to adjust more dynamically to the fluctuating economies, improves responsiveness to the customer requirements and leads to a mutually beneficial relationship with our suppliers and dealers and hence is a core focus for us. The Company has set up centres of excellence, engaging in strategic sourcing and improving cost efficiencies. This will significantly benefit the Company, given the ongoing volatility in the macro economic environment.

17. Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations, predictions and assumptions may be 'forward looking' within the meaning of applicable Securities Laws and Regulations. Actual results may differ materially from those expressed herein, due to uncertainties related to the business model. Important factors that could influence the Company's operations include global and domestic economic conditions affecting demand, supply, price conditions, change in Government's regulations, tax regimes, other statutes and other factors such as litigation and industrial relations. The risk related information provided is not exhaustive and is for information purposes only. Readers are advised to refer to related disclosures in the Company's regulatory filings and exercise individual judgement in assessing risks associated with the Company.

C. CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Company's Corporate Governance policy consists of transparency and ethical practices in professional working conducive to optimal performance and achieving shareholder's long term value growth through commitment to quality and customer satisfaction.

2. BOARD OF DIRECTORS

a) The Board consists of six directors including Chairman-cum-Managing Director. Three of the Directors on the Board are independent directors. The details of categories of Directors are as under:

S.NO	NAME OF DIRECTOR	CATEGORY	OTHER COMPANY(IES) IN WHICH HE/SHE IS A DIRECTOR	
			NAME OF COMPANIES	STATUS CHAIRMAN/NOMINEE
1.	Shri Jagdish Kumar Arora, Chairman and Managing Director.	Non-independent and Executive	SOM AGRO PRODUCTS LIMITED	Director
			LEGEND DISTILLERIES PVT LTD	Director
			SOM POWER LIMITED	Director
			ARYAVRAT PROJECTS AND DEVELOPERS PRIVATE LIMITED	Director
			ARYAVRAT FINCON PRIVATE LIMITED	Director
			LEGEND CAPITAL PVT LTD	Director
			SOMPEL JV PRIVATE LIMITED	Director
2.	Shri Nakul Kam Sethi, Director (Finance and Strategy)	Non-Independent and Executive	ARYAVRAT REALTORS PRIVATE LIMITED	Director
3.	Shri Deenanath Singh	Independent and Non-Executive	WOODPECKER DISTILLERIES & BREWERIES PRIVATE LIMITED	Director
			SOM DISTILLERIES AND BREWERIES ODISHA PRIVATE LIMITED	Director
4.	Ms. Nishi Arora	Independent and Non-Executive	NIL	NIL
5.	Shri Surjeet Lal	Non-Independent and Non-Executive	SOM DISTILLERIES AND BREWERIES ODISHA PRIVATE LIMITED	Director
6.	Shri Satpal Kumar Arora	Independent and Non -Executive	SHREE MAHESHWAR HYDEL POWER CORPORATION LIMITED	Nominee Director
			SHREE PUSHKAR CHEMICALS & FERTILISERS LIMITED	Director
			NAGARJUNA FERTILIZERS AND CHEMICALS LTD	Nominee Director
			INSOLVENCY PROFESSIONAL AGENCY OF INSTITUTE OF COST ACCOUNTANTS OF INDIA	Director
			IFCI SYCAMORE CAPITAL ADVISORS PRIVATE LIMITED	Director
			PHD CHAMBER OF COMMERCE AND INDUSTRY	Director

Independent directors satisfy the conditions of independence.

b) Each of the directors attended all the Board meetings during 2018-19. Last Annual General Meeting held on 28.09.2018 was attended by the Chairman of the Audit Committee, Shri Deenanath Singh, Shri JK Arora, Chairman and Managing Director & Shri Nakul Kam Sethi Executive Director of the company.

c) Details of the Committees of the Board are given below:-

S.No.	Name of Committee	Name of Committee members/directors	Category (Chairperson/Executive/Non-Executive/independent/Nominee) \$
1.	Audit Committee	Shri D.N.Singh	Chairman/ Independent Director/ Non-executive
		Shri Nakul Kam Sethi	Non-Independent Director/Executive
		Ms Nishi Arora	Independent/ Non-executive
2.	Stakeholders Relationship Committee'	Shri D.N.Singh	Chairman/ Independent Director
		Shri Nakul Kam Sethi	Non-Independent Director/Executive
		Ms Nishi Arora	Independent/ Non-executive
3.	Nomination & Remuneration Committee	Shri D.N.Singh	Chairman/ Independent/ Non-executive
		Shri S.P. Arora	Independent/non-executive
		Ms. Nishi Arora	Independent/ Non-executive
4.	Risk Management Committee	Shri Nakul Kam Sethi	Chairman/Executive
		Ms. Nishi Arora	Independent/ Non-executive
5.	Corporate Social Responsibility Committee	Shri D.N.Singh	Chairman,/Independent Director/ Non-executive
		Shri Nakul Kam Sethi	Non-Independent/executive
		Ms. Nishi Arora	Independent/ Non-executive

The Directors of the company are not on any Board Committee of any other company or on the Board of Directors of any other listed company except Shri Satpal Kumar Arora as detailed above. Director. Senior management personnel have confirmed compliance with the code of conduct of the Board of Directors and senior managers.

d) During the financial year 2018-19, the Board of Directors met 18 times on 30.04.2018, 16.05.2018, 01.06.2018, 06.07.2018, 13.07.2018, 16.07.2018, 23.07.2018, 13.08.2018, 05.09.2018, 13.10.2018, 02.11..2018, 22.11.2018 ,12.01.2019, 19.01.2019, 09.02.2019, 13.02.2019, 02.03.2019 and 27.03.2019.

e) There is no inter se relationship between all six directors of the company.

f) Shri Nakul Kam Sethi holds 12038 equity shares and Shri Jagdish Kumar Arora holds 3121661 equity shares. None of the other directors holds any equity shares or any convertible instruments of the company.

g) No familiarization programmes were arranged for independent directors since there was no such need.

3. Audit Committee

The Terms of Reference of the Committee include the powers and the role assigned as per Regulation 18(3) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per section 177 of the Companies Act, 2013. During the financial year 2018-19, the audit committee met four times. All the members of the committee attended all the meetings.

4. Nomination & Remuneration Committee

The Term of Reference of the Committee include the role of committee as stipulated in Regulation 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also conform to the requirements of Section 178 of the companies Act 2013. The Committee has not held any meeting up to 31.03.2019.

5. Remuneration of Directors

All Directors are non-executive except Shri Jagdish Kumar Arora and Shri Nakul Kam Sethi. No remuneration was paid to any non-executive director during 2018-19, except sitting fees. No stock options were given to any director.

Shri Nakul kam sethi appointed from 01.06.2018 and was paid from 01.06.2018 Rs 5 lakh per month. He is entitled to gratuity at the rate of half a month's salary for each completed year of service.

Shri Jagdish Kumar Arora is not paid any remuneration.

6. Stakeholders Relationship Committee

Stakeholders Relationship Committee comprises of Chairman Shri D.N.Singh, Shri Nakul Kam Sethi, and Ms. Nishhi Arora.

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 authorized the RTA to give 'action taken report' on shareholders complaints.

During 2018-19 only 10 complaints were received from shareholders etc. which were resolved. There was no complaint pending as on 31.03.2019. There was no transfer pending for more than 21 days as at the end of the year.

7. General Body Meetings

Particulars of Annual General Meetings held during the last three year.

During Year	Date	Time	Venue	Meeting
2015-16	30 th Sept. 2016	11.00A.M	Executive Club, Dolly Farms and Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-30.	23 rd AGM
2015-16	3 rd March 2016	11.00A.M	Executive Club, Dolly Farms and Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-30.	Court convened Extra Ordinary General Meeting
2016-17	29 th Sept. 2017	10.00A.M	Executive Club, Dolly Farms and Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-30.	24 th AGM
2017-18	3 rd March 2018	04.00P.M	Factory Premises, Village Rojrachak, Chiklod Road, District Raisen,	Extra Ordinary General Meeting
2017-18	28 th Sept. 2018	10.00A.M	Executive Club, Dolly Farms and Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-30.	25 th AGM
2018-19	29 th June 2018	04.00P.M	Factory Premises, Village Rojrachak, Chiklod Road, District Raisen,	Extra Ordinary General Meeting
2018-19	26 th March 2019	11.00A.M	Factory Premises, Village Rojrachak, Chiklod Road, District Raisen,	Extra Ordinary General Meeting

8. Means of Communication

The quarterly, half-yearly and yearly financial results of the company are sent to the stock exchanges immediately after they are approved by the Board. These are also published in the prescribed proforma as per the regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. somdistilleries@rediffmail.com for investors to contact the company in case any information is needed by any investor and website of company is www.somindia.in.

9. General Share Holder Information.

(a) Annual General Meeting

Date & Time : 27th Day of September 2019 at 10.00 a.m.

Venue : Executive Club, Dolly Farms and Resorts Pvt. Ltd,
349, Village Shahoorpur, P.O.Fatehpur Beri, New Delhi – 110030

(b) Financial Year is from 01.04.2018 to 31.03.2019.

(c) Dividend for 2018-19 will be paid on 3, 24, 93,869 equity shares (being the number of issued/paid up shares as on 31.3.2019) to shareholders as on the date of the AGM i.e.27.09.2019, proportionate to the period of holding, immediately after that date.

(d) Listing on Stock Exchanges : Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street. Mumbai-400001

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla, Complex,
Bandra(E), Mumbai-400051

The Company has already paid the Listing fees of both the Stock Exchanges for the year 2019-20.

(e) Equity Stock Code : BSE: SDBL 507514, NSE: SDBLDIST/EQ

(f) ISIN No. : INE480C01012

Market Price Data:

The monthly high and low market prices of the shares with volume at Bombay Stock Exchange Limited during the financial year 2018-19 are as under:

Period (2018-19)	High Price	Low Price	Volume of Shares Traded
APRIL2018	291.95	230.00	739049
MAY2018	322.65	250.75	923777
JUNE2018	275.95	220.10	515088
JULY2018	264.80	229.65	372240
AUG2018	257.95	222.60	484641
SEP2018	237.70	187.40	330979
OCT2018	194.45	154.10	568814
NOV2018	208.20	156.35	301288
DEC2018	164	142.50	76088
JAN2019	164	138.50	54394
FEB2019	153.25	117.50	134169
MAR2019	166.65	141.45	351724

Source: BSE Website

The monthly high and low market prices of the shares with volume at National Stock Exchange during the financial year 2018-19 are as under:

Period (2018-19)	High Price	Low Price	Volume of Shares Traded
Apr-18	292	227.35	4167999
May-18	322.80	250.10	5896661
Jun-18	277.10	222	3305712
Jul-18	263.70	230	2023853
Aug-18	255	224	1914469
Sep-18	238	185.60	1468396
Oct-18	194.50	153.95	2301474
Nov-18	208.40	155.80	1812937
Dec-18	161.10	141	698588
Jan-19	159.70	140.65	498960
Feb-19	152.90	110.20	850117
Mar-19	164.35	140.05	996785

Source: NSE Website

(g) Performance of the price of the company's shares on BSE/NSE vis -a-vis BSE Sensex /NSE Nifty during the period under review, is given below:

Month	Sensex/Nifty(close)		Share price(close) SDBL		No. of shares traded SDBL	
	BSE	NSE	BSE	NSE	BSE	NSE
April 2018	15047.73	9496.50	280.30	279.75	739049	4167999
May 2018	14765.69	9315.35	277.45	277.30	923777	5896661
June 2018	14528.54	9162.45	238.70	238.25	515088	3305712
July 2018	15314.81	9650.60	247.70	247.65	372240	2023853
August 2018	15846.20	9992.00	225.60	226.20	484641	1914469
September 2018	14445.89	9116.00	189.40	189.35	330979	1468396
October 2018	13881.71	8753.45	180.60	180.05	568814	2301474
November 2018	14429	9109.15	158.80	159.05	301288	1812937
December 2018	14540.39	9170.00	157.25	157.65	76088	698588
January 2019	14285.11	9003.85	142.95	142.30	54394	498960
February 2019	14196.80	8955.95	143.65	142.75	134169	850117
March 2019	15304.57	9663.70	158.95	158.05	351724	996785

(h) No shares/securities of the company were suspended from trading during year 2018-19.

(i) Registrar and Transfer Agents:
M/s MAS SERVICES LIMITED
T-34, Okhla Industrial Area, Phase II,
Delhi – 110 020

(j) Share Transfer System:

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.

(k) Distribution of Shareholdings as on 31.03.2019

No. of Share Holders	% to Total	Shareholding of Nominal Value of Rs.	No of share	Amount in Rs.	% to Total
16514	90.15	1 TO 5000	2024939	20249390	6.23
861	4.70	5001 TO 10000	689591	6895910	2.12
464	2.53	10001 TO 20000	704746	7047460	2.16
155	0.84	20001 TO 30000	401912	4019120	1.23
66	0.36	30001 TO 40000	241671	2416710	0.74
63	0.34	40001 TO 50000	298654	2986540	0.91
79	0.43	50001 TO 100000	611488	6114880	1.88
115	0.62	100001 AND ABOVE	27520868	275208680	84.69
18317	100	TOTAL	32493869	324938690	100

(l) Dematerialization of Shares

The shares of the Company have been dematerialized. The position of dematerialization is given below:

Form	No. of Shares As on 31.03.2019
De-mat	30150107
Physical	2343762

(m) The company has not issued any ADR/GDR.

(n) There was no hedging activities, commodity price risk or foreign exchange risk.

(o) The company's Plant is located at village Rojra Chak, District Raisen, M.P.

(p) Address for correspondence: 23, Zone- II, Maharana Pratap Nagar, Bhopal – 462011.

(q) (i) There was a delay of 56 days in submitting applications to BSE and NSE for listing of shares in respect of 1288906 equity shares allotted to promoters on 02.03.2019 for which the stock exchanges have levied fine and which has been paid by the company.

