



SOM DISTILLERIES AND BREWERIES LIMITED

Som Distilleries and Breweries Limited (“Company” or “Issuer”) was incorporated as “Som Distilleries and Breweries Limited”, a public limited company under the Companies Act, 1956 with the Registrar of Companies, Delhi & Haryana at Delhi and was granted a certificate of incorporation on March 26, 1993. For further details, please see the section entitled “General Information” on page 184.

Registered Office: 1A, Zee Plaza, Arjun Nagar, S.J. Enclave, Kamal Cinema Road, New Delhi – 110 029, India;
Corporate Office: 23, Zone-II, M.P. Nagar, Bhopal – 462 011, Madhya Pradesh, India; **Telephone No.:** +91 755 4271 271 / + 91 755 4278 827;
Contact Person: Om Prakash Singh, Company Secretary and Compliance Officer; **Email:** compliance@somindia.com; **Website:** www.somindia.com;
Corporate Identity Number: L74899DL1993PLC052787

Issue of up to [●] equity shares of face value ₹5 each (the “Equity Shares”) at a price of ₹[●] per Equity Share (the “Issue Price”), including a premium of ₹[●] per Equity Share, aggregating up to ₹ [●] lakhs (the “Issue”). For further details, see “Summary of the Issue” on page 29.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE “COMPANIES ACT”), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE “PAS RULES”), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER.

Our Company’s Equity Shares are listed on National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”, together with NSE, the “Stock Exchanges”). The closing prices of the outstanding Equity Shares on BSE and NSE as on October 5, 2023 was ₹381.55 and ₹381.40 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “SEBI Listing Regulations”), for listing of the Equity Shares to be issued pursuant to the Issue, from BSE and NSE each on October 5, 2023. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED BELOW) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN THE SEBI ICDR REGULATIONS (“QIBs”). YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION “RISK FACTORS” BEGINNING ON PAGE 37 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT OWN ADVISORS.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereafter)) has been delivered to the Stock Exchanges and a copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, within the stipulated period as prescribed under the Companies Act and the PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India (“SEBI”), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

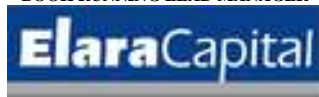
Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see “Issue Procedure” beginning on page 139. The distribution of this Preliminary Placement Document or the disclosure of its contents without our Company’s prior consent to any person, other than Eligible QIBs to whom this Preliminary Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

Except for this Preliminary Placement Document, the information on the websites of our Company, Subsidiaries, or any other website directly or indirectly linked to the websites of our Company, Subsidiaries, or the website of the Book Running Lead Manager (as defined hereinafter) or its affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such website.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in “offshore transactions” as defined in, and in reliance on, Regulation S under the U.S. Securities Act (“Regulation S”) and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, please see “Selling Restrictions” on page 157. Also see, “Transfer Restrictions” on page 162 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

This Preliminary Placement Document is dated October 5, 2023.

BOOK RUNNING LEAD MANAGER



ELARA CAPITAL (INDIA) PRIVATE LIMITED

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, its Subsidiaries and the Equity Shares, which is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, its Subsidiaries and the Equity Shares are, in all material respects, true and accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company and its Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on reasonable assumptions and information presently available to us. There are no other facts in relation to our Company, its Subsidiaries and the Equity Shares to be issued pursuant to the Issue, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by us to ascertain such facts and to verify the accuracy of all such information and statements. The information contained in this Preliminary Placement Document has been provided by our Company and other sources identified herein.

This Preliminary Placement Document is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. Distribution of this Preliminary Placement Document to any person other than the Eligible QIBs specified by the Book Running Lead Manager or its representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of our Company, is prohibited. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any offering material in connection with the Equity Shares.

The Book Running Lead Manager has not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Manager nor any of its respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Manager and/or any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, its Subsidiaries and the Issue of the Equity Shares or distribution of this Preliminary Placement Document. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied either on the Book Running Lead Manager or on any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and its Subsidiaries and the merits and risks involved in investing in the Equity Shares. Prospective investors should not construe the contents of this Preliminary Placement Document legal, tax, accounting or investment advice.

No person is authorized to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Company or on behalf of the Book Running Lead Manager. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The distribution of this Preliminary Placement Document and the issue of Equity Shares and the offering of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. In particular, except for India, no action has been taken by our Company and the Book Running Lead Manager that would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable

rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see “*Selling Restrictions*” and “*Transfer Restrictions*” beginning on page 157 and 162, respectively.

The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in “offshore transactions”, as defined in, and in reliance on, Regulation S under the U.S. Securities Act (“**Regulation S**”) and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, please see “*Selling Restrictions*” on page 157. Also see, “*Transfer Restrictions*” on page 162 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

In making an investment decision, the prospective investors must rely on their own examination of our Company, its Subsidiaries and the Equity Shares and the terms of the Issue, including merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning this Issue. In addition, our Company and the Book Running Lead Manager is not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial advisor and/or legal advisor.

Each investor, subscriber, offeree or purchaser of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and it is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act and Rule 14 of the PAS Rules and other applicable provisions of the Companies Act and rules made thereunder, and is not prohibited by SEBI or any other statutory, regulatory or judicial authority from buying, selling or dealing in securities, including the Equity Shares or otherwise accessing the capital markets in India. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Preliminary Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document.

The information on our Company’s website, viz, www.somindia.com or any website directly or indirectly linked to our Company or on the website of the Book Running Lead Manager or any of its respective affiliates, does not constitute nor form part of this Preliminary Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites. This Preliminary Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

The Company does not undertake to update the Placement Document to reflect subsequent events after the date of the Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Neither the delivery of this Preliminary Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof.

Our Company and the Book Running Lead Manager are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of the Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations and the QIB shall be solely responsible for compliance with the provisions of the Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

The Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

NOTICE TO INVESTORS IN CERTAIN JURISDICTIONS

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information to investors in certain other jurisdictions, see “*Selling Restrictions*” and “*Transfer Restrictions*” on page 157 and 162, respectively.

REPRESENTATIONS BY INVESTORS

All references herein to “you” or “your” in this section are to the prospective investors in the Issue. By bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreements set forth in the sections “*Notice to Investors*”, “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 1, 157 and 162, respectively, and to have represented, warranted, acknowledged to and agreed with our Company and the BRLM, as follows:

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or Subsidiaries which is not set forth in this Preliminary Placement Document;
- You are a “**Qualified Institutional Buyer**” as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;
- You are eligible to invest in India under applicable laws, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;
- If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office), having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the SEBI FPI Regulations, FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;
- You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Further, the aggregate limit of all FPIs investments, is up to 100%, being the sectoral cap applicable to the sector in which our Company operates. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;
- You will provide the information as required under the provisions of the Companies Act the PAS Rules and applicable SEBI ICDR Regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

- If you are Allotted Equity Shares, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges. For more information, see “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 157 and 162, respectively;
- You are eligible to invest in and hold the Equity Shares of the Company in accordance with the FDI Policy, read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign investments can only be made through the Government approval route, as prescribed in the FEMA Regulations;
- You are aware that this Preliminary Placement Document and the Placement Document has not been and will not be registered as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed, verified or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document has been filed (and the Placement Document shall be filed) with the Stock Exchanges for record purposes only and be displayed on the websites of our Company and the Stock Exchanges;
- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;
- You are aware that, our Company, the BRLM or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions that you may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLM. The BRLM or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in a fiduciary capacity;
- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the “**Company Presentations**”) with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLM may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLM has advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;
- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information, which is not set forth in this Preliminary Placement Document;
- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;
- You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid

and will rank pari passu in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared.

- All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our Company, or our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company or Subsidiary's present and future business strategies and environment in which our Company or Subsidiary will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. Neither our Company nor the BRLM or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;
- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category other than Eligible QIBs and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the BRLM;
- You are aware that in terms of the requirements of the Companies Act upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document, as applicable. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM;
- You are aware that if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;
- You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety; including, in particular, "**Risk Factors**" on page 37;
- In making your investment decision, you have (i) relied on your own examination of the Company, its Subsidiaries, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company and its Subsidiaries, the Equity Shares and the terms of the Issue based on information as is publicly available, and in reliance of the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;
- Neither our Company nor the BRLM nor any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the BRLM or its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, our Company, the BRLM or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or the BRLM or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore a speculative investment;
- If you are acquiring the Equity Shares to be issued pursuant to the Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts;
- You are not a “promoter” (as defined under the Companies Act and the SEBI ICDR Regulations) of our Company and are not a person related to any of our Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any of our ‘Promoters’, or members of our ‘Promoter Group’ (as defined under the SEBI ICDR Regulations) or persons or entities related thereto;
- You have no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on our Board, other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares;
- You agree that in terms of Section 42(7) of the Companies Act and Rule 14 of the PAS Rules, we shall file the list of Eligible QIBs (to whom this Preliminary Placement Document will be circulated) along with other particulars including your name, complete address, phone number, e-mail address, permanent account number and bank account details, including such other details as may be prescribed or otherwise required even after the closure of the Issue with the RoC and SEBI within 30 days of circulation of this Preliminary Placement Document and other filings required under the Companies Act;
- You will have no right to withdraw your Bid or revise your Bid downwards after the Bid/Issue Closing Date (as defined hereinafter);
- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible, as per any applicable law;
- The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations (as defined hereinafter) and you shall be solely responsible for compliance, if any with all other applicable provisions of the SEBI Takeover Regulations;
- Your aggregate equity shareholding in our Company, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation;
 - (i) Eligible QIBs “belonging to the same group” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIB; and

(ii) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue, are issued by the Stock Exchanges;
- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares will be obtained in time or at all. Neither our Company nor the BRLM nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;
- You are aware and understand that the BRLM has entered into a Placement Agreement with our Company whereby the BRLM has, subject to the satisfaction of certain conditions set out therein, undertaken to use their reasonable efforts to procure subscriptions for the Equity Shares on the terms and conditions set forth therein;
- You understand the contents of this Preliminary Placement Document are exclusively the responsibility of our Company and that neither the BRLM nor any person acting on its behalf or any of the counsel or advisors to the Issue has, or shall have, any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting a participation in this Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLM or our Company or any other person, and neither the BRLM nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the BRLM and its affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;
- You understand that the BRLM or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;
- You are able to purchase the Equity Shares in accordance with the restrictions described in "**Selling Restrictions**" on page 157 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "**Selling Restrictions**" on page 157;
- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "**Transfer Restrictions**" on page 162 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "**Transfer Restrictions**" on page 162;
- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws;

- You are outside the United States, and you are subscribing for the Equity Shares in an “offshore transaction” as defined in, and in compliance with, Regulation S, and are not our Company’s or the BRLM’s affiliate or a person acting on behalf of such an affiliate;
- You are not acquiring or subscribing for the Equity Shares as a result of any “directed selling efforts” (as defined in Regulation S);
- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Hyderabad, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;
- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;
- You agree to indemnify and hold our Company, the BRLM and its respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;
- You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;
- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;
- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and Rule 6 of the FEMA Rules;
- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the BRLM;
- You represent that you are not an affiliate of our Company or the BRLM or a person acting on behalf of such affiliate;
- Our Company, the BRLM, its respective affiliates, directors, officers, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the BRLM; and
- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including the affiliates of the BRLM, which is registered as a category I FPIs may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as “**P-Notes**”), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. An FPI will collect the regulatory fee of USD 1,000 or any other amount, as may be specified by SEBI from time to time, from every subscriber of offshore derivative instrument issued by it and deposit the same with SEBI by way of electronic transfer in the designated bank account of SEBI. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with ‘know your client’ requirements, as specified by SEBI and subject to payment of applicable regulatory fee and in compliance with such other conditions as may be specified from the SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis (“**Investment Restrictions**”). The SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the “**FPI Operational Guidelines**”), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of offshore derivative instruments and two or more subscribers of offshore derivative instruments having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these Investment Restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with Consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Affiliates of the BRLM which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLM do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLM and does not constitute any obligations of or claims on the BRLM.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosure as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the

issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

- (1) warrant, certify or endorse the correctness or completeness of any of the contents of this Preliminary Placement Document;
- (2) warrant that the Equity Shares to be issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or
- (3) take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company;

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares of our Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER CONVENTIONS

Certain Conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to ‘you’, ‘your’, ‘bidder(s)’, ‘offeree’, ‘purchaser’, ‘subscriber’, ‘recipient’, ‘investor(s)’, ‘prospective investor(s)’ and ‘potential investor(s)’ are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, and references to ‘our Company’, ‘Company’, ‘the Company’ and the ‘Issuer’, are to Som Distilleries and Breweries Limited on a standalone basis and references to ‘we’, ‘us’ or ‘the Group’ are to Som Distilleries and Breweries Limited together with its Subsidiaries on a consolidated basis, unless the context otherwise indicates or implies or unless otherwise specified.

Currency and units of presentation

In this Preliminary Placement Document, all references to ‘₹’, ‘INR’, ‘Rs.’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of Republic of India and ‘\$’, ‘USD’ and ‘Dollar’ are legal currency of United States of America and “Euro” or “€” are to the Euro, the official currency of the European Union. All references herein to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions. All references herein to “India” are to the Republic of India and its territories and possessions and all references herein to the ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, central or state, as applicable.

All the numbers in this Preliminary Placement Document have been presented in ₹ lakhs, unless stated otherwise. Financial statements in our Audited Financial Statements and Limited Reviewed Consolidated Unaudited Financial Results, are presented in ₹ Lakhs. In this Preliminary Placement Document, references to “Lakhs” or “Lacs” represents “100,000”, “million” represents “10 lakh” or “1,000,000”, “Crore” represents “10,000,000” or “10 million” or “100 lakhs”, and “billion” represents “1,000,000,000” or “1,000 million” or “100 Crore”.

