

CHEERS!



SOM DISTILLERIES AND BREWERIES LIMITED
23rd ANNUAL REPORT 2015-16

23rd

**ANNUAL REPORT
2015-16**





AN INSPIRATED NOTE OF GROWTH FROM **THE CHAIRMAN**

Same time last year, I had reminisced an inspiring quote by Zig Ziglar and shared it with you - "You don't have to be great to start, but you have to start to be great." Today, after yet another year filled with perseverance and passion at the Company, I believe in this phrase all the more. Years back we had made the right start. Today, I feel we are in the middle of scripting a success story. During the financial year gone by, we not only launched new products which have garnered strong all-round appreciation but have also laid out exciting plans for the future, which would set us up on a completely new growth trajectory.

Geographic expansion remains an important focus area of our growth strategy and we continue to invest in both mature and under-penetrated markets. A key strategic initiative that is underway includes promoting up of a Greenfield brewery in Karnataka which will significantly enhance our aggregate capacity and provide access to key markets in south India. We look forward to keeping you updated with more details in due course. Additionally, we also entered into bottling agreements with two of the leading liquor manufacturers. These bottling arrangements will enhance our supplies to the Canteen Store Department as well as to some of the key markets in North India.

During the year, we also launched the Hunter beer pint bottles with curved shape and shrink wrap which is a first in the beer segment. White Fox Refresh, a premium ready to drink product, which was rolled out this year continues to gain consumer acceptance and momentum in sales, a sign of the

potential that I believe this segment of the industry holds. SOM has always focused on innovation; laudable feedback that SOM's new products have received is testament to our continued success in moving with the times and also with our customers' preferences. Our investments in branding and marketing for our products continue to create brand recall and resonate well among our customers which have enabled us to maintain leadership position in our core markets.

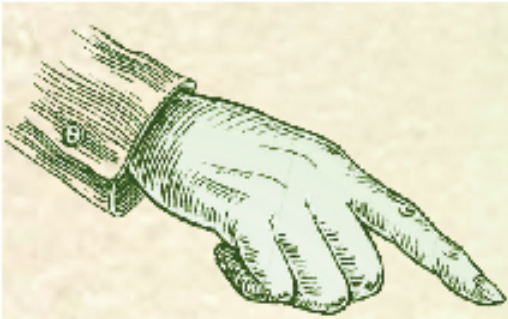
I would also take this opportunity to address a key concern in the AlcoBev industry, that of talks of prohibition. Of all its negative implications, the one that hurts us all the most is the production of illicit liquor and the resultant ill-effects on public health. Furthermore, not only does it hit the tax revenues of the concerned states, but also affects tourism and the efforts to project the state as a progressive one. Therefore, there is a need to deeply assess the short and long term efficaciousness of Prohibition and juxtapose that with the desired consequences that a well thought out policy could help us to achieve.

We are fully committed to our business and will continue to keep our customers' and shareholders' interests at the forefront. We will also remain focused on operational excellence and shareholder value creation in our quest for growth.

Best Wishes

J.K. Arora

(Chairman & Managing Director)
Som Group of Companies



NOTICE TO MEMBERS

SOM DISTILLERIES & BREWERIES LIMITED 23rd Annual Report

Notice is hereby given that the **23rd Annual General Meeting** of Som Distilleries & Breweries Limited will be held on **Friday the 30th September, 2016 at 11.00 A.M.** at Executive Club, Dolly Farms and Resorts Pvt. Ltd, 349, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030 to transact the following business:

ORDINARY BUSINESS

1. ACCOUNTS

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

“Resolved that report of the Board of Directors dated 13.08.2016 and audited Balance sheet as at 31.03.2016 and Profit & Loss Account for the year 2015-2016 be and are hereby adopted.”

2. RETIRE 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 Surjeeet Lal, who retires by rotation at this meeting and offered himself for reappointment, be and is hereby reappointed as a Director.”

3. DECLARATION OF DIVIDEND FOR 2015-16

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 2,75,22,400 equity shares of the company for the year 2015-16 which dividend may be paid to the holders of shares on the date of this annual general meeting.”

4. APPOINTMENT OF AUDITORS

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

“Resolved that pursuant to the provisions of Section 139(1) of the Companies Act 2013 and the Companies (Audit and Auditors) Rules, 2014, K.C. Khanna & Company, Chartered Accountants, Bhopal, who had completed more than 10 years of audit of the company up to 31.03.2014 and were appointed as auditor for the year 2014-15 and 2015-16 be and are hereby appointed as Auditors of the Company for one more year i.e for 2016-17 in view of the transitional period allowed i.e from the conclusion of this 23rd Annual General Meeting till the conclusion of

24th Annual General Meeting to be held in 2017 at a remuneration to be decided by the Chairman cum Managing Director with the consent of the auditors”.

5. **SPECIAL BUSINESS**

LOANS, GUARANTEES, SECURITIES AND INVESTMENTS (TO BE CONSIDERED THROUGH POSTAL BALLOT ONLY) - POSTAL BALLOT DOCUMENTS SENT SIMULTANEOUSLY.

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

Resolution:

“RESOLVED THAT in terms of sections 186 of the Companies Act, 2013, the Company do hereby authorize the Board of Directors to invest in securities of any other body corporate and to give loans and guarantees and provide security by way of charge on its assets to any party whether government or non-government, whether banking or non-banking institutions and whether related party or not, to the maximum extent of Rs. 200 Crores (rupees Two hundred crores only) outstanding at any one time including transactions already done.

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 21.09.2016 to 30.09.2016 (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 in respect of each of the items of business mentioned above. Notes/procedure on electronic voting may be seen at pages 71 to73.
- g. Explanatory statement under section 102 of the Companies Act 2013 is attached

Explanatory statement under section 102 of the Companies Act, 2013 to the notice of the Annual General Meeting to be held on Friday the 30th September, 2016 at 11.00 hours at Executive Club, Dolly Farms and Resorts Pvt. Ltd, 349, village Shahoorpur, P.O. Fatehpur Beri, New Delhi –110030

LOANS, GUARANTEES, SECURITIES AND INVESTMENTS

Section 186 of the Companies Act, 2013 regulates giving of loans, or guarantees or providing of security in connection with a loan to any other body corporate or person or acquiring by way of subscription, purchase or otherwise of securities of any other body corporate. A prior special resolution is needed if the total of these transactions exceeds the limit of 60% of the paid up capital, free reserves and securities premium account or 100% of the free reserves and securities premium account, whichever is more.

The Company is proposing to promote a Separate company i.e. Woodpecker Distilleries and Breweries Pvt. Ltd , which is going to set up a brewery and IMFL Bottling Plant in Karnataka .

Substantial investments would have to be made in this project which investments may be beyond the limit mentioned in the above para, thus creating a position where the proposed resolution under section 186 would be needed. Such investments may also convert Woodpecker Distilleries and Breweries Pvt. Ltd. into a subsidiary of this company.

The proposed resolution would meet the above mentioned need for investment and also other future needs and authorizes the Board of Directors to the maximum extent of Rs.200 Crores (rupees Two hundred crores only) outstanding at any one time including transactions already done.”

Rule 22(16)(j) of the Companies(Management and Administration) Rules, 2014 requires that for any resolution under section 186(3), the business shall be transacted only by means of postal ballot which includes voting by post or through electronic means. Postal ballot documents in respect of the resolution under 186 are being sent to the shareholder along with the notice as a separate sheet. The resolution no.5 under section 186 will be voted by postal ballot/e-voting and the result will be recorded in the minutes of this meeting.

None of the directors, Key Managerial Personnel or their relatives is interested in the resolution.

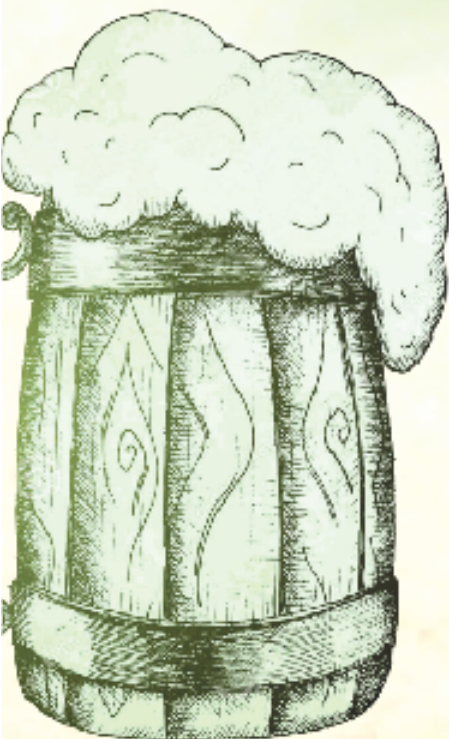
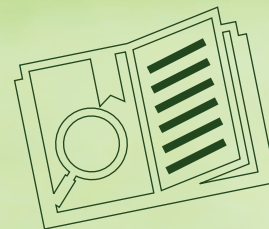
BY ORDER OF BOARD OF DIRECTORS

**Place: Bhopal
Dated: 13.08.2016**

**Surjeet Lal
Chairman and Managing Director**



INDEX-ING THE GROWTH



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CORPORATE INFORMATION

DIRECTORS



Shri Surjeet Lal
Chairman & Managing Director

Shri Shailendra Singh Sengar
Independent Director

Shri Deenanath Singh
Independent Director

Ms. Nishi Arora
Independent Director

BANKERS



Punjab National Bank Limited

SBER Bank

Lakshmi Vilas Bank Ltd

CORPORATE OFFICE

23, Zone-II, M.P. Nagar,

Bhopal-462 011

Tel.: 0755 4271271, 4278827

AUDITORS

K.C. Khanna & Company
Chartered Accountants
12, Zone-II, MP Nagar,
Bhopal - 462 011

REGISTERED OFFICE

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

STOCK EXCHANGE

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

National Stock Exchange of India
C1 Block G, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051



Market Position

- Hunter, Black fort & Power family of beers are three millionaire Brands in the portfolio of the company.
- The company is a Dominant player in its natural market of Central India.
- The company is re-enforcing its Market share through introduction of new & Innovative products & Brand extensions.

Industry Dynamics

- India is third largest liquor market in the world in terms of volume.
- The total alcoholic drink sales volume was 2.56 billion liters in CY2014 and is expected to grow at a CAGR of 6.7% to reach to 3.54 billion litres by CY2019.
- India has one of the lowest per capita beer consumption rates in the world.

THE STRATEGY OF LEADING GROWTH

Operations

- Total income of ₹ 2214 million.
- Maintaining a conservative leverage profile along with consistent growth and low net debt position.
- Company is eyeing Southern India in a big way towards this we are making efforts to enter market of Kerala, Karnataka etc.
- Looking to reinforce our market share in Canteen stores department.
- Strong marketing & distribution network across the country.
- The company is looking for Inorganic & Organic growth opportunities.

Financials

- EBITDA of ₹ 341 million. ▪ PAT of ₹ 134 million.
- Net Debt of ₹ 723 million, Debt Equity of 0.33.
- Proposed Dividend of 15%.
- We have added four institutional lenders to augment the operations of the company.

A TOASTFUL PORTFOLIO



BEER

- Hunter Refreshing Strong Premium Beer
- Hunter Super Strong Premium Beer
- Power Cool Super Strong Beer
- Black Fort Super Strong Beer
- Legend Premium Lager Beer
- Woodpecker Lager Beer

VODKA

- White Fox Vodka
- Blue Chip Vodka

GIN

- 21st Century Gin
- Blue Chip Extra Dry Gin

RUM

- Black Fort XXX Matured Rum
- Sunny XXX Rum
- Genius XXX Rum

RTD

- Whitefox Refresh Naughty Orange
- Whitefox Refresh Tangy Lemon

WHISKY

- Milestone 100 premium Whisky
- Legend Premium Whisky
- 21st Century Pure Malted Whisky
- GS Genius Whisky
- Gypsy Whisky
- Sunny Malted Whisky



THE MANAGEMENT PLAYERS

WHO
RAISE
THE
HIGHEST
TOAST



J.K. ARORA



A.K. ARORA



DEEPAK ARORA



ALOK ARORA



SURJEET LAL



NAKUL SETHI



RAJU VAZIRANEY



B.K. GOEL



J.K. ARORA

**CMD,
SOM Group of Companies**

- Visionary and the torchbearer of the SOM Group
- His leadership qualities extend into planning and strategizing the future growth of the Group
- He is also the driving force behind sales, marketing and financial operations of the SOM Group

A.K. ARORA

**DMD,
SOM Group of Companies**

- An exceptional technocrat and executioner with complete charge over commercials / purchase processes
- Holds a BE and an MBA degree

DEEPAK ARORA

**CEO,
SOM Group of Companies**

- Responsible for managing and streamlining operations, planning and launching new products
- Leading initiatives in exploring new business opportunities by organic and inorganic growth
- Previously worked with Vodafone and SDBL

ALOK ARORA

**Director,
SOM Group of Companies**

- Previously worked for Rolls Royce, Barclays Bank in London and SOM Distilleries Private Limited. He is also CEO of Aryavrak Housing & Construction Pvt Ltd. (AHCPL)
- Has experience in Layout planning, startup formalities & execution and planning and is a graduate from the Imperial College London

SURJEET LAL

**CMD,
SOM Distilleries
& Breweries Ltd.**

- A seasoned professional associated with the Company since its inception
- Prior to SOM, he was associated with Lilasons Breweries and has successfully launched their premium brand "Khajuraho"
- He is a graduate in Science, Food and Fermentation Technologist

NAKUL SETHI

**Head, Finance & Strategy,
SOM Group of Companies**

- Responsible for finance, accounts and strategic initiatives of the SOM Group
- Has over 15 years of experience in India, Middle East and Asia Pacific and associated with reputed firms like Alfardan Group, Yes Bank, Kotak Bank and Knights Insolvency

RAJU VAZIRANEY

**President- Sales & Marketing,
SOM Distilleries
& Breweries Ltd.**

- Over 30 years of experience across Beer & Spirit Division
- Worked with companies like Jagatjit Industries, Radico Khaitan Ltd, Diageo Radico Distilleries P Ltd.
- Major specialization and experience in sales & marketing.