(ii) BSE/NSE have imposed fines in regard to non-conformity in constitution of Audit Committee and Nomination and Remuneration Committee during a period. The said mistake has since then been corrected.

(iii) The matter regarding delays in intimating purchase of Shares by the promoters during 2011-13, though technical in nature is under consideration of Adjudicating officer of SEBI.

(r) 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/ and/or Annual Report, and also regarding dematerialization/ rematerialisation of shares may be taken up with the Registrar and Transfer Agent :

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

Place: Bhopal
Place: Bhopal
Dated: 03.07.2019

BY ORDER OF BOARD OF DIRECTORS
J.K. ARORA
CHAIRMAN AND MANAGING DIRECTOR

ANNEXURE VII TO THE DIRECTORS REPORT

RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	Remuneration given to Directors is Rs. 6583370/-
2	The percentage increase in remuneration of each director, C.F.O, C.E.O, Company secretary or manager, if any, in the financial year.	Company Secretary –12% Chief Financial Officer –12% Managing Director -0% (No Salary)
3	The percentage increase in the median remuneration of employees in the financial year	8.1%
4	The number of permanent employees on the rolls of company.	103 Employees
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There has been approx. 9.2% average increase in the salaries of the employees. The comparison in increase in Managerial Remuneration to that of Employees cannot be made since the increase is due to appointment of Mr. Nakul Sethi as Executive Director of the company in last year.
6	Affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration given is as per the Remuneration policy of the company

RULE 5(2) AND 5(3) INFORMATION OF TOP TEN EMPLOYEES INCLUDING ALL THOSE DRAWING RS 8.5 LAKHS PER MONTH OR RS 102 LAKH PER ANNUM

S.No.	Name of Employee	Designation of the employee	Remuneration received	Nature of employment	Qualifications and experience	Date of commencement of employment	Age (Years)	Last employment held by him before joining the company
1	Mr. Nilojit Guha	President Sales	9382260.00	Permanent	M.B.A	07/11/2017	56	Sab Miller India(P) Ltd.
2	Mr. Nakul Sethi	Head Finance & Strategy	6583370.00	Permanent	MBA,B.Com, 20 years	23.11.2011	44	Alfardan Group Holding Co LLC
3	Mr. Rajat Batra	GM Operations	2537628.00	Permanent	MBA, 12 years	28.01.2010	33	Muskan Malt
4	Mr. Shirish K Pliankar	Head of sales (west)	2531364.00	Permanent	B.Com	01/02/2018	52	Bacardi India(p) Ltd.
5	Mr. Sanjeev Tyagi	Sr. DGM	1790988.00	Permanent	MBA, B.S.C 13 years	16.08.05	47	Camlin Limited
6	Sanjay Singh	DGM	1768270.00	Permanent	B.A	03/09/218	55	PernodRecard India (P) limited
7	Mr. Shiv Kumar Gupta	AGM	1612404.00	Permanent	Dip Mech Engg, 29 years	12.11.2013	52	ABInBev
8	Mr. Ramesh Wanchoo	DGM Accounts	1471563.00	Permanent	Bsc ,MBA, 40 Years	16.02.2011	63	Gwalior Polypipes
9	Mr. Raj Bundela	Head Marketing	1419996.00	Permanent	MBA , 19 years	21.03.2015	44	DainikBhaskar
10	Mr. Dc Bansal	DGM Accounts	1388676.00	Permanent	Chartered Accountant	01.10.2016	44	Ruchi Steel Pvt. Ltd.

Last Year, Mr. Nakul Sethi was appointed as Executive Director of the company. At present he holds 12038 shares in the company.

Place: Bhopal
Dated: 03.07.2019

BY ORDER OF BOARD OF DIRECTORS
J.K. ARORA
CHAIRMAN AND MANAGING DIRECTOR

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOM DISTILLERIES & BREWERIES LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of SOM DISTILLERIES & BREWERIES LIMITED ('the Company'), which comprise the standalone balance sheet as at 31st March 2019, standalone statement of profit and loss (including Other Comprehensive Income), standalone statement of changes in equity, and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit/loss, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

OTHER INFORMATION

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Government of India in terms of subsection 11 of section 143 of the Act (hereinafter referred to as the 'Order'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by subsection 3 of Section 143 of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the Directors as on 31st March, 2019 taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2019 from being appointed as a Director in terms of subsection 2 of Section 164 of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in

our opinion and to the best of our information and according to the explanations given to us:

- i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note **39** to the standalone financial statements;
 - ii) As per the information given to us, the Company does not foresee any losses on any long-term contracts and has therefore not made any provision. We have been informed that the Company has not entered into any derivative contracts;
 - iii) The amount of unpaid dividend required to be transferred to the Investor Education and Protection Fund during the year ended 31.03.2019, as per the records, of the Company has been so transferred on 24.06.2019.
4. With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

Place: Bhopal
Dated: 03.07.2019

For **R. N. GUPTA & ASSOCIATES**
Chartered Accountants
Firm Registration No. 001419C

R.N. GUPTA
Proprietor
Membership No. 070590

SOM DISTILLERIES & BREWERIES LIMITED
ANNEXURE A
TO THE INDEPENDENT AUDITOR'S REPORT ON
THE STANDALONE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH, 2019

(Referred to in para 1 under 'Report on other Legal and Regulatory Requirements' section of our Report of even date)

- i. (a) As per the information given to us, the Company is reported to have maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) We have been informed that the fixed assets have been physically verified by the Management at the close of the financial year and no discrepancies are reported have been noticed on such verification.
- (c) As per the records and information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- ii. As per the information given to us the inventory has been physically verified, at reasonable intervals, during the year, by the Management and no material discrepancies are stated to have been noticed.
- iii. As per the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act other than

to a wholly owned subsidiary. Accordingly, the provisions of paragraph 3(iii) are not applicable.

- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of the loans and guarantees and security provided by it, to the extent applicable.
- v. According to the information given to us, the Company has not, accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. As per the explanations given to us, the Central Government has not specified maintenance of cost records in respect of the Company's products.
- vii. (a) According to the records of the Company, it is regular in depositing the undisputed statutory dues with the appropriate authorities including Provident Fund, Sales Tax, State Excise duty, Value Added Tax and cess etc, except Employees State Insurance Scheme, the liability of which is yet to be determined by the concerned authority.
- (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 (FINANCIAL YEAR)	FORUM WHERE DISPUTE IS PENDING
M P Entry Tax Act, 1976	Entry Tax	37.42	2007-08	Madhya Pradesh High Court, Jabalpur
M P Entry Tax Act, 1976	Entry Tax	13.95	2012-13	Appeal Board Commercial Tax, Bhopal
Income Tax Act, 1961	Tax after assessment	4.26	2010-11	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Tax after assessment	56.18	2012-13	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Tax after assessment	317.31	2013-14	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Demand	11.48	2015-16	Commissioner of Income Tax Appeals

- viii. As per the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayments of loans or borrowings to any financial institutions or bank or Government or dues to debenture holders, as applicable, as at balance sheet date.
- ix. According to the information and explanations given to us the moneys raised by way of term loans have been applied, on an overall basis, for the purpose for which they were obtained. The Company has not raised any moneys by way of initial public offer or any other further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted accounting practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. According to the information and explanations given to us and based on our examination of the records, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. As it is not a Nidhi company and the Nidhi Rules 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act where applicable. The details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. The Company has made preferential allotment or private placement of shares during the year under review. On the basis of our examination of its books and records, the company has complied with the requirement of Sec 42 of the Companies Act, 2013 and the amounts raised have been used in the purposes for which they were raised.
- xv. According to the information and explanations given to us by the Management, the Company has not entered into any non-cash transactions with its Directors or persons connected with them. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

Place: Bhopal
Dated: 03.07.2019

For **R. N. GUPTA & ASSOCIATES**
Chartered Accountants
Firm Registration No. 001419C

R.N. GUPTA
Proprietor
Membership No. 070590

SOM DISTILLERIES & BREWERIES LIMITED
ANNEXURE B
TO THE INDEPENDENT AUDITORS REPORT ON
THE STANDALONE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH, 2019

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT')

{REFERRED TO IN PARA 2 (F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE}

OPINION

We have audited the internal financial controls over financial reporting of **SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI** ('the Company'), as of 31st March, 2019, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

However, despite it being a less complex Company, for more effective financial controls it needs to:

- a) formally codify the system of internal financial controls,
- b) document operations and effectively monitor controls, and
- c) more effectively segregate duties.

We have considered the matters identified and reported above and they do not affect our opinion on the financial statements of the Company.

MANAGEMENT RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls

that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

1. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under subsection 10 of section 143 of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
2. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
3. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding

prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: Bhopal
Dated: 03.07.2019

For **R. N. GUPTA & ASSOCIATES**
Chartered Accountants
Firm Registration No. 001419C

R.N. GUPTA
Proprietor
Membership No. 070590

SOM DISTILLERIES & BREWERIES LIMITED

STANDALONE BALANCE SHEET

AS AT 31ST MARCH, 2019

PARTICULARS	Note	As at 31.03.2019	As at 31.03.2018
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	3	655,669,783	683,186,031
(b) Capital Work-in-progress		1,004,337,244	-
(c) Other Intangible Assets	4	9,499,267	11,287,228
(d) Investments	5	760,100,000	510,000,000
(e) Financial Assets			
(i) Loans	6	470,745,190	-
(ii) Other Financial Assets	7	140,488,918	135,018,797
(2) Current Assets			
(a) Inventories	8	641,018,138	257,650,903
(b) Financial Assets			
(i) Trade Receivables	9	837,351,166	698,542,938
(ii) Cash and cash equivalents	10	220,597,065	244,755,834
(iii) Loans	11	248,432,988	340,623,030
(c) Other Current Assets	12	529,917,221	299,356,263
TOTAL ASSETS		5,518,156,979	3,180,421,025
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	324,938,690	275,224,000
(b) Other Equity	14	2,785,900,332	1,335,290,873
Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	386,044,769	260,882,255
(ii) Other	16	30,422,565	23,868,276
(b) Deferred Tax Liabilities	17	122,628,349	122,012,766
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	278,137,522	46,354,879
(ii) Trade Payables		464,593,993	290,197,177
(iii) Other Financial Liabilities	19	775,994,072	572,113,765
(b) Other Current Liabilities	20	178,836,531	113,891,816
(c) Provisions	21	5,852,798	5,508,484
(d) Current Tax Liabilities (Net)		164,807,358	135,076,734
TOTAL EQUITY AND LIABILITIES		5,518,156,979	3,180,421,025

As per our Report of even date
For **R. N. GUPTA & ASSOCIATES**
Chartered Accountants,
Firm Registration No. 001419C

For and on Behalf of the Board

R.N. Gupta
(Proprietor)
Membership No. 070590

J.K. Arora
(Chairman & Managing Director)

Nakul K Sethi
(Executive Director)

Place: Bhopal
Dated: 03.07.2019

Rajesh Dubey
(Chief Financial Officer)

Mayank Bhadauria
(Company Secretary)

SOM DISTILLERIES & BREWERIES LIMITED
**STATEMENT OF STANDALONE PROFIT &
LOSS AND OTHER COMPREHENSIVE
INCOME**

YEAR ENDED 31ST MARCH, 2019

Particulars	Note	Year Ended 31.03.2019 (Rs.)	Year Ended 31.03.2018 (Rs.)
Revenue from operations		4,079,046,437	4,285,111,779
Other Income	22	29,610,855	19,005,017
Total Revenue		4,108,657,293	4,304,116,796
Expenses:			
Cost of Materials Consumed	23	1,714,556,857	1,659,001,485
Changes in Inventories of Finished Goods and Work in Progress		(58,511,481)	27,252,043
Excise Duties		855,524,808	778,941,702
Employees Remuneration & Benefits	24	86,267,818	71,055,943
Finance Costs	25	78,724,673	87,802,834
Depreciation & Amortizations		46,977,949	42,577,473
Other Expenses	26	1,065,104,269	1,163,132,711
Total Expenses		3,788,644,895	3,829,764,191
Profit Before Tax		320,012,398	474,352,605
Tax Expenses:			
Current tax		111,329,872	162,803,155
Previous Year Taxes		6,029,103	49,284,416
Deferred Tax		1,296,636	9,938,233
Profit/(Loss) for the year		201,356,787	252,326,801
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement of defined benefit plans		(1,946,533)	(304,935)
Income Tax effect on above		681,053	105,532
Total Comprehensive Income for the year		200,091,307	252,127,398
Earning Per Equity Share:			
(1)Basic		6.16	9.17
(2)Diluted		6.16	9.17

Significant Accounting Policies [2]

As per our Report of even date
For **R. N. GUPTA & ASSOCIATES**
Chartered Accountants,
Firm Registration No. 001419C

For and on Behalf of the Board

R.N. Gupta
(Proprietor)
Membership No. 070590

J.K. Arora
(Chairman & Managing Director)

Nakul K Sethi
(Executive Director)

Place: Bhopal
Dated: 03.07.2019

Rajesh Dubey
(Chief Financial Officer)

Mayank Bhadauria
(Company Secretary)