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies between the totals and the sum of the amounts listed are due to rounding off adjustments. All figures in decimals have been rounded off to the second decimal.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company reports its financial statements in Indian Rupees.

Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Page numbers

Unless stated otherwise, all references to page numbers in this Preliminary Placement Document are to the page numbers of this Preliminary Placement Document.

Financial Data and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular ‘financial year’, ‘Fiscal Year’, ‘fiscal’ or ‘FY’ are to the twelve-month period ended on March 31 of that year and references to a particular ‘year’ are to the calendar year ending on December 31 of that year.

In this Preliminary Placement Document, we have included the following financial statements of our Company prepared in accordance with Indian Accounting Standard notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended read with Section 133 of the Companies Act (“**Ind AS**”): (i) the audited consolidated financial statements as of and for the Fiscal ended March 31, 2021 read along with the notes thereto (the “**Fiscal 2021 Audited Consolidated Financial Statements**”); (ii) the audited consolidated financial

statements for as of and for the Fiscal ended March 31, 2022 read along with the notes thereto (the “**Fiscal 2022 Audited Consolidated Financial Statements**”); and (iii) the audited consolidated financial statements as of and for the Fiscal ended March 31, 2023 read along with the notes thereto (the “**Fiscal 2023 Audited Consolidated Financial Statements**”, and collectively with Fiscal 2021 Audited Consolidated Financial Statements and Fiscal 2022 Audited Consolidated Financial Statements, the “**Audited Consolidated Financial Statements**”).

The Audited Consolidated Financial Statements should be read along with the respective audit reports should be read along with the respective review report. The Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2022 Audited Consolidated Financial Statements were audited by M/s. AKB Jain & Co., Chartered Accountants, our present Statutory Auditors whereas our previous statutory auditors, M/s. R. N. Gupta audited the Fiscal 2021 Audited Consolidated Financial Statements.

Our Company prepares its financial statements in accordance with Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. (“**U.S. GAAP**”) or International Financial Reporting Standards (“**IFRS**”) and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company’s financial data. Accordingly, the degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Also see, “*Risk Factor 50 –Significant differences exist between Ind AS, U.S. GAAP and IFRS, which may be material to investors’ assessments of our financial condition.*” on page 55.

For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 80. All numerical and financial information as set out and presented in this Preliminary Placement Document, except for the information in the section “*Industry Overview*”, for the sake of consistency and convenience have been rounded off or expressed in two decimal places in ₹ lakhs. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them and the sum or percentage change of such numbers may not conform exactly to the total figure given. The fiscal year of our Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise, all references to a particular ‘Financial Year’, ‘Fiscal Year’ or ‘Fiscal’ or ‘FY’ are to the twelve-months period ended on March 31 of that year.

Non-GAAP financial measures

Certain non-GAAP measures and certain other statistical information such as EBITDA, EBITDA Margins, ROE, Debt/Equity, Interest Coverage Ratio, ROCE, RONW, ROE, PAT Margins, etc. (together referred as “Non-GAAP Measures”) presented in this Preliminary Placement Document are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardized term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company’s operating performance or liquidity. Prospective investors should read this information in conjunction with the financial statements included in “*Financial Statements*” starting on page 187.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations, industry publications and analysts and on data from other external sources, and on our knowledge of markets in which we compete. The statistical information included in this Preliminary Placement Document relating to the various sectors in which we operate has been reproduced from various trade, industry and regulatory / government publications and websites, more particularly described in “*Industry Overview*” on page 95.

Unless stated otherwise, statistical information in relation to industry information used throughout this Preliminary Placement Document has been obtained or extracted from the updates thematic report titled “Indian Alcohol Beverage Industry” dated September 26, 2023 prepared and issued by ICRA Limited (the “**ICRA Report**”) which is a report commissioned by our Company for which our Company has got consent from ICRA Limited vide agreement dated September 26, 2023 in connection with the Issue.

The ICRA Report contains the following disclaimer:

“All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness so any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/ or opinions that may be inconsistent with the data, analyses and/ or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents”

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factor – We have commissioned an industry report for the disclosures made in the chapter titled “Industry Overview” and made disclosures on the basis of the data provided in the same and such data has not been independently verified by us*” on page 53.

Data from these sources may also not be comparable. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. Accordingly, investment decisions should not be based solely on such information.

Our Company takes responsibility for accurately reproducing such information but accepts no further responsibility in respect of such information and data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so our Company has relied on internally developed estimates. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by an independent source and neither our Company nor the Book Running Lead Manager can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute 'forward-looking statements. The prospective investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'goal', 'intend', 'may', 'will', 'plan', 'objective', 'potential', 'project', 'pursue', 'seek to', 'shall', 'should', 'will', 'would', 'will likely result', 'will continue', 'will pursue', 'will achieve', 'is likely' or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements and any other projections include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document regarding matters that are not historical facts. These forward-looking statements contained in this Preliminary Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- Dependence on the success of our relationships with our customers and any adverse developments or inability to enter into or maintain such relationships;
- Dependence on our manufacturing facilities and any unscheduled, unplanned or prolonged disruption of our manufacturing operations;
- Loss of one or more of our customers, which contribute a significant portion towards our revenue, the deterioration of their financial condition or prospects, or a reduction in their demand for our products;
- Significant indebtedness, and an inability to comply with repayment and other covenants in our financing agreements;
- Business and operational risks consequent to our operations, such as, the manufacture, usage and storage of various hazardous substances;
- Change in consumer's taste and preferences and our failure to adapt products to changing market trends and consumer tastes, preferences and spending habits;
- Our operations in a competitive environment and the uncertainty to be able to compete successfully with similar products or that of substitute, if any;
- Any adverse developments in the markets from where we derive significant portion of our revenues;
- Failure to raise additional funds in the future to support our growth strategies.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections “*Risk Factors*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Industry Overview*” and “*Business*” and on pages 37, 80, 95 and 107, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure prospective investors that such expectations will prove to be correct. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither our Company nor the BRLM nor any of their respective affiliates undertakes any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, changes in assumptions or changes in factors affecting these forward-looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public company with limited liability incorporated under the laws of India. All of our Directors and Senior Management named herein are residents of India and all of the assets of our Company and of such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Civil Procedure Code (as defined below), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the foreign judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards. The execution of a foreign decree under Section 44A of the Civil Procedure Code is also subject to the exception under Section 13 of the Civil Procedure Code as mentioned above.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such foreign judgement, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally, any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. Our Company and the BRLM cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchange. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US\$), for the periods indicated. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

	(₹ per US\$)			
	Period End ⁽¹⁾	Average ⁽²⁾	High ⁽³⁾	Low ⁽⁴⁾
Fiscal Ended:				
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
March 31, 2021	73.50	74.20	76.81	72.29
Months ended:				
June 30, 2023	82.04	82.33	82.64	81.88
May 31, 2023	82.68	82.34	82.80	81.74
April 30, 2023	81.78	82.02	82.39	81.65
March 31, 2023	82.22	82.29	82.68	81.74
February 28, 2023	82.68	82.61	82.91	81.85
January 31, 2023	81.74	81.90	82.91	81.22

Source: www.rbi.org.in and www.fbil.org.in, as applicable.

Period end, high, low and average rates are based on the FBIL reference rates and rounded off to two decimal places. The RBI reference rates are rounded off to two decimal places.

Notes:

1. The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;
2. Average of the official rate for each Working Day of the relevant period.
3. Maximum of the official rate for each Working Day of the relevant period.
4. Minimum of the official rate for each Working Day of the relevant period.

In case of holidays, the exchange rate on the last traded day of the month has been considered as the rate for the period end.

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations, agreement, document or policies shall include amendments thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the section “*Statement of Possible Special Tax Benefits*”, “*Industry Overview*”, “*Financial Statements*” and “*Legal Proceedings*” beginning on page 173, 95, 187 and 176, respectively, shall have the meaning given to such terms in such sections.

General and Company Related Terms

Term	Description
“Issuer”, “Som Distilleries and Breweries”, “Company”, “Our Company”, “the Company”	Unless the context otherwise indicates or implies, refers to Som Distilleries and Breweries Limited, a limited company incorporated under the Companies Act, 1956 having its registered office at 1A, Zee Plaza, Arjun Nagar, S.J. Enclave, Kamal Cinema Road, New Delhi – 110 029, India; and corporate office at 23, Zone-II, M.P. Nagar, Bhopal – 462 011, Madhya Pradesh, India
“we”, “us” or “our” or “Group”	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, namely Woodpecker Distilleries & Breweries Private Limited and Som Distilleries & Breweries Odisha Private Limited on a consolidated basis
Articles or Articles of Association	Articles of association of our Company, as amended from time to time.
Audit Committee	The audit committee of our Board of Directors
Audited Consolidated Financial Statements	Collectively Fiscal 2023 Audited Consolidated Financial Statements, Fiscal 2022 Audited Consolidated Financial Statements and Fiscal 2021 Audited Consolidated Financial Statements
Auditors / Statutory Auditors	Statutory auditors of our Company namely M/s. AKB Jain & Co., Chartered Accountants
Board of Directors / Board	The board of directors of our Company or any duly constituted committee thereof.
Chairman and Managing Director	Jagdish Kumar Arora
Chief Financial Officer	The chief financial officer of our Company, being Rajesh Kumar Dubey
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Om Prakash Singh
Director(s)	The director(s) of our Company presently on our Board.
Equity Share(s)	The equity shares of our Company of face value of ₹ 5 each.
Fiscal 2023 Audited Consolidated Financial Statements	The Ind AS audited consolidated financial statements as of and for the Financial Year ended March 31, 2023, comprising the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flow and the consolidated statement of changes in equity, for the year ended March 31, 2023, read along with the notes thereto
Fiscal 2022 Audited Consolidated Financial Statements	The Ind AS audited consolidated financial statements as of and for the Financial Year ended March 31, 2022, comprising the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flow and the consolidated statement of changes in equity, for the year ended March 31, 2022,

Term	Description
	read along with the notes thereto
Fiscal 2021 Audited Consolidated Financial Statements	The Ind AS audited consolidated financial statements as of and for the Financial Year ended March 31, 2021, comprising the consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flow and the consolidated statement of changes in equity, for the year ended March 31, 2021, read along with the notes thereto
Independent Director(s)	The Independent Director(s) of our Company as per section 2(47) of the Companies Act and Regulation 16(1)(b) of the SEBI Listing Regulations, being Satpal Kumar Arora, Deena Nath Singh, Uma Kant Samal, Nishi Arora, and Rajesh Kumar
Limited Unaudited Financial Results	Reviewed Consolidated Unaudited Consolidated Financial Results of our Company and subsidiaries for the three months period ended June 30, 2023 in accordance with Regulation 33 of SEBI Listing Regulations, including the notes thereto.
Memorandum of Association/ MoA	or of Memorandum of association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee constituted by our Board of Directors
Promoter(s)	Jagdish Kumar Arora, Ajay Kumar Arora, Sunita Arora, Natasha Arora, Sweena Arora, Deepak Arora, Surjeet Lal, Aalok Deep Finance Private Limited and Som Distilleries Private Limited
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered and Corporate Office	Registered office at 1A, Zee Plaza, Arjun Nagar, S.J. Enclave, Kamal Cinema Road, New Delhi – 110 029, India; and corporate office at 23, Zone-II, M.P. Nagar, Bhopal – 462 011, Madhya Pradesh, India
Registrar of Companies/RoC	of The Registrar of Companies, Delhi and Haryana at Delhi
Risk Management Committee	The risk management committee constituted by our Board of Directors
Senior Management	Senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in “ <i>Board of Directors and Senior Management Personnel</i> ” on page 122.
Shareholder(s)/ Equity Shareholder(s)	The holders of the Equity Shares of our Company, from time to time
Subsidiaries	Companies or body corporates constituting the subsidiaries of our Company as determined in terms of Section 2(87) of the Companies Act, in our case the subsidiaries of our Company namely: a) Woodpecker Distilleries & Breweries Private Limited b) Som Distilleries & Breweries Odisha Private Limited

Issue related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares by our Company, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms submitted by them, in consultation with the BRLM and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Unless, the context otherwise requires, allotment of Equity Shares to be issued pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued and Allotted pursuant to the Issue
Application Amount / Bid Amount	The aggregate amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and