B.K. GOEL

**Vice President, Commercial
The Operating Team**

- Has over 35 years of experience in IMFL and distillation operations
- Prior work experiences include Radico Khaitan, Sunbhaoh Sugars, Daurala Sugar Works
- He is a B.Sc and Alcohol Technologist

SOM DISTILLERIES & BREWERIES LIMITED
23rd Annual Report

REPORT OF DIRECTORS

To,
The Shareholders
Som Distilleries & Breweries Ltd.

Sirs,

Your Directors have pleasure in presenting the Annual Report of your Company for the year ended on 31st March 2016.

1. WORKING RESULTS

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

Particulars	2014-15 ₹ crores	2015-16 ₹ crores
Sales & Other Income	207.34	221.36
EBIDTA	31.70	34.08
Depreciation	3.91	3.86
Profit for the year	25.45	20.93
Provision of Tax	9.28	7.55
Profit after Tax	16.17	13.38

There has been an increase in the turnover during 2015-16 over the previous year. However the profit has declined due to interest cost. The Board hopes that the performance will be better next year as the investments have started bearing the returns.

2. EXTRACT OF ANNUAL RETURN

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

3. MEETINGS OF BOARD OF DIRECTORS

During the financial year 2015-16, the Board of Directors met 19 times on 14.05.2015, 22.05.2015, 30.05.2015, 06.07.2015, 22.07.2015, 27.07.2015, 03.08.2015, 02.09.2015, 09.09.2015, 14.09.2015, 30.09.2015, 16.10.2015, 05.11.2015, 13.11.2015, 25.11.2015, 20.01.2016, 5.02.2016, 23.02.2016, 15.03.2016,

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors hereby certify:-

- (i) that in the preparation of the accounts for 2015-16, the applicable accounting standards have been followed.
- (ii) 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.
- (iii) 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.
- (iv) that the directors prepared the annual accounts on a going concern basis.
- (v) that the directors had laid down internal financial controls to be followed by the company, which are adequate and were operating effectively.
- (vi) 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 S.S.Sengar, 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 IV.

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 auditor/secretarial auditor to which a reply is needed from the Board. The suggestions given by Auditors regarding internal controls, after certifying that the Company has an adequate internal financial control system, have been noted and will be acted upon.

8. PARTICULARS OF LOAN & INVESTMENT UNDER SECTION 186

The company has complied with the provisions of Section 186 of Companies Act, 2013 in relation to loans, investments and guarantee 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 2015-16 were within the limits as stated in rule 15 (3)(a) of Companies (Meetings of Board and its Powers) Rules, 2014 which have been undertaken after due compliances. The related party transactions were arms length transactions.

10. DIVIDEND

Directors have recommend for the year 2015-16, a dividend of ₹ 1.5 on each share of ₹ 10 (i.e. 15%) on all the 2,75,22,400 equity shares payable to shareholders as on the date of Annual General Meeting.

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	: ₹ 2,47,58,652
* Outgo	: ₹ 1,69,03,019

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 : ₹ 2,47,58,652
- * Outgo : ₹ 1,69,03,019

12. CORPORATE SOCIAL RESPONSIBILITY

The Board constituted a corporate social responsibility committee in terms of section 135 of the companies Act 2013 consisting of Shri Deena Nath Singh (Chairman), Shri S. S. Sengar and Smt. Nishi Arora. In respect of CSR Policy, the Board decided that at present the CSR activities of the company are majorly through Asha Mohan Foundation which is a registered society engaged in the education of children at Sehatganj for the last more than ten years and has been established by the promoters of this company. The CSR Committee shall monitor the CSR expenditure of the company through Asha Mohan Foundation and shall 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 of the society. In respect of the year, 2015-16, 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 2015-16 in terms of section 204 of the Companies Act, 2013. The secretarial audit report issued by them is attached herewith as Annexure III.

14. DIRECTORS/CFO/INTERNAL AUDITOR

There was no change in the composition of the

Board of Directors of the Company during the year under review. Shri Rajesh Dubey is the Chief Financial Officer and Shri Sourabh Tandon is the Internal Auditor.

15. AUDITORS

M/s K.C. Khanna & Co., Chartered Accountants, Bhopal retire at the ensuing 23rd Annual General Meeting. They are eligible for reappointment. The Board recommends their reappointment.

16. 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 and Certificate from Company Secretary in Practice regarding compliance of conditions of Corporate Governance are attached and form part of this report as Annexure IV and VI.

17. 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. Details of risk management policy are yet to be framed. The information/ratios as required under Rule 5 of the Rules are attached as Annexure V.

18. 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.

BY ORDER OF BOARD OF DIRECTORS

**Surjeet Lal
Chairman and Managing Director**

**Place: Bhopal
Dated: 13.08.2016**

ANNEXURE- I TO THE DIRECTORS' REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN
FOR THE FINANCIAL YEAR ENDED ON 31.03.2016

[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 462011, M.P. Telephone No. 0755-4271271
vi.	Whether listed company	:	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	MAS Services Ltd T-34, Okhla Industrial Area, Phase-II, Delhi 110020. Tele Nos. 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:-

Sl. 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

- NIL

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	2730364	200	2730564	9.921	2733919	NIL	2733919	9.933	0.012
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.	3545758	NIL	3545758	12.883	3580932	NIL	3580932	13.011	0.128
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):-	6276122	200	6276322	22.804	6314851	NIL	6314851	22.944	0.14
(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)	6276122	200	6276322	22.804	6314851	NIL	6314851	22.944	0.14
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	600	NIL	600	0.002	1600	NIL	1600	0.006	0.004
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) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total) (B) (1):-	600	NIL	600	0.002	1600	NIL	1600	0.006	0.004
2. Non Institutions									
a) Bodies Corp									
i) Indian	61284	93300	154584	0.562	46929	93300	140229	0.51	-0.052
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individu als									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	453681	946259	1399940	5.087	442427	916659	1359086	4.938	-0.149
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	18607587	1047700	19655287	71.416	19524452	147700	19672152	71.477	0.061

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	
c) Others (specify) non-resident Indian/obc	31515	NIL	31515	0.115	29914	NIL	29914	0.109	-0.006
d) others Clearing Member	4152	NIL	4152	0.015	4568	NIL	4568	0.017	0.002
Sub-total (B)(2):-	19158219	2087259	21245478	77.195	20048290	1157659	21205949	77.051	-0.144
Total Public Shareholding (B)= (B)(1)+ (B)(2)	19158819	2087259	21246078	77.197	20049890	1157659	21207549	77.057	-0.14
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	25434941	2087459	27522400	100	26364741	1157651	27522400	100	NIL

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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 share holding during the year
1	SURJEET LAL	566	0.002	0	566	.002	0	0
2	AALOK DEEP FINANCE PVT. LTD.	551100	2.002	0	551100	2.002	0	0
3	DEEPAK ARORA	12400	0.045	0	12400	0.045	0	0
4	SWEENA ARORA	41	0	0	41	0	0	0
5	ASHA RANI ARORA	500	0.002	0	500	0.002	0	0
6	JAGDISH K. ARORA	1809117	6.573	0	1812472	6.585	0	0.012
7	NATASHA ARORA	124730	0.453	0	124730	0.453	0	0
8	SUNITA ARORA	135110	0.491	0	135110	0.491	0	0
9	AJAY KUMAR ARORA	648100	2.355	0	648100	2.355	0	0
10	SOM DISTILLERIES PVT. LTD.	2994658	10.881	0	3029832	11.009	0	0.128
	Total	6276322	22.804	0	6314851	22.944	0	0.14

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

SI 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	6276322	22.804	6276322	22.804	
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	QUARTER ENDED	PURCHASED			
		30.06.2015	14452	0.052	6290774	22.856
		30.09.2015	20722	0.076	6311496	22.932
		31.12.2015	-200	-0.001	6311296	22.931
		31.03.2016	3555	0.013	6314851	22.944
	At the End of the year	6314851	22.944	6314851	22.944	

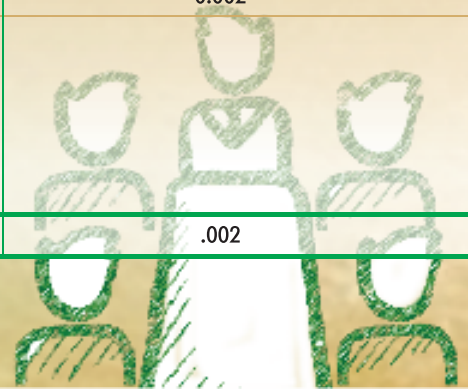
(iv) Shareholding Pattern of Top Ten Shareholders

(other than Directors, Promoters and Holders of GDRs and ADRs):

SI No.	For Each of the Top 10 Shareholders	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	14525556	52.777	14525556	52.777	
2.	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	QUARTER ENDED	CHANGE			
		30.06.2015	14452	0.214	14540008	52.83
		30.09.2015	20722	0.075	14560730	52.905
		31.12.2015	-1013377	-3.682	13547353	49.223
		31.03.2016	0	0	13547353	49.223
3.	At the End of the year (or on the date of separation, if separated during the year)	13547353	49.223	13547353	49.223	

(v) Shareholding of Directors and Key Managerial Personnel:

SI No.		Shareholding at the beginning of the year	Cumulative Shareholding during the year
	For Each of the Directors and KMP		
1.	At the beginning of the year	566	0.002
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	NO CHANGES	
	At the End of the year	566	.002



(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	52,62,69,813	7,87,50,000	NIL	60,50,19,813
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	52,62,69,813	7,87,50,000	-	60,50,19,813

Change in Indebtedness during the FY

Addition	1,90,23,10,509	13,59,78,181	NIL	2,03,77,88,690
Reduction	1,67,41,08,099	4,73,80,815	NIL	1,72,14,88,914
Net Change	22,82,02,410	8,80,97,366	NIL	31,62,99,775

Indebtedness at the end of the financial year

i) Principal Amount	74,41,72,055	16,50,00,000	NIL	90,91,72,055
ii) Interest due but not paid	1,03,00,167	18,47,366	NIL	1,21,47,533
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	75,44,72,222	16,68,47,366	NIL	92,13,19,588

(vii) Remuneration of Directors And Key Managerial Personnel

- A. Remuneration To Managing Director, Whole-time Directors and/or Manager : NIL
 B. Remuneration To Other Directors : NIL
 C. Remuneration To Key Managerial Personnel Other than MD/Manager/WTD

Sl 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	5,28,996	5,38,770	10,67,766
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
	Stock Option	NIL	NIL	NIL	NIL
	Sweat Equity	NIL	NIL	NIL	NIL
	Commission				
	- as % of profit	NIL	NIL	NIL	NIL
	- others, specify...	NIL	NIL	NIL	NIL
	Others, please specify				
	Total	NIL	5,28,996	5,38,770	10,67,766

(viii) Penalties / Punishment/ Compounding of Offences : NIL**BY ORDER OF BOARD OF DIRECTORS**

Place: Bhopal
 Dated: 13.08.2016

Surjeet Lal
 Chairman and Managing Director

ANNEXURE- II TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES

1. BRIEF OUTLINE OF THE COMPANY'S CSR POLICY ETC.

At present the CSR activities of the company are majorly through Asha Mohan Foundation which is a registered society engaged in the education of children at Sehatganj for the last more than ten years and has been established by the promoters of this company. The CSR Committee shall monitor the CSR expenditure of the company through Asha Mohan Foundation and shall 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 S.S. Sengar and Smt. Nishi Arora.

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS

YEAR	NET PROFIT (₹ Crore)
2012-13	27.42
2013-14	25.48
2014-15	25.45
TOTAL	78.35
AVERAGE	26.12

4. PRESCRIBED CSR EXPENDITURE

(two percent as per the average in item 3 above) : ₹ 52.24 lakhs

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR.

- (a) Total amount spent during the financial year 2015-16 : ₹ 27.21 Lakh
 (b) Amount unspent , if any : ₹ 25.03 Lakh
 (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 1. Local area or other 2. 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 upto 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)	₹ 40 Lakh	None	₹ 27.21 Lakh	₹ 27.21 Lakh

- 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 :

Some of the expenditure on the activities of the Society has spilled over to the next year even while the society has done good work. Also, some of the items of expenditure have failed to materialize.

- 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: 13.08.2016

Surjeet Lal
Managing Director

Deenanath Singh
Chairman

ANNEXURE- III TO THE DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2016

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

To,
The Members,
Som Distilleries & 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 & 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 & 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 2015-16 read with the Auditors and Directors reports, the company has, during the audit period covering the financial year ended on 31.03.2016 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 & Breweries Limited for the financial year ended on 31.03.2016 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 dealing 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 Standard 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.

4. Departmental Heads of the company have reported compliance with following laws applicable to the company during the financial year 2015-16. These reports were duly taken on record by the Board of Directors.