SOM DISTILLERIES & BREWERIES LIMITED

STANDALONE CASH FLOW STATEMENT

YEAR ENDED 31ST MARCH, 2019

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Cash flow from operating activities		
Profit before Tax	320,012,398	474,352,605
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation on continuing operations	46,977,949	42,577,473
Interest Expense	78,724,673	87,802,834
Profit on sale of Fixed Assets	(3,352,186)	(4,286,619)
Operating profit before working capital changes	442,362,834	600,446,293
Movements in working capital:		
Increase/(decrease) in trade payables	174,396,816	72,230,535
Increase/(decrease) in short term provisions	344,314	(501,828)
Increase/(decrease) in other current financial liabilities	203,880,307	181,857,939
Increase/(decrease) in other current liabilities	73,267,490	18,490,741
Increase/(decrease) in other long term liabilities	6,554,289	(17,620,000)
Decrease/(increase) in trade receivables	(138,808,228)	(203,910,537)
Decrease/(increase) in inventories	(383,367,235)	(22,031,976)
Decrease/(increase) in other financial assets	(5,470,121)	(78,782,650)
Decrease/(increase) in long term loans	(470,745,190)	-
Decrease/(increase) in short term loans	92,190,042	(112,322,566)
Decrease/(increase) in other current assets	(232,507,490)	363,684,915
Cash generated from/(used in) operations	(237,902,171)	801,540,866
Direct Taxes Paid (net of refunds)	(95,951,126)	(215,684,001)
Net Cash flow from/ (used in) operating activities (A)	(333,853,297)	585,856,865
Cash flow from Investing activities		
Purchase of fixed assets, CWIP and capital advances	(1,022,190,597)	(84,371,888)
Proceeds from sale of fixed assets	3,531,800	4,568,475
Investment in Subsidiary	(250,100,000)	(117,000,000)
Net Cash flow from/ (used in) Investing activities (B)	(1,268,758,797)	(196,803,413)
Cash flow from Financing activities		
Borrowings	356,945,157	(301,400,919)
Interest paid	(78,724,673)	(87,802,834)
Proceeds from issue of equity shares	1,350,002,407	-
Dividend paid	(41,283,600)	(41,283,600)
Dividend distribution tax	(8,485,965)	(8,404,370)
Net Cash flow from/ (used in) Financing activities (C)	1,578,453,325	(438,891,723)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(24,158,769)	(49,838,271)
Cash and cash equivalents at the beginning of the year	244,755,834	294,594,105
Cash and cash equivalents at the end of the year	220,597,065	244,755,834
Components of cash and cash equivalents		
Cash on hand	10,050,514	5,948,956
With Banks - on current account	149,859,650	191,979,502
With Banks - on deposit account	60,686,901	46,827,376
Total Cash and cash equivalents	220,597,065	244,755,834

As per our Report of even date
For **R. N. GUPTA & ASSOCIATES**
Chartered Accountants,
Firm Registration No. 001419C

For and on Behalf of the Board

R.N. Gupta
(Proprietor)
Membership No. 070590

J.K. Arora
(Chairman & Managing Director)

Nakul K Sethi
(Executive Director)

Place: Bhopal
Dated: 03.07.2019

Rajesh Dubey
(Chief Financial Officer)

Mayank Bhaduria
(Company Secretary)

SOM DISTILLERIES & BREWERIES LIMITED
**STATEMENT OF CHANGES IN
 STANDALONE EQUITY**

YEAR ENDED 31ST MARCH, 2019

A. Equity Share Capital				
Balance as at 01.04.2018				275,224,000
Equity shares issued during the year				49,714,690
Balance as at 31.03.2019				324,938,690
B. Other Equity				
Particulars	Capital Reserve	Securities Premium Reserve	Retained Earnings	Total
Balance as at April 01, 2018	3,930,000	122,111,040	1,209,249,833	1,335,290,873
Received on shares issued during the year	-	1,300,287,717	-	1,300,287,717
Total Comprehensive Income for the year	-	-	200,091,307	200,091,307
Final Dividends Paid	-	-	(41,283,600)	(41,283,600)
Dividend Distribution Tax	-	-	(8,485,965)	(8,485,965)
Balance as at March 31, 2019	3,930,000	1,422,398,757	1,359,571,575	2,785,900,332

As per our Report of even date
 For **R. N. GUPTA & ASSOCIATES**
 Chartered Accountants,
 Firm Registration No. 001419C

For and on Behalf of the Board

R.N. Gupta
 (Proprietor)
 Membership No. 070590

J.K. Arora
 (Chairman & Managing Director)

Nakul K Sethi
 (Executive Director)

Place: Bhopal
 Dated: 03.07.2019

Rajesh Dubey
 (Chief Financial Officer)

Mayank Bhaduria
 (Company Secretary)

SOM DISTILLERIES & BREWERIES LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH, 2019

1. COMPANY INFORMATION

Som Distilleries & Breweries Limited is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on the National Stock Exchange and Bombay Stock Exchange. The Company is engaged in the manufacture and sale of Beer and Indian Made Foreign Liquor (IMFL). The Company is a market leader in Beer in the State of Madhya Pradesh. The Company caters to both domestic and international markets.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS FOR PREPARATION

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, and the provisions of the Companies Act, 2013 ('Act') to the extent notified. The Ind AS are prescribed under section 133 of the Act read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereof.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 70 days for the purpose of current/ non-current classification of assets and liabilities.

2.2 REVENUE RECOGNITION

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the Institute of Chartered Accountants of India ('ICAI'), the Company has assumed that recovery of State excise duty flows to the Company on its own account and hence

is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, sales tax/ value added tax (VAT) is not received by the Company on its own account and is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from revenue.

2.3 EXPENDITURE

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

2.4 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Asset class	Useful Life (in years)
Building and civil work	
Roads	10
Labour Quarters	15
Factory Buildings	30
Computer Hardware	3
Electrical Installation	25
Furniture and Fixtures	10
Office Equipment	5
Plant & Machinery	25
Tubewell	5
Vehicles	8

The residual values, useful lives and methods of depreciation and amortization of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5 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.

2.6 FOREIGN CURRENCY TRANSACTIONS

The functional currency of the Company is the Indian rupee (INR). These standalone Ind AS financial statements are presented in INR.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised as income or expenses in the period in which they arise.

2.7 RETIREMENT AND OTHER EMPLOYEE BENEFITS

SHORT TERM EMPLOYEE BENEFITS

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services. These benefits include performance incentives and compensated absences.

POST-EMPLOYMENT BENEFITS

DEFINED CONTRIBUTION PLANS

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund. The Company has no obligation other than the contribution payable to the Provident Fund.

The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

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 the year.

The Company makes contributions to a trust administered and managed by an insurance company to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Company, although insurance Company administers the scheme.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss - Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

2.8 TAXES ON INCOME

CURRENT INCOME TAX

Current income tax liabilities are measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is also recognised outside profit or loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

DEFERRED TAX

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.9 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

FINANCIAL ASSETS AT AMORTISED COST

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of financial asset gave rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on principal amount outstanding and selling financial assets.

.FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss immediately recognized in statement of profit and loss.

FINANCIAL LIABILITIES

Financial liabilities which carry a floating rate of interest are measured at amortised cost using the effective interest method.

EQUITY INSTRUMENTS

An equity instrument is a contract that evidences residual interest in the asset of the company after deducting all its liabilities. Equity instrument by the company are recognised at the proceeds received net of direct issue cost.

2.10 IMPAIRMENT

i. FINANCIAL ASSETS (OTHER THAN AT FAIR VALUE)

The companies assesses at each date of Balance sheet whether a financial asset or a company of financial assets is impaired. Ind AS 109 required expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/or all trade receivables that do not constitute of financial transaction. For all other financial asset, expected credit losses are measured at an amount equal to the 12 –month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii. NON-FINANCIAL ASSETS

Tangible and Intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flow that are largely independent of those from other assets. In such, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount of the asset (or CGU) is reduced to its recoverable amount.

An important loss is recognised in the statement of profit and loss.

2.11 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement, if any.

2.12 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

2.13 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. These exchange differences are presented in finance cost to the extent which the exchange loss does not exceed the difference between the cost of borrowing in functional currency when compared to the cost of borrowing in a foreign currency.

2.14 EARNINGS PER EQUITY SHARE ('EPS')

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

2.15 CASH AND CASH EQUIVALENTS

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

SOM DISTILLERIES & BREWERIES LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31ST MARCH, 2019

3. Property, Plant and Equipment

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 01.04.2018	ADDITION/(DISPOSAL) DURING 2018-19	AS AT 31.03.2019	Upto 31.03.2018	FOR THE YEAR 2018-19	Upto 31.03.2019	AS AT 31.03.2019	AS AT 31.03.2018
LAND (FREEHOLD) & SITE DEVELOPMENT	13,412,683	950,123	14,362,806	-	-	-	14,362,806	13,412,683
BUILDINGS & CIVIL WORKS	171,205,613	-	171,205,613	77,068,081	7,140,301	84,208,381	86,997,232	94,137,532
PLANT & MACHINERY	861,900,113	15,104,000 (3,621,800)	873,382,313	354,086,323	27,082,802	381,169,125 (3,530,845)	495,744,033	507,813,790
FURNITURE & FIXTURES	5,068,185	125,523	5,193,708	2,158,647	309,971	2,468,618	2,725,090	2,909,538
OFFICE EQUIPMENTS	9,860,753	1,673,707	11,534,459	6,632,889	1,297,130	7,930,019	3,604,440	3,227,863
VEHICLES	104,907,938	- (1,773,172)	103,134,766	43,223,313	9,359,785	52,583,098 (1,684,513)	52,236,181	61,684,625
TOTAL	1,166,355,285	12,458,381	1,178,813,666	483,169,253	45,189,988	523,143,883	655,669,783	683,186,032
CAPITAL WOK IN PROGRESS	-	1,004,337,244	1,004,337,244				1,004,337,244	-
GRAND TOTAL							1,660,007,027	

4. Intangible Assets

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK	
	AS AT 01.04.2018	ADDITION/ DURING 2018-19	AS AT 31.03.2019	Upto 31.03.2018	FOR THE YEAR 2018-19	Upto 31.03.2019	AS AT 31.03.2019	AS AT 31.03.2018
ERP-Computer Softwares	11,287,228	-	11,287,228	-	1,787,961	1,787,961	9,499,267	11,287,228
TOTAL	11,287,228	-	11,287,228	-	1,787,961	1,787,961	9,499,267	11,287,228

SOM DISTILLERIES & BREWERIES LIMITED
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	As At 31.03.2019	As At 31.03.2018
5. Investment		
Investment in Subsidiaries - (Unquoted)		
5,10,00,000 (Previous Year 5,10,00,000) Equity Shares of Rs.10 each in Woodpecker Distilleries & Breweries Private Ltd.	510,000,000	510,000,000
2,50,10,000 (Previous Year Nil) Equity Shares of Rs.10 each in Som Distilleries & Breweries Odisha Private Limited	250,100,000	-
Total	760,100,000	510,000,000

6. Loans		
Advances to Subsidiary	470,745,190	-
Total	470,745,190	-

7. Other Financial Assets		
Security Deposits		
Security Deposit	140,488,918	135,018,797
Total	140,488,918	135,018,797

8. Inventories		
(as taken, valued and certified by the Management)		
Raw Materials	91,860,548	45,373,512
Stores, Consumables & Packing Materials	375,064,129	96,695,411
Stock In Process	30,504,070	35,810,670
Finished Goods	143,589,391	79,771,310
Total	641,018,138	257,650,903

9. Trade Receivables		
(Unsecured, considered good)		
Outstanding for a period exceeding six months	32,656,695	14,669,402
Other Debts	804,694,471	683,873,537
Total	837,351,166	698,542,938

10. Cash and Cash Equivalents		
Cash in hand	10,050,514	5,948,956
Balance With Scheduled Banks		
Current Accounts	149,859,650	191,979,502
Deposit Accounts	52,116,141	39,257,475
Other Bank Balances		
Unpaid Dividend Accounts	8,570,760	7,569,901
Total	220,597,065	244,755,834

11. Current Loans		
Advances to Related Parties	247,564,525	340,623,030
Advances to Retailers	868,463	-
Total	248,432,988	340,623,030
Note: All the above amounts are unsecured and considered good.		

12. Other Current Assets		
Capital Advances	195,567,612	17,204,325
Staff Advances	12,250,837	13,231,110
Prepaid Expenses	74,730,286	66,116,643
Advances to suppliers	232,336,338	158,564,725
Trade Advances to Related Parties	-	42,510,667
Other Assets	15,032,147	1,728,793
Total	529,917,221	299,356,263

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		As At 31.03.2019		As At 31.03.2018	
13.	Equity Share Capital				
	Authorized				
	3,50,00,000 Equity Shares of Rs. 10 each		350,000,000		350,000,000
	Issued, Subscribed and Fully Paid				
	3,24,93,869 [Prev Year 2,75,22,400] Equity Shares of Rs.10 each		324,938,690		275,224,000
	Terms/Rights attached to the shares				
	(a) The Company has only one class of Equity Shares having par value of Rs.10 per share. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the company after the distribution of all preferential amounts, in proportion to their shareholding.				
	(b) Details of Shareholders holding more than 5% Shares in the Company.				
	Name of Shareholders	As at 31.03.2019		As at 31.03.2018	
		No. of Shares	%	No. of Shares	%
	Sh. Jagdish Kumar Arora	3098197	9.53%	1888827	6.86%
	Som Distilleries Private Limited	3064370	9.43%	3032717	11.02%
	Karst Peak Asia Master Fund	2455042	7.56%	-	-

		As At 31.03.2019		As At 31.03.2018	
14.	Other Equity				
	Capital Reserve (Amount forfeited against share warrants)		3,930,000		3,930,000
	Securities Premium Reserve		1,422,398,757		122,111,040
	Surplus - In Statement of Profit & Loss				
	Balance as per last Financial Statement		1,209,249,833		1,006,810,405
	Add: Comprehensive Income during the year		200,091,307		252,127,398
	Amount available for appropriation		1,409,341,140		1,258,937,803
	Less:				
	Final Dividend Paid		41,283,600		41,283,600
	Dividend Distribution Tax		8,485,965		8,404,370
	Balance at the end of the year		1,359,571,575		1,209,249,833
	Total Reserves & Surplus		2,785,900,332		1,335,290,873

SOM DISTILLERIES & BREWERIES LIMITED
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YEAR ENDED 31ST MARCH, 2019

		Non-Current		Current Maturities	
		As At 31.03.2019	As At 31.03.2018	As At 31.03.2019	As At 31.03.2018
15.	Borrowings				
	Long Term Borrowings				
	(i) Secured Loans				
	(a) IFCI Ltd.	95,605,673	145,575,955	73,000,000	73,000,000
	(b) Vehicle Loans (Secured by hypothecation of respective vehicles)				
	From Banks	8,535	366,009	356,824	2,614,441
	From Others	19,683,875	28,442,904	8,730,006	7,985,266
	(ii) Unsecured Loans				
	(a) IFCI Venture Capital Funds Ltd.	26,254,076	86,497,387	77,409,750	73,333,336
	(b) Others	244,492,609	-	-	-
	Grand Total	386,044,769	260,882,255	159,496,580	156,933,043

Notes:

- (a) Loan from IFCI Venture Capital Funds Ltd. is secured by personal guarantees of promoters and collaterals given by related party.
- (b) Loan from IFCI Ltd. is secured by mortgage of land and hypothecation of the factory plant & machinery.
- (c) Interest on vehicle loans varies from 8.95% to 10.75% per annum. Tenor of these loans ranges from 3 to 5 years. Respective vehicles have been hypothecated to the lending institutions to secure their loans. Repayment of these loans is regular as per the fixed equated monthly instalments.