Term	Description
Application Form	payable by the Eligible QIBs in the Issue on submission of the Application Form The form (including any revisions thereof) which will be submitted by an Eligible QIB for registering a Bid in the Issue during the Bid/ Issue Period
Bid(s)	An indicative format of such form is set forth in “Sample Application Form” beginning on page 191 Indication of an Eligible QIB’s interest, including all revisions and modifications of interest thereto, as provided in the Application Form, to subscribe for the Equity Shares, pursuant to the Issue. The term “Bidding” shall be construed accordingly
Bid/Issue Closing Date	October 10, 2023 the date after which our Company (or BRLM on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount
Bid/Issue Opening Date	October 5, 2023, the date on which our Company (or the BRLM on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Bid/Issue Period	Period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids including any revision and/or modifications thereof
Bidder(s)	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form.
Book Running Lead Manager/ BRLM	Elara Capital (India) Private Limited
CAN / Confirmation of Allocation Note	Note or advice or intimation to successful Bidders confirming Allocation of Equity Shares to such successful Bidders after determination of the Issue Price and shall include details of amount to be refunded, if any, to such Bidders
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about October 10, 2023
Designated Date	The date of credit of Equity Shares, pursuant to the Issue, to the Allottee’s demat account, as applicable to the respective Allottee
Eligible FPI(s)	Foreign portfolio investor, as defined under, the SEBI FPI Regulations and any other applicable law, that are eligible to participate in the Issue, other than individuals, corporate bodies and family offices
Eligible QIB(s)	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations which (i) is not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or (b) restricted from participating in the Issue under the applicable laws, and (ii) is a resident in India or is an eligible FPI participating through Schedule II of the FEMA Rules. However, FVCIs are not permitted to participate in the Issue.
Escrow Accounts	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened with the Escrow Agent, subject to the terms of the Escrow Agreement, into which the Bid Amount shall be deposited by Eligible QIBs and from which refunds, if any, shall be remitted to unsuccessful bidder, as set out in the Application Form.
Escrow Agent/ Escrow Bank	ICICI Bank Limited having its registered office at ICICI Bank Tower, near Chakli Circle, Old Padra Road Vadodara, Gujarat – 390 007 and for the purpose of the Escrow Agreement acting through its branch office at Capital Market Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vaccha Road, Backbay Reclamation, Church gate, Mumbai – 400 020, Maharashtra, India.
Escrow Agreement	Agreement dated September 27, 2023 entered into amongst our Company, the Escrow Agent and the BRLM for collection of the Application Amounts and for remitting refunds, if any, of the amounts collected, to the unsuccessful Bidders
Floor Price	The floor price of ₹349.24 per Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders of our Company accorded through their special resolution passed on September 27, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

Term	Description
Fraudulent Borrower	An entity or person categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations.
Issue	The offer, issue and allotment of [●] Equity Shares at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share, aggregating ₹ [●] lakhs to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of Companies Act and the rules made thereunder.
Issue Price	₹ [●] per Equity Share
Issue Size	The issue of up to [●] Equity Shares of face value of ₹ 5 per Equity Share, including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] lakhs.
Monitoring Agency	ICRA Limited having its registered office at B-710, Statesman House, 148, Barakhamba Road, New Delhi-110 001
Monitoring Agency Agreement	Agreement dated October 4, 2023 entered into between our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of proceeds in relation to the Issue
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Agreement dated October 4, 2023 entered into amongst our Company and the BRLM
Placement Document	The placement document to be issued by our Company in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act and rules made thereunder
Preliminary Placement Document	This preliminary placement document cum application form dated October 5, 2023 issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act and rules made thereunder
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and section 42 along with other applicable sections of the Companies Act, 2013, read with applicable provisions of the PAS Rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The letter from the Company to relevant Bidders intimating them of the Refund Amount, if any, to be refunded to their respective bank accounts
Relevant Date	October 5, 2023, which is the date of the meeting of the Fund Raising Committee of the Board, a committee duly authorised by our Board, deciding to open the Issue.
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be Allocated Equity Shares pursuant to the Issue
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulation
Working Day	Any day other than the second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India or a trading holiday of the Stock Exchanges, as applicable

Business and Industry Related Terms

Terms	Description
AIDA	All India Distilleries Association

AlcoBev	Alcoholic Beverages
B2B	Business to Business
bps	Basis points
CAGR	Compounded Annual Growth Rate
Case	12 bottles of 650 ml each totalling 7.8 liters
Covid-19	Coronavirus Disease 2019
F&B	Food and Beverage
FOB	Free On Board
GDP	Gross Domestic Product
GVA	Gross Value Added
ICRA	Investment Information and Credit Rating Agency of India Limited
IMF	International Monetary Fund
IMFL	Indian Made Foreign Liquor
INR	Indian Rupee (₹)
KL	Kilo Liters
OPM	Operating profit margins
RTD	Ready to Drink

Conventional and General Terms/Abbreviations

Terms	Description
₹ / Rs. / Re./ Rupees / INR	Indian Rupee
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India, as required under the Companies Act.
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate (as a %): $(\text{End Year Value}/\text{Base Year Value})^{(1/\text{No. of years between Base year and end year})} - 1$ (^ denotes 'raised to')
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act	Companies Act, 2013, as amended and the rules, regulations, circulars, modifications and clarifications thereunder, to the extent notified
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate social responsibility.
Depositories Act	The Depositories Act, 1996, as amended
Depository	NSDL and CDSL, depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018, as amended
Depository Participant	A depository participant as defined under the Depositories Act
DDT	Dividend distribution tax
DIN	Director Identification Number
EBIT	Earnings Before Interest and Tax
EGM	Extraordinary General Meeting
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization and impairment excluding other income
ESG	Environment, social and governance
EPS	Earnings per share
FBIL	Financial Benchmark India Private Limited
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, as amended and the Regulations

Terms	Description
	issued thereunder
FEMA Non-Debt Rules/ FEMA Rules	The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 and any notifications, circulars or clarifications issued thereunder
Finance Act	The Finance Act, 2023
Financial Year / Fiscal Year/ Fiscal/ FY	Unless otherwise stated, the period of 12 months commencing on April 1 of a year and ending on March 31 of the next year
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
FPI/ Foreign Portfolio Investor(s)	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FPI Operational Guidelines	SEBI circular dated November 5, 2019 which issued the operational guidelines for FPIs
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally accepted accounting principles
GBP	Great Britain Pound Sterling
GDP	Gross domestic product
GoI / Government	Government of India, unless otherwise specified
GST	Goods and services tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Ind AS	Indian accounting standards as notified by the MCA pursuant to Section 133 of the Companies Act read with the IAS Rules
Indian GAAP	Generally accepted accounting principles in India
Income Tax Act/IT Act	The Income tax Act, 1961
Lakh/Lac	Lakhs
MCA	Ministry of Corporate Affairs, GoI
Mn/ mn	Million
N.A./ NA	Not Applicable
NAV	Net Asset Value
NCLT	National Company Law Tribunal
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
Non-Resident Indian(s) / NRI	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, as amended.
NRO	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after tax / profit for the respective period / year
PBT	Profit before tax
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
S&P CNX NIFTY	Regional stock market index endorsed by Standard & Poor's which is composed of 50 of the largest and most liquid stocks found on the National Stock Exchange of India
SCRA	Securities Contracts (Regulation) Act, 1956

Terms	Description
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Stock Exchanges	Collectively, BSE and NSE
STT	Securities Transaction Tax
TDS	Tax deducted at source
USA or U.S. or United States	The United States of America, its territories and possessions, any State of the United States and the District of Columbia
U.S. GAAP	Generally accepted accounting principles in the United States of America
\$/ U.S.\$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Securities Act / Securities Act	The United States Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

SUMMARY OF BUSINESS

Our Company was incorporated as 'Som Distilleries and Breweries Limited' on March 26, 1993 as a public limited company under the Companies Act, 1956 with the Registrar of Companies, Delhi & Haryana at Delhi.

Our company is primarily engaged in production of beer and blending and bottling of Indian Made Foreign Liquor ("IMFL"). We offer a broad portfolio of products at different price points to cater to varied preferences of consumers. Our product portfolio consists of various options across beer, rum, brandy, vodka, and whisky categories.

Our flagships brands include Hunter, Black Fort, Power Cool and Woodpecker in the Beer segment and Milestone 100 whisky and White Fox vodka in the IMFL segment. Other IMFL brands of ours include Legend, Pentagon, Black Fort, Genius, Sunny, Gypsy and Blue Chip. 91% of our revenues comes from beer sales. Hunter and Woodpecker brands are supplied as draught beer to all major hotels in Madhya Pradesh and Karnataka. We launched 'Woodpecker' Wheat Beer, India's first filtered wheat beer in the year 2020.

Our manufacturing unit is located at Bhopal (Madhya Pradesh). As on March 31, 2023, our Bhopal plant has a total installed capacity of 152 lakhs cases of beer per annum and 6 lakhs cases per annum of IMFL (excluding our subsidiaries) which is sold to the domestic and international customers. Alongside, our 100% owned subsidiary companies, Woodpecker Distilleries & Breweries Private Limited ("WDBPL") and Som Distilleries & Breweries Odisha Private Limited ("SDBOPL") have their manufacturing facilities located at Hassan, Karnataka and Barpada, Odisha, respectively. WDBPL have a total installed capacity of 90 lakhs cases of beer per annum and 27 lakhs cases per annum of IMFL. Whereas SDBOPL has total installed capacity of 60 lakhs cases of beer per annum and 6 lakhs cases per annum of IMFL.

Our Company has a long-standing market presence and operating history of nearly three decades. Our Company operates its business through a pan-India network and has a presence across India covering major cities. Our market presence at important locations is critical for increasing of market share, increase in business, widening our customer base, enhancing our service standards and enhancing the reputation of our Company. Over the years, we have expanded our presence internationally. Our key international geographies are UAE, USA, Norway and Seychelles for beer and for IMFL we export mainly to UAE and West African nations.

Beer making is a batch process which involves the extraction and scarification of starches and their conversion into an alcoholic brew by fermentation process. The basic ingredients involved in beer manufacturing are Malt, Adjuncts such as maize flakes or rice flakes, sugar, hops either in form of pellets or extracts, yeast and potable water. The basic functions involved are as follows:

- Malt Screening and Cleaning
- Malt Milling
- Mashing & Loitering
- Boiling of Wort with Hops
- Wort Cooling
- Fermentation
- Laagering and Balancing of Beer
- Filtration, Carbonation and Bottling

The primary raw materials essential to manufacture our product are barley malt, rice flakes, sugar, hops and other chemicals, which are available from various vendors/suppliers. Raw materials are procured and stored based on production planning, inventory and dispatch schedules for optimum working capital utilisation. We purchase our raw materials from multiple suppliers on a purchase order basis. We do not have long term contracts for the supply of our raw materials and we procure required raw materials through purchase orders. We have long established relationships with a number of such suppliers, and such long established relationship ensure stable supply without dependency on a single source. On receipt of the raw materials from the suppliers, our quality control team tests the materials and only after such testing of the materials, the quality control department confirms whether the material is to be approved or rejected.

We have a qualified and professional management team with significant experience in all operational aspects of our business. We believe that the industry experience of our management team and their ability to deliver consistent sales growth are our significant strengths. Our management comprises of professionals who have the requisite qualifications and relevant industry experience. Mr. Jagdish Kumar Arora, our Promoter and Managing

Director has an experience of more than 40 years in this line of business. Mr. Jagdish Kumar Arora provides strategic leadership to our Company and is also closely involved in our operations.

SUMMARY OF THE ISSUE

The following is a general summary of the term of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including under the sections “*Risk Factors*”, “*Use of Proceeds*”, “*Placement and Lock Up*”, “*Issue Procedure*” and “*Description of the Equity Shares*” beginning on pages 37, 67, 154, 139 and 168, respectively.

Issuer	Som Distilleries and Breweries Limited
Face Value	₹ 5 per Equity Share
Issue Price	₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)
Floor Price	₹ 349.24 per Equity Share. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price.
Issue Size	Issue of [●] Equity Shares aggregating up to ₹ [●] lakhs
	<p>However, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders of our Company accorded through special resolution passed on September 27, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations</p> <p>A minimum of 10% of the Issue Size i.e. [●] Equity Shares shall be available for Allocation to Mutual Funds only, and balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds.</p> <p>In case of under-subscription or no subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs</p>
Date of Board Resolution approving the Issue	September 5, 2023
Date of Shareholders’ Resolution approving the Issue	September 27, 2023
Eligible Investors	<p>Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue.</p> <p>For further details, see “<i>Issue Procedure</i>”, “<i>Selling Restrictions</i>” and “<i>Transfer Restrictions</i>” on pages 139, 157 and 162, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered has been determined by our Company in consultation with the Book Running Lead Manager</p>
Dividend	Please see section “ <i>Description of the Equity Shares</i> ”, “ <i>Dividends</i> ” and “ <i>Statement of Possible Special Tax Benefits</i> ” on pages 168, 79 and 173, respectively of this Preliminary Placement Document
Issue procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, see “ <i>Issue Procedure</i> ” on page 139
Taxation	Please see section “ <i>Statement of Possible Special Tax Benefits</i> ” on page 173
Equity Shares issued and outstanding immediately prior to the Issue	7,75,10,525 Equity Shares of ₹5 each, being fully paid-up.
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares
Listing	Our Company has received in-principle approvals from the BSE and the NSE dated October 5, 2023 under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares to be issued pursuant to the Issue
Trading	The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges

	Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after Allotment of the Equity Shares in the Issue	
Lock-up	For details of the lock-up, see “ <i>Placement – Lock-up</i> ” on page 154	
Transferability Restrictions	Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. Please see section “ <i>Transfer Restrictions</i> ” and “ <i>Selling Restrictions</i> ” on pages 157 and 162, respectively, of this Preliminary Placement Document	
Use of Proceeds	The gross proceeds of the Issue will aggregate to approximately ₹[●] lakh. The net proceeds of the Issue, after deducting fees, commissions and expenses of the Issue, is expected to be approximately ₹[●] lakh. See “ <i>Use of Proceeds</i> ” on page 67 for information regarding the use of Net Proceeds from the Issue	
Risk Factors	Please see section “ <i>Risk Factors</i> ” on page 37 for a discussion of risks you should consider before investing in the Equity Shares	
Closing Date	The Allotment of the Equity Shares, expected to be made on or about October 10, 2023	
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank <i>pari passu</i> with the existing Equity Shares of our Company, including rights in respect of dividends. The Shareholders of our Company (who hold Equity Shares as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Bid/ Issue Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders’ meetings in accordance with the provisions of the Companies Act. Please see sections “ <i>Dividends</i> ” and “ <i>Description of the Equity Shares</i> ” on pages 79 and 168, respectively	
Security Codes/ Symbols for the Equity Shares	ISIN	INE480C01020
	BSE Code	507514
	NSE Symbol	SDBL

SELECTED FINANCIAL INFORMATION

The following tables set forth our selected financial information and should be read together with the more detailed information contained in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and the Audited Consolidated Financial Statements and Limited Reviewed Unaudited Consolidated Financial Statements included in “*Financial Statements*” on pages 80 and 187, respectively.