- **Income tax Act, 1961.**
- **Sales tax Act, 1956.**
- **Central Excise Act, 1944.**
- **Finance Act, 1994 (Service Tax).**
- **The M.P. Excise Act, 1915.**
- **Factories Act, 1948.**
- **Industrial Disputes Act, 1947**

- **The Payment of Wages Act, 1936**
- **The Minimum Wages Act, 1948**
- **Employees' State Insurance Act, 1948**
- **The Employees' Provident Funds and Miscellaneous Provisions Act, 1952**
- **The Payment of Bonus Act, 1965**
- **The Maternity Benefit Act, 1961**
- **The Contract Labour (Regulation & Abolition) Act, 1970**
- **The Payment of Gratuity Act, 1972**
- **The Child Labour (Prohibition & Regulation) Act, 1986**
- **The Industrial Employment (Standing Order) Act, 1946**
- **Workmen Compensation Act, 1923.**
- **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**
- **Water (Prevention and Control of Pollution) Act, 1974.**
- **Water (Prevention and Control of Pollution) Cess Act, 1977**
- **Air (Prevention and Control of Pollution) Act, 1981**
- **Environment (Protection) Act, 1986**
- **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.

I further report that during the audit period the company has gone through the following events:

In respect of Merger of Legend Distilleries Private Limited in the company, court convened meetings of members, secured creditors and unsecured creditors were held at Delhi on 03.03.2016 whereat the merger proposal was approved at the three meetings and such approval was reported to the court for further action.

For M.M. Chawla and Associates

Place: Bhopal
Dated: 13.08.2016

M.M.CHAWLA
FCS 67, C P 716



ANNEXURE- IV TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31ST MARCH, 2016

(as required under Regulations 34 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 2015-16 were within the limits as stated in rule 15 (3) (a) of Companies (Meetings of Board and its Powers) Rules, 2014 which have been undertaken after due compliances. The related party transactions were arms length transactions.

B. MANAGEMENT DISCUSSION AND ANALYSIS

(i) Indian Economy

Contrary to tepid global GDP growth, the Indian economy continued to demonstrate resilience in FY2016. India's GDP grew at 7.6% during the financial year helped by low interest rates and an increase in consumer demand. Furthermore, initiation of several reforms has led to positive corporate decision making and also to a resulting increase in confidence from both domestic and global investors. The initiatives undertaken by the government include those related to the ease of doing business, the 'Make in India' campaign, passage of major bills, relaxation in FDI rules, the 'Smart Cities' campaign and urban development, targeted and cashless transfer of subsidies and skill development.

Wholesale Price Index (WPI) for the month of March was reported at (0.85%) while the Consumer Price Inflation (CPI) declined to 4.83% during the month,

helped by a fall in food prices. After two consecutive years of deficient monsoon, a normal monsoon, coupled with the recent increase in Minimum Support Prices is widely expected to help strengthen rural demand and augment the supply of farm products.

Looking ahead, economic growth in India will continue to be driven by a pick-up in domestic demand and private consumption, prevalence of low inflationary environment and low interest rates. According to the Economic Survey FY2016, the Indian economy stands out as a haven of macroeconomic stability, resilience and optimism, and can be expected to register GDP growth in the range of 7-7.75% in the coming year. CARE Ratings has said the industrial production in FY2017 is expected to expand in the coming months on the back of improved infrastructure spending by the government and a pick up in the consumer goods segment. CPI inflation is expected to decelerate modestly and remain around 5% during 2016-17.



(ii) Recent Consumer Trends and Outlook

Consumer confidence in India is at an all-time high. A study by market research agency Nielsen has ranked the Indian consumer as the most confident in the March 2016 quarter among 63 countries surveyed.

The immense size of India's population indicates that market maturity is a distant prospect. The consumer tastes are steadily converging towards Western trends, as highlighted by growing demand for Western fast food chains. Buoyed by higher incomes, Indian consumers are gradually gravitating towards higher value products in line with growing familiarity with Western cultures, as can be seen from rising acceptance of fine dining and declining social stigma on alcohol consumption.

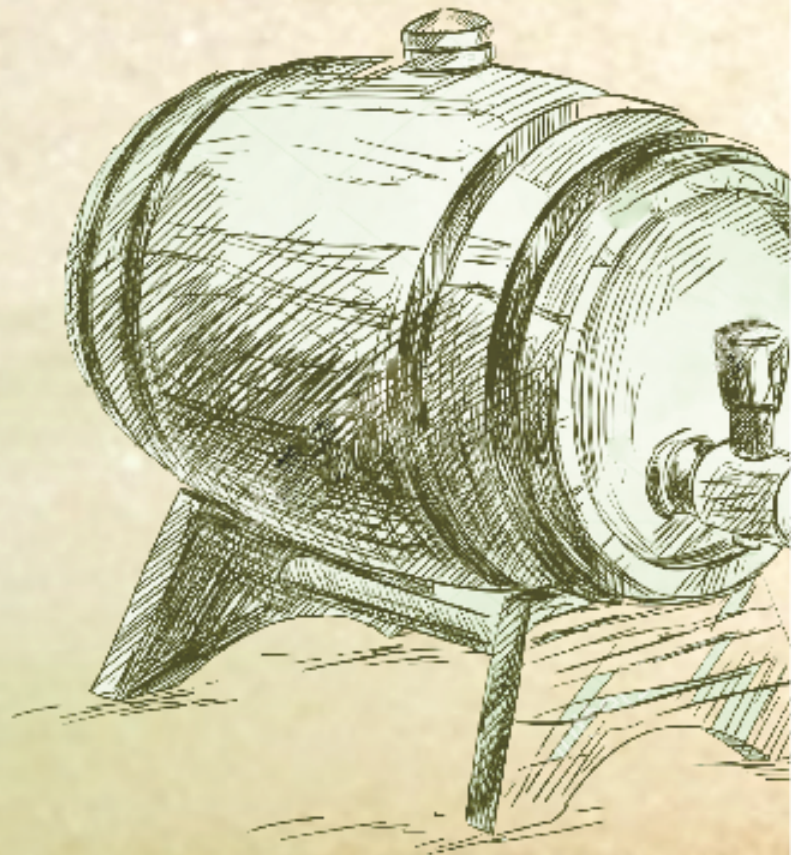
In particular, the size of India's youth, combined with improved education, pave way for sustained growth in purchasing power and makes India's consumer story one of the world's most compelling. In the short run, however, expected favorable monsoons after two years of drought, imminent ` 70,000 Cr of pay hikes for government staff and higher pensions for ex-servicemen are likely to spur household spending and help lift economic growth. In addition, it could ease the government's burden of spending on welfare schemes to drive growth and improve the standard of living in rural areas.

(iii) Indian Alcobev Industry Overview

The Indian alcohol industry, broadly segmented as spirits, beer and wine, has witnessed rising demand, owing to a young and large population, rapid urbanisation and rising incomes. The desire of the Indian consumer to have an increasingly better lifestyle has further fuelled this demand. In particular, the culture for beer is picking up, and the sprawling beer cafes, especially in

urban areas and rising volumes are a testimony to the trend. In urban regions, rising disposable incomes and improving demographic profile is expected to continue to lead to increased demand of premium spirits and beer. This provides a huge potential opportunity to alcobev companies such as SOM.

India is the third largest market for liquor in terms of volume. Region wise, the four southern states of Andhra Pradesh, Tamil Nadu, Karnataka and Kerala represent over half of the total IMFL and Beer consumption. As per the All India Distillers' Association (AIDA), 52% of the alcohol produced is for potable use in alcoholic beverages while the rest 48% is used for industrial purpose. Licenses to produce and bottle are scarce and contract manufacturing is a well-established market entry strategy. Hence the number of players with pan India presence is limited.



BEER INDUSTRY IN INDIA

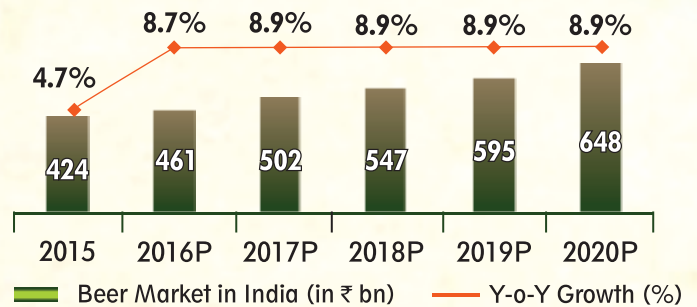
The current per capita consumption of beer in India is one of the lowest in the world, resulting in significant room for growth. The beer market in India is currently ` 424 billion in CY2015 and is projected to grow at a CAGR of 8.9% over the next five years to reach ` 648 billion in CY2020. In terms of volumes, the beer market stood at 2,500 million litres in 2015 and is projected to grow at a CAGR of 5.7% for the five years to reach 3,300 million litres in CY2020.

In developed countries, the market size of beer is much larger than of spirits. But in India, the share of spirits is more dominant. Higher VAT, service taxes and excise duty leads to beer being priced at par with IMFL making the latter deliver more value for the money, considering the alcohol content in both.

However, the outlook for the beer industry over the medium to long term is promising. Despite being the one of the fastest growing markets for beer, India currently ranks the lowest in terms of per capita consumption of beer in the world. Increasing consumer affluence is likely to encourage a growing number of consumers to trade up to SOM's higher value brands. Prolific wealth accrual over the next few years, buoyed by the country's strong economic momentum, will lay the groundwork for the calibration of consumption habits towards the premium end, and prompt an increasing number of consumers to graduate to higher-priced, better tasting brands. Beer is also gradually shedding its seasonality and coming to be accepted as an all-year drink.

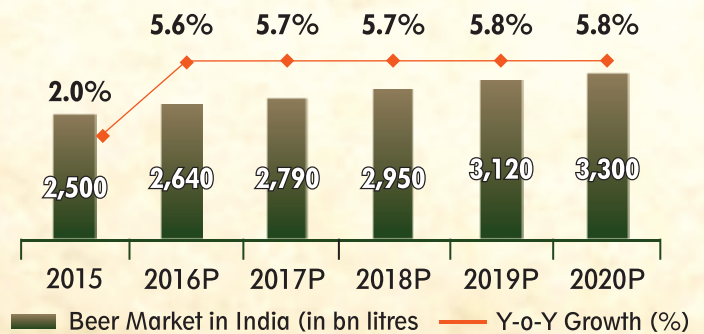


BEER MARKET IN INDIA (VALUE- ₹ BN)



Source: Euromonitor

BEER MARKET IN INDIA (VOLUME-MN LITRE)



Source: Euromonitor

IMFL INDUSTRY IN INDIA

IMFL primarily comprises of two broad segments: brown spirits and white spirits. Brown spirits which includes whisky, brandy and rum continues to be the largest segment comprising 96.4% of market share by volume in India in CY2015. The remaining 3.6% includes white spirits such as vodka and gin. The international trends are contrary to India where white spirits have the prominent presence. During CY2015, whisky volumes decreased by 0.6%, whereas value growth was at 1.5% compared to the same period last year. Brandy, White Spirits and Rum, all registered volume declines compared to the last year. In terms of geographic split, South India forms 46% of the IMFL volume sales followed by 21% share each from North India and West India. (Source: Euromonitor International)

The IMFL volume declined by 1.7% during CY2015 to 2,567 million litres and the sales value increased marginally by 0.7%. The IMFL volumes are expected to increase at a CAGR of 4.0% over the next 5 years to reach 3,142 million litres in CY2020 (Source: Euromonitor International)

(iv) Demand Drivers for Alcohol Industry

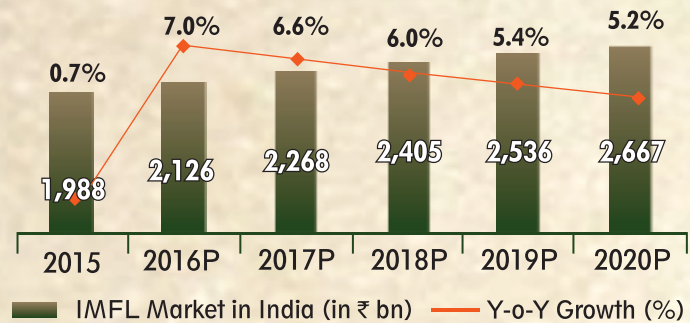
India has surpassed China to become the fastest growing economy and offers tremendous long-term potential for the consumer industry, driven by favourable demographics, rapid urbanisation and the emergence of a sizeable middle class.

Key demand drivers for the alcohol industry, especially beer are:

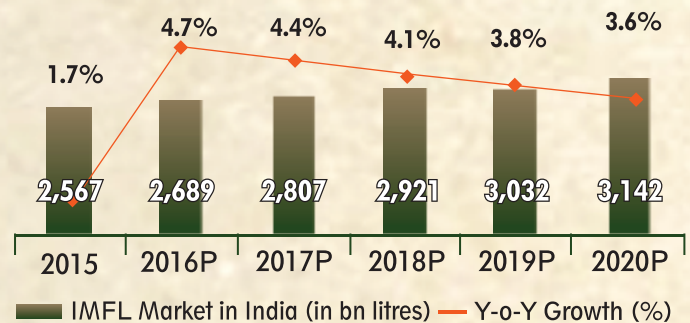
- **Increase in Income:**

The recently announced policies such as 'Jan Dhan Yojana' and the direct transfer of subsidies, implementation of 7th Pay

IMFL MARKET IN INDIA (VALUE- ₹ BN)



IMFL MARKET IN INDIA (VOLUME-MN LITRES)



Commission and One Rank One Pay (OROP) will help increase the discretionary spending and provide a fillip to the consumption oriented sectors, such as Beer and Spirits. Forecasts of favorable monsoons, along with a declining inflation are also expected to result in a rise in rural and overall consumption.