	As At 31.03.2019	As At 31.03.2018
16. Other Long Term Financial Liabilities		
Security Deposits (Unsecured)	30,422,565	23,868,276
Total	30,422,565	23,868,276

	As At 31.03.2019	As At 31.03.2018
17. Deferred Tax Liability (Net)		
Difference between depreciation as per books of account and the Income Tax Act 1961.	139,310,320	139,620,383
Others	1,835,155	1,835,155
Gross Deferred Tax Liability	141,145,475	141,455,538
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis.	2,196,165	3,121,811
MAT Credit difference	16,320,961	16,320,961
Gross Deferred Tax Assets	18,517,126	19,442,772
Deferred Tax Liability (Net)	122,628,349	122,012,766

Notes:

- (a) Deferred tax assets and Deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities.
- (b) Deferred tax assets and Deferred tax liabilities relate to income taxes levied by the same taxation authority.

SOM DISTILLERIES & BREWERIES LIMITED
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		As At 31.03.2019	As At 31.03.2018
18.	Borrowings		
	Short Term Borrowings		
	Cash Credit from Bank (Secured by way of hypothecation of entire current assets of the company)	278,137,522	46,354,879
	Total	278,137,522	46,354,879
19.	Other Financial Liabilities		
	Current maturities of long-term borrowing	159,496,580	156,933,043
	Bank Overdrafts (Book)	42,676,885	59,427,533
	Un paid Dividend	8,570,760	7,569,901
	Expenses Payable	73,615,144	114,144,172
	Other Payables	491,634,704	234,039,116
	Total	775,994,072	572,113,765
20.	Other Current Liabilities		
	Advances from customers	59,800,402	26,369,612
	Statutory dues payable	104,286,586	64,449,886
	Dividend tax	14,749,543	23,072,318
	Total	178,836,531	113,891,816
21.	Short Term Provisions		
	Employee Benefits	5,852,798	5,508,484
	Total	5,852,798	5,508,484
22.	Other Income		
	Interest	3,510,426	3,455,905
	Profit on Sale of Fixed Assets	3,352,186	4,286,619
	Other Revenues	22,748,243	11,262,494
	Total	29,610,855	19,005,017
23.	Cost of Materials consumed		
	Opening Stocks	142,068,923	91,223,467
	Add: Purchases		
	Raw Materials & Chemicals	559,935,539	705,353,039
	Packing Material	1,452,089,591	1,004,493,902
	Less: Closing Stocks	439,537,196	142,068,923
		1,714,556,857	1,659,001,485
24.	Employee Remuneration & Benefits		
	Salaries, allowances & bonus	78,846,281	66,510,798
	Employer's contribution to Provident & Gratuity Fund	2,820,923	1,820,494
	Staff welfare expenses	4,600,614	2,724,651
	Total	86,267,818	71,055,943
25.	Financial Costs		
	Interest to Bank & FIs	73,128,615	80,458,513
	Interest to Others	5,596,058	7,344,321
	Total	78,724,673	87,802,834

SOM DISTILLERIES & BREWERIES LIMITED
NOTES TO THE STANDALONE
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YEAR ENDED 31ST MARCH, 2019

		Year Ended 31.03.2019	Year Ended 31.03.2018
26.	Other Expenses		
	Power and fuel	102,915,272	108,145,554
	Labour	26,047,261	34,465,620
	Rent	8,622,585	4,144,508
	Repairs		
	Buildings	1,025,190	3,177,054
	Machinery	44,188,350	53,363,743
	Others	8,396,036	1,178,041
	Insurance	2,404,752	1,799,579
	Rates and taxes (Other than on income)	126,913,497	180,696,734
	Other Manufacturing Exp	4,557,898	8,990,568
	Auditors Remuneration		
	(a) Audit fees	253,700	253,700
	(b) Other Services	253,700	318,600
	Donations	33,713,826	-
	Corporate Social Responsibility	6,200,000	11,116,404
	Travelling & Conveyance	17,253,816	13,694,616
	Legal & Professional	43,487,908	21,503,642
	Sales promotion	352,815,267	442,229,609
	Advertisement & Publicity	25,878,705	18,427,518
	Freight outward	199,597,710	215,967,735
	Other selling expenses	24,345,493	13,231,611
	General expenses	11,381,797	10,620,954
	Postage, Telegrams & Telephones	13,302,994	11,558,336
	Vehicle Running & Maintenance	11,548,513	8,248,585
	Total	1,065,104,269	1,163,132,711

27.	Taxation		
	Components of Income Tax Expense		
	Current Tax	111,329,872	162,803,155
	Deferred Tax	1,296,636	9,938,233
	Total	112,626,508	172,741,388
	Reconciliation of Income Tax with Accounting Profits		
	Profit Before Tax	320,012,398	474,352,605
	Applicable Tax Rate	34.499%	34.608%
	Computed Tax Expense	110,401,077	164,163,950
	Tax effect of:		
	Expenses of Prev year allowed/(disallowed)	925,646	(1,360,795)
	Current Tax Provision (A)	111,329,872	162,803,155
	Increase in Deferred Tax Liability on account of Tangible and Intangible Assets	(310,063)	11,793,434
	Decrease in Deferred Tax Liability on account of Other Assets	925,645	(1,960,733)
	Deferred Tax Provision (B)	1,296,636	9,938,233
	Total (A+B)	112,626,508	172,741,388
	Effective Tax Rate	35.19%	36.42%

SOM DISTILLERIES & BREWERIES LIMITED

OTHER NOTES

28. The Company had sought but has not received information from any of the suppliers of their being a Micro, Small or Medium Enterprise Unit under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, amounts due to Micro and Small Scale Enterprises outstanding as on 31st March, 2019 are not ascertainable.

29. EMPLOYEES BENEFITS:

The required disclosures of employees benefits as per Ind AS – 19 are given hereunder:-

(i) In respect of Short Term Employee Benefits:

The Company has at present only the scheme of cumulative benefit of leave encashment payable at the end of each calendar year and the same have been provided for on accrual basis.

(ii) In respect of Defined Benefit Scheme (Based on Actuarial Valuation) of Gratuity:

Table Showing Changes in Present Value of Obligations:

Period	From: 01.04.2018 To: 31.03.2019	From: 01.04.2017 To: 31.03.2018
Present value of the obligation at the beginning of the period	41,64,290	34,39,031
Interest cost	3,22,732	2,66,525
Current service cost	9,39,784	3,74,625
Past Service Cost	-	-
Benefits paid (if any)	(2,19,000)	(1,78,616)
Actuarial (gain)/loss	18,89,784	2,62,725
Present value of the obligation at the end of the period	70,97,590	41,64,290

Key results:

Period	As on: 31.03.2019	As on: 31.03.2018
Present value of the obligation at the end of the period	70,97,590	41,64,290
Fair value of plan assets at end of period	60,92,300	58,93,083
Net liability/(asset) recognized in Balance Sheet and related analysis	10,05,290	(17,28,793)
Funded Status - Surplus/ (Deficit)	(10,05,290)	17,28,793

Expense recognized in the statement of Profit and Loss:

Period	From: 01.04.2018 To: 31.03.2019	From: 01.04.2017 To: 31.03.2018
Interest cost	3,22,732	2,66,525
Current service cost	9,39,784	3,74,625
Past Service Cost	0	0
Expected return on plan asset	(4,56,714)	(3,36,271)
Expenses to be recognized in P&L	8,05,802	3,04,879

Other comprehensive (income)/expenses Remeasurement)

Period	From: 01.04.2018 To: 31.03.2019	From: 01.04.2017 To: 31.03.2018
Cumulative unrecognized actuarial (gain)/loss opening. B/F	3,04,935	-
Actuarial (gain)/loss - obligation	18,89,784	2,62,725
Actuarial (gain)/loss - plan assets	56,749	42,210
Total Actuarial (gain)/loss	19,46,533	3,04,935
Cumulative total actuarial (gain)/loss C/F	22,51,468	3,04,935

Table showing changes in the Fair Value of Planned Assets:

Period	From: 01.04.2018 To: 31.03.2019	From: 01.04.2017 To: 31.03.2018
Fair value of plan assets at the beginning of the period	58,93,083	43,38,976
Expected return on plan assets	4,56,714	3,36,271
Contributions	18,252	14,38,662
Benefits paid	(2,19,000)	(1,78,616)
Actuarial gain/(loss) on plan assets	(56,749)	(42,210)
Fair Value of Plan Asset at the end of the Period	60,92,300	58,93,083

Table showing Fair Value of Planned Assets:

Period	From: 01.04.2018 To: 31.03.2019	From: 01.04.2017 To: 31.03.2018
Fair value of plan assets at the beginning of the period	58,93,083	43,38,976
Actual return on plan assets	3,99,965	2,94,061
Contributions	18,252	14,38,662
Benefits paid	(2,19,000)	(1,78,616)
Fair value of plan assets at the end of the period*	60,92,300	58,93,083

Actuarial (Gain)/Loss on Planned Assets:

Period	From: 01.04.2018 To: 31.03.2019	From: 01.04.2017 To: 31.03.2018
Actual return on plan assets	3,99,965	2,94,061
Expected return on plan assets	4,56,714	3,36,271
Actuarial gain/(Loss)	(56,749)	(42,210)

The assumptions employed for the calculations are tabulated:

Discount rate	7.75 % per Annum	7.75 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Withdrawal rate (Per Annum)	5.00% p.a.	2.00% p.a.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant facts.

FUNDING ARRANGEMENTS AND FUNDING POLICY

The company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the company. Any deficit in the assets arising as results of such valuation is funded by the company

EXPECTED CONTRIBUTION DURING THE NEXT ANNUAL REPORTING PERIOD

Period	From: 01.04.2018 To: 31.03.2019	From: 01.04.2017 To: 31.03.2018
The Company's best estimate of Contribution during the next year	12,34,136	4,68,269

SENSITIVITY ANALYSIS:

Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	As on: 31.03.2019
Defined Benefit Obligation (Base)	70,97,590 @ Salary Increase Rate : 5%, and discount rate :7.75%
Liability with x%	
- increase in Discount Rate	66,49,428; x=1.00% [Change (6)%]
- decrease in Discount Rate	76,01,464; x=1.00% [Change 7%]
- increase in Salary Growth Rate	76,10,327; x=1.00% [Change 7%]
- decrease in Salary Growth Rate	66,34,178; x=1.00% [Change (7)%]
- increase in Withdrawal Rate	71,57,744; x=1.00% [Change 1%]
- decrease in Withdrawal Rate	70,30,000; x=1.00% [Change (1)%]

30. IMPORTS

Value of Imports Calculated on CIF Basis (As certified by the Management)	2018-19	2017-18
Raw & Packing Materials	3,67,52,027	2,77,97,834
Components and Spare Parts	73,00,228	1,00,48,987
Capital Goods	40,16,68,473	1,80,68,566
Expenditure in Foreign Currency		
Bank Charges	1,89,305	85,191
Professional Charge	6,81,970	-

31. CONSUMPTION OF RAW MATERIAL, PACKING MATERIALS, STORES, SPARES CONSUMED. (AS CERTIFIED BY THE MANAGEMENT)

Particulars	Raw Materials & Packing Materials		Stores & Spares	
	2018-19	2017-18	2018-19	2017-18
Imported				
Percentage	1.53%	1.46%	16.15%	18.83%
Value (Rs)	2,61,97,709	2,42,21,173	73,00,228	1,00,48,987
Indigenous				
Percentage	98.47%	98.54%	83.85%	81.17%
Value (Rs)	1,68,83,59,147	1,63,47,80,311	3,79,13,312	4,33,14,756
Total	100%	100%	100%	100%
Total	1,71,45,56,856	1,65,90,01,484	4,52,13,540	5,33,63,743

32. EARNINGS IN FOREIGN EXCHANGE

Exports of Goods calculated on FOB Basis	2018-19	2017-18
	3,80,51,441	2,20,24,071

33. CONTINGENT LIABILITIES

		2018-19	2017-18
i.	Claims against the Company not acknowledged as debts/ disputed		
	- Commercial Tax Department	51,37,183	62,89,585
	- Income Tax Department	3,89,22,150	5,01,12,550
ii.	- Guarantees given by Bankers on behalf of the company not provided for	13,29,85,000	8,29,99,756
	- Corporate guarantee given to a bank on behalf of subsidiaries	80,00,00,000	50,00,00,000

34. FINANCIAL INSTRUMENTS

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instruments are disclosed.

A. FINANCIAL ASSETS AND LIABILITIES

The break-up of financial assets and liabilities carried at amortized cost are as follows:

	March 31, 2019	March 31, 2018
Financial Assets:		
Cash and cash equivalents	22,05,97,065	24,47,55,834
Trade receivables	83,73,51,166	69,85,42,938
Loans	71,91,78,178	34,06,23,030
Investments	76,01,00,000	51,00,00,000
Other Financial Assets	14,04,88,918	13,50,18,798
Total	2,67,77,15,327	1,92,89,40,600
Financial Liabilities:		
Trade and other payables	46,45,93,992	29,01,97,177
Borrowings	66,41,82,291	30,72,37,134
Other financial liabilities	80,64,16,637	59,59,82,041
Total	1,93,51,92,920	1,19,34,16,352

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also hold unquoted investments in a wholly owned subsidiary.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The senior management reviews and agrees policies for managing each of these risks, which are summarized below.

i. MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include deposits, investments and borrowings.