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Summary of Audited Consolidated Balance Sheet as at March 31, 2023, March 31, 2022 and March 31, 2021

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	39,069.68	40,522.79	41,346.51
(b) Capital work-in-progress	9,716.51	-	217.69
(c) Other Intangible Assets	38.51	61.87	79.92
(d) Intangible Assets under development	-	-	2.36
(e) Financial Assets			
(i) Investments	0.01	-	-
(ii) Loans	-	-	-
(iii) Other Financial Assets	1,507.62	1,541.14	1,610.66
(f) Other non-current assets	1,905.25	969.54	963.60
Total Non-Current Assets	52,237.58	43,095.34	44,220.74
(2) Current assets			
(a) Inventories	13,527.59	8,451.84	6,844.21
(b) Financial Assets			
(i) Trade receivables	14,214.80	11,579.40	13,149.72
(ii) Cash and cash equivalents	1,203.54	885.39	1,446.79
(iii) Other Bank Balances	60.14	63.44	-
(iv) Loans	-	143.90	147.15
(c) Current tax assets	253.88	181.62	550.71
(d) Other Current Assets	9,686.62	5,538.31	4,790.70
Total Current Assets	38,946.57	26,843.90	26,929.28
Total Assets	91,184.15	69,939.24	71,150.02
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	3,688.23	3,499.34	3,249.39
(b) Other Equity	33,848.71	25,457.93	24,931.20
Total Equity	37,536.94	28,957.27	28,180.59
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15,966.45	11,119.15	12,311.07
(ii) Other	4,778.29	473.91	346.16
(b) Deferred tax liabilities	1,125.41	106.89	681.11
(c) Provisions	31.45	24.43	-
Total Non-current Liabilities	21,901.60	11,724.38	13,338.34
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	8,253.04	8,612.69	8,509.87
(ii) Trade payables	11,021.55	6,933.05	8,930.47
(iii) Other financial liabilities	5,499.16	12,620.88	11,368.37
(b) Other current liabilities	6,883.32	1,013.60	698.44
(c) Provisions	88.54	77.37	123.95
Total Current Liabilities	31,745.61	29,257.59	29,631.1
Total Equity and Liabilities	91,184.15	69,939.24	71,150.02

* Certain items/figures of the previous financial year ended March 31, 2022 have been regrouped and/or reclassified wherever necessary in the Fiscal 2023

Audited Consolidated Financial Statements.

Summary of Audited Consolidated Statement of Profit and Loss for the fiscal years ended March 31, 2023, March 31, 2022 and March 31, 2021

(₹ in lakhs)

Particulars	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2021
Revenue from Operations	1,49,804.50	65,380.61	50,708.33
Other Income	133.19	269.73	257.53
Total Income	1,49,937.69	65,650.34	50,965.86
Expenses:			
(a) Cost of Materials consumed	50,325.62	21,194.47	16,418.19
(b) Purchase of Stock in Trade	-	394.98	-
(c) Change in Inventories of Finished Goods, Work-in-Progress, and Stock in Trade	(1,798.83)	(851.81)	128.69
(d) Excise duties	69,136.82	29,104.52	21,951.12
(e) Employee Remuneration & Benefits	2,676.55	2,169.85	1,678.80
(f) Finance costs	1,596.77	1,535.45	1,865.90
(g) Depreciation and amortization	1,701.09	1,677.77	1,336.86
(h) Other expenses	19,254.68	11,679.38	11,488.87
Total Expenses	1,42,892.70	66,904.61	54,868.63
Profit before tax	7,044.99	(1,254.27)	(3,902.77)
Tax expenses:	1,014.76		
(a) Current tax	659.34	-	-
(b) Mat credit entitlement	(659.34)		
(c) Previous year taxes		307.86	256.55
(d) Deferred tax	1,014.76	(578.12)	(352.03)
Profit/(Loss) for the year	6,030.23	(984.00)	(3,807.28)
Other Comprehensive Income (OCI)	10.67	11.02	
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement of defined benefit plans	14.42	14.92	(5.45)
Income Tax effect on above	(3.75)	(3.90)	1.68
Total Comprehensive Income for the year	6,040.90	(972.98)	(3,811.05)
Earning Per Equity Share:			
(1) Basic	8.47	(1.45)	(5.79)
(2) Diluted	8.40	(1.45)	(5.79)

* Certain items/figures of the previous financial year ended March 31, 2022 have been regrouped and/or reclassified wherever necessary in the Fiscal 2023

Audited Consolidated Financial Statements.

Summary of Audited Consolidated Cash Flow Statement for the fiscal years ended March 31, 2023, March 31, 2022 and March 31, 2021

(₹ in lakhs)

Particulars	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2021
Cash Flow from operating activities			
Profit before tax	7,044.98	(1,254.27)	(3,902.77)
Non-cash adjustment to reconcile profit before tax to net cash flows			
Depreciation on continuing operations	1,701.09	1,677.77	1,336.86
Interest Expense	1596.77	1,535.45	1,865.90
Profit on sale of Fixed Assets	-	(0.73)	-
Loss on sale of Fixed Assets	-	50.82	-
Operating profit before working capital changes	10,342.84	2,009.04	(700.02)
Movements in working capital:			
Decrease/(increase) in inventories	(5075.74)	(1,607.64)	3,547.77
Decrease/(increase) in trade receivables	(2635.41)	1,570.32	(145.44)
Decrease/(increase) in short-term loans	143.90	3.25	272.17
Decrease/(increase) in current tax assets (net)	(72.26)	369.09	(550.71)
Decrease/(increase) in other current assets	(4,329.53)	(747.61)	(478.96)
Increase/(decrease) in trade payables	4,088.51	(1,997.42)	248.01
Increase/(decrease) in other current financial liabilities	(6,937.18)	1263.69	1,692.76
Increase/(decrease) in other current liabilities	5,884.14	392.72	(1,329.46)
Increase/(decrease) in long term provisions	7.02	24.43	-
Increase/(decrease) in short term provisions	11.17	(46.58)	55.78
Cash generated from operations	1427.46	1232.99	2,611.91
Direct Taxes Paid (net of refunds)	-	(307.85)	(270.48)
Net cash flows used in / from operating activities (A)	1427.46	925.14	2,341.42
Cash flows from investing activities			
Purchase of fixed assets	(9941.13)	(680.49)	(1,603.36)
Proceeds from sale of fixed assets	-	14.46	-
Decrease/(increase) in investment	(0.01)	-	-
Decrease/(increase) in non current assets	(935.71)	(5.94)	-
Decrease/(increase) in long term financial assets	33.52	69.52	314.03
Net cash flows used in / from investing activities (B)	(10,843.33)	(602.45)	(1,289.33)
Cash flows from financing activities			
Borrowings (net)	4,487.65	(1,089.10)	(1,360.76)
Increase/(decrease) in other long term liabilities	4,304.37	127.75	237.16
Proceeds from right shares issue	-	1749.67	-
Proceeds from preferential equity issue	2,720.00	-	-
Decrease/(increase) in non current assets	-	-	1,080.54
Interest paid	(1,596.77)	(1535.45)	(1,865.90)
Dividend paid	(184.5:3)	(10.88)	9.43
Dividend distribution tax	-	(62.64)	100.19
Net cash flows used in/from financing activities (C)	9,730.72	(820.65)	(1,799.34)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	314.85	(497.95)	(747.25)

Particulars	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2021
Cash and cash equivalents at the beginning of the year	948.83	1,466.79	2,194.04
Cash and cash equivalents at the year end of year	1,263.68	948.83	1,446.79
Components of cash and cash equivalents			
Cash in hand	223.60	40.48	578.58
With Banks - in current account	180.64	237.02	205.13
With Banks - in deposit account	799.30	607.88	663.08
Other Bank Balances	60.14	63.45	-
Total Cash and cash equivalents	1,263.68	948.83	1,446.79

* Certain items/figures of the previous financial year ended March 31, 2022 have been regrouped and/or reclassified wherever necessary in the Fiscal 2023

Audited Consolidated Financial Statements.

Summary of Unaudited Consolidated Financial Results for the three months ended June 30, 2023 and June 30, 2022

(₹ in lakhs)

Particulars	For the three months ended June 30, 2023	For the three months ended June 30, 2022
Revenue from Operations	75,862.71	43,768.05
Other Income	160.25	178.72
Total Income	76,022.96	43,946.77
Expenses:		
(a) Cost of Materials consumed	24,532.93	12,973.27
(b) Purchase of Stock in Trade	-	-
(c) Change in Inventories of Finished Goods, Work-in-Progress, and Stock in Trade	163.19	1,473.66
(d) Excise duties	37,361.01	18,337.91
(e) Employee Remuneration & Benefits	818.36	584.91
(f) Finance costs	316.84	352.41
(g) Depreciation and amortization	426.60	424.14
(h) Other expenses	8,134.30	6,987.95
Total Expenses	71,753.23	41,134.25
Profit before tax	4,269.73	2,812.52
Tax expenses	903.11	246.71
Profit/(Loss) for the year	3,366.62	2,565.81
Other Comprehensive Income (OCI)		
Items that will not be reclassified to profit or loss in subsequent periods		
Re-measurement of defined benefit plans	-	-
Income Tax effect on above	-	-
Total Comprehensive Income for the year	3,366.62	2,565.81
Earning Per Equity Share:		
(1) Basic	4.44	3.67
(2) Diluted	4.44	3.67

RELATED PARTY TRANSACTIONS

For details of the related party transactions during: (i) Fiscal 2023; (ii) Fiscal 2022; and (iii) Fiscal 2021, as per the requirements in accordance with Indian Accounting Standard (“*Ind AS*”) notified under the Ind AS Rules read with Section 133 of the Companies Act, see “*Financial Information – Note 43 – Related Party Disclosures*”, “*Financial Information – Note 32 – Related Party Disclosures*” and “*Financial Information – Note 33 – Related Party Disclosures*” on pages F38, F66 and F94, respectively.

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the country, the industry and segments in which we currently operate. We have described the risks and uncertainties that our management believes are material but the risks set out in this Preliminary Placement Document may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in future. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company and Subsidiaries, prospective investors should read this section in conjunction with “Our Business”, “Industry Overview” and “Management’s Discussions and Analysis of Financial Condition and Results of Operations” on pages 107, 95 and 80, respectively, as well as the financial, statistical and other information contained in this Preliminary Placement Document. The Preliminary Placement Document also contains certain forward looking statements that also involve risks and uncertainties. Actual risks could differ materially from those anticipated in these forward looking statements as a result of certain factors, including considerations described below and in the section titled “Forward Looking Statements” on page 16. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Unless otherwise stated, references in this section to “our Company”, “we”, “us”, or “our” (including in the context of any financial or operational information) are to Som Distilleries and Breweries Limited and its Subsidiaries on a consolidated basis, and references to “the Issuer” are to Som Distilleries and Breweries Limited and its Subsidiaries on a consolidated basis.

Our fiscal year ends on March 31 of each year. Accordingly, references to “Fiscal”, are to the 12-month period ended March 31 of the relevant year. The financial information included in this section for Fiscal 2023, Fiscal 2022 and Fiscal 2021 has been extracted from our Audited Consolidated Financial Statements and financial information for the three months period ended June 30, 2023 has been extracted from Limited Reviewed Unaudited Consolidated Financial Statements, beginning on page 187.

Unless otherwise indicated, all financial, operational, industry and other related information derived from the industry Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, “Presentation of Financial Information and Other Conventions” on page 13.

Risks Relating to Our Business

INTERNAL RISK FACTORS

BUSINESS RELATED RISKS

- 1. We generate a significant proportion of our total sales volume from our operations in Madhya Pradesh, Odisha and Karnataka and any adverse developments affecting our operations in these states could adversely affect our business operations and financial performance.***

Our operations in Madhya Pradesh, Odisha and Karnataka contribute a significant share of our total revenue from operations (net of excise duty); i.e., approximately 87%, 88%, 75% and 72% of our total domestic revenue from operations (net of excise duty) in the three months period ended June 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively. The other states and agencies which contribute significantly to our revenue are Delhi, Uttar Pradesh, Jharkhand, Kerala and the Canteen Stores Department. The concentration of our operations and sales in the states of Madhya Pradesh, Odisha and Karnataka increases our exposure to economic, climatic, demographic and other challenges, which may adversely affect our business prospects, financial conditions and results of operations. Any adverse

development that affects the economic performance in these states could have a material adverse effect on our operations and financial performance.

2. Restriction and prohibition on manufacturing, distribution and sale of alcoholic beverages may affect our operations.

The manufacturing and distribution of beer is subject to regulation by government of each state of India and is subject to a complex and diverse tax structure. Our Company is subject to the compliance of regulations of each of the states in which it operates its manufacturing facilities, and these regulations may vary from one state to the other. Such regulations include licensing requirements, restrictions on and prescribed labelling of products, marketing set up and restrictions on advertising.

The Directive Principles of the Constitution of India provides that the Government of India should endeavour to implement the prohibition of the manufacture and sale of beer across the country. Currently, the manufacture, sale and consumption of beer is regulated by the Government of each State in India. Prohibition by a State Government in any of the states in which our Company operates would have a significant effect on the results of operations and on its ability to operate its business in such state.