- **Increase in Working Population:**

Indians are joining the workforce sooner than in the past and are spending an increasingly greater portion of their incomes. Furthermore, average disposable income itself is rising



especially because of the burgeoning service sector in India, which has created demand for a large number of jobs.

- **Favourable Demographics:**

In India, alcohol consumption has been highest among men, with male population in the age group of 25–59 being the largest consumers. India is in the midst of a demographic shift wherein the population (including both male & female) in this working age group of 25–59 is becoming the largest segment. This would increase the traditional consumer base.

- **Entry of Women in Workforce:**

Consumption among women, primarily in cities, is on the rise, adding a new class of consumers. Primary reason behind this trend is increasing personal freedom enjoyed by women as a result of improved access to education and employment. Furthermore, exposure to lifestyle in advanced economies have changed the consumption patterns among women, who prefer lighter

beverages such as beer.

- (v) **Threats and Concerns**

Regulatory hurdles and high operating costs continue to limit the Company's ability to exploit the opportunities that Indian consumerism offers. Any delay in pickup of macro-economic indicators, emergence of inflationary conditions, volatility in currency and unfavourable weather patterns are some of the additional threats to the Company's prospects. Other key challenges include:

- **Ban on Direct Advertisements for Promotions:**

It is not easy to advertise beer through conventional channels such as television. This creates a hurdle for new brand building process as well as improving visibility of existing brands. The general strategy followed by the companies is to advertise using surrogate products (like glasses, mineral water, music items) having identical brand names. Such indirect advertising has proved to be costly for the industry.

- **Stringent Regulation by Different State Governments:**

In India, alcohol is a state subject under the seventh schedule of the Constitution and each state acts as a different entity with varying taxes and regulatory environment, thus hindering the economies of scale. The distribution, logistics and sale of alcoholic beverage is thus controlled by the respective state governments. For the movement of liquor from one state to another, both export and import licenses are required. Export fees are levied in the state where the liquor is manufactured and import fees are levied on the state in which it is sold. In some states, liquor manufactured within the state only is allowed to be sold. Independent licenses are required to produce, bottle, store, distribute or retail all liquor products.

- **Price Restrictions**

A price restriction in many large states remains a big challenge for the industry. The state governments decide the End Consumer Price, leaving manufacturers with no say in determining the price of the alcoholic beverage. In many cases, a tender process is used to determine the prices and volumes that can be bought by the distributors.

- **Prohibition Concerns**

Prohibition by various state governments is a key concern. Sale of liquor is also prohibited in the states of Gujarat, Manipur, Mizoram and Nagaland, and more recently in Bihar, which further creates limits on the scope for expansion and growth. It has been observed empirically that such bans lead to flow of illicit liquor and a loss of revenue to the exchequer. In the near term, some demand may be affected but the prohibition may not be sustainable or the demand may shift to neighbouring states.

- **Taxation**

The taxation by volume continues to adversely impact the beer segment. High taxation on beer products in India means that

for many consumers it is too expensive to purchase regularly. Also, alcoholic beverages are taxed on ad valorem basis (no consideration of alcohol content) which 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 almost 50% of the final retail price. Currently, the alcohol industry has been proposed to be kept outside the purview of Goods and Service tax (GST).

(vi) Business Overview

SOM Distilleries & Breweries Limited (SOM) was established in 1993 and is the flagship company of the SOM Group of Companies. The Group is based in Bhopal and is one of the leading alcoholic beverage manufacturers in India. SOM is primarily engaged in the production of beer and blending and bottling of IMFL. It has a strong sales and distribution network spread over 9 states in India. The Company has a strong marketing and distribution network in Madhya Pradesh, Chhattisgarh, Delhi, Gujarat, Jharkhand, Orissa, Pondicherry, Uttarakhand and Kerala with 60+ distributors across India. The Company has an installed capacity of 59,200 KL of Beer and 5,400 KL of IMFL.

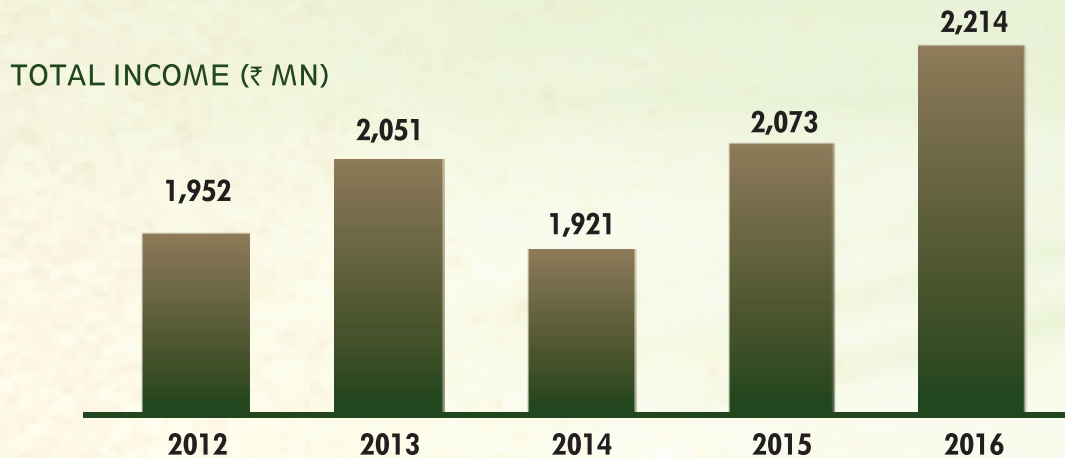
Brand Portfolio Review

A diverse product and brand portfolio allows SOM to target both the lower income mass market and the emerging premium sector. The product portfolio consists of Beer, Rum, Brandy, Vodka and Whisky. The major brands of the Company include Hunter, Black Fort and Power Cool in the Beer segment, as well as Milestone 100 whisky and White Fox vodka. Other popular brands include Legend, Genius, Sunny and Woodpecker Beer. The Hunter and Woodpecker brands are also supplied as draught beer to all major hotels in Madhya Pradesh and Chhattisgarh. Currently, the Company has three millionaire beer brands in its portfolio: Hunter, Blackfort and Power Cool.

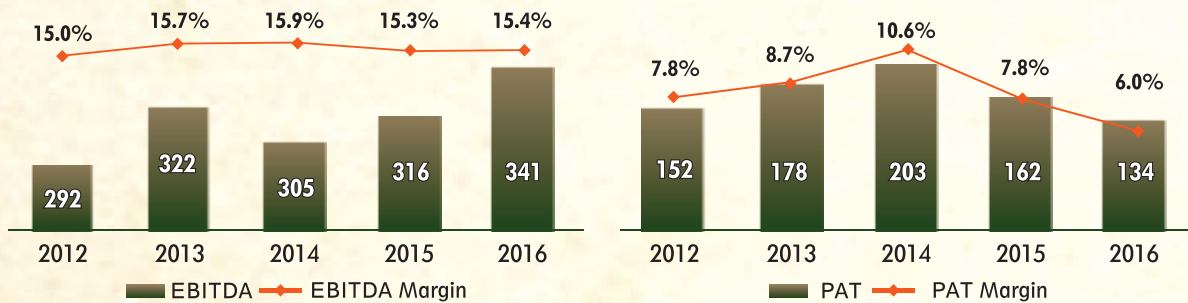
(vii) Financial Performance

During the year, the total income of the Company increased by 6.8% to ₹ 2,214 million. The increase was due to improved price realizations and sales volumes in both

Beer and IMFL segments. The total Beer sales increased by 11.3% to reach ₹ 1,907 million. IMFL sales stood at ₹ 458 million, an increase of 3.8% over the previous year.



EBIDTA for the year was ₹ 341 million, an increase of 7.7% compared to same period last year. The margins remained largely consistent at above 15%.



The Profit after Tax (PAT) declined by 17.3% to ₹ 134 million, compared to the same period last year. PAT margin for the

year was 6.0%. The decline in PAT was due to the increased finance costs during the year.

(viii) Liquidity

SOM continued to maintain a robust balance sheet. As of March 31, 2016, SOM had total debt of ₹ 921 million, cash & cash equivalents of ₹ 198 million, resulting in net debt of ₹ 723 million (203 million in the

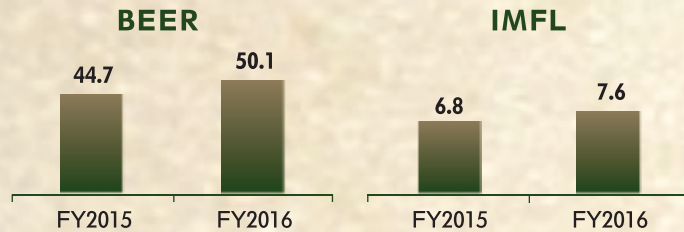
previous year). Total shareholders' equity at the end of FY2016 was ₹ 1,266 million. The Net Debt/Equity ratio stood at 0.57x. SOM is well positioned to take advantage of growth opportunities through both organic and inorganic routes.

(ix) Operational Performance

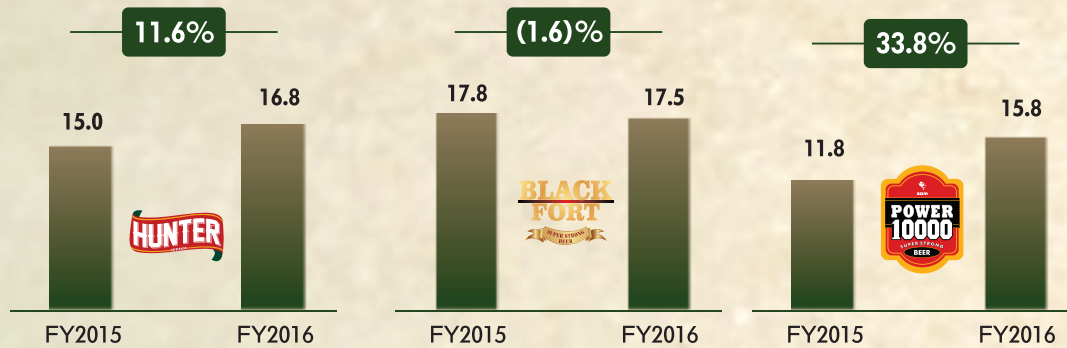
Understanding of consumer preferences and product innovation remains at the core of SOM's strategy. The Company continues to invest in improving its distribution

footprint across urban and rural markets. Over the years, SOM has focused on brand building and recall rather than contract manufacturing

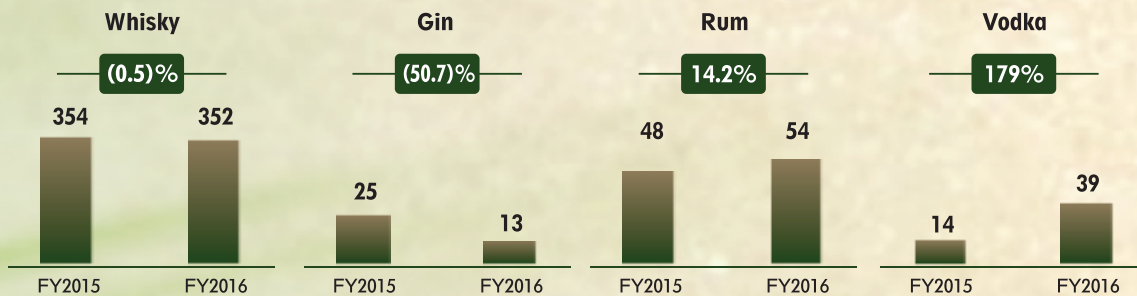
The Beer volumes for the fiscal year increased by 12.0% while IMFL volumes saw an increase of 12.3%.



BEER BRAND PORTFOLIO REVIEW (LAKH CASES SOLD)



IMFL BRAND PORTFOLIO REVIEW (LAKH CASES SOLD)



* all figures in ₹ Mn.

(x) Major Corporate Developments

a. Canteen Store Departments (CSD) will play a major role as a revenue stream in the short to medium term. To facilitate proper distribution of our products we have entered into bottling arrangements with Jagatjit Industries and Oakland Bottlers. We have presence in the majority

of CSD depots in the country.

b. Expansion: The Company is planning to promote a company which will manufacture Beer and Bottle IMFL in the state of Karnataka which is in the midst of obtaining the necessary permits and approvals. We expect to start operations by the middle of the next calendar year.



c. Merger of Legend Distilleries Private

Limited: As per the orders availed from the Hon'ble High Court of Delhi, the Company has got the necessary approval from shareholders and creditors of the company by a court conveyed EGM and Creditors Meeting on 3rd March 2016, Subsequently the Company has requested the Hon'ble High court of Delhi, to approve the Scheme of arrangement, following which the court has ordered the company to avail the requisite report from Registrar of Companies, Regional Director of the Registrars and Liquidator of Delhi region. The company is in midst of availing the requisite reports.

d. New Launches

White Fox Refresh (RTD): The launch of White Fox Refresh marked the entry of SOM in the ready to drink segment. The RTD segment is growing at 11-12% annually in India, with roughly two million cases sold every year. (Source: Euromonitor). White Fox Refresh has vodka and natural extracts and comes in a completely new packaging design. The product has 6% alcohol content and is an extension of the popular triple distilled 'White Fox' Vodka. It is sold in two unique flavours: Tangy Lemon & Naughty Orange - in 325 ml aluminium cans.