(a) INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's borrowings with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	As at 31.03.2019		As at 31.03.2018	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
Impact on profit before tax	(4 Lacs)	4 Lacs	(8 Lacs)	8 Lacs

(b) COMMODITY PRICE RISK

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of Beer and therefore require a continuous supply of Barley. The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

The following table shows the effect of price changes in Barley:

	As at 31.03.2019		As at 31.03.2018	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax	(20 Lacs)	20 Lacs	(26 Lacs)	26 Lacs

ii. CREDIT RISK

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and credit worthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the other financial instruments of the company result in material concentration of audit risk.

iii. LIQUIDITY RISK

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The table below summarises the maturity profile of the Company's financial liabilities:

As At March 31, 2019	Maturities			Total Carrying value
	Upto 1 year	1-2 years	> 2 Years	
Financial Liabilities:				
Non-Current Borrowings	15,94,96,580	11,03,21,983	27,57,22,786	54,55,41,349
Current Borrowings	27,81,37,522	-	-	27,81,37,522
Trade and Other Payables	46,45,93,992	-	-	46,45,93,992
Other Financial Liabilities	61,64,97,492	-	3,04,22,565	64,69,20,057
Total	1,51,87,25,586	11,03,21,983	30,61,45,351	1,93,51,92,920

As At March 31, 2018	Maturities			Total Carrying value
	Upto 1 year	1-2 years	> 2 Years	
Financial Liabilities:				
Non-Current Borrowings	15,69,33,043	14,54,19,699	11,54,62,556	41,78,15,298
Current Borrowings	4,63,54,879	-	-	4,63,54,879
Trade and Other Payables	29,01,97,177	-	-	29,01,97,177
Other Financial Liabilities	41,51,80,722	-	2,38,68,276	43,90,48,998
Total	90,86,65,821	14,54,19,699	13,93,30,832	1,19,34,16,352

35. The company is engaged in the business of manufacture and sale of Alcoholic beverages (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 Ind AS 108 on "Operating Segments" 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 Ind AS – 108 are not applicable to the Company.

36. Disclosure Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 186 of the Companies act, 2013.

	2018-19	2017-18
Loans and advances to the subsidiary Woodpecker Distilleries & Breweries Private Limited, Mumbai		
Balances as at the year end	47,07,45,190	34,05,65,780
Maximum amount outstanding at any time during the year	79,72,77,600	44,76,01,055

	2018-19	2017-18
Loans and advances to the subsidiary Som Distilleries & Breweries Odisha Private Limited		
Balances as at the year end	24,75,62,525	57,250
Maximum amount outstanding at any time during the year	31,25,62,525	57,250

37. Information as per Ind AS 24: "Related Party Disclosures" is:

a) RELATED PARTY

Subsidiary	Key Management Personnel	Others
Woodpecker Distilleries & Breweries Private Limited, Mumbai Som Distilleries and Breweries Odisha Private Limited	J.K. Arora S. Lal N.K. Sethi	Som Distilleries Private Limited

b) TRANSACTIONS WITH RELATED PARTIES

Subsidiaries	
Sale of assets	37,55,792
Other transactions	37,39,28,893
Closing Balance	71,83,07,715
Som Distilleries Private Limited	
Purchase of Goods/Services	17,89,12,800
Sale of assets	3,77,600
Other transactions	2,87,25,953
Closing Balance	(10,72,98,580)
Executive Director	
Remuneration	65,83,370
Non-Executive Director	
Sitting Fees	60,000

38. Earnings per share in accordance with Ind AS-33 on "Earnings per Share" are given below:

S.No.	Particulars	31.03.2019	31.03.2018
a)	Numerator Profit/(Loss) after tax Rs.	20,00,91,307	25,21,27,398
b)	Weighted average number of equity shares Nos.	3,24,93,869	2,75,22,400
c)	Basic & Diluted earnings per shares (Rs.)	6.16	9.17
d)	Nominal value of shares (Rs.)	10.00	10.00

39. The company's pending litigations pertain to claims and cases occurring in the normal course of business. The company has reviewed its pending litigations and expects that the outcome of the proceedings will not have any material effect on its financial position.

40. During the financial year 2018-19, the Company has spent an amount of Rs.62.00 lakhs (previous year Rs. 111.16 lakhs) on Corporate Social Responsibility for the purpose of children education and medical aid.

41. Balances standing at the debit or credit in the accounts of various parties are subject to confirmation and reconciliation.

42. Previous year's figures have been regrouped/ restated wherever considered necessary to make them comparable to those of the current year.

43. All figures in the Balance Sheet, Profit & Loss Account and Schedules have been rounded off to the nearest rupee.

As per our Report of even date
For **R. N. GUPTA & ASSOCIATES**
Chartered Accountants,
Firm Registration No. 001419C

R.N. Gupta
(Proprietor)
Membership No. 070590

Place: Bhopal
Dated: 03.07.2019

For and on Behalf of the Board

J.K. Arora
(Chairman & Managing Director)

Nakul K Sethi
(Executive Director)

Rajesh Dubey
(Chief Financial Officer)

Mayank Bhaduria
(Company Secretary)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOM DISTILLERIES & BREWERIES LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of **SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI** (hereinafter referred to as the 'Holding Company') and its subsidiaries "**WOODPECKER DISTILLERIES & BREWERIES PRIVATE LIMITED**" and "**SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED**" (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Cash Flows Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2019, of consolidated profit, other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial

statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group companies.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the group companies, none of the directors of the Group companies is/are disqualified as

on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group companies – Refer **Note 36** to the consolidated financial statements.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and Group Companies.

For **R. N. GUPTA & ASSOCIATES**
Chartered Accountants
Firm Registration No. 001419C

R.N. GUPTA
Proprietor
Membership No. 070590

Place: Bhopal
Dated: 03.07.2019

SOM DISTILLERIES & BREWERIES LIMITED
ANNEXURE A
TO THE INDEPENDENT AUDITORS REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH, 2019

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT')

{REFERRED TO IN CLAUSE (F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE}

OPINION

In conjunction with our audit of the consolidated financial statements of **SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI** (hereinafter referred to as "the Holding Company") as of and for the year ended 31st March 2019, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31st March, 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted

accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material

misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: Bhopal
Dated: 03.07.2019

For **R. N. GUPTA & ASSOCIATES**
Chartered Accountants
Firm Registration No. 001419C

R.N. GUPTA
Proprietor
Membership No. 070590

SOM DISTILLERIES & BREWERIES LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2019

PARTICULARS	Note	As at 31.03.2019	As at 31.03.2018
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	3	2,059,128,015	768,567,233
(b) Capital Work-in-progress		1,495,350,415	940,668,423
(c) Other Intangible Assets	4	9,499,267	11,287,228
(d) Financial Assets	5	155,639,022	135,018,797
(e) Other non-current assets	6	24,060,166	-
(2) Current Assets			
(a) Inventories	7	953,490,228	286,354,552
(b) Financial Assets			
(i) Trade Receivables	8	1,189,571,109	698,542,938
(ii) Cash and cash equivalents	9	246,634,463	255,791,158
(iii) Loans	10	3,323,463	4,446,167
(c) Other Current Assets	11	728,768,637	563,596,888
TOTAL ASSETS		6,865,464,785	3,664,273,384
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	324,938,690	275,224,000
(b) Other Equity	13	2,781,964,298	1,335,290,873
Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	961,068,725	703,111,225
(ii) Other	15	34,222,844	23,868,276
(b) Deferred Tax Liabilities	16	122,628,349	122,012,766
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	526,575,303	46,354,879
(ii) Trade Payables		635,280,380	290,197,177
(iii) Other Financial Liabilities	18	1,118,280,184	613,336,828
(b) Other Current Liabilities	19	189,845,855	114,292,142
(c) Provisions	20	5,852,798	5,508,484
(d) Current Tax Liabilities (Net)		164,807,358	135,076,734
TOTAL EQUITY AND LIABILITIES		6,865,464,785	3,664,273,384

As per our Report of even date
For **R. N. GUPTA & ASSOCIATES**
Chartered Accountants,
Firm Registration No. 001419C

For and on Behalf of the Board

R.N. Gupta
(Proprietor)
Membership No. 070590

J.K. Arora
(Chairman & Managing Director)

Nakul K Sethi
(Executive Director)

Place: Bhopal
Dated: 03.07.2019

Rajesh Dubey
(Chief Financial Officer)

Mayank Bhaduria
(Company Secretary)

SOM DISTILLERIES & BREWERIES LIMITED
**STATEMENT OF CONSOLIDATED PROFIT &
LOSS AND OTHER COMPREHENSIVE INCOME**

AS AT 31ST MARCH, 2019

Particulars	Note	Year Ended 31.03.2019 (Rs.)	Year Ended 31.03.2018 (Rs.)
Revenue from operations		5,527,189,770	4,285,111,779
Other Income	21	34,656,279	19,005,017
Total Revenue		5,561,846,049	4,304,116,796
Expenses:			
Cost of Materials Consumed	22	2,162,320,888	1,659,001,485
Changes in Inventories of Finished Goods and Work in Progress		(171,846,316)	27,252,043
Excise Duties		1,594,520,232	778,941,702
Employees Remuneration & Benefits	23	130,806,910	71,055,943
Finance Costs	24	124,244,009	87,802,834
Depreciation & Amortizations		87,601,263	42,577,473
Other Expenses	25	1,318,122,699	1,163,132,711
Total Expenses		5,245,769,685	3,829,764,191
Profit Before Tax		316,076,364	474,352,605
Tax Expenses:			
Current tax		111,329,872	162,803,155
Previous Year Taxes		6,029,103	49,284,416
Deferred Tax		1,296,636	9,938,233
Profit/(Loss) for the year		197,420,753	252,326,801
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement of defined benefit plans		(1,946,533)	(304,935)
Income Tax effect on above		681,053	105,532
Total Comprehensive Income for the year		196,155,273	252,127,398
Earning Per Equity Share:			
(1) Basic		6.04	9.17
(2) Diluted		6.04	9.17

Significant Accounting Policies [2]

As per our Report of even date
For **R. N. GUPTA & ASSOCIATES**
Chartered Accountants,
Firm Registration No. 001419C

For and on Behalf of the Board

R.N. Gupta
(Proprietor)
Membership No. 070590

J.K. Arora
(Chairman & Managing Director)

Nakul K Sethi
(Executive Director)

Place: Bhopal
Dated: 03.07.2019

Rajesh Dubey
(Chief Financial Officer)

Mayank Bhadauria
(Company Secretary)

SOM DISTILLERIES & BREWERIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT

AS AT 31ST MARCH, 2019

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Profit before Tax	316,076,364	474,352,605
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation on continuing operations	87,601,263	42,577,473
Interest Expense	124,244,009	87,802,834
Profit on sale of Fixed Assets	(3,352,186)	(4,286,619)
Operating profit before working capital changes	524,569,450	600,446,293
Movements in working capital:		
Increase/(decrease) in trade payables	345,083,203	72,230,535
Increase/(decrease) in short term provisions	344,314	(501,828)
Increase/(decrease) in other current financial liabilities	504,943,356	196,441,688
Increase/(decrease) in other current liabilities	83,876,489	16,842,012
Increase/(decrease) in other long term liabilities	10,354,568	(17,620,000)
Decrease/(increase) in trade receivables	(491,028,171)	(203,910,537)
Decrease/(increase) in inventories	(667,135,676)	(50,735,625)
Decrease/(increase) in other financial assets	(20,620,225)	-
Decrease/(increase) in other non-current assets	(24,060,166)	-
Decrease/(increase) in long term loans	-	(78,782,650)
Decrease/(increase) in short term loans	1,122,704	216,480,239
Decrease/(increase) in other current assets	(167,118,282)	277,584,923
Cash generated from/(used in) operations	100,331,565	1,028,475,050
Direct Taxes Paid (net of refunds)	(95,951,126)	(215,684,001)
Net Cash flow from/ (used in) operating activities (A)	4,380,439	812,791,049
Purchase of fixed assets, CWIP and capital advances	(1,931,235,690)	(878,721,064)
Proceeds from sale of fixed assets	3,531,800	4,568,475
Purchase of Minority Interest	-	(100,000)
Net Cash flow from/ (used in) Investing activities (B)	(1,927,703,890)	(874,252,589)
Borrowings	738,177,923	139,901,130
Interest paid	(124,244,009)	(87,802,834)
Proceeds from issue of equity shares	1,350,002,407	-
Dividend paid	(41,283,600)	(41,283,600)
Dividend distribution tax	(8,485,965)	(8,404,370)
Net Cash flow from/ (used in) Financing activities (C)	1,914,166,756	2,410,326
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(9,156,695)	(59,051,215)
Cash and cash equivalents at the beginning of the year	255,791,158	314,842,373
Cash and cash equivalents at the end of the year	246,634,463	255,791,158
Cash on hand	21,660,937	14,423,047
With Banks - on current account	154,360,737	194,440,735
With Banks - on deposit account	70,612,790	46,927,376
Total Cash and cash equivalents	246,634,463	255,791,158

As per our Report of even date
For **R. N. GUPTA & ASSOCIATES**
Chartered Accountants,
Firm Registration No. 001419C

For and on Behalf of the Board

R.N. Gupta
(Proprietor)
Membership No. 070590

J.K. Arora
(Chairman & Managing Director)

Nakul K Sethi
(Executive Director)

Place: Bhopal
Dated: 03.07.2019

Rajesh Dubey
(Chief Financial Officer)

Mayank Bhadauria
(Company Secretary)

SOM DISTILLERIES & BREWERIES LIMITED
STATEMENT OF CHANGES IN
CONSOLIDATED EQUITY

AS AT 31ST MARCH, 2019

A. Equity Share Capital				
Balance as at 01.04.2018				275,224,000
Equity shares issued during the year				49,714,690
Balance as at 31.03.2019				324,938,690
B. Other Equity				
Particulars	Capital Reserve	Securities Premium Reserve	Retained Earnings	Total
Balance as at April 01, 2018	3,930,000	122,111,040	1,209,249,833	1,335,290,873
Addition during the year	-	1,300,287,717	-	1,300,287,717
Total Comprehensive Income for the year	-	-	196,155,273	196,155,273
Final Dividends Paid	-	-	(41,283,600)	(41,283,600)
Dividend Distribution Tax	-	-	(8,485,965)	(8,485,965)
Balance as at March 31, 2019	3,930,000	1,422,398,757	1,355,635,541	2,781,964,298

As per our Report of even date
For **R. N. GUPTA & ASSOCIATES**
Chartered Accountants,
Firm Registration No. 001419C

For and on Behalf of the Board

R.N. Gupta
(Proprietor)
Membership No. 070590

J.K. Arora
(Chairman & Managing Director)

Nakul K Sethi
(Executive Director)

Place: Bhopal
Dated: 03.07.2019

Rajesh Dubey
(Chief Financial Officer)

Mayank Bhadauria
(Company Secretary)

SOM DISTILLERIES & BREWERIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31ST MARCH, 2019

1. GROUP INFORMATION

Som Distilleries & Breweries Ltd. (the 'Company') is a Public company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on the National Stock Exchange and Bombay Stock Exchange. The Company is engaged in the manufacture and sale of Beer and Indian Made Foreign Liquor (IMFL). The Company is a market leader in Beer in the state of Madhya Pradesh. The company caters to both domestic and international markets.