3. Our Company and our Subsidiaries have incurred losses in the recent past due to COVID-19 and we may incur losses in the future.

Our Company and our Subsidiaries have incurred losses in the recent past, the details of which are provided below:

(₹ in lakhs)				
Name of the Company	Three months ended June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Som Distilleries & Breweries Limited (Consolidated)	3,366.62	6030.23	(984.00)	(3,807.28)
Som Distilleries & Breweries Limited (Standalone)	1,937.09	2703.71	(1,097.24)	(1,803.62)
Som Distilleries & Breweries Odisha Private Limited	-	268.40	(273.82)	(1,106.39)
Woodpecker Distilleries & Breweries Private Limited	-	3062.10	387.05	(897.29)

There can be no assurance that we will not incur losses in any future periods, or that there will not be an adverse effect on our reputation or business as a result of such losses. Such losses incurred by us may be perceived adversely by external parties such as customers, bankers, and suppliers, which could affect our reputation. For further details, refer to the chapter titled “Financial Statements” on page 187.

4. Our Company has reported negative cash flow in the past. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.

Our Company has reported negative net cash flow from investing and financing activities in the recent past, the details of which are provided below:

(₹ in lakhs)			
Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Net cash generated from Investing Activities	(10,843.33)	(602.45)*	(1,289.33)
Net cash flow from Financing Activities	9,730.72	(820.65)*	(1,799.34)

* Certain items/figures of the previous financial year ended March 31, 2022 have been regrouped and/or reclassified in the Fiscal 2023 Audited Consolidated Financial Statements.

For year ended March 31, 2023, negative cash flow from investing activities is mainly on account of purchase of fixed assets.

For year ended March 31, 2022, negative cash flow from investing activities is mainly on account of purchase of fixed assets and negative cash flow from financing activities is mainly on account of principal re- payments.

For year ended March 31, 2021, negative cash flow from investing activities is mainly on account of purchase of fixed assets and negative cash flow from financing activities is mainly on account of principal re- payments.

For further details, refer “*Consolidated Cash Flow Statement for the year ended March 31, 2023, 2022 and 2021*” in the chapter titled ‘*Financial Statements*’ on page 187.

5. *Our business is seasonal in nature and it will experience variations in quarterly results of operations which could have an adverse impact on its business.*

Our Company’s business is characterized by seasonal fluctuations in demand. Demand for beer, for example, is highest during the months of March to June, which results in peak sales during the last quarter of the fiscal and the first quarter of the subsequent new fiscal, and a build-up of inventory prior to that time. As a result, our Company plans its overall annual production levels based on predicted levels of demand for its products, which it derives from its own market assessments and sales targets from its distributors. Our Company may not be able to accurately predict annual and long-term demand in the future, and any errors in predicting future demand may have a material adverse effect on its business, prospects, results of operations and financial performance.

6. *Stringent food safety, consumer goods, health and safety laws and regulations may result in increased liabilities and increased capital expenditures.*

Our operations are subject to stringent health and safety laws as our products are for human consumption and are therefore subject to various industry specific regulations. We may also be subject to additional regulatory requirements due to changes in governmental policies. Further, we may also incur additional costs and liabilities related to compliance with these laws and regulations that are an inherent part of our business. We are subject to various central, state and local food safety, consumer goods, health and safety and other laws and regulations. These relate to various issues, including food safety, food ingredients, and food packaging requirements, and the investigation and remediation of contamination.

These laws and regulations are becoming increasingly stringent and may in the future create substantial compliance or remediation liabilities and costs. These laws may impose liability for non-compliance, regardless of fault. Other laws may require us to investigate and remediate contamination at our facilities and production processes. While we shall ensure compliance with applicable regulatory requirements, it is possible that such compliance may prove restrictive, costly and onerous and an inability to comply with such regulatory requirement may attract penalty.

7. *There are certain outstanding legal proceedings against the Company and its Subsidiaries which may adversely affect our business, financial condition and results of operations.*

As on the date of this Preliminary Placement Document, our Company is involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and/or severally from us and/or other parties, as the case may be. We cannot assure you that these legal proceedings will be decided in favour of our Company, as the case may be, or that no further liability will arise out of these proceedings. We may incur significant expenses in such legal proceedings and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations and financial condition.

A summary of the pending tax proceedings and other material litigations involving our Company and Subsidiaries are provided below:

a) Litigations involving our Company

i) Cases filed against our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Proceedings involving issues of moral turpitude or	1	5.00

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
criminal liability on the part of our Company		
Tax Proceedings	2	60.06
Proceedings involving material violations of statutory regulations by our Company	Nil	-
Economic offences	Nil	-
Material civil litigations	5	107.00

* To the extent quantifiable

ii) Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Proceedings involving issues criminal liability initiated by our Company	7	128.66
Tax Proceedings**	14	3664.26
Material civil litigations	4	35.16

* To the extent quantifiable

** Writ Petitions bearing Case nos. 922-932/2014 and 934-944/2014 are connected to a main case bearing no. WP 933/2014, which is included above.

b) Litigations involving our Subsidiaries

i) Cases filed against our Subsidiaries:

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Proceedings involving issues of moral turpitude or criminal liability on the part of our Subsidiaries	Nil	Nil
Tax Proceedings	Nil	Nil
Proceedings involving material violations of statutory regulations by our Subsidiaries	Nil	Nil
Economic offences	Nil	Nil
Material civil litigations	Nil	Nil

ii) Cases filed by our Subsidiaries:

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Proceedings involving issues criminal liability initiated by our Subsidiaries	Nil	Nil
Tax Proceedings	Nil	Nil
Material civil litigations	Nil	Nil

c) Litigations involving our Directors

i) Cases filed against our Directors:

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Proceedings involving issues of moral turpitude or criminal liability on the part of our Directors	Nil	Nil
Tax Proceedings	Nil	Nil
Proceedings involving material violations of statutory regulations by our Directors	Nil	Nil
Economic offences	Nil	Nil
Material civil litigations	Nil	Nil

ii) Cases filed by our Directors:

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Proceedings involving issues criminal liability initiated by our Directors	1	3,300.00*
Tax Proceedings	Nil	Nil
Material civil litigations	Nil	Nil

* To the extent quantifiable

For further details, please see the chapter titled “*Legal Proceedings*” beginning on page 176.

8. *Health concerns relating to consumption of alcoholic beverages may reduce the demand for our products.*

There is growing concern among consumers, public health professionals and government agencies about the health problems associated with alcohol consumption. Increasing public concern, additional governmental regulations concerning the marketing, labelling, packaging or sale of alcoholic beverages and negative publicity resulting from actual or threatened legal actions against us or other companies in our industry relating to the marketing, labelling or sale of alcoholic beverages may reduce demand for our beverages, which could adversely affect demand for our products and thereby our profitability.

9. *We are exposed to foreign currency exchange rate fluctuations, which may have an adverse effect on our results of operations and value of the Equity Shares.*

Our exposure to foreign currencies is unhedged due to which we are exposed to foreign currency fluctuation risks. As a result of such exposure, we may incur potential losses if foreign currencies fluctuate significantly. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations.

The exchange rate between the Indian Rupee and the USD and other foreign currencies has changed considerably in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the Indian Rupee and other currencies may affect the value of a non-resident investor’s investment in the Equity Shares.

A non-resident investor may not be able to convert Indian Rupee proceeds into USD or any other currency or the rate at which any such conversion may occur could fluctuate. In addition, our market valuation could be seriously harmed by the devaluation of the Rupee, if United States or other non-resident investors analyze our value based on the USD equivalent of our financial condition and results of operations.

For historical exchange rate fluctuations, see “*Presentation of Financial Information and other Conventions*” on page 13.

10. *Our use of imported ingredients and other raw materials and equipment exposes us to the risk of the imposition or increase of tariffs, duties and other levies.*

We import some of our ingredients and equipment. Further, some of our third-party suppliers may also import certain ingredients and raw materials. Our Company’s or our third parties’ imports may increase in the future. India generally imposes import quotas and tariffs which may increase in the future thereby increasing the costs of these commodities and negatively affecting our results.

In addition, Indian authorities may ban imports of certain items into India, as a result of health or other considerations. These and other measures that reduce the supply of imported ingredients or other items in India may cause prices for these items to increase. Consequently, cost of our products would increase. We may not be able to pass this increase in costs to our customers.

11. *We have certain contingent liabilities that may adversely affect our financial condition.*

As of March 31, 2023, contingent liabilities disclosed in the notes to our Audited Consolidated Financial Statements aggregated ₹ 6,215.38 lakhs. Our contingent liabilities that had not been provided for as on March 31, 2023, are set forth below:

Particulars	Amount
(₹ in lakhs)	
i) Claims against the Company not acknowledged as debts/disputed*:	
Commercial Tax Department	60.71
Income Tax Department	2,279.77
ii) Guarantees given by Bankers on behalf of the Company not provided for	1,738.90
iii) Corporate guarantee given to a bank on behalf of others	2,136.00

* The Company has reviewed its pending litigations and expects that the outcome of the proceedings will not have any material effect on its financial positions.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

12. Our failure to protect confidential information like our product recipes, formulations, pricing or launch information could adversely affect our competitive position.

We intend to keep the recipes and formulations of our products confidential. We also keep information in relation to our proposed pricing of any new product, any proposed variation in price or launch of any new product confidential. Any failure to protect such confidential information due to leakage of information may impact our competitive position in our product segment. The appointment letters issued to our employees who use our processes and recipes to manufacture our products, require that all information made known to them be kept strictly confidential. Though there have not been any attempts made till now to divulge our proprietary / trade secrets, the appointment letters may not effectively prevent disclosure of our proprietary information and may not provide any adequate remedy in the event of unauthorised disclosure of such information to our competitors. Consequently, such events may adversely affect our competitive position.

13. Our lenders have charge over our assets in respect of loans that have been availed by us.

We have provided security in respect of loans / facilities availed by us from banks and financial institutions by creating a charge over our immovable property. The total amounts outstanding and payable by us as secured loans were ₹ 10,463.96 lakhs as on June 30, 2023. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our assets may be subject to forfeiture by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations.

For further details of secured loans of our Company, please refer the chapter titled “Financial Statements” on page 187.

14. An inability to manage our growth effectively could adversely affect our business and future financial performance.

We have experienced significant growth over the last few years as we have expanded our operations across India. However, our ability to grow our business will depend on various factors, many of which are beyond our control. These factors include, but are not limited to customer loyalty to our existing and future products; evolving consumer preferences and our ability to adapt our business and operations; recruiting and training qualified personnel; further strengthening our flagship products in new markets; competition in our markets; availability of financing at suitable terms and conditions; and sourcing and managing the cost of our expansion and identifying suitable supply and delivery resources.

In order to effectively manage our growth, we will need to further strengthen our operating systems, procedures and internal controls systems, and a failure to do so on a timely basis, or any weakness in our internal controls, may result in inconsistent or flawed operating procedures. The development of future business may also be affected by external factors, including general political and economic conditions in India and our international markets, government policies or strategies, particularly with respect to excise duty and sales tax applicable to our products and operations, as well as prevailing interest rates and currency exchange rates. Moreover, our ability to sustain our growth depends on our ability to attract and

retain key management personnel, maintain effective risk management policies and address adverse market or business developments.

If we are unable to achieve our business strategy of organic and inorganic growth and if our existing and future management resources, operational and financial systems, and operating procedures and control measures are not adequate to support the growth in our future operations, it may adversely affect our business prospects and future financial performance.

15. *If we are unable to raise additional capital, our business prospects could be adversely affected.*

We intend to fund our growth and expansion plans through our cash on hand and cash flow from operations. We will continue to incur significant expenditure in maintaining and growing our existing infrastructure and production capacity. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash on hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, if we are unable to arrange adequate financing on timely basis, it could adversely affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and regulatory framework that allows us to raise capital. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

16. *Consumer's taste and preference may change and they may not prefer our products in the future which may adversely affect demand for our products. Further, an inability to maintain our competitive position in India and in our other markets, and failure to adapt our product offerings to changing market trends and consumer tastes, preferences and spending habits could cause our sales to decline and may adversely affect our business, prospects and future financial performance.*

We operate in the highly competitive alcoholic beverages and IMFL products segments and rely on the continued demand for our beverages in India. We compete with global, regional and local brands of alcoholic beverages. If the number of competitors or level of marketing or investments undertaken by such competitors were to increase, it may result in a reduction in the consumption of our products and may reduce our market share, or we may be required to incur increased marketing and distribution related expenses in order to remain competitive. In addition, the success of our business depends on consumer behaviour and preferences and their affinity and loyalty to our beverages and brands, and there can be no assurance of market acceptance and consumer preference for new beverages or that there will be an increase in market share of the products. Our future growth and success will depend significantly on our ability to anticipate changes in market trends and consumer tastes and preferences, and then to identify, source and bring to the market in a timely manner wine products that satisfy the preferences of a broad range of consumers. In the event of a significant change in consumer preferences or in the event of an inability on our part to anticipate or react to such changes, it could result in reduced demand for our beverages and erosion of our competitive position and goodwill and could adversely affect our business, prospects, results of operations and financial condition.

In addition, we compete with aggressive marketing and promotional activities by other global, regional or local alcoholic beverage producers on price and promotional discounts announced from time to time. Other global and regional beverage producers in our markets typically match the pricing of our products. However, if the competition alters their pricing model, and we are unable to change our product prices in response to such competitive measures, our results of operations and profitability may be materially and adversely affected.