Hunter Pint Beer: Capitalizing on the success of the flagship brand 'Hunter', the Company launched the Hunter Pint Bottle, which is the first in the Beer segment to come with a curved shape and a shrink wrap and has smooth curves with better grip and refreshed look. The product has been launched in Madhya Pradesh, Chhattisgarh, Delhi and Pondicherry.

(xi) Milestones, Awards and Accreditations

During the year, the company won the

following prestigious awards:

Spirit Award- 2015: Hunter Beer Pint entered the market with a big bang. The newly launched Hunter Beer Pint won the best product debut award in a gala award function held in Goa on 5th and 6th November 2015. The function was organized by Spirit magazine, India's most comprehensive monthly magazine for liquor and its associate industries.

INDSPIRIT 2016 award:

The group bagged three awards for outstanding achievement and performance. Mr. Deepak Arora, CEO, SOM Group of companies was honored with 'The Upcoming Talent of the Year' award. Products of SOM group also received recognition. White Fox Refreshing (RTD) won 'Packaging excellence in unit pack' while Black Fort Rum & Hunter refreshing Pint won 'Product of the Year award' in the Rum & Beer category. With these awards, the SOM group has once again proven its mettle and enduring spirit to be a market leader.

(xii) Business Strategy

New Launches

The recent new launches by SOM, along with the existing strong portfolio, are not only expected to help the Company to cater to a wider consumer base but also profitably optimize the product mix for the Company. This includes the new refurbished Hunter Beer, the Hunter Beer Pint and the RTD product White Fox Refresh.

Capacity Expansion

Given SOM's portfolio diversification ambitions, expansions in product capacities will remain central to the near and long term growth strategy as well. The new brewery that the Company is planning to promote in Karnataka is a part of this very strategy.



Expand Reach

The Company has well-defined business strategy to also expand its customer base and reach. SOM's bottling agreement with two of the leading liquor manufacturers is aimed to enhance the Company's supplies to the Canteen Store Departments as well as to some of the key markets in North India.

The healthy balance sheet supports our aims for both organic and inorganic acquisitions and expansions. Over the long term, the Company envisions itself as one of India's top 3 brewing companies. To achieve this vision, the Company's strategy is to enhance presence in current markets and enter key markets of Karnataka, Andhra Pradesh and Kerala.

(xiii) Human Resources

To ensure good human resource management at SOM, we focus on all aspects of the employee lifecycle. The Company believes that human capital plays one of the most critical roles in its growth and sustenance. During their tenure at the Company, employees are kept motivated through various engagement and volunteering programs. Furthermore, SOM lays emphasis on providing opportunities for their personal development, which benefits the organization as well.



The competency development of our employees continues to be an area of strategic focus for us. During the period gone by, SOM remained focused on various strategic learning programmes, employee engagement and health management initiatives to enable overall professional and personal development of the employees. During the year, the relationship with employees was cordial and there was no loss of production across any of the Company's manufacturing facilities due to any industrial unrest. As on 31st March, 2016, 121 employees are on SOM's payroll. The current workforce structure has a good mix of employees at all levels.

(xiv) Internal Control Systems & Their Adequacy

The Company's system of internal controls, commensurate with the nature of its business and the size and complexity of its operations, are designed to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported quickly. The system helps mitigate and reduce risks that may prevent SOM from achieving its business objectives and to provide reasonable assurance that all material misstatements, frauds or violations of laws and regulations will be prevented. These systems are managed by qualified and experienced professionals. SOM follows Standard Operating Procedures (SOPs) that are in line with the best global practices, and have been laid down across the process flows, along with authority controls for each activity.

The Company's internal and statutory auditors review the adequacy of internal controls. The Audit Committee of the Board of Directors also meets periodically to review the findings of internal and statutory auditors' reports and advise the management on corrective policies, if required, and on

controls to be adopted by the Company, consistent with the organizational requirements.

(xv) Corporate Social Responsibility

SOM has been an early adopter of the Corporate Social Responsibility (CSR) initiatives. 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, healthcare etc. Building community trust through responsible and sustainable management of the business is an indispensable part of the Company's philosophy and vision. SOM is committed to continuing to increase its CSR impact with an aim of playing a bigger role in the sustainable development of society.

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 II 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. 27.21 lakhs on CSR activities as per the CSR policy of the Board.

CSR activities carried out during the financial year by the company are towards Children Education and Medical Aid.

(xvi) Information Technology

SOM continues to leverage IT as a source of competitive advantage. The IT platform encompasses all core business processes and also provides a comprehensive data and analytics that help in better and speedier decisions. It is used to collaborate with the suppliers and customers. Your Company continuously invests in upgrading to the

latest technology enhancements to deliver business efficiencies.

(xvii) Supply Chain Management

Having a robust supply chain is a pre-requisite for a business of our scale and hence a core focus for SOM. The steady growth achieved by SOM has been enabled by sustained investments in supply chain management. We have set up centers of excellence, are engaging in strategic sourcing and improving cost efficiencies. This will significantly benefit us, given the ongoing volatility in the macro economic environment. Our effective supply chain management has led to mutually beneficial relationships with our suppliers and dealers.

(xviii) 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. 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 and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.



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 four directors including Chairman-cum-Managing Director. Three of the Directors on the Board are independent directors. The details of composition and categories of Directors are as under:

Sr. No.	Name of Director	Category
1.	Shri Surjeet Lal, Chairman and M.D.	Non Independent and Executive
2.	Shri Deenanath Singh	Independent and Non Executive
3.	Shri Shailendra Singh Sengar	Independent and Non Executive
4.	Smt. Nishi Arora	Independent and Non Executive

- b) Each of the directors attended all the Board meetings and the last Annual General Meeting held on 30.09.2015 was attended by the Chairman of the Audit Committee Shri Deenanath Singh.

- 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
		Shri S.S. Sengar	Independent Director
		Shri Surjeet Lal	Executive Director
2.	Stakeholders Relationship Committee'	Shri S.S. Sengar	Chairman/independent/non-executive/ Director
		Shri Surjeet Lal	Executive Director
3.	Nomination & Remuneration Committee	Shri D.N.Singh	Independent/ Non-executive Director
		Shri S.S. Sengar	Chairman/ Independent/ Non-Executive Director
		Ms. Nishi Arora	Independent/ Non-executive Director
4.	Risk Management Committee	Shri Surjeet Lal	Chairman/Executive Director
		Ms. Nishi Arora	Independent/ Non-executive Director
5.	Corporate Social Responsibility Committee	Shri D.N.Singh	Chairman, Independent Director
		Shri S.S. Sengar	Independent/ Non-executive Director
		Ms. Nishi Arora	Independent/ Non-executive Director

- The Directors of the company are not on any Board Committee of any other company. Directors and senior management personnel have confirmed compliance with the code of conduct of the Board of Directors and senior management.
- d) During the financial year 2015-16, the Board of Directors met 19 times on 14.05.2015, 22.05.2015, 30.05.2015, 06.07.2015, 22.07.2015, 27.07.2015, 03.08.2015, 02.09.2015, 09.09.2015, 14.09.2015, 30.09.2015, 16.10.2015, 05.11.2015, 13.11.2015, 25.11.2015, 20.01.2016, 5.02.2016, 23.02.2016, 15.03.2016.
- e) There is no inter se relationship between all four directors of the company.
- f) No shares and convertible instruments are held by three non executive directors of the company. Shri Surjeet Lal hold 566 equity share only.
- g) No familiarization programmes were arranged for independent directors.

(3) Audit Committee

The Term of Reference of the Committee include the powers and the role assigned as per Regulation 18(2)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per section 177 of the Companies Act, 2013. During the financial year 2015-16, 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 so far.

(5) Remuneration of Directors

All Directors are non-executive except Shri Surjeet Lal. No remuneration is paid to any director, except sitting fees, if claimed.

(6) Stakeholders Relationship Committee

Stakeholders Relationship Committee comprises of Chairman Shri S.S.Sengar (non-executive) and Shri Surjeet Lal (Executive).

Shri Surjeet Lal, Managing Director is the Compliance Officer. The committee is duly authorized to effect transfers, transmission, issue of duplicate shares, dematerialization etc. The registrar and transfer agent, Mas Services Pvt. Ltd. has been authorized to effect transfers etc. The committee generally meets once in a month. The Committee has also been authorized to look into shareholders grievances. Under the SEBI Complaints Redress System, the company has authorised the RTA to give action taken report on shareholders complaints.

During 2015-16 only 22 complaints were received from shareholders etc. which were resolved except only one. There was only one complaint pending as on 31.03.2016 which was resolved subsequently. 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
2013-14	30 th Sept. 2013	11.30 A.M.	Executive Club, Dolly Farms and Resorts Pvt. Ltd. 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-30.	20 th AGM
2014-15	30 th Sept. 2014	11.00 A.M.	Executive Club, Dolly Farms and Resorts Pvt. Ltd. 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-30.	21 th AGM
2015-16	30 th Sept. 2015	10.00 A.M.	Executive Club, Dolly Farms and Resorts Pvt. Ltd. 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-30.	22 th AGM
2015-16	3 rd March 2016	11.00 A.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

At 21st AGM held on 30.09.2014, the following resolutions were passed as special resolution :-

- i) Authority to Borrow upto ₹ 150 crores.
- ii) Authority to charge the assets of the company upto ₹ 150 crores.
- iii) Re-appointment of Shri Surjeet Lal as Managing Director for five years from 21.03.2014.

At the 21st AGM held on 30.09.2014, the resolution relating to "Authority to charge assets of the Company" was passed through postal ballot as special resolutions where total votes cast were 24683514, all of which were in favor of the resolution. Postal Ballot was supervised by CS M.M.Chawla.

(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. somditilleries@rediffmail.com for investors to contact the company in case any information is needed by any investor.

Website of company is www.somindia.in

(9) General Share Holder Information:**(a) Annual General Meeting**

Date & Time	: 30 th Day of September 2016 at 11.00 a.m.
Venue	: Executive Club, Dolly Farms and Resorts Pvt. Ltd. 439, Village Shahoorpur, P.O.Fatehpur Beri, New Delhi – 30

(b) Financial Year is from 01.04.2015 to 31.03.2016.

(c) Dividend for 2015-16 will be paid to shareholders as on the date of the AGM i.e. 30.09.2016 immediately after that date.

(d) Listing on Stock Exchanges : 1. Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street Mumbai-400001
2. National Stock Exchange of India
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 2016-17.

(e) **Equity Stock Code** : BSE: SDBL 507514, NSE: SDBLDIST/EQ
ISIN No. : INE480C01012

(f) Market Price Data:

The monthly high and low market prices of the shares with volume at Bombay Stock Exchange Limited during the financial year 2015-16 are as under:

Period (2015-16)	High Price	Low Price	Volume of Shares Traded
Apr-15	217	190.20	10534
May-15	208.80	193.20	6210
Jun-15	209.90	190	6077
Jul-15	215	191	4625
Aug-15	216	185	4032
Sep-15	210	191.30	3337
Oct-15	206	192	2770
Nov-15	200	178.20	3265
Dec-15	206.90	181.40	3884
Jan-16	200	175	1292
Feb-16	200.40	176	9032
Mar-16	192.90	173	3953

Source :- BSE Website

The monthly high and low market prices of the shares with volume at National Stock Exchange of India during the financial year 2015-16 are as under:

Period (2015-16)	High Price	Low Price	Volume of Shares Traded
Apr-15	220	191.05	405925
May-15	218	192.75	417935
Jun-15	214	189	475392
Jul-15	217.70	192.45	504566
Aug-15	228	180	449744
Sep-15	210	192.50	423978
Oct-15	207	192	437618
Nov-15	199.95	179.55	408150
Dec-15	209	180.35	396395
Jan-16	202.70	172	107007
Feb-16	208.90	174.10	453820
Mar-16	198	175.10	418163

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)		No. of shares traded	
	BSE	NSE	BSE	NSE	BSE	NSE
April 2015	27011.31	8181.50	200	198.85	10534	405925
May 2015	27828.44	8433.65	203.50	204.20	6210	417935
June 2015	27780.83	8368.50	200.70	202.60	6077	475392
July 2015	28114.56	8532.85	203.50	202	4625	504566
August 2015	26283.09	7971.30	201.90	198.20	4032	449744
September 2015	26154.83	7948.90	199.90	198.75	3337	423978
October 2015	26656.83	8065.80	193.30	194.90	2770	437618
November 2015	26145.67	7935.25	187.10	183.30	3265	408150
December 2015	26117.54	7946.35	193.40	195.40	3884	396395
January 2016	24870.69	7563.55	193	195.55	1292	107007
February 2016	23002.00	6987.05	185.50	187.85	9032	453820
March 2016	25341.86	7738.40	181.50	184.90	3953	418163

(h) No shares/securities of the company are suspended from trading during year 2015-16.