The Company and its Subsidiaries (Referred to as 'Group' herein under) have been considered in these consolidated financial statements. Company has following wholly owned subsidiaries

Woodpecker Distilleries & Breweries Private Limited
Som Distilleries and Breweries Odisha Private Limited

The Group is engaged in the manufacture and sale of Beer and Indian Made Foreign Liquor (IMFL).

2. BASIS OF PREPARATION, CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS FOR PREPARATION AND CONSOLIDATION

- (a) These Consolidated Financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The Consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements. All assets and liabilities have been classified as current or non-current as per the Group normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 70 days for the purpose of current or non-current classification of assets and liabilities.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year. The consolidated financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions.

The Consolidated financial statements are presented in INR, the functional currency of the Group. Items included

in the consolidated financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency').

Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0" in the relevant notes in these consolidated financial statements.

The Consolidated Financial statements of the Company for the year ended 31st March, 2019 were approved for issue in accordance with the resolution of the Board of Directors on 3rd July, 2019.

(b) BASIS OF MEASUREMENT

These Consolidated Financial statements are prepared under the historical cost convention unless otherwise indicated.

2.2 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Consolidated Financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively.

2.3 SIGNIFICANT ACCOUNTING POLICIES

- (a) These are set out under "Significant Accounting Policies" as given in the respective Company's standalone financial statements.
- (b) Other Accounting Policies applicable to Group.

SOM DISTILLERIES & BREWERIES LIMITED
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3. Property, Plant and Equipment

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 01.04.2018	ADDITION/ (DISPOSAL) DURING 2018-19	AS AT 31.03.2019	Upto 31.03.2018	FOR THE YEAR 2018-19	Upto 31.03.2019	AS AT 31.03.2019	AS AT 31.03.2018
LAND (FREEHOLD) & SITE DEVELOPMENT	93,705,130	25,109,723	118,814,853	-	-	-	118,814,853	93,705,130
BUILDINGS & CIVIL WORKS	171,709,804	416,213,908	587,923,712	77,068,081	19,830,986	96,899,067	491,024,645	94,641,723
PLANT & MACHINERY	861,900,114	927,350,764	1,785,629,078	354,086,323	53,920,624	408,006,947	1,381,152,975	507,813,791
	-	(3,621,800)				(3,530,845)		
FURNITURE & FIXTURES	7,871,733	543,888	8,415,621	2,158,647	599,754	2,758,400	5,657,221	5,713,086
OFFICE EQUIPMENTS	10,145,998	5,089,384	15,235,382	6,632,889	1,768,885	8,401,774	6,833,608	3,513,108
VEHICLES	106,403,709	2,246,029	106,876,566	43,223,313	9,693,053	52,916,366	55,644,713	63,180,396
	-	(1,773,172)			-	(1,684,513)		
TOTAL	1,251,736,487	1,371,158,726	2,622,895,213	483,169,254	85,813,302	563,767,198	2,059,128,015	768,567,233
Capital work in Progress	940,668,423	554,681,992	1,495,350,415		-		1,495,350,415	940,668,423
GRAND TOTAL							3,554,478,430	

4. Intangible Assets

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK	
	AS AT 01.04.2018	ADDITION/ DURING 2018-19	AS AT 31.03.2019	Upto 31.03.2018	FOR THE YEAR 2018-19	Upto 31.03.2019	AS AT 31.03.2019	AS AT 31.03.2018
ERP-Computer Softwares	11,287,228	-	11,287,228	-	1,787,961	1,787,961	9,499,267	11,287,228
TOTAL	11,287,228	-	11,287,228	-	1,787,961	1,787,961	9,499,267	11,287,228
Capital work in Progress	-		-				-	

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	As At 31.03.2019	As At 31.03.2018
5. Other Financial Assets		
Security Deposits		
Security Deposit	155,639,022	135,018,797
Total	155,639,022	135,018,797
Note: All the above amounts are unsecured and considered good.		

6. Other Non-Current Assets		
Preliminary Exp.	16,500	-
Preoperative Expenses	24,043,666	-
Total	24,060,166	-

7. Inventories		
(as taken, valued and certified by the Management)		
Raw Materials	135,607,120	66,044,816
Stores, Consumables & Packing Materials	530,454,812	104,727,756
Stock In Process	59,549,388	35,810,670
Finished Goods	227,878,909	79,771,310
Total	953,490,228	286,354,552

8. Trade Receivables		
(Unsecured, considered good)		
Outstanding for a period exceeding six months	32,656,695	14,669,402
Other Debts	1,156,914,413	683,873,537
Total	1,189,571,109	698,542,938

9. Cash and Cash Equivalents		
Cash in hand	21,660,937	14,423,047
Balance With Scheduled Banks	-	-
Current Accounts	154,360,737	194,440,735
Deposit Accounts	62,042,030	39,357,475
Other Bank Balances	-	-
Unpaid Dividend Accounts	8,570,760	7,569,901
Total	246,634,463	255,791,158

10. Current Loans		
Advances to Related Parties	-	57,250
Advances to Retailers	3,323,463	-
Security Deposits	-	4,388,917
Total	3,323,463	4,446,167
Note: All the above amounts are unsecured and considered good.		

11. Other Current Assets		
Capital Advances	318,927,821	211,810,859
Staff Advances	14,241,006	13,281,506
Prepaid Expenses	94,847,806	66,116,643
Advances to suppliers	285,719,857	158,564,725
Trade Advances to Related Parties	-	42,510,667
Other Assets	15,032,147	71,312,488
Total	728,768,637	563,596,888

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YEAR ENDED 31ST MARCH, 2019

		As At 31.03.2019		As At 31.03.2018	
12.	Equity Share Capital				
	Authorized				
	3,50,00,000 Equity Shares of Rs. 10 each	350,000,000		350,000,000	
	Issued, Subscribed and Fully Paid				
	3,24,93,869 [Prev Year 2,75,22,400] Equity Shares of Rs.10 each	324,938,690		275,224,000	
	Terms/Rights attached to the shares				
(a)	The Company has only one class of Equity Shares having par value of Rs.10 per share. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the company after the distribution of all preferential amounts, in proportion to their shareholding.				
(b)	Details of Shareholders holding more than 5% Shares in the Company.				
	Name of Shareholders	As at 31.03.2019		As at 31.03.2018	
		No. of Shares	%	No. of Shares	%
	Sh. Jagdish Kumar Arora	3098197	9.53%	1888827	6.86%
	Som Distilleries Private Limited	3064370	9.43%	3032717	11.02%
	Karst Peak Asia Master Fund	2455042	7.56%	-	-

		As At 31.03.2019		As At 31.03.2018	
13.	Other Equity				
	Capital Reserve				
	(Amount forfeited against share warrants)	3,930,000		3,930,000	
	Securities Premium Reserve	1,422,398,757		122,111,040	
	Surplus - In Statement of Profit & Loss				
	Balance as per last Financial Statement	1,209,249,833		1,006,810,405	
	Add: Comprehensive Income during the year	196,155,273		252,127,398	
	Amount available for appropriation	1,405,405,106		1,258,937,803	
	Less:				
	Final Dividend Paid	41,283,600		41,283,600	
	Dividend Distribution Tax	8,485,965		8,404,370	
	Balance at the end of the year	1,355,635,541		1,209,249,833	
	Total Reserves & Surplus	2,781,964,298		1,335,290,873	

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YEAR ENDED 31ST MARCH, 2019

	Non-Current		Current Maturities	
	As At 31.03.2019	As At 31.03.2018	As At 31.03.2019	As At 31.03.2018
14. Borrowings				
Long Term Borrowings				
(i) Secured Loans				
(a) IFCI Ltd.	95,605,673	145,575,955	73,000,000	73,000,000
(b) SBI Term Loan	211,058,276	251,685,616	41,600,000	-
(c) PNB Term Loan	74,247,330	-	-	-
(d) Vehicle Loans				
(Secured by hypothecation of respective vehicles)				
From Banks	932,149	909,364	1,183,831	2,614,441
From Others	19,683,875	28,442,904	8,730,006	7,985,266
(ii) Unsecured Loans				
(a) IFCI Venture Capital Funds Ltd.	26,254,076	86,497,387	77,409,750	73,333,336
(b) Others	533,287,346	190,000,000	-	-
Grand Total	961,068,725	703,111,225	201,923,587	156,933,043

Notes:

Loan from IFCI Venture Capital Funds Ltd. is secured by personal guarantees of promoters and collaterals given by related party.

Loan from IFCI Ltd. is secured by mortgage of land and hypothecation of the factory plant & machinery.

Interest on vehicle loans varies from 8.90% to 10.75% per annum. Tenor of these loans ranges from 3 to 5 years. Respective vehicles have been hypothecated to the lending institutions to secure their loans. Repayment of these loans is regular as per the fixed equated monthly instalments.

	As At 31.03.2019	As At 31.03.2018
15. Other Long Term Financial Liabilities		
Security Deposits (Unsecured)	34,222,844	23,868,276
Total	34,222,844	23,868,276

	As At 31.03.2019	As At 31.03.2018
16. Deferred Tax Liability (Net)		
Difference between depreciation as per books of account and the Income Tax Act 1961.	139,310,320	139,620,383
Others	1,835,155	1,835,155
Gross Deferred Tax Liability	141,145,475	141,455,538
Deferred Tax Assets		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	2,196,165	3,121,811
MAT Credit difference	16,320,961	16,320,961
Gross Deferred Tax Assets	18,517,126	19,442,772
Deferred Tax Liability (Net)	122,628,349	122,012,766

Notes:

Deferred tax assets and Deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities.

Deferred tax assets and Deferred tax liabilities relate to income taxes levied by the same taxation authority.

SOM DISTILLERIES & BREWERIES LIMITED
NOTES TO THE CONSOLIDATED
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YEAR ENDED 31ST MARCH, 2019

	As At 31.03.2019	As At 31.03.2018
17. Borrowings		
Short Term Borrowings		
Cash Credit from Bank	526,575,303	46,354,879
(Secured by way of hypothecation of entire current assets of the company)		
Total	526,575,303	46,354,879

18. Other Financial Liabilities		
Current maturities of long-term borrowing	201,923,587	156,933,043
Bank Overdrafts (Book)	51,497,640	70,099,621
Un paid Dividend	8,570,760	7,569,901
Expenses Payable	95,308,572	115,236,155
Other Payables	760,979,627	263,498,108
Total	1,118,280,184	613,336,828

19. Other Current Liabilities		
Advances from customers	60,825,276	26,369,612
Statutory dues payable	114,271,036	64,850,212
Dividend tax	14,749,543	23,072,318
Total	189,845,855	114,292,142

20. Short Term Provisions		
Employee Benefits	5,852,798	5,508,484
Total	5,852,798	5,508,484

21. Other Income		
Interest	3,512,395	3,455,905
Profit on Sale of Fixed Assets	3,352,186	4,286,619
Other Revenues	27,791,698	11,262,494
Total	34,656,279	19,005,017

22. Cost of Materials consumed		
Opening Stocks	142,068,923	91,223,467
Add: Purchases	2,620,517,234	1,709,846,941
Less: Closing Stocks	628,968,918	142,068,923
	2,162,320,888	1,659,001,485

23. Employee Remuneration & Benefits		
Salaries, allowances & bonus	119,975,311	66,510,798
Employer's contribution to Provident & Gratuity Fund	4,763,738	1,820,494
Staff welfare expenses	6,067,861	2,724,651
Total	130,806,910	71,055,943

24. Financial Costs		
Interest to Bank & FIs	118,647,951	80,458,513
Interest to Others	5,596,058	7,344,321
Total	124,244,009	87,802,834

SOM DISTILLERIES & BREWERIES LIMITED
**NOTES TO THE CONSOLIDATED
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YEAR ENDED 31ST MARCH, 2019

	Year Ended 31.03.2019	Year Ended 31.03.2018
25. Other Expenses		
Power and fuel	139,922,292	108,145,554
Labour	51,369,180	34,465,620
Rent	10,275,731	4,144,508
Repairs		
Buildings	1,112,640	3,177,054
Machinery	49,205,748	53,363,743
Others	9,306,784	1,178,041
Insurance	3,054,335	1,799,579
Rates and taxes (Other than on income)	161,836,486	180,696,734
Other Manufacturing Exp	10,753,674	8,990,568
Auditors Remuneration		
(a) Audit fees	258,700	253,700
(b) Other Services	253,700	318,600
Donations	33,813,826	-
Corporate Social Responsibility	6,200,000	11,116,404
Travelling & Conveyance	25,936,598	13,694,616
Legal & Professional	44,204,233	21,503,642
Sales promotion	418,123,279	442,229,609
Advertisement & Publicity	26,437,147	18,427,518
Freight outward	238,838,233	215,967,735
Other selling expenses	39,170,420	13,231,611
General expenses	17,302,988	10,620,954
Postage, Telegrams & Telephones	14,926,612	11,558,336
Vehicle Running & Maintenance	15,820,093	8,248,585
Total	1,318,122,699	1,163,132,711

SOM DISTILLERIES & BREWERIES LIMITED

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YEAR ENDED 31ST MARCH, 2019

26. OTHER NOTES

The Group had sought but has not received information from any of the suppliers of their being a Micro, Small or Medium Enterprise Unit under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, amounts due to Micro and Small Scale Enterprises outstanding as on 31st March, 2019 are not ascertainable.