17. *Information relating to the manufacturing capacities of our production facilities included in this Preliminary Placement Document are based on various assumptions and estimates. Underutilization of capacity of our manufacturing facilities may adversely affect our business, results of operations and financial condition.*

The information relating to the utilisation capacities of our manufacturing facilities included in this Preliminary Placement Document are based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to potential facility capacity, facility operating shifts, and potential operational efficiencies. Capacity additions to our production facilities have been made on an incremental basis, including through expansion of our production facilities, improving material handling and other operational efficiencies in the production process and addition of equipment or production lines from time to time. Actual production levels and future capacity utilization rates may vary significantly from the estimated manufacturing capacities of our manufacturing facilities and historical capacity utilization rates. In addition, capacity utilization is calculated differently in different countries, industries and for the different kinds of products we manufacture.

In relation to our manufacturing capacity, assumptions have been made in the calculation of the estimated annual installed capacities of our production facilities included in Preliminary Placement Document. Undue reliance should therefore not be placed on the manufacturing capacity information for our existing manufacturing facilities and any additional capacity information proposed or the historical capacity utilization rate information included in this Preliminary Placement Document.

18. *Any significant interruption in production at our facilities or any break-down of our machinery could have a material adverse effect on our business, results of operations and financial condition.*

Our manufacturing facilities are subject to the normal risks of industrial production, including equipment breakdowns, labour stoppages, natural disasters, directives from government agencies, water shortages and power interruptions. All of the production facilities require a significant amount and continuous supply of electricity and water and any shortage or non-availability of electricity and water may adversely affect our operations. The production process of our products, as well as the storage of certain raw materials and finished product at particular temperatures requires uninterrupted electricity. We currently use ground water at our Bhopal plant and for the plant at Hassan, the water is sourced from the local municipality, while we also have a backup water source in the form of tubewells. Similarly for the Odisha plant, we depend on the ground water as well as the water supply from the municipality. We also depend on state electricity supply for our energy requirements. Although we have diesel generators to meet exigencies at our facilities, our operations at our facilities may be adversely affected during power failures. Any failure on our part to obtain alternate sources of electricity or water, in a timely fashion, and at an acceptable cost, may have an adverse effect on our business, results of operations and financial condition.

Further, our manufacturing facility is heavily dependent on our plant and machinery. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to procure the necessary spare parts in a timely manner in case of breakdown of machinery or if we are unable to carry out the necessary repair of the malfunctioning machinery promptly, our manufacturing operations may be hampered which could have an adverse impact on our results of operations and financial condition.

19. *We do not own the warehouses in Delhi and Uttar Pradesh which are currently used by us. There can be no assurances that the lease agreement will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms. Further, we make significant capital improvements to our leased premises, the cost of which we may be unable to recover.*

Our warehouse is located on leased premises. The lease agreements may be terminated in accordance with their respective terms, and any termination or non-renewal of such leases could adversely affect our operations. There can be no assurance that we will be able to retain or renew such leases on same or similar terms, or that we will find alternate locations for the existing warehouse on terms favourable to us, or at all. Failure to identify suitable premises for relocation of existing property, if required, or in relation to new or proposed properties we may purchase, in time or at all, may have an adverse effect on our production and supply chain, the pace of our projected growth as well as our business and results of operations.

We periodically make significant, fixed capital improvements to our facilities. We may also invest in additional power supply infrastructure at our locations or other significant, fixed capital improvements, but any such investments generally become the property of the landlord after the expiration of the lease/license. The cost of such capital improvements has gone up in recent times. As such, we may be unable to

recover investments we make in upgrading our locations at the termination of a lease/ license, such as investments in power supply infrastructure.

- 20. *Our funding requirements and proposed deployment of the proceeds from this Issue are based on management estimates. We may not be able to utilise the proceeds from this Issue in the manner set out in this Preliminary Placement Document in a timely manner.***

We intend to use the Net Proceeds for the purposes described in “*Use of Proceeds*” on page 67. As on the date of this Preliminary Placement Document, our funding requirements are based on management estimates and have not been appraised by any bank or financial institution. Our funding requirements and the deployment of the proceeds from this Issue are based on our current business plan and strategy. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these funding requirements. Though, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations, we may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our business, financial condition, results of operations and prospects. Accordingly, prospective investors in the Issue will need to rely upon our management’s judgment with respect to the use of the Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business, financial condition and results of operations.

- 21. *Our insurance coverage may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.***

We are adequately insured against all losses and risks involving property and third party liability. For our operations, we have obtained insurance cover for standard fire and special perils, cash in transit, group personal accidental companies. Notwithstanding the insurance coverage that we carry, we may not be fully insured against some business risks and the occurrence of an event that causes losses in excess of limits specified under the relevant policy, or losses arising from events not covered by insurance policies, could adversely affect our business, results of operations and financial condition. If we are subject to litigation or claims or our operations are interrupted for a sustained period, the insurance policies may not be found to be adequate to cover the losses that may be incurred as a result of such interruption. If we suffer large uninsured losses or if any insured losses suffered by us significantly exceed our insurance coverage or our insurance claim is rejected, it may adversely affect our business, results of operations and financial condition.

- 22. *Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at any of our manufacturing facilities may adversely affect our production schedules, costs, sales and ability to meet customer demand.***

Our business operations are subject to hazards such as risk of equipment failure, work accidents, fire or explosion and require individuals to work under potentially dangerous circumstances or with flammable materials. Although we employ safety procedures in the operation of our facilities and maintain what we believe to be adequate insurance, there is a risk that an accident or death may occur in one of our facilities. An accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative impact on our business, financial condition, results of operations, cash flows and prospects.

In particular, if operations at our manufacturing facility were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we

may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects.

- 23. *We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.***

In order to maintain operational efficiencies, we appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations. We determine the number of contract labourers required depending on the requirement of our business from time to time. Although we do not engage these labourers directly, in the event of default by any independent contractor, we may be held responsible for any wage payments that must be made to such labourers. If we are required to pay the wages of the contracted employees, our results of operations and financial condition could be adversely affected. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, we need to update the licenses obtained by us regularly and failure to do so can attract penalties under the said Act. As on date of this Preliminary Placement Document, certain agreements with the labour contractors have been expired and the same are in process of renewal. Delay in renewals, if any, of such agreements or licenses could lead to penalties under the Contract Labour (Regulation and Abolition) Act, 1970 and rules made thereunder.

- 24. *Interruptions in the transportation of raw materials or delivery of finished products, and poor handling of materials or products in transit could interrupt our business, cause us losses, damage our reputation, and adversely affect our results of operations and financial condition.***

We take delivery of many of our raw materials requirements at respective production facilities and typically the transportation and delivery of raw materials are undertaken by third party contractors. We may also face disruptions in the delivery of our products for various reasons beyond our control, including poor handling by distributors of our products, transportation bottlenecks, natural disasters and labour issues, breakdown of equipment, accidents, fire, loss of water or power supply, terrorism, political instability, military conflict, pandemic, strikes, the financial and/or operational instability of key suppliers, distributors, warehouses and transportation providers or brokers, or other reasons, which could impair our ability to sell our products, and lead to delayed or lost deliveries. Any supply disruptions could exert pressure on our costs, and we cannot assure you that all or part of any increase costs can be passed along to our consumers in a timely manner or at all, which could negatively affect our business, results of operations, future cash flows and financial condition. There has been substantial increase in prices of various raw materials and logistics costs due to current inflationary trends. However, there is no assurance that we may not experience significant increases in the prices of our raw materials in the future. To the extent that we are unable to effectively manage such events if they occur, or cannot financially mitigate the likelihood or potential impact of such events, there could be a material adverse effect on our business and results of operations.

- 25. *Our Company may incur penalties or liabilities for non-compliances with certain provisions of the SEBI (LODR) Regulations, Companies Act and any other applicable laws in prior years.***

The Equity Shares of our Company are listed on BSE and NSE, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations. There have been instances in the past wherein, our Company has failed to comply with the requirements of the SEBI Listing Regulations in a timely manner. For further details, refer chapter titled “*Legal Proceedings*” on page 176.

Although, our Company endeavours to comply with all such obligations/reporting requirements, there may be non-disclosures/delayed/erroneous disclosures and/or any other violations that might be committed by us, and the same may result into Stock Exchanges and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and Rules and Regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

26. *Certain Promoters, Promoter Group and Directors hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.*

As on June 30, 2023 our Promoters and Promoter Group hold 34.47% of the Equity Share Capital and are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. Our Promoters may exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may not be able to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders.

Further, as on June 30, 2023, our Promoter Director, Mr. Jagdish Kumar Arora holds 1,51,15,309 equity shares, Mr. Nakul Sethi, Executive Director holds 53,857 Equity Shares and Mr. Satpal Kumar Arora, Independent Director holds 17,125 Equity Shares which together constitutes 19.64% of the total shareholding of the Company, and are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company.

For further details, see “*Capital Structure*” and “*Financial Statements*” on pages 75 and 187, respectively.

27. *We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.*

We have in the past entered into transactions with some of our Promoters, relatives of our Promoters, Directors, and enterprises over which our Directors have a significant influence. While all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, financial condition, and cash flows. In the event any conflict of interest arises between us, or to the extent that competing products offered by any of our related parties erode our market share, we may not be able to effectively manage any such conflict or competitive pressures and, consequently, our business, results of operation and financial condition may be adversely affected. For further information on related party transaction, see page F38, F66 and F94 in the chapter titled “*Financial Statements*”.

28. *Our Company has obtained, unsecured loans from Other Parties including one of the Promoter which may be recalled at any time. Any recall of the unsecured loans obtained by our Company may have an adverse effect on our business, prospects, financial condition and results of operations.*

Our Company has obtained unsecured loans, some or all of which may be recalled on demand. As on June 30, 2023, our Company has outstanding unsecured loans of ₹ 7,222.08 lakhs of which ₹ 778.71 lakhs have been availed from one of the promoters. If the unsecured loans obtained by our Company are recalled at any time, the financial condition of our Company may be adversely affected.

29. *An interruption in the supply or significant increase in the price of raw materials or packaging materials may adversely affect our business, prospects, results of operations and financial condition.*

Our inability to maintain efficient inventory management and stock of raw materials at optimum levels may affect our operations. The availability and price of raw materials as well as the availability and price of packaging materials in particular of aluminium, glass, plastic closures, crowns and labels, may also impact our operations. The price of such raw materials and packaging materials may be affected by changes in global supply and demand, weather conditions, governmental policies, exchange rates and other macroeconomic factors. A prolonged interruption in the supply of raw materials or packaging materials may require us to identify alternative suppliers, which may require us to pay significantly higher prices for such raw materials and packaging materials. In the event of a significant increase in the price of such raw materials and packaging materials, it will increase our cost of production and other operating costs and decrease our profitability in the event we are unable to pass on such price increases to the dealers, and ultimately the consumers, by increasing the price of our beverages.

Our largest consumption of raw materials and packing material is of glass bottles. We also purchase packaging materials such as CC boxes, labels from various local / regional suppliers. We typically do not enter into long term supply contracts with any of the raw material and packaging material suppliers, but typically place orders in advance of our anticipated requirements at agreed prices. In the absence of long term supply contracts, we are susceptible to a sudden and significant increase in prices of raw materials and packaging materials. In addition, we are susceptible to the risk that one or more of our existing raw material or packaging materials suppliers may discontinue supplies to us, and unless we are able to enter into alternative arrangements in a timely manner on terms favourable to us, our business operations and financial performance may be materially and adversely affected. Certain of our critical raw materials such as malt, barley, rice and sugar may also be subject to seasonal fluctuations in price.

30. *Any real or perceived contamination or deterioration of our beverages could result in reduced sales legal liability, damage our reputation and adversely affect our business prospects and financial performance.*

The actual or alleged contamination or deterioration of our beverages could result in legal liability, damage our reputation and adversely affect our business prospects and consequently our financial performance. We are subject to various regulations relating to legal liability, including in particular relating to safety of our products. We sell products for human consumption, which involves risks such as product contamination or spoilage, product tampering and other adulteration of our products. Although we conduct various tests before procurement of our raw materials, there can be no assurance that such testing and verification on quality of the raw material checks conducted by us will be accurate at all times. The risk of contamination or deterioration exists at each stage of the production cycle, including during the production and delivery of raw materials, the bottling, storage and delivery to our customers and the storage and shelving of our products by distributors and customers until final consumption by consumers. We follow stringent quality control processes and quality standards but there can be no assurance that our products will not be contaminated or suffer deterioration. If any of our products are found to have been contaminated or to have deteriorated, we could be required to recall large quantities of our beverages, and we could incur criminal or civil liability for any adverse medical condition or other damage resulting from consumption of such products.

Furthermore, the mere allegations that our products contain or has contained any contaminants could damage our reputation and have a material adverse effect on our business, regardless of whether these reports have any factual basis, especially in the current scenario where social media posts/blogs/tweets can be posted without any fact-checking.

Although we have not experienced any significant product liability claims in the past, there can be no assurance that our customers, or unrelated third parties, will not bring claims against us in the future that may result in adverse publicity. In case of any such product liability claims, there can also be no assurance that any product liability insurance will be sufficient to indemnify us against such liabilities. Any such product liability claim or contamination incident may adversely affect business prospects, results of operations and financial condition.

31. *Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements.