(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 31.03.2016

No. of Share Holders	% to Total	Share holding of Nominal Value of Rs.	No of share	Amount in Rs.	% to Total
6187	95.141	1 TO 5000	897375	8973750	3.261
133	2.045	5001 TO 10000	108433	1084330	0.394
52	0.8	10001 TO 20000	74343	743430	0.27
31	0.477	20001 TO 30000	77718	777180	0.282
6	0.092	30001 TO 40000	21367	213670	0.078
17	0.261	40001 TO 50000	82449	824490	0.3
17	0.261	50001 TO 100000	148080	1480800	0.538
60	0.923	100001 AND ABOVE	26112635	261126350	94.878
6503	100	TOTAL	27522400	275224000	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 31.03.2015
De-mat	26364741
Physical	1157659

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

(n) There is 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) 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

BY ORDER OF BOARD OF DIRECTORS

Place: Bhopal
Dated: 13.08.2016

Surjeet Lal
Chairman and Managing Director

ANNEXURE V 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 NIL.
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	7.78 %
4	The number of permanent employees on the rolls of company.	121 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. 10% average increase in the salaries of the employees. The comparison cannot be done since no remuneration is being paid to any Director.
6	Affirmation that the remuneration is as per remuneration policy of the company	No remuneration policy has been framed so the far.

RULE 5(2) AND 5(3) INFORMATION

i)	No. of Employees	1 (One)
ii)	Name of Employee	Shri Raju Vaziraney
iii)	Designation of the employee	President- Sales
iv)	Remuneration received	Rs. 1,33,88,003/-
v)	Nature of employment	Permanent
vi)	Qualifications and experience	Diploma in Marketing & Strategy Bhartiya Vidya Bhawan, New Delhi M.A. Economics (Rajasthan University)
vii)	Date of commencement of employment	27.03.2015
viii)	Age	55
ix)	Last employment held by him before joining the company	Jagatjit Industries Limited Executive director(Business development) Employment period: From 2013-2015.
x)	Percentage of equity Shares held by him	NIL
xi)	Whether he is a relative of any director or manager of the company and if so, name of such director and manager	No

BY ORDER OF BOARD OF DIRECTORS

Surjeet Lal

Chairman and Managing Director

Place: Bhopal
Dated: 13.08.2016

ANNEXURE VI 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 & Breweries Limited, for the year ended on 31.03.2016, 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 2015-16 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.

Place: Bhopal
Dated: 13.08.2016

For M.M.Chawal and Associates
M.M.Chawla
FCS 67, CP 716



INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF SOM DISTILLERIES & BREWERIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI ('the Company'), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub section 5 of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

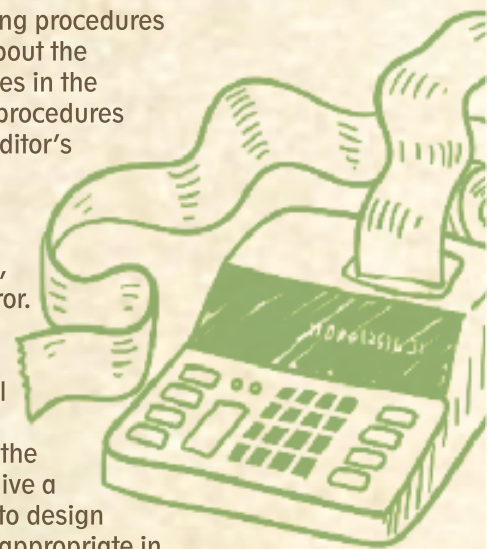
Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on

our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under sub section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the Directors as on 31st March, 2016 taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2016 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.
- 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 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 financial statements – Refer Note 33 to the 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. As at 31st March, 2016, as per its records, there were no amounts required to be transferred by the Company to the Investor Education and Protection Fund.

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

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

Dated: 13.08.2016

Harsha Chandra
Partner
Membership No. 080489

SOM DISTILLERIES & BREWERIES LIMITED
ANNEXURE A
TO THE INDEPENDENT AUDITORS' REPORT
YEAR ENDED 31.03.2016

(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 has 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 discrepancy 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. 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, Provident Fund, Income Tax, Sales Tax, Custom duty, State Excise duty, Value Added Tax, cess and other statutory dues have been regularly deposited with the appropriate authorities.

We have been informed that the Employees State Insurance Scheme is not applicable to the Company.

(b) As per the information and explanations given to us, the statutory dues which have not been deposited on account of disputes are as follows:

Name of Statute	Nature of dues	Amount (Rupees in lacs)	Period to which the amount relates	Forum where dispute is pending
M P Entry Tax Act, 1976	Entry Tax	48.94	2007-08	MP Commercial Tax Appeal Board, Bhopal
M P VAT Tax Act, 2002	Entry Tax	13.95	2012-13	Additional Commissioner Commercial Tax, Bhopal
M P VAT Tax Act, 2002	CST	89.48	2006-07	MP High Court
M P VAT Tax Act, 2002	CST	23.76	2007-08	MP High Court
M P VAT Act, 2002	CST	168.20	2008-09	MP High Court
M P VAT Act, 2002	CST	490	2010-11	MP High Court
M P VAT Act, 2002	CST	454.37	2011-12	MP High Court
M P VAT Act, 2002	CST	413.69	2012-13	Additional Commissioner Commercial Tax, Bhopal
M P VAT Act, 2002	Entry Tax	17.45	2012-13	Additional Commissioner Commercial Tax, Bhopal
Income Tax Act, 1961	Tax After Assessment	217.5	2012-13	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Tax After Assessment	70.28	2013-14	Commissioner of Income Tax Appeals

(c) As per the records of the company, during the year, no amount was required to be transferred to the Investor Education and Protection Fund.

- 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. As per its records this Company has not, during the year paid any managerial remuneration.
- 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. The details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the order are not applicable to the Company.
- xv. As per the information given to us, the Company has not entered into any non cash transactions with its Directors or persons connected with him. 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.

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

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

Dated: 13.08.2016

Harsha Chandra
Partner
Membership No. 080489

ANNEXURE B

TO INDEPENDENT AUDITORS' REPORT

YEAR ENDED 31.03.2016

(Referred to in para 2 (f) under 'Report on other Legal and Regulatory Requirements' section of our Report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls over financial reporting of **SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI** ("the Company"), as of 31st March, 2016, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 the business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' 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 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 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.

**12, Zone II, M.P.Nagar,
BHOPAL 462 011
Dated: 13.08.2016**

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.

Opinion

In our opinion, the Company has an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, 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.

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

**Harsha Chandra
Partner
Membership No. 080489**

SOM DISTILLERIES & BREWERIES LIMITED

BALANCE SHEET AS AT 31-03-2016

S. No.	Particulars	Note No.	As at 31-03-2016 (Rs.)	As at 31-03-2015 (Rs.)
I.	EQUITY AND LIABILITIES			
(1)	Shareholder's Funds			
	(a) Share capital	3	275,224,000	275,224,000
	(b) Reserves and Surplus	4	990,649,809	906,547,610
(2)	Non current liabilities			
	(a) Long term borrowings	5	412,162,782	286,274,185
	(b) Deferred tax liabilities (Net)	6	113,171,963	112,781,085
	(c) Other Long term liabilities	7	52,328,276	12,328,276
(3)	Current Liabilities			
	(a) Short term borrowings	8	509,156,808	318,745,628
	(b) Trade payables	189,052,696	194,571,358	
	(c) Other current liabilities	9	218,185,093	264,270,729
	(d) Short term provision	10	131,686,755	135,863,866
	Total		2,891,618,182	2,506,606,737
II.	ASSETS			
(1)	Non current assets			
	(a) Fixed Assets			
	(i) Tangible assets	11	606,003,948	642,076,668
	(ii) Capital work in progress		42,048,507	20,338,959
	(b) Long term loans and advances	12	54,073,595	41,703,291
(2)	Current assets			
	(a) Inventories	13	287,207,852	261,754,502
	(b) Trade Receivables	14	659,258,932	593,131,467
	(c) Cash and Cash equivalents	15	197,724,987	402,298,411
	(d) Short term loans and advances	16	1,045,300,361	545,303,439
	Total		2,891,618,182	2,506,606,737

Significant Accounting Policies

[2]

For and on Behalf of the Board

Rajesh Dubey
(Chief Financial Officer)

Mayank Bhaduria
(Company Secretary)

D.N.Singh
(Director)

S.Lal
(Chairman & Managing Director)

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

For K.C.KHANNA & CO.

Chartered Accountants

Firm Registration No: 000481 N

Harsha Chandra

Partner

Membership No. 080489

Bhopal
Dated: 13th August, 2016

SOM DISTILLERIES & BREWERIES LIMITED
PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2016

S. No.	Particulars	Note No.	Year Ended 31 March, 2016	Year Ended 31 March, 2015
I.	Revenue from operations	17	2,198,944,020	2,06,15,69,445
II.	Other Income	18	14,694,592	11,914,749
III.	Total Revenue	(I + II)	2,213,638,612	2,073,484,194
	Expenses:			
	Cost of materials consumed	19	1,047,523,108	1,014,092,938
	Changes in inventories of finished goods,		34,775,171	(78,522,364)
	Work in progress and Stock in trade			
	Employee benefit expenses	20	69,190,434	53,579,957
	Financial costs	21	92,871,947	23,479,534
	Depreciation		38,598,106	39,069,954
	Other expenses	22	721,385,213	767,859,677
IV.	Total Expenses		2,004,343,979	1,819,559,696
V.	Profit before exceptional and extraordinary items and tax	(III - IV)	209,294,633	253,924,498
VI.	Exceptional items	23	-	(585,787)
VII.	Profit before extraordinary items and tax	(V - VI)	209,294,633	254,510,285
VIII.	Extraordinary Items	-	-	-
IX.	Profit before tax	(VII- VIII)	209,294,633	254,510,285
X.	Tax expenses:			
	(1) Tax interest (previous year)		6,022,717	9,940,580
	(2) Current tax		69,090,869	85,700,522
	(3) Deferred tax		390,878	(2,825,250)
XI.	Profit/(Loss) for the period	(IX - X)	133,790,169	161,694,433
XII.	Earning per equity share:			
	(1) Basic		4.86	5.88
	(2) Diluted		4.86	5.88

Significant Accounting Policies

[2]

For and on Behalf of the Board

Rajesh Dubey
(Chief Financial Officer)

Mayank Bhadauria
(Company Secretary)

D.N.Singh
(Director)

S.Lal
(Chairman & Managing Director)

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

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

Bhopal
Dated: 13th August, 2016

Harsha Chandra
Partner
Membership No. 080489

SOM DISTILLERIES & BREWERIES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	Year Ended 31 March, 2016	Year Ended 31 March, 2015
Cash flow from operating activities		
Profit before Tax	209,294,633	254,510,285
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation on continuing operations	38,598,106	39,069,954
Interest Expense	92,871,947	23,479,534
Dividend Income	-	(7,334,323)
Operating profit before working capital changes	340,764,686	309,725,450
Movements in working capital:		
Increase/(decrease) in trade payables	(5,518,662)	20,255,276
Increase/(decrease) in short term provisions	(4,177,111)	48,593,509
Increase/(decrease) in other current liabilities	(46,085,637)	123,897,176
Increase/(decrease) in other long term liabilities	40,000,000	9,989,000
Decrease/(increase) in trade receivables	(66,127,465)	(255,859,547)
Decrease/(increase) in inventories	(25,453,350)	(107,965,826)
Decrease/(increase) in long term loan & advances	(12,370,304)	(8,491,462)
Decrease/(increase) in Short loan & advances	(499,996,922)	(156,425,287)
Cash generated from/(used in) operations	(278,964,764)	(16,281,711)
Direct Taxes Paid (net of refunds)	(75,113,586)	(95,641,102)
Net Cash flow from/ (used in) operating activities (A)	(354,078,350)	(111,922,813)
Cash flow from Investing activities		
Purchase of fixed assets, CWIP and capital advances	(25,169,374)	(31,003,634)
Proceeds from sale of fixed assets	934,439	-
Proceeds from sale/maturity of current investment		
Dividend Received	-	7,334,323
Net Cash flow from/ (used in) Investing activities (B)	(24,234,935)	(23,669,311)
Cash flow from Financing activities		
long term borrowings	316,299,778	547,527,694
Interest paid	(92,871,947)	(23,479,534)
Dividend paid	(41,283,600)	(41,283,600)
Dividend distribution tax	(8,404,370)	(8,404,370)
Net Cash flow from/ (used in) Financing activities (C)	173,739,861	474,360,190
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(204,573,424)	338,768,066
Cash and cash equivalents at the beginning of the year	402,298,411	63,530,345
Cash and cash equivalents at the end of the year	197,724,987	402,298,411
Compenents of cash and cash equivalents		
Cash on hand	139,533,513	20,696,919
With Banks - on current account	34,478,440	363,651,383
With Banks - on deposit account	23,713,034	17,950,109
Total Cash and cash equivalents	197,724,987	402,298,411

For and on Behalf of the Board

Rajesh Dubey **Mayank Bhaduria** **D.N.Singh** **S.Lal**
 (Chief Financial Officer) (Company Secretary) (Director) (Chairman & Managing Director)

This is the Cash Flow Account referred to in our Report of even date
For K.C.KHANNA & CO.
 Chartered Accountants, Firm Registration No: 000481 N

Bhopal
Dated: 13th August, 2016

Harsha Chandra
 Partner, Membership No. 080489

NOTES TO THE FINANCIAL STATEMENTS

(YEAR ENDED 31.03.2016)

(1) COMPANY INFORMATION

Som Distilleries & Breweries Ltd. is a Public company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange Limited (BSE) & National Stock Exchange of India (NSE). 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 of accounts

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

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

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

2.3 Expenditure

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

2.4 Fixed Assets and depreciation

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

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the labour quarters where useful life is different than those prescribed in Schedule II are used.

2.5 Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of the

assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset exceeds the recoverable amount.

2.6 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.