27. EMPLOYEES BENEFITS:

The required disclosures of employees benefits as per Ind AS – 19 are given hereunder:-

(i) In respect of Short Term Employee Benefits:

The Group has at present only the scheme of cumulative benefit of leave encashment payable at the end of each calendar year and the same have been provided for on accrual basis.

(ii) In respect of Defined Benefit Scheme (Based on Actuarial Valuation) of Gratuity:

Table Showing Changes in Present Value of Obligations:

Period	From: 01.04.2018 To 31.03.2019	From: 01.04.2017 To 31.03.2018
Present value of the obligation at the beginning of the period	41,64,290	34,39,031
Interest cost	3,22,732	2,66,525
Current service cost	9,39,784	3,74,625
Past Service Cost	-	-
Benefits paid (if any)	(2,19,000)	(1,78,616)
Actuarial (gain)/loss	18,89,784	2,62,725
Present value of the obligation at the end of the period	70,97,590	41,64,290

Key results:

Period	As on: 31.03.2019	As on: 31.03.2018
Present value of the obligation at the end of the period	70,97,590	41,64,290
Fair value of plan assets at end of period	60,92,300	58,93,083
Net liability/(asset) recognized in Balance Sheet and related analysis	10,05,290	(17,28,793)
Funded Status - Surplus/ (Deficit)	(10,05,290)	17,28,793

Expense recognized in the statement of Profit and Loss:

Period	From: 01.04.2018 To 31.03.2019	From: 01.04.2017 To 31.03.2018
Interest cost	3,22,732	2,66,525
Current service cost	9,39,784	3,74,625
Past Service Cost	0	0
Expected return on plan asset	(4,56,714)	(3,36,271)
Expenses to be recognized in P&L	8,05,802	3,04,879

Other comprehensive (income) / expenses (Remeasurement)

Period	From: 01.04.2018 To 31.03.2019	From: 01.04.2017 To 1.03.2018
Cumulative unrecognized actuarial (gain)/loss opening- B/F	3,04,935	-
Actuarial (gain)/loss - obligation	18,89,784	2,62,725
Actuarial (gain)/loss - plan assets	56,749	42,210
Total Actuarial (gain)/loss	19,46,533	3,04,935
Cumulative total actuarial (gain)/loss C/F	22,51,468	3,04,935

Table showing changes in the Fair Value of Planned Assets:

Period	From: 01.04.2018 To 31.03.2019	From: 01.04.2017 To 31.03.2018
Fair value of plan assets at the beginning of the period	58,93,083	43,38,976
Expected return on plan assets	4,56,714	3,36,271
Contributions	18,252	14,38,662
Benefits paid	(2,19,000)	(1,78,616)
Actuarial gain/(loss) on plan assets	(56,749)	(42,210)
Fair Value of Plan Asset at the end of the Period	60,92,300	58,93,083

Table showing Fair Value of Planned Assets:

Period	From: 01.04.2018 To 31.03.2019	From: 01.04.2017 To 31.03.2018
Fair value of plan assets at the beginning of the period	58,93,083	43,38,976
Actual return on plan assets	3,99,965	2,94,061
Contributions	18,252	14,38,662
Benefits paid	(2,19,000)	(1,78,616)
Fair value of plan assets at the end of the period*	60,92,300	58,93,083

Actuarial (Gain)/Loss on Planned Assets:

Period	From: 01.04.2018 To 31.03.2019	From: 01.04.2017 To 31.03.2018
Actual return on plan assets	3,99,965	2,94,061
Expected return on plan assets	4,56,714	3,36,271
Actuarial gain/ (Loss)	(56,749)	(42,210)

The assumptions employed for the calculations are tabulated:

Discount rate	7.75 % per annum	7.75 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Withdrawal rate (Per Annum)	5.00% p.a.	2.00% p.a.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant facts.

FUNDING ARRANGEMENTS AND FUNDING POLICY

The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as results of such valuation is funded by the Group

EXPECTED CONTRIBUTION DURING THE NEXT ANNUAL REPORTING PERIOD

Period	From: 01.04.2018 To 31.03.2019	From: 01.04.2017 To 31.03.2018
The Group's best estimate of Contribution during the next year	12,34,136	4,68,269

SENSITIVITY ANALYSIS:

Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	As on: 31.03.2019
Defined Benefit Obligation (Base)	70,97,590 @ Salary Increase Rate : 5%, and discount rate : 7.75%
Liability with x%	
increase in Discount Rate	66,49,428; x=1.00% [Change (6)%]
decrease in Discount Rate	76,01,464; x=1.00% [Change 7%]
increase in Salary Growth Rate	76,10,327; x=1.00% [Change 7%]
decrease in Salary Growth Rate	66,34,178; x=1.00% [Change (7)%]
increase in Withdrawal Rate	71,57,744; x=1.00% [Change 1%]
decrease in Withdrawal Rate	70,30,000; x=1.00% [Change (1)%]

28. IMPORTS

(a.) Value of Imports Calculated on CIF Basis (As certified by the Management)	2018-19	2017-18
Raw & Packing Materials	4,83,97,800	2,77,97,834
Components and Spare Parts	1,89,90,228	1,00,48,987
Capital Goods	40,41,89,540	1,80,68,566
(b.) Expenditure in Foreign Currency		
Bank Charges	2,30,752	85,191
Professional Charge	6,81,970	-

29. CONSUMPTION OF RAW MATERIAL, PACKING MATERIALS, STORES, AND SPARES CONSUMED. (AS CERTIFIED BY THE MANAGEMENT)

Particulars	Raw Materials & Packing Materials		Stores & Spares	
	2018-19	2017-18	2018-19	2017-18
Imported				
Percentage	2.47%	1.46%	8.08%	18.83%
Value (Rs)	3,11,14,696	2,42,21,173	73,00,228	1,00,48,987
Indigenous				
Percentage	97.53%	98.54%	91.93%	81.17%
Value (Rs)	213,12,06,188	1,63,47,80,311	4,26,59,740	4,33,14,756
Total	100%	100%	100%	100%
Total	216,23,20,884	1,65,90,01,484	4,99,59,968	5,33,63,743

30. EARNINGS IN FOREIGN EXCHANGE

Exports of Goods calculated on FOB Basis	2018-19	2017-18
	3,80,51,441	2,20,24,071

31. CONTINGENT LIABILITIES

	2018-19	2017-18
Claims against the Group not acknowledged as debts/ disputed		
- Commercial Tax Department	51,37,183	62,89,585
- Income Tax Department	3,89,22,150	5,01,12,550
- Guarantees given by Bankers on behalf of the Group not provided for	14,26,96,690	8,29,99,756
- Corporate guarantee given to a bank on behalf of subsidiaries	80,00,00,000	50,00,00,000

32. FINANCIAL INSTRUMENTS

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instruments are disclosed.

A. FINANCIAL ASSETS AND LIABILITIES

The break-up of financial assets and liabilities carried at amortized cost are as follows:

	March 31, 2019	March 31, 2018
Financial Assets:		
Cash and cash equivalents	24,66,34,463	25,57,91,158
Trade receivables	1,18,95,71,109	69,85,42,938
Loans	33,23,463	44,46,167
Other Financial Assets	15,56,39,022	13,50,18,797
Total	1,59,51,68,057	1,09,37,99,060
Financial Liabilities:		
Trade and other payables	63,52,80,380	29,01,97,177
Borrowings	1,48,76,44,028	74,94,66,105
Other financial liabilities	1,15,25,03,028	63,72,05,104
Total	3,27,54,27,436	1,67,68,68,386

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds unquoted investments in a wholly owned subsidiary.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The senior management reviews and agrees policies for managing each of these risks, which are summarized below.

(i) MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include deposits, investments and borrowings.

(a) INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rate relates primarily to the Group's borrowings with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected, with all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	As at 31.03.2019		As at 31.03.2018	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
Impact on profit before tax	(14 Lacs)	14 Lacs	(8 Lacs)	8 Lacs

(b) COMMODITY PRICE RISK

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of Beer and therefore require a continuous supply of Barley. The Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

The following table shows the effect of price changes in Barley:

	As at 31.03.2019		As at 31.03.2018	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax	(29 Lacs)	29 Lacs	(26 Lacs)	26 Lacs

(ii) CREDIT RISK

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and credit worthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the other financial instruments of the Group result in material concentration of audit risk.

(iii) LIQUIDITY RISK

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The table below summarises the maturity profile of the Group's financial liabilities:

As At March 31, 2019	Maturities			Total Carrying value
	Upto 1 year	1-2 years	> 2 Years	
Financial Liabilities:				
Non-current Borrowings	20,19,23,587	26,28,45,808	69,82,22,917	1,16,29,92,312
Current Borrowings	52,65,75,303	-	-	52,65,75,303
Trade and other payables	63,52,80,380	-	-	63,52,80,380
Other financial liabilities	91,63,56,598	-	3,42,22,844	95,05,79,442
Total	2,28,01,35,867	26,28,45,808	73,24,45,761	3,27,54,27,436

As At March 31, 2018	Maturities			Total Carrying value
	Upto 1 year	1-2 years	> 2 Years	
Financial Liabilities:				
Non-Current Borrowings	15,69,33,043	14,54,19,699	55,76,91,526	86,00,44,268
Current Borrowings	4,63,54,879	-	-	4,63,54,879
Trade and other payables	29,01,97,177	-	-	29,01,97,177
Other financial liabilities	45,64,03,785	-	2,38,68,276	48,02,72,061
Total	94,98,88,884	14,54,19,699	58,15,59,802	1,67,68,68,386

33. The Group is engaged in the business of manufacture and sale of Alcoholic beverages (Beer and IMFL) which constitutes a single business segment. The Group's exports outside India did not exceed the threshold limits for disclosure as envisaged in Ind AS 108 on "Operating Segments" 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 Ind AS - 108 are not applicable to the Group.

34. Information as per Ind AS 24: "Related Party Disclosures" is:

(a) RELATED PARTY

Group Companies	Key Management Personnel	Others
Som Distilleries and Breweries Limited Som Distilleries and Breweries Odisha Private Limited	J.K. Arora S. Lal N.K. Sethi	Som Distilleries Private Limited

As per our Report of even date
For **R. N. GUPTA & ASSOCIATES**
Chartered Accountants,
Firm Registration No. 001419C

R.N. Gupta
(Proprietor)
Membership No. 070590

Place: Bhopal
Dated: 03.07.2019

(b) TRANSACTIONS WITH RELATED PARTIES (IN RUPEES)

Som Distilleries Private Limited	
Purchase of Goods/Services	17,89,12,800
Sale of assets	3,77,600
Other transactions	2,87,25,953
Closing Balance	(10,72,98,580)
Executive Director	
Remuneration	65,83,370
Non-Executive Director	
Sitting Fees	60,000

35. Earnings per share in accordance with Ind AS-33 on "Earnings per Share" are given below:

S. No.	Particulars	31.03.2019	31.03.2018
a)	Numerator Profit/(Loss) after tax Rs.	19,61,55,273	25,21,27,398
b)	Weighted average number of equity shares Nos.	3,24,93,869	2,75,22,400
c)	Basic & Diluted earnings per shares (Rs.)	6.04	9.17
d)	Nominal value of shares (Rs.)	10.00	10.00

36. The Group's pending litigations pertain to claims and cases occurring in the normal course of business. The Group has reviewed its pending litigations and expects that the outcome of the proceedings will not have any material effect on its financial position.

37. During the financial year 2018-19, the Group has spent an amount of Rs.62.00 lakhs (previous year Rs. 111.16 lakhs) on Corporate Social Responsibility for the purpose of children education and medical aid.

38. Balances standing at the debit or credit in the accounts of various parties are subject to confirmation and reconciliation.

39. Previous year's figures have been regrouped/ restated wherever considered necessary to make them comparable to those of the current year.

40. All figures in the Balance Sheet, Profit & Loss Account and Schedules have been rounded off to the nearest rupee.

For and on Behalf of the Board

J.K. Arora
(Chairman & Managing Director)

Nakul K Sethi
(Executive Director)

Rajesh Dubey
(Chief Financial Officer)

Mayank Bhaduria
(Company Secretary)

SOM DISTILLERIES & BREWERIES LIMITED

ATTENDANCE SLIP

CIN: L74899DL1993PLC052787

Registered Office: 1A, Zee Plaza, Arjun Nagar, Safdarganj Enclave, Kamal Cinema road, New Delhi-110029.

Email: info@somindia.in, **Web:** www.somindia.com, **Works:** Village Rojrachak, Distt. Raisen Ph. No. 011-26169909, 26169712

I/We hereby record my/our presence at the 26th Annual General Meeting of the above named Company held on Friday, the 27th September 2019 at 10.00 A.M. at Executive Club, Dolly Farms and Resorts Pvt. Ltd. 349, Village Shaorpur, P.O. Fatehpur Beri, New Delhi-110030.