Although we declared an interim dividend for FY 2022-23 at the rate of 5% i.e., ₹ 0.25 per share on equity shares having face value of ₹ 5 per share, the Company may decide to retain all future earnings, if any, for use in the operations and expansion of the business. In such situation, the Company may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot state with any certainty whether we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

32. ***Our inability to expand or effectively manage our sales force, retailers and coverage of the width of distribution for our products or any disruptions in our supply or distribution infrastructure may have an adverse effect on our business, results of operations and financial condition.***

Our sales are dependent upon the growth of our brands and increased market coverage which shall be done by covering more of the retailer points through our sales force. We are dependent upon our sales force for the coverage of the width of distribution of our products across the different states. The width of distribution is important as there are specific points of sale of our products and they are a defined universe.

We are also dependent upon the various state governmental agencies for stocking our products at their designated warehouses. Our ability to influence retailers also depends upon timely settlement of schemes and other market incentives. Any delay in the scheme settlement shall result in lower stocking of our products at the point of sale.

We are dependent upon the supply of new bottles for beer from domestic as well as international suppliers. Any adverse event or development can lead to an irregular supply of our finished products in our key markets.

33. ***We are dependent on third-party suppliers in respect of availability of our raw materials. Any interruption in the supply of such raw material and its price volatility could adversely affect our business, results of operations and financial condition.***

Our principal raw materials for making the alcoholic beverages are malted barley, rice flakes, sugar and hops. Further we use the packing materials used by us are our proprietary glass bottles and CC boxes.

Raw materials are subject to supply disruptions and price volatility caused by various factors, including commodity market fluctuations, the quality and availability of supply, currency fluctuations, consumer demand and changes in government policies. In addition, while competition for procuring raw material may result in an increase in raw material prices, our ability to pass on such increases in overall operational costs may be limited. Furthermore, any increase in the cost of raw materials which results in an increase in prices of our products, may reduce demand for our products and thereby affect our margins and profitability. Supply interruptions or delays may lead to delays in production and higher raw material costs. The cost of materials consumed was 68.70 %, 62.38 %, 58.80% and 57.09% of our total revenue from operations (net of excise duty) for the three months period ended June 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively. Generally, we do not execute agreements with any of the suppliers for long-term supplies of raw materials. Although we procure our raw materials from several suppliers to ensure consistent availability, there can be no assurance that we will be able to do so in the future. We are exposed to the risk of delay in supplies of raw materials as well as price escalations and supplier defaults. We also face political risk in case of diplomatic dispute and break down of trade channel with the countries from where we import our raw material.

If our suppliers are unable to supply us with adequate quantities of raw materials at commercially reasonable prices, or if we are unable to procure raw materials from other sources on commercially acceptable term, our business and results of operations could be adversely affected. In certain circumstances, our suppliers may choose to supply the raw materials to our competitors instead of us. Any increase in raw material prices will result in corresponding increases in our raw material costs. In addition, because of the time lag between purchase of the raw material and the sale of the Company's end-products, the Company is often unable to pass through any increase in costs to its customers.

All of these factors could have a material adverse effect on the Company's business, prospects, results of operations and financial condition.

34. ***Any loss of business or potential adverse publicity resulting from spurious or imitation beverages, may lead to loss of sales and adversely affect our business, prospects, results of operations and financial condition.***

We are exposed to the risk that entities in India and elsewhere could pass off their products as our products, including spurious or imitation products, inspite of our Company having registered its brands/trademarks. For example, cloned products or products imitating our brands and packaging material selling spurious beverages may adversely affect sale of our products, resulting in a decrease in market

share resulting from a decrease in demand for our products. Such imitation or spurious products may not only result in loss of sales but also adversely affect the reputation of our Company and the beverages we produce and sell and consequently our future sales and results of operations. The proliferation of spurious, cloned and imitation beverages and the time and resources in taking action against such spurious products, defending claims and complaints regarding such non-genuine products, could result in lower sales, and adversely affect our results of operations and may have material and adverse effect on our reputation, business, prospects, results of operations and financial condition.

35. *Any inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of others could have a material adverse effect on us.*

As on June 30, 2023 we have 58 trademarks, including our key brands Hunter, Black Fort, Woodpecker and Power Cool. Presently 8 trademarks are objected, and rectification has been filed for 2 trademarks. We have also applied for registration of other trademarks, which remain pending at various stages of the registration process. Further certain trademarks are registered under the name of Som Distilleries Limited and Som Distilleries Private Limited. Till date there has been no conflict with respect to the proprietorship of such trademarks but in event of any such conflict, we may have to pay a certain amount to the proprietors for usage of such trademarks. We may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted.

We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name, packaging material and attempting to create counterfeit products. There may be other companies or vendors which operate in the unorganized segment using our trade name or brand names. Any such activities could harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance and the market price of the Equity Shares. The measures we take to protect our intellectual property include relying on Indian laws and initiating legal proceedings, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our reputation, business, financial condition, cash flows and results of operations.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our brand names. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease usage of certain brand names. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. Any of the foregoing could have an adverse effect on our reputation, business, financial condition, cash flows and results of operations.

36. *We are dependent on a number of key personnel, including our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.*

We are highly dependent on our directors, senior management and other key personnel for setting our strategic business direction and managing our business. We currently do not have any non-compete agreements with our directors, senior management or other key personnel and have not obtained any key man insurance with respect to such individuals. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Due to the current limited pool of skilled personnel, competition for senior management, commercial and finance professionals in our industry is intense.

In the event of the loss of services of our directors, senior management or other key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on the Company's financial results and business prospects.

- 37. *Any downgrading of our credit rating by a domestic or international credit rating agency may increase interest rates for our future borrowings, which would increase our cost of borrowings, and adversely affect our ability to borrow on a competitive basis.***

Our Company's debt borrowings have improved to BBB+ (Stable)/A3+ by ICRA vide their rating rationale dated August 9, 2023. Our credit rating reflects, amongst other things, the rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Our inability to obtain such credit rating in a timely manner or any non-availability of credit ratings, or poor ratings may increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business and results of operations. In addition, non-availability of credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

Any future downgrade of our credit ratings may increase interest rates of for refinancing our borrowings, which would increase our cost of borrowings, and may have an adverse effect on our future issuances of debt and our ability to borrow on a competitive basis. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of repayment of certain of our borrowings. If any of these risks materialise, it could have a material adverse effect on our business, results of operations and financial condition.

- 38. *Our Company has applied for change in name and awaits the approval from RoC and the Stock Exchanges.***

Our Company passed a resolution to change the name of the Company from "Som Distilleries and Breweries Limited" to "Som Distilleries Breweries & Wineries Limited" for better representation in the market, at its board meeting held on November 18, 2022. The same was approved by the Shareholders at their meeting held on December 27, 2022. Our Company made necessary filings and intimations with the RoC and the Stock Exchanges. While the RoC has approved the name change but we still await approval for the change in name from the Stock Exchanges. The Stock Exchanges may reject our application or intimate defects in the application, due to which we may have to refile the application.

- 39. *We are subject to extensive licensing regime with changing laws, rules and regulations and our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations could materially and adversely affect our business, prospects, results of operations and financial condition.***

The alcoholic beverages segment is subject to extensive government regulation and in respect of our existing operations we are required to obtain and maintain various statutory and regulatory permits, certificates and approvals including approvals under the Food Safety and Standards Act, 2006, Water (Prevention and Control of Pollution) Act, 1974, environmental approvals, factories licenses, labour related and tax related approvals. Unfavourable changes in such laws or policies or the promulgation of new laws, rule and regulations applicable to our industry, could adversely affect our business and financial performance. There can be no assurance that the relevant authorities will issue or renew any expired permits or approvals in time or at all. Failure or delay in obtaining approvals or failure by us to obtain, maintain or renew the required permits or approvals within applicable time, may result in interruption of our operations. Furthermore, under such circumstances, the relevant authorities may initiate penal action against us, restrain our operations, impose fines/penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all.

Although we endeavour to obtain and maintain relevant regulatory approvals applicable to our operations, such approvals are subject to various conditions and in the event of an inability to comply with such conditions, the relevant regulatory authorities may suspend or revoke such approvals. In addition, the regulations governing our operations may be amended and impose more onerous obligations on us which may result in increased costs, be subject to penalties, or suffer disruption in our activities, any of which could adversely affect our business.

Our operations are subject to stringent health and safety laws as our products are for human consumption and are therefore subject to various industry specific regulations. In spite of having being in compliance with applicable food safety, and other applicable laws and regulations, we may be subject to additional

regulatory requirements due to changes in governmental policies. Further we may also incur additional costs and liabilities related to compliance with these laws and regulations that are an inherent part of our business. We are subject to various central, state and local food safety, consumer goods, health and safety and other laws and regulations. These relate to various issues, including food safety, food ingredients, and food packaging requirements, and the investigation and remediation of contamination.

These laws and regulations governing the food and beverage industry are increasingly becoming stringent and may in the future create substantial compliance or remediation liabilities and costs. Other laws may require us to investigate and remediate contamination at our facilities and production processes. While we endeavour to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures, and an inability to comply with such regulatory requirements may attract penalty.

We engage various contractors at our processing plants. We cannot assure you that the contractors operating our processing plants will be able to obtain and maintain relevant approvals for continuous operations of such facilities. Failure of the contractors to maintain requisite government approvals may lead to a disruption at our production facilities and consequently in the production and supply of our products and may adversely affect our results of operations. Certain material consents, licenses, registrations, permissions and approvals that are required to be obtained by our Company for undertaking its business have elapsed in their normal course and our Company has either made an application to the relevant Central or State government authorities for renewal of such licenses, consents, registrations, permissions and approvals or is in the process of making such applications.

40. *Some of our agreements in relation to our property are under stamped or inadequately stamped and if any financial or judicial implication arises out of the same it may have an effect on the Company's financial position and reputation.*

Some of agreements in relation to our property are under stamped. An inadequately stamped or unregistered document is inadmissible as evidence before any judicial forum. It may be further noted that such inadequately stamped document is capable of being impounded upon presentation before any governmental or judicial authority and an applicable penalty may be imposed as per the applicable laws. If any financial or judicial implication arises out of the same it may have an effect on our Company's financial position and reputation.

41. *Failure to comply with environmental laws and regulations could lead to unforeseen environmental litigation which could impact our business and our future net earnings.*

We are subject to various international, national, state, municipal and local laws and regulations concerning environmental protection in India, including laws addressing the discharge of pollutants into the air and water, the management and disposal of any hazardous substances, and wastes and the clean-up of contaminated sites. Environmental laws and regulations and their enforcement in India and our international licensed territories are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be pre-empted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment and emissions management. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, and revocation of operating permits or shutdown of our facilities.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated and may adversely affect our business, results of operations or financial condition. In the event our products are found to be non-compliant, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws. In the event we are found to be non-compliant, the potential exposure could include fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. Further, liability under some environmental laws relating to contamination of sites can be imposed retroactively. The amount and timing of costs under environmental laws are difficult to predict.

- 42. *We have commissioned an industry report for the disclosures made in the chapter titled “Industry Overview” and made disclosures on the basis of the data provided in the same and such data has not been independently verified by us.***

We have commissioned a thematic report titled “*Indian Alcohol Beverage Industry*” issued by ICRA Limited for the disclosures which need to be made in the chapter titled “*Industry Overview*” on page 95. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Preliminary Placement Document. Further, the industry data mentioned in this Preliminary Placement Document or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Preliminary Placement Document in this context.

EXTERNAL RISK FACTORS

- 43. *Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors’ reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders’ equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products or services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

- 44. *A slowdown in economic growth in India could cause our business to suffer.***

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

- 45. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.***

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. There can be no assurance that the government may not implement new regulations and policies which will require us to obtain approvals and licenses from the government and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations or cash flows. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

46. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.*

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

These could include further falls in Stock Exchange indices and greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets. There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

47. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

48. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

49. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

50. *Significant differences exist between Ind AS, U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.*

The Limited Reviewed Consolidated Unaudited Financial Results included in this Preliminary Placement Document have been prepared in accordance with Ind AS. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by

persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

51. *Investors may have difficulty enforcing foreign judgements against our Company, our Directors or our management.*

Our Company is incorporated under the laws of India. All of our Company's Directors and key management personnel are residents of India and our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India.

52. *Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.*

There could be a downgrade of India's sovereign debt rating due to various factors, including changes in tax or fiscal policy, or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India, which may cause fluctuations in the prices of our Equity Shares. This could have an adverse effect on our business and financial performance, and ability to obtain financing for expenditures.

RISKS RELATING TO THE EQUITY SHARES

53. *Applicants to this Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date.*

Under the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw or revise their Bids downwards after the Bid/Issue Closing Date. The Allotment of Equity Shares in the Issue and the credit of Equity Shares to the applicant's demat account with its depository participant could take approximately seven days to 10 Working Days from the Bid/Issue Closing Date. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events or material adverse changes in our business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of Allotment of Equity Shares in the Issue. The occurrence of any such event after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants will not have the right to withdraw their Bids in the event of any such

occurrence without the prior approval of SEBI. We may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

54. *Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units, if any, may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

55. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as STT is paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Further, the Government of India announced the Union Budget for Fiscal 2023 ("**Budget 2023**"), pursuant to which the Finance Bill 2023 has proposed various amendments. The Finance Bill 2023 has received assent from the President of India on March 30, 2023 and has been enacted as the Finance Act 2023. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company's business, financial condition, results of operations and cash flows.

56. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.*

Under the Companies Act, 2013, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting rights on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. Our

decision to file a registration statement will depend on the costs and potential liabilities associated with any such registration as well as the perceived benefits of enabling holders in such jurisdiction to exercise their pre-emptive rights and any other factors we consider appropriate at such time. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available to you by Indian law. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in our Company may be reduced.