2.7 Foreign Currency Transaction

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

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

2.8 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 recognised as an expense during the period when the employees render the services.

These benefits include performance incentive 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's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Statement of Profit and Loss.

2.9 Provision for Current and Deferred Tax

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

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

[3]	Share Capital	As At 31.03.2016	As At 31.03.2015
	Authorized		
	3,50,00,000 Equity Shares of Rs. 10 each	350,000,000	350,000,000
	Issued, Subscribed and Fully Paid		
	2,75,22,400 Equity Shares of Rs. 10 each	275,224,000	275,224,000

Terms/Rights attached to the class of shares.

(a) The company has one class of equity shares having par value of Rs. 10 per Share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible 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 SHARE HOLDERS	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	%	No. of Shares	%
Som Distilleries Private Limited	3,029,832	11.01%	2,994,658	10.88%
Sh. Jagdish Kumar Arora	1,812,472	6.59%	1,809,117	6.57%

[4]	Reserves & Surplus	As At 31.03.2016	As At 31.03.2015
	Capital Reserve		
	(Amount forfeited against share warrants)	3,930,000	3,930,000
	Securities Premium Reserve	122,111,040	122,111,040
	Surplus - In Statement of Profit & Loss		
	Balance as per last Financial Statement	780,506,570	672,260,990
	Less: Adjustment in value of Fixed Assets (As per Schedule-II of Companies Act, 2013)	3,760,883	
	Add: Profit for the year	133,790,169	161,694,443
	Amount available for appropriation	914,296,739	830,194,540
	Less:		
	Proposed Dividend	41,283,600	41,283,600
	Dividend Distribution Tax	8,404,370	8,404,370
	Balance at the end of the year	864,608,769	780,506,570
	Total Reserves & Surplus	990,649,809	906,547,610

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

		As At 31.03.2016	As At 31.03.2015
[5]	<u>Long Term Borrowings</u>		
	<u>Loans & Deposits</u>		
	(i) IFCI Venture Capital Ltd. (Unsecured)	111,847,366	78,750,000
	(ii) IFCI Ltd. (Secured)	294,104,138	200,000,000
	(iii) Vehicle Loans (Secured) (Secured by Hypothecation of respective Vehicles)		
	From Banks	6,211,278	7,524,185
	Grand Total	412,162,782	286,274,185

Notes:

- (a) Loan from IFCI Venture Capital Fund Ltd. is secured by personal guarantees of promoters and collaterals given by associates.
- (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 8.5% to 12.75% 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 31.03.2016	As At 31.03.2015
[6]	<u>Deferred Tax Liability (Net)</u>		
	Difference between depreciation as per books of account and the Income Tax Act 1961.	130,237,591	132,831,289
	Gross Deferred Tax Liability	130,237,591	132,831,289
	<u>Deferred Tax Assets</u>		
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	744,667	959,243
	MAT Credit difference	16,320,961	19,090,961
	Gross Deferred Tax Assets	17,065,628	20,050,204
	Deferred Tax Liability (Net)	113,171,963	112,781,085

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

		As At 31.03.2016	As At 31.03.2015
[7]	Other Long Term Liabilities		
	Security Deposits (Unsecured)	52,328,276	12,328,276
	Total	52,328,276	12,328,276
[8]	Short Term Borrowings		
	Vehicle Loans (Secured) (Secured by Hypothecation of respective Vehicles)		
	From Banks	2,960,778	3,096,361
	From Others	-	198,617
	Term Loan	128,000,000	-
	Cash Credit from Bank	378,196,030	315,450,650
	Total	509,156,808	318,745,628
[9]	Other Current Liabilities		
	Bank Overdrafts (Book)	35,427,945	3,408,810
	Advances from customers	8,862,878	8,510,710
	Expenses Payable	86,192,465	175,337,719
	Statutory dues payable	36,754,740	27,314,746
	Un paid Dividend	5,125,177	3,810,642
	Other Payables	45,821,889	45,888,102
	Total	218,185,093	264,270,729
[10]	Short Term Provisions		
	Employee Benefits	4,442,938	3,387,890
	Proposed Dividend	41,283,600	41,283,600
	Dividend tax	24,245,856	15,841,486
	Income tax (Current Year)	61,714,361	75,350,890
	Total	131,686,755	135,863,866



NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

[11] Tangible Fixed Assets

PARTICULARS	GROSS BLOCK		DEPRECIATION			TRANSFER TO RESERVE	NET BLOCK	
	AS AT 01/04/2015	ADDITION/ (DISPOSAL)	AS AT 31/03/2016	UPTO 31/03/2015	FOR THE YEAR		AS AT 31/03/2016	AS AT 31/03/2015
LAND (FREEHOLD) & SITE DEVELOPMENT	10,451,783	-	10,451,783	-	-	-	10,451,783	10,451,783
BUILDINGS & CIVIL WORKS	162,038,222	89,447	162,127,669	50,468,076	10,261,148	2,896,229	98,502,216	108,673,917
PLANT & MACHINERY	795,527,930	36,423	795,564,353	298,000,297	23,275,190	-	474,288,866	497,527,633
FURNITURE & FIXTURES	1,884,423	91,348	1,975,771	1,828,540	-	47,964	99,266	7,918
OFFICE EQUIPMENTS	6,427,401	613,649	7,041,050	4,908,990	251,963	718,620	1,161,477	799,791
VEHICLES	60,500,364	1,694,520	62,194,884	35,786,669	4,809,805	98,070	21,500,341	24,615,625
INTANGIBLE ASSETS	500,000	-	500,000	500,000	-	-	-	-
TOTAL	1,037,330,123	2,525,387	1,039,855,510	391,492,571	38,598,106	3,760,883	606,003,948	642,076,666
PREVIOUS YEAR	1,024,789,610	12,540,513	1,037,330,123	352,442,617	39,069,954	-	-	-
Capital work in Progress	20,338,959	21,709,548	42,048,507	-	-	-	42,048,507	20,338,959
GRAND TOTAL							648,052,455	662,415,625

Note : Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of labour quarters as disclosed in Accounting Policy on Fixed Assets and Depreciation. Accordingly the carrying value is being depreciated over the revised remaining useful lives.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

		As At 31.03.2016	As At 31.03.2015
[12]	<u>Long Term Loans & Advances</u>		
	<u>Security Deposits</u>		
	Security Deposit	46,517,595	37,378,291
	Earnest Money	7,556,000	4,325,000
	Total	54,073,595	41,703,291
Note: All the above amounts are unsecured and considered good.			
[13]	<u>Inventory</u>		
	(as taken, valued and certified by the Management)		
	Raw Materials	38,888,327	25,722,445
	Stores, Consumables & Packing Materials	122,455,028	75,392,389
	Stock In Process	33,430,537	33,674,998
	Finished Goods	92,433,960	126,964,670
	Total	287,207,852	261,754,502
[14]	<u>Trade Receivables</u>		
	(Unsecured, considered good)		
	Outstanding for a period exceeding six months	13,844,438	11,153,572
	Other Debts	645,414,494	581,977,895
	Total	659,258,932	593,131,467
[15]	<u>Cash and Cash Equivalents</u>		
	Cash in hand	139,533,513	20,696,919
	<u>Balance With Scheduled Banks</u>		
	Current Accounts	34,478,440	363,651,383
	Deposit Accounts	18,587,857	14,139,467
	Unpaid Dividend accounts	5,125,177	3,810,642
	Total	197,724,987	402,298,410
[16]	<u>Short Term Loans & Advances</u>		
	Trade advances to a Related Party	394,228,513	227,212,413
	Capital Advances	86,651,125	68,702,758
	<u>Others</u>		
	Staff Advances	2,962,111	1,629,938
	Prepaid Expenses	45,468,063	16,653,484
	Advances to suppliers	109,677,560	75,416,139
	Advances to Retailers	406,312,988	155,688,707
	Total	564,420,722	249,388,268
	Grand Total	1,045,300,361	545,303,439

Note: All the above amounts are unsecured and considered good.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

		Year Ended As At 31.03.2016	Year Ended As At 31.03.2015
[17]	Revenue from Operations		
	Sale of Products	2,637,982,664	2,153,388,894
	Less: Production Duties (State Excise)	(439,038,643)	(91,819,449)
	Revenue From Operations (Net)	2,198,944,020	2,061,569,446
[18]	Other Income		
	Interest	2,322,534	865,645
	Dividends	-	7,334,323
	Other Revenues	12,372,058	3,714,781
	Total	14,694,592	11,914,749
[19]	Cost of Materials Consumed		
	Opening Stocks	101,114,834	71,671,372
	Add : Purchases (Raw Materials & Chemicals)	418,225,886	433,805,697
	Add : Purchases (Packing Material)	689,525,744	609,730,703
	Less : Closing Stocks	161,343,355	101,114,834
	Total	1,047,523,108	1,014,092,938

NOTE: MATERIALS CONSUMED

	Quantities (MT)		Rupees	
	2015-16	2014-15	2015-16	2014-15
BEER				
Barley Malt	5,292.58	5,717.69	141,781,510	141,061,582
Sugar	1,267.05	1,743.45	35,735,954	53,738,388
Hops	11.27	21.71	8,703,129	11,301,610
Chemicals & Essences			12,091,170	14,663,703

	Quantities (Proof KL)		Rupees	
	2015-16	2014-15	2015-16	2014-15
IMFL				
ENA Spirit	5,096.67	4,384.04	144,439,985	125,224,730
Chemicals & Essences			3,040,484	2,016,720
Malt Spirit	7.21	33.52	4,993,366	15,928,790

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

		Year Ended 31.03.2016	Year Ended 31.03.2015
[20]	Employee Benefits Expense		
	Salaries, allowances & Bonus	64,194,115	50,233,902
	Employer's contribution to PF & Gratuity	2,944,820	1,498,544
	Staff welfare expenses	2,051,499	1,847,511
	Total	69,190,434	53,579,957
[21]	Financial Costs		
	Bank Interest	92,856,685	18,429,953
	Other Interest & Charges	15,263	5,049,581
	Total	92,871,947	23,479,534
[22]	Other Expenses		
	Consumables	11,065,306	15,996,773
	Power and fuel	75,417,995	72,948,957
	Labour	23,444,678	-
	Rent	3,778,813	821,250
	Repairs to buildings	3,014,654	3,170,234
	Repairs to machinery	42,454,837	31,036,124
	Insurance	1,322,343	830,450
	Rates and Taxes (Other than on Income)	90,819,658	84,590,383
	Miscellaneous expenses	5,169,611	3,401,275
	Auditors Remuneration		
	(a) Audit fees	188,925	174,158
	(b) Other Services	54,655	61,798
	Donations	454,686	-
	Corporate Social Responsibility (Reference Note No. 34)	2,721,000	2,337,970
	Travelling & Conveyance	12,758,216	12,073,752
	Legal & Professional	21,998,345	12,231,790
	Sales promotion	243,676,008	377,176,219
	Advertisement & Publicity	14,879,970	11,591,587
	Freight outward	121,859,948	102,562,271
	Other selling expenses	17,845,139	20,159,834
	General expenses	10,248,936	3,700,798
	Postage, Telegrams & Telephones	7,910,847	4,725,653
	Others Repair & Maintenance	1,848,648	1,089,773
	Vehicle Running & Maintenance	8,451,994	7,178,629
	Total	721,385,213	767,859,677
[23]	Exceptional Items		
	Prior period Items (Net)	-	(585,787)
	Total	-	(585,787)

SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI YEAR ENDED 31.03.2016

Other Notes

[24] 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 March 31st 2016 are not ascertainable.

[25] Employees Benefits:

The required disclosures of employees benefits as per Accounting Standard – 15 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:

(A)	Change in Obligation over the year ended 31.3.2016	2015-16	2014-15
	Present Value of defined obligation as on 01.04.2015	23,35,039	18,16,112
	Interest Cost	1,86,803	1,45,289
	Current Service Cost	2,63,781	2,52,218
	Benefits paid (if any)	(2,63,769)	(3,02,078)
	Actuarial (gain)/loss	4,86,469	4,23,498
	Present value of the obligation at the end of the period	30,08,323	23,35,039
(B)	Expenses recognized during the year ended 31.03.2016		
	Current Service Cost	2,63,781	2,52,218
	Interest Cost	1,86,803	1,45,289
	Expected return on plan asset	(2,11,773)	(1,25,417)
	Net Actuarial Gains/losses	4,65,063	4,23,498
	Current Service Cost & Actuarial losses in respect of separated employees	7,03,874	6,95,588
(C)	Principal Actuarial Assumptions		
	Discount Rate	8.00% per annum	8.00% per annum
	Salary Growth Rate	5.00% per annum	5.00% per annum
	Mortality IALM 2006-08	IALM 2006-08 Ultimate	Ultimate
	Expected Rate of Return	8.75% per annum	8.75% per annum
	Withdrawal Rate (Per Annum)	2.00% 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.

OTHER NOTES (CONTD.)