Names and Address of Shareholder:

Folio No/ DPID CLIENTID 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.

Date:

Place:

SOM DISTILLERIES & BREWERIES LIMITED

POLLING PAPER

CIN: L74899DL1993PLC052787

Registered Office: 1A, Zee Plaza, Arjun Nagar, Safdarganj Enclave, Kamal Cinema road, New Delhi-110029.

Email: info@somindia.in, **Web:** www.somindia.com, **Works:** Village Rojrachak, Distt. Raisen Ph. No. 011-26169909, 26169712

ASSENT / DISSENT FORM FOR VOTING ON AGM RESOLUTIONS

1. Name & Registered Address of the sole :
/ first named Member

2. Name(s) of the Joint-Holder(s), :
if any, in block letters

3. i) Registered Folio No. :

ii) *DP ID No. & Client ID No. :

[*Applicable to Members holding shares in dematerialized form]

4. Number of Equity Share(s) held: :

5. I / We hereby exercise my / our vote in respect of the following resolutions to be passed for the business stated in the Notice dated 03.07.2019 of the 26th Annual General Meeting held at Delhi on 27.09.2019, by conveying my / our assent or dissent to the resolutions by placing tick (v) mark in the appropriate box below:

S.No	Resolution	I / We assent to the resolution (FOR)	I / We dissent to the resolution (AGAINST)
Ordinary Business/Resolution Proposed			
1.	“Resolved that Audited Financial Statement as at 31.03.2019 and Reports of the Auditors and Directors’ thereon for the year 2018-19 be and are hereby adopted.”		
2.	“Resolved that Shri Nakul Kam Sethi, who retires by rotation at this meeting and has offered himself for reappointment, be and is hereby reappointed as a Director.”		
3.	“Resolved that as recommended by the Board of Directors, the company do hereby declare a dividend of 15% i.e. Rs.1.50 per share of Rs.10 on all the 3, 24, 93,869 equity shares as on 31.3.2019 of the company for the year 2018-19, which dividend may be paid to holders of such shares as on the date of the 26 th annual general meeting being held on 27.09.2019, proportionate to the period of holding.”		

	SPECIAL BUSINESS		
4.	<p>APPOINTMENT OF SHRI SATPAL KUMAR ARORA AS AN INDEPENDENT DIRECTOR</p> <p>“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 Shri. Satpal Kumar Arora (DIN: 00061420), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6), and who was appointed as an additional director from 13.10.2018 and in respect of whom the company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of director, be and is hereby appointed as an independent Director of the Company not liable to retire by rotation for a period of five years with effect from 13.08.2019.”</p>		
5	<p>RE-APPOINTMENT OF MS NISHI ARORA AS AN INDEPENDENT DIRECTOR.</p> <p>“ RESOLVED THAT pursuant to the provisions of Sections 149(10), 150, 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 Ms Nishi Arora (DIN: 07021730) who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) and in respect of whom the company has received a notice in writing under section 160 of the Act from a member proposing her candidature for the office of director, be and is hereby appointed as an independent Director of the Company not liable to retire by rotation, for a further period of five years with effect from 14.11.2019 to 13.11.2024.”</p>		

Place: New Delhi

Date: 27.09.2019

Signature of the Member/ Authorized Representative

Note:

- (i) If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
- (ii) Please read the instructions on the next page carefully before exercising your vote.

SOM DISTILLERIES & BREWERIES LIMITED

NOTES FOR SHAREHOLDERS

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the RTA.

Electronic copy of the Annual Report for the year/period ended 31st March, 2019 along with the notice of the 26th Annual General Meeting of the Company (including Attendance Slip and Proxy Form) is being sent to all the members whose email IDs are registered with the RTA/Depository Participants. For members who have not registered their email address, physical copies of the Annual Report are being sent by other permissible means.

Members may also note that the Notice of 26th Annual General Meeting and the Annual Report for period ended 31st March, 2019 will also be available on the Company's website www.somindia.in and on the website of CDSL, www.evotingindia.com for their download. Even after registering for e-communication, members are entitled to receive such communication in physical mode & free of cost, upon making a specific request for the same by any permissible mode.

Briefcase, Bag(s), Carry Bag(s), Helmets, Eatables, Drinks, etc. will not be allowed inside the Meeting Hall.

Members may kindly note that no 'Gifts' will be distributed at the Annual General Meeting.

Members / Proxy coming to attend the Annual General Meeting are requested to carry their original photo ID (passport/driving license/ voter's card/PAN card) proof with them for the purpose of verification at the venue.

Members wishing to seek further information or clarification on the Financial Statements or operations of the Company at the meeting are requested to send their queries, at least 10 days before the date of meeting, addressed to the Company Secretary at the registered office of the company.

Members must always mention their Folio / DP-ID & Client ID Number in all correspondence with the company or RTA.

E-voting

a. In Compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015, your Company is pleased to offer E-voting facility to the Members of the Company to exercise their right to vote by electronic means in respect of the items contained in the notice.

- b. The Company has engaged the services of Central Depository Services (India) Limited as the Authorized Agency to provide E-voting facility. E-voting is optional and a member may physically vote at the Annual General Meeting at his discretion.
- c. The Board of Directors have appointed FCS Mr. Neelesh Jain, Practicing Company Secretary, Bhopal as the Scrutinizer for conducting the E-voting process in fair and transparent manner.
- d. The E-voting facility will be available during the following voting period after which the portal will be blocked and shall not be available for E-voting. Once the vote on a resolution is cast by any member, he/she shall not be allowed to change it subsequently. Commencement of E-voting, 23rd September, 2019, 10:00 a.m. end of E-voting, 26th September, 2019, 5:00 p.m.
- e. The cut-off date for the purpose of E-voting is 19th September, 2019. The Voting rights of members shall be in proportion to their equity shareholding in the paid up equity share capital of the company as on cut-off date.
- f. The Results of E-voting and Physical Voting at the Annual General Meeting along with the scrutinizers' report shall be placed on the website of the Company viz. www.somindia.in and shall also be communicated to the Stock Exchange.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 23.09.2019 at 10:00 a.m. and ends on 26.09.2019 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19.09.2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.

- (v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (as mentioned on the address label of the envelope of this Annual Report) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/ mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the Som Distilleries and Breweries limited.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Non-Individual Shareholders and Custodians.

- Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.somindia.in and on the website of CDSL <http://www.evotingindia.com> within three days of the passing of the Resolutions at the 26th AGM of the Company and shall also be communicated to BSE Limited and NSE Limited where the shares of the Company are listed.

FORM NO. MGT-11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN : L74899DL1993PLC052787

Name of the company : SOM DISTILLERIES & BREWERIES LIMITED
Registered office : 1A, ZEE PLAZA, ARJUN NAGAR, SAFDARJUNG ENCLAVE,
KAMAL CINEMA ROAD, NEW DELHI.110029.

Name of the member (s)	:	
Registered address	:	
E-mail Id	:	
Folio No/ Client Id	:	
DP ID	:	

I/We, being the member (s) holding shares of the above named company, hereby appoint:

Name	:	
Address	:	
E-mail Id	:	
Signature	:	or failing him

Name	:	
Address	:	
E-mail Id	:	
Signature	:	or failing him

Name	:	
Address	:	
E-mail Id	:	
Signature	:	or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual general meeting of the company, to be held on Friday the 27th day of September, 2019 at 10.00 a.m. at Executive Club, Dolly Farms and Resorts Pvt. Ltd, 349, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi – 110030 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. “Resolved that Audited Financial Statement as at 31.03.2019 and Reports of the Auditors and Directors’ thereon for the year 2018-19 be and are hereby adopted.”

2. “Resolved that Shri Nakul Kam Sethi, who retires by rotation at this meeting and has offered himself for reappointment, be and is hereby reappointed as a Director.”

3. “Resolved that as recommended by the Board of Directors, the company do hereby declare a dividend of 15% i.e. Rs.1.50 per share of Rs.10 on all the 3,24,93,869 equity shares as on 31.3.2019 of the company for the year 2018-19, which dividend may be paid to holders of such shares as on the date of the 26th annual general meeting being held on 27.09.2019, proportionate to the period of holding.”

SPECIAL BUSINESS

4. APPOINTMENT OF SHRI SATPAL KUMAR ARORA AS AN INDEPENDENT DIRECTOR

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 Shri. Satpal Kumar Arora (DIN: 00061420), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6), and who was appointed as an additional director from 13.10.2018 and in respect of whom the company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of director, be and is hereby appointed as an independent Director of the Company not liable to retire by rotation for a period of five years with effect from 13.10.2018.”

5. RE-APPOINTMENT OF SHRI DEENANATH SINGH AS AN INDEPENDENT DIRECTOR.

“ RESOLVED THAT pursuant to the provisions of Sections 149(10), 150, 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 Shri Deenanath Singh (DIN: 00281542) who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) and in respect of whom the company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of director, be and is hereby appointed as an independent Director of the Company not liable to retire by rotation, for a further period of five years with effect from 01.04.2019 to 31.03.2024.”

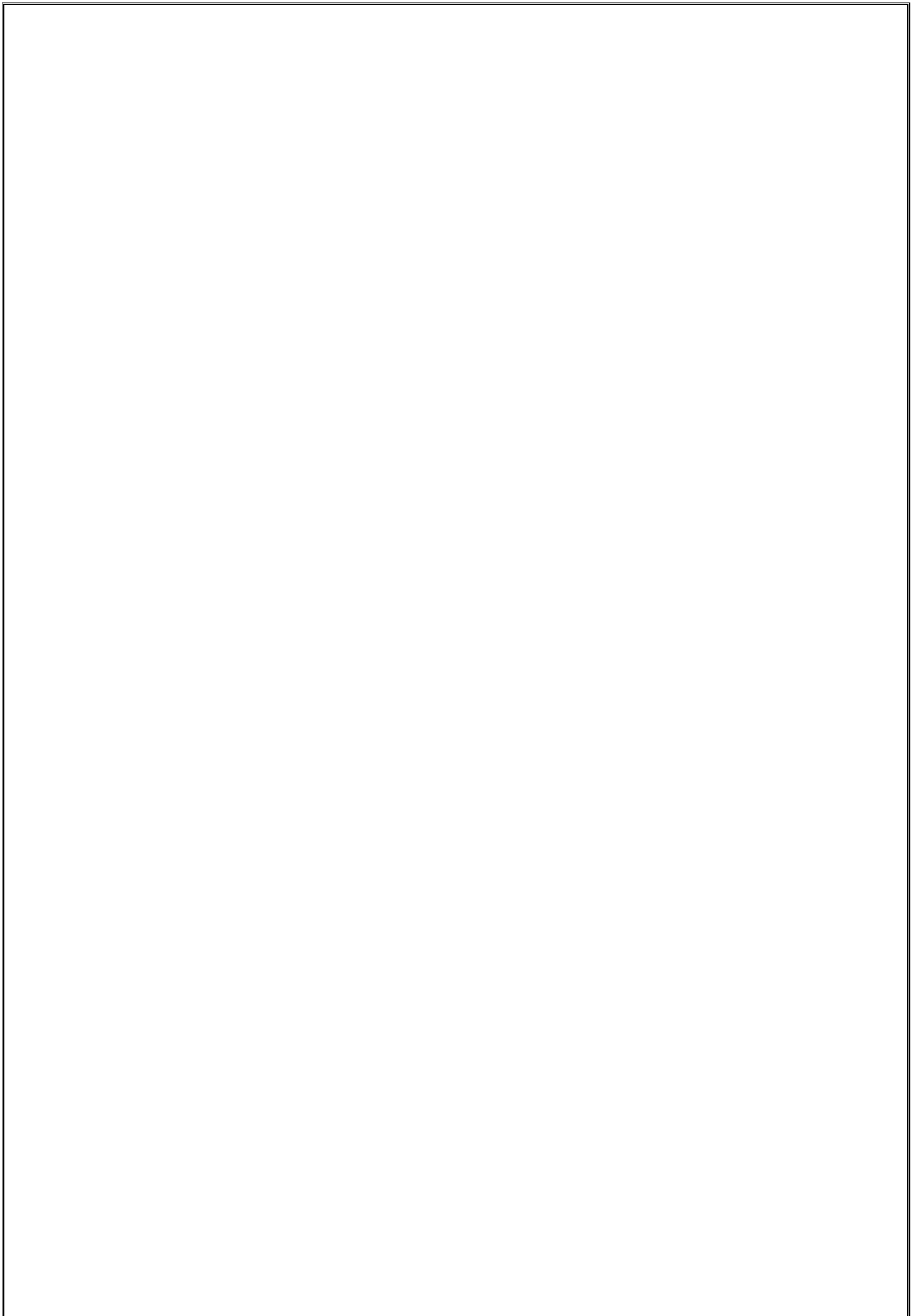
6. RE-APPOINTMENT OF MS NISHI ARORA AS AN INDEPENDENT DIRECTOR.

“ RESOLVED THAT pursuant to the provisions of Sections 149(10), 150, 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 Ms Nishi Arora (DIN: 07021730) who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) and in respect of whom the company has received a notice in writing under section 160 of the Act from a member proposing her candidature for the office of director, be and is hereby appointed as an independent Director of the Company not liable to retire by rotation, for a further period of five years with effect from 14.11.2019 to 13.11.2024.”

Signed thisday of2019

Signature of shareholder

Signature of proxy holder(s) Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the company, not less than 48 hours before the commencement of the meeting.	Affix Revenue stamp
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Corporate Office:

Som House, 23, Zone-II
Maharana Pratap Nagar,
Bhopal - 462011 (M.P.)
Tel: +91 755 4271271

Delhi Office:

I-A, Zee Plaza, Arjun Nagar,
Safdarjung Enclave,
Kamal Cinema Road,
New Delhi - 110029
Tel: 011 26169909, 26169712

Mumbai Office:

203, Landmark Building,
Opp. Adlab City Mall,
Link Road, Andheri (W),
Mumbai - 4000061

www.somindia.com