[26] Imports

(a)	Value of Imports Calculated on CIF Basis (As certified by the Management)	2015-16	2014-15
	i) Raw & Packing Materials	96,26,026	39,65,654
	ii) Components and Spare Parts	71,21,400	1,29,01,179
(b)	Expenditure in Foreign Currency		
	Bank Charges	1,55,593	86,934

[27] Composition of raw material, packing materials, stores, spares consumed. (As certified by the Management)

Particulars	Raw Materials & Packing Materials		Stores & Spares	
	2015-16	2014-15	2015-16	2014-15
Imported				
Percentage	0.92%	-	16.77%	15.94%
Value (₹)	96,26,026	-	71,21,400	48,28,377
Indigenous				
Percentage	99.08%	100%	83.23%	84.06%
Value (₹)	10,37,897,082	101,40,92,938	3,53,48,091	2,54,61,328
Total	100%	100%	100%	100%
Total	10,47,523,108	10,14,092,938	42,469,491	30,289,705

[28] Earnings in Foreign Exchange

	2015-16	2014-15
Exports of Goods calculated on FOB Basis	2,47,58,652	2,41,23,029

[29] Contingent Liabilities

	2015-16	2014-15
i) Claims against the Company not acknowledged as debts/ Disputed		
- Commercial Tax Department	1,70,282,685	9,34,44,729
- Income Tax Department	28,779,460	2,17,50,660
ii) Guarantees given by Bankers on behalf of the company not provided for	55,300,000	15,00,000
Corporate guarantee given to a bank on behalf of another company	7,25,00,000	7,25,00,000
iii) Estimated amount of contracts remaining to be executed on capital account and not provided for.	85,00,000	2,96,00,000

OTHER NOTES (CONTD.)

[30] 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 AS 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India. In view of the above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in AS – 17 are not applicable to the Company.

[31] Information as per Accounting Standard (AS) 18: "Related Party Disclosures" is:

a) Related Party

Enterprises Having Common KMP	Key Managerial Personnel	Relatives of Key Managerial Personnel
-	Mr. S. Lal	-

b) Transactions with Related Parties

During the year SOM Distilleries Pvt. Ltd. ceased to be a related party, hence details of transaction with this company are not given. Further, there are no transactions with S. Lal, key managerial person, other than those undertaken in the ordinary course of business.



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

S. No.	Particulars	31.03.2016	31.03.2015
a)	Numerator Profit/(Loss) after tax ₹	13,37,90,169	16,16,94,433
b)	Weighted average number of equity shares Nos.	2,75,22,400	2,75,22,400
c)	Basic & Diluted earnings per shares (₹)	4.86	5.88
d)	Nominal value of shares (₹)	10.00	10.00

33. 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.
34. During the financial year 2015-16, the company has spent an amount of ₹ 27.21 lacs (previous year 23.38 lacs) on corporate social responsibility for the purpose of children education and medical aid.
35. Balances standing at the debit or credit in the accounts of various parties are subject to confirmation and reconciliation.
36. Previous year's figures have been regrouped/ restated wherever considered necessary to make them comparable to those of the current year.
37. All figures in the Balance Sheet, Profit & Loss Account and Schedules have been rounded off to the nearest rupee.

Signatures to Schedules 1 to 37

Rajesh Dubey
(Chief Financial Officer)

Mayank Bhaduria
(Company Secretary)

D.N. SINGH
(Director)

S. LAL
(Chairman &
Managing Director)

For K.C. KHANNA & CO.
Chartered Accountants
Firm Registration No: 00048 IN

Place: Bhopal
Date: 13th August, 2016

Harsha Chandra
Partner
Membership No: 080489



SOM DISTILLERIES & BREWERIES LIMITED

REGISTERED OFFICE: 1 A, ZEE PLAZA, ARJUN NAGAR, SAFDARGANJ ENCLAVE,
KAMAL CINEMA ROAD, NEW DELHI - 110029

ATTENDANCE SLIP

I/We hereby record my/our presence at the 23rd Annual General Meeting of the above named Company held on Friday, the 30th September 2016 at 11.00 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/DPIDCLIENTID 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: _____

POLLING PAPER

SOM DISTILLERIES & BREWERIES LIMITED

CIN NO. L74899DL1993PLC052787

REGISTERED OFFICE: 1-A ZEE PLAZA, ARJUN NAGAR, SAFDARJUNG ENCLAVE,
KAMAL CINEMA ROAD, NEW DELHI

EMAIL: SOMDISTILLERIES@REDIFFMAIL.COM, WEB: WWW.SOMINDIA.NET,
WORKS: VILLAGE ROJRACHAK, DISTT. RAISEN, PH. NO. 011-26169909, 26169712

ASSENT / DISSENT FORM FOR VOTING ON AGM RESOLUTIONS

(1)	Name (s) & 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	:	_____

I / We hereby exercise my / our vote in respect of the following resolutions to be passed for the business stated in the Notice dated 13th August, 2016 of the 23rd Annual General Meeting held at Delhi on 30.09.2016, by conveying my / our assent or dissent to the resolutions by placing tick (✓) 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 report of the Board of Directors dated 13.08.2016 and audited Balance sheet as at 31.03.2016 and Profit & Loss Account for the year 2015-2016 be and are hereby adopted.”		
2.	“Resolved that Shri Surjeeet Lal, who retired by rotation at this meeting and 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. ₹ 1.50 per share of ₹ 10 on all the 2,75,22,400 equity shares of the company for the year 2015-16 which dividend may be paid to the holders of shares on the date of this annual general meeting.”		
4.	“Resolved that pursuant to the provisions of Section 139(1) of the Companies Act 2013 and the Companies (Audit and Auditors) Rules, 2014, K.C. Khanna & Company, Chartered Accountants, Bhopal, who had completed more than 10 year of audit of the company up to 31.03.2014 and were appointed as auditor for the year 2014-15 and 2015-16 be and are hereby appointed as Auditors of the Company for one more years i.e for 2016-17 in view of the transitional period allowed i.e from the conclusion of this 23rd Annual General Meeting till the conclusion of 24th Annual General Meeting to be held in 2017 at a remuneration to be decided by the Chairman cum Managing Director with the consent of the auditors”.		

Place : NEW DELHI
Date : 30.09.2015

Signature of the Member/
Authorized Representative

Notes:

- (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 printed overleaf carefully before exercising your vote.

INSTRUCTIONS

General Instructions

1. As per the Companies Act, 2013, Company has to provide e-voting facility to its shareholders. However the shareholders, who do not have access to e-voting facility, may convey their Assent / Dissent in Physical Assent / Dissent Form. If a shareholder has opted for e-voting, then he/she should not vote by Physical Assent / Dissent Form. However, in case Shareholders cast their vote through both physical assent/dissent form and e-voting, then vote caste through e-voting shall be considered, and vote caste through physical assent/dissent shall be treated as invalid.
2. The notice of Annual General Meeting was dispatched/e-mailed to the members whose names appeared on the Register of Members as on 26.08.2016
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies etc.), the completed Assent /Dissent Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
4. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.

Instructions for voting physically on Assent / Dissent Form.

1. A Member desiring to exercise vote by Assent / Dissent should complete this Assent / Dissent Form and hand it over before the meeting site.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
6. There will be one Assent / Dissent Form for every folio / Client id irrespective of the number of joint holders.
7. Members are requested not to send any other paper along with the Assent / Dissent Form. They are also requested not to write anything in the Assent / Dissent form except giving their assent or dissent and putting their signature.
8. The Scrutinizer's decision on the validity of the Assent / Dissent Form will be final and binding.
9. Incomplete, unsigned or incorrectly ticked Assent / Dissent Forms will be rejected.

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, 2016 along with the notice of the 23rd Annual General Meeting of the Company (including Ballot Form, 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 23rd Annual General Meeting and the Annual Report for period ended 31st March, 2016 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 free of cost.

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 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. Madan Mohan Chawla, Practising 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, 26th September, 2016, 10:00 a.m. End of E-voting, 29th September, 2016, 5:00 p.m.

- e. The cut-off date for the purpose of E-voting is 23rd September 2016. 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 26/09/2016 at 10:00 a.m. and ends on 29/09/2016 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 23/09/2016, 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
- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	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.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • 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 (iv).

- (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, 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 23rd AGM of the Company and shall also be communicated to Bombay Stock Exchange Limited and National Stock Exchange of India 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) of shares of the above named company, hereby appoint

1. Name : _____

Address : _____

E-mail Id : _____

Signature : _____ , or failing him

2. Name : _____

Address : _____

E-mail Id : _____

Signature : _____ , or failing him

3. 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 23rd Annual general meeting of the company, to be held on Friday the 30th day of September, 2016 at 11.00 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** report of the Board of Directors dated 13.08.2016 and audited Balance sheet as at 31.03.2016 and Profit & Loss Account for the year 2015-2016 be and are hereby adopted.”
2. **“Resolved that** Shri Surjeet Lal, who retires by rotation at this meeting and 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 2,75,22,400 equity shares of the company for the year 2015-16 which dividend may be paid to the holders of shares on the date of this annual general meeting.”
4. **“Resolved that** pursuant to the provisions of Section 139(1) of the Companies Act 2013 and the Companies (Audit and Auditors) Rules, 2014, K.C. Khanna & Company, Chartered Accountants, Bhopal, who had completed more than 10 year of audit of the company up to 31.03.2014 and were appointed as auditor for the year 2014-15 and 2015-16 be and are hereby appointed as Auditors of the Company for one more years i.e for 2016-17 in view of the transitional period allowed i.e from the conclusion of this 23rd Annual General Meeting till the conclusion of 24th Annual General Meeting to be held in 2017 at a remuneration to be decided by the Chairman cum Managing Director with the consent of the auditors”.

Signed this day of 2016

Signature of shareholder

<p>Signature of proxy holder(s)</p> <p>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.</p>	<p>Affix Revenue stamp</p>
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SOM DISTILLERIES & BREWERIES LTD

CIN: L74899DL1993PLC052787

REGD. OFFICE : 1-A, ZEE PLAZA, ARJUN NAGAR, SAFDARJUNG ENCLAVE,
KAMAL CINEMA ROAD, NEW DELHI – 110 029

POSTAL BALLOT PAPER

Must be received at the registered office by 29.09.2016

1.	Annual General Meeting	To be held on 30 th September, 2016 at 11.00 hours at Executive Club, Dolly Farms and Resort Pvt. Ltd., 349, Village Shahoorpur , P.O. Fatehpur Dairy, New Delhi-110030				
2.	Item of business to be transacted through Postal Ballot	<p>To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:</p> <p>“RESOLVED THAT in terms of sections 186 of the Companies Act, 2013, the Company do hereby authorize the Board of Directors to invest in securities of any other body corporate and to give loans and guarantees and provide security by way of charge on its assets to any party whether government or non-government, whether banking or non-banking institutions and whether related party or not, to the maximum extent of ₹ 200 Crores (Rupees two hundred crores only) outstanding at any one time including transactions already done.”</p>				
3.	Shareholders Details 1. Folio No. or Demat ID 2. Name of Shareholder 3. No. of Shares held	_____ _____ _____				
4.	Vote by Postal Ballot. Please give your vote by placing a tick mark just under 'yes' or 'no' in the box provided	<table style="width: 100%; text-align: center;"> <tr> <td style="width: 50%;">Yes</td> <td style="width: 50%;">No</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Yes	No	<input type="checkbox"/>	<input type="checkbox"/>
Yes	No					
<input type="checkbox"/>	<input type="checkbox"/>					
5.	Signature of Shareholder	<input style="width: 150px; height: 20px;" type="text"/>				

Note: Please send Postal Ballot paper after giving your vote as above to

Company Secretary
SomDistilleries & Breweries Ltd.
 23, Zone-II, M.P. Nagar Bhopal-462011

In lighter vein

"I DRINK TO MAKE
OTHER PEOPLE
INTERESTING"
- GROUCHO MARX

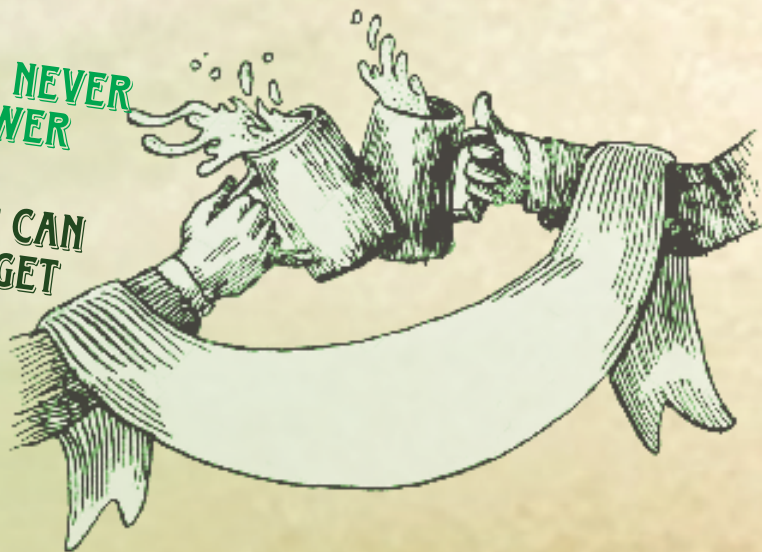


A BALANCE
DIET



ALCOHOL IS NEVER
THE ANSWER

BUT IT CAN
MAKE YOU FORGET
THE QUESTION





आप हो हमारे LEGEND





Perfection Matured

Corporate Office:

Som House, 23, Zone-II,
Maharana Pratap Nagar,
Bhopal - 462 011 (M.P.)
Tel: +91 755 4271271, 4278827
Fax: +91 755 2557470

Delhi Office:

I-A, Zee Plaza, Arjun Nagar,
Safdarjung Enclave,
Kamal Cinema Road,
New Delhi - 110 029, INDIA
Tel: +91 11 26169909, 26169712
Fax: +91 11 26195897

Mumbai Office:

203, Landmark Building,
Opp. Adlab City Mall, Link Road,
Andheri West, Mumbai - 400 061

www.somindia.in