57. *Listed companies in India are highly regulated and we are subject to continuous reporting requirements.*

We are subject to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we incur significant legal, accounting, corporate governance and other expenses. We are subject to the SEBI Listing Regulations which requires us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a listed company, we are required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. We are also required to monitor trading in the Equity Shares in terms of the SEBI Insider Trading Regulations. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention are required. As a result, our management's attention may be diverted from our business concerns, which may affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

58. *The trading price of the Equity Shares may be subject to volatility and you may not be able to sell the Equity Shares at or above the Issue Price.*

The Issue Price shall be determined by us in consultation with the BRLM, based on the Bids received, in compliance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with rules made thereunder. It may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to the Issue.

The trading price of the Equity Shares may fluctuate due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors and the perception in the market about investments in the construction equipment sector, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments.

For example, conditions in the Indian securities markets may cause the trading price of the Equity Shares to fluctuate. The Indian securities markets are generally smaller and more volatile than securities markets in developed economies. In the past, the Indian stock exchanges have experienced high volatility and other problems that have affected the market price and liquidity of the listed securities, including temporary exchange closures, broker defaults, settlement delays and strikes by brokers. Excessive volatility may, in turn, trigger the imposition of circuit breakers. See "*There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell the Equity Shares or the price at which Equity Shares can be sold at a particular point in time.*" below. A closure of, or trading stoppage on, either of BSE and NSE could adversely affect the trading price of the Equity Shares.

In addition, if the stock markets in general experience a loss of investor confidence, the trading price of the Equity Shares could decline for reasons unrelated to our business, financial condition or operating results.

The trading price of the Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Additionally, in recent years, there have been changes in laws and regulations regulating the taxation of dividend income, which have impacted the Indian equity capital markets. See “*Dividends*” on page 79. Any of these factors could adversely affect the market price and liquidity of the Equity Shares.

- 59. *There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder’s ability to sell the Equity Shares or the price at which Equity Shares can be sold at a particular point in time.***

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on the Stock Exchanges. The percentage limit on the Equity Shares’ circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform us of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares.

- 60. *Our Equity Shares are quoted in Indian rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of Indian rupee proceeds into foreign currency.***

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees and subsequently may need to be converted into the relevant foreign currency for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. Any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders. The volatility of the Indian rupee against other currencies may subject investors who convert funds into Indian rupees to purchase our Equity Shares to currency fluctuation risks.

- 61. *Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

A company based in India may issue equity instruments to a person resident outside India subject to entry routes, sectoral caps and attendant conditions prescribed in the FEMA Rules. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required.

Further, in accordance with the Consolidated FDI Policy dated October 15, 2020, Government of India, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government’s

approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

62. *The right of the Equity Shareholders to receive payments under the Equity Shares will be subject to tax and other liabilities upon insolvency of the Company.*

The Equity Shares will be subordinated to other liabilities preferred by law, such as claims of the Government of India on account of taxes and certain liabilities incurred in the ordinary course of the Company's business (including workmen's dues, such as salary, holiday remuneration, amounts due under the Employees' State Insurance Act, 1948, compensation in relation to death or disability of employees, money payable to the provident fund, gratuity fund, etc.). In the event that bankruptcy or insolvency proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy or insolvency are instituted by or against the Company, the payment of sums or dividends to the Equity Shares may be substantially reduced or delayed, or the shareholding in the Company may be significantly diluted or otherwise completely extinguished.

63. *An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of the allotment of the Equity Shares.*

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment of the Equity Shares in this Issue, eligible QIBs subscribing for each of the Equity Shares may only sell their Equity Shares on NSE or BSE and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

64. *There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.*

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and
- Significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document 7,75,10,525 Equity Shares have been issued, subscribed and paid up. The face value of the Equity Shares is ₹ 5 per Equity Share. The Equity Shares have been listed on BSE and on NSE.

On October 5, 2023, the closing price of the Equity Shares on BSE and NSE was ₹381.55 and ₹381.40 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

1. The following tables set out the reported high, low and average of the closing prices of the Equity Shares on NSE and BSE and number of Equity Shares traded on the days on which such high and low prices were recorded and the total trading turnover for Fiscals 2023, 2022 and 2021.

NSE

Fiscal	High (₹)	Date of High	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on date of high (₹ in lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ in lakhs)	Average price for the year (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in lakhs)
Fiscal 2023	155.50	March 31, 2023	24,71,018	3,707.70	53.90	May 12, 2022	1,72,489	94.82	100.98	11,57,50,931	1,30,060.15
Fiscal 2022	67.90	March 28, 2022	21,38,711	1390.46	27.45	April 19, 2021	2,34,986	65.42	42.55	7,88,52,481	36,264.29
Fiscal 2021	86.70	June 24, 2020	44,781	37.55	22.50	November 02, 2020	1,18,601	27.59	47.83	4,86,81,446	19,343.69

(Source: www.nseindia.com)

Note:

1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.
2. In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.
3. In the case of a year, average price for the year represents the average of the closing prices on each day of each year

BSE

Fiscal	High (₹)	Date of High	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on date of high (₹ in lakh)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ in lakh)	Average price for the year (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in lakh)
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Fiscal 2023	155.00	March 31, 2023	3,45,994	517.14	53.85	May 12, 2022	1,12,334	61.76	100.99	2,11,88,647	22,817.47
Fiscal 2022	68.00	March 28, 2022	3,07,430	198.94	27.40	April 19, 2021	46,760	12.96	42.56	1,11,45,649	5,129.19
Fiscal 2021	86.95	June 24, 2020	9,703	8.06	22.80	November 03, 2020	16143	3.80	47.91	74,09,800	3,151.46
						November 02, 2020	16847	3.95			

(Source: www.bseindia.com)

Note:

1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.
2. In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.
3. In the case of a year, average price for the year represents the average of the closing prices on each day of each year

2. The following tables set out the reported high and low closing prices of our Equity Shares recorded on NSE and BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the volume of Equity Shares traded in each of the last six months:

NSE

Fiscal	High (₹)	Date of High	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on date of high (₹ in lakh)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ in lakh)	Average price for the year (₹)	Total Volume of Equity Shares traded in the Fiscals (number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in lakh)
August, 2023	365	01-Aug-23	15,29,520	5,242.56	292.2	10-Aug-23	11,68,707	3,569.89	321.00	96,75,587	31354.5026
July, 2023	343.5	25-Jul-23	3,82,897	1,272.56	264.25	03-Jul-23	6,78,072	1,841.29	311.87	1,26,85,367	39,247.81
June, 2023	276.05	07-Jun-23	5,86,192	1,576.99	222.5	01-Jun-23	5,69,391	1,288.57	251.63	1,20,12,873	30,463.28
May, 2023	236.2	31-May-23	4,04,256	938.42	169.2	02-May-23	11,26,187	1,948.11	193.90	1,48,12,087	29,026.57
April, 2023	177.9	28-Apr-23	8,79,822	1,497.35	143	10-Apr-23	14,65,432	2,187.91	162.51	1,96,29,982	31,881.00
March, 2023	155.5	31-Mar-23	24,71,018	3,707.70	114.6	01-Mar-23	1,54,718	181.83	134.34	1,34,12,846	18,664.34

(Source: www.nseindia.com)

Note:

1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.
2. In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.
3. In the case of a month, average price for the month represents the average of the closing prices on each day of each month.

BSE

Fiscal	High (₹)	Date of High	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on date of high (₹ in lakh)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ in lakh)	Average price for the month (₹)	Total Volume of Equity Shares traded in the Month (number)	Total Turnover of Equity Shares traded in the Month (₹ in lakhs)
August, 2023	360.50	01-Aug-23	1,06,705	365.83	293.15	10-Aug-23	68,851	210.12	321.07	9,88,913	3,202.82
July, 2023	342.50	25-Jul-23	67,789	225.26	264.55	03-Jul-23	1,36,640	370.39	311.89	16,17,123	5,000.13
June, 2023	275.90	07-Jun-23	1,31,965	354.15	222.65	01-Jun-23	59,407	135.08	251.72	21,78,750	5,540.76
May, 2023	236.00	31-May-23	73,524	170.54	170.00	03-May-23	72,154	124.54	193.84	22,18,222	4,396.42
April, 2023	178.00	28-Apr-23	1,26,119	214.35	143.10	10-Apr-23	1,05,519	158.19	162.49	19,83,092	3,218.08
March, 2023	155.00	31-Mar-23	3,45,994	517.14	114.60	01-Mar-23	33,173	39.03	134.31	20,46,170	2,844.13

(Source: www.bseindia.com)

Note:

1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.
2. In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.
3. In the case of a month, average price for the month represents the average of the closing prices on each day of each month.

3. The following table sets forth the market price on the Stock Exchanges on September 6, 2023, the first Working Day following the approval of our Board for the Issue:

NSE						BSE					
Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in lakhs) (₹)	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in lakhs) (₹)
334.20	339.70	322.25	326.70	2,63,044	868.53	334.95	339.00	322.25	326.25	44,903	148.27

(Source: www.nseindia.com and www.bseindia.com)

USE OF PROCEEDS

The gross proceeds from this Issue shall be approximately ₹[●] lakhs. The net proceeds from this Issue, after deducting fees, commissions and expenses relating to this Issue, will be approximately ₹[●] lakhs (“**Net Proceeds**”).

Purpose of the Issue

Our Company proposes to utilize the Net Proceeds towards:

1. Funding the capital expenditure for the purchase of plant and machinery of our Company and its Subsidiaries or to acquire manufacturing assets.
2. Entering into manufacturing agreements for existing and new brands in other states.;
3. Repayment/ prepayment, in full or part, of certain outstanding borrowings availed by our Company;
4. Funding working capital requirements of our Company;
5. General corporate purposes.

(Collectively referred to “**Objects**”).

Requirements of Funds

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

<i>(in ₹ lakhs)</i>		
Sr. No	Particulars	Amount
1.	Funding the capital expenditure for the purchase of plant and machinery of our Company and its Subsidiaries or to acquire manufacturing assets	10,000.00
2.	Entering into manufacturing agreements for existing and new brands in other states.	2,000.00
3.	Funding working capital requirements of our Company	4,500.00
4.	Repayment / prepayment, in full or part, of certain outstanding borrowings availed by our Company	2,500.00
5.	General Corporate Purposes*	[●]
Total Net Proceeds		[●]

** To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Our main objects clause and objects incidental or ancillary to the attainment of the main objects clause of our Memorandum of Association enables us to undertake the objects contemplated by us in this Issue.

The Net Proceeds are proposed to be deployed towards the purpose set out above and are not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose (i) the break-up of cost of the project (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, under the SEBI ICDR Regulations is not applicable.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with RoC, and the final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

Proposed schedule of Implementation and Utilisation of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

<i>(in ₹ lakhs)</i>			
Particulars	Amount to be funded from the Net Proceeds	Estimated deployment of the Net Proceeds during Fiscal 2024	Estimated deployment of the Net Proceeds during Fiscal 2025
Funding the capital expenditure for the	10,000.00	5,000.00	5,000.00

Particulars	Amount to be funded from the Net Proceeds	Estimated deployment of the Net Proceeds during Fiscal 2024	Estimated deployment of the Net Proceeds during Fiscal 2025
purchase of plant and machinery of our Company and its Subsidiaries or to acquire manufacturing assets			
Entering into manufacturing agreements for existing and new brands in other states.	2,000.00	1,000.00	1,000.00
Repayment / prepayment, in full or part, of certain outstanding borrowings availed by our Company	2,500.00	2,500.00	-
Funding working capital requirements of our Company	4,500.00	3,000.00	1,500.00
General corporate purposes*	[●]	[●]	[●]
Total Net Proceeds	[●]	[●]	[●]

* To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Our fund requirements and deployment of the Net Proceeds are based on the internal management estimates as per our business plan based on current market conditions. Such fund requirements and deployment of funds have not been appraised by any bank or financial institution or any other independent agency. Given the nature of our business, we may have to revise our funding requirements and intended deployment schedule on account of a variety of factors such as our financial condition, business strategy, delay in procuring and operationalizing assets or necessary licenses and approvals, and external factors such as market conditions, competitive environment, price fluctuations and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. This may entail rescheduling the planned expenditure, implementation schedule. Subject to applicable law, if the actual utilisation towards the objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws. For details, see “*Risk Factor– “Our funding requirements and proposed deployment of the proceeds from this Issue are based on management estimates. We may not be able to utilise the proceeds from this Issue in the manner set out in this Preliminary Placement Document in a timely manner”*” on page 45.

Our Company proposes to deploy the entire Net Proceeds towards the Objects stated above. If the Net Proceeds are not utilized (in full or in part) for the Objects for the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. Further, our Company may also utilise any portion of or the entire the Net Proceeds, towards the aforementioned Objects, ahead of the estimated schedule of deployment specified above.

Details of use of Proceeds

A. Funding the capital expenditure for the purchase of plant and machinery of our Company and its Subsidiaries or to acquire manufacturing assets.

As a part of our strategy to expand our capacity and offerings in existing product verticals and expansion of addressable market through development of new products, we intend to increase our beer capacities across key identified states. For further details, please see “*Our Business – Our Strategies*” on page 110.

One of the key strategies being explored is the acquisition of new assets or set up a greenfield project which is capital intensive. This approach aims to enhance our presence in existing markets, penetrate new ones, and capitalize on opportunities to solidify our position in the industry while the second alternative could be ;

Accordingly, we intend to utilize ₹5,000.00 lakhs and ₹5,000.00 lakhs of the Net Proceeds in Fiscal 2024 and 2025, respectively towards funding the capital expenditure for the purchase of plant and machinery of our Company and its Subsidiaries or to acquire manufacturing assets.

We are evaluating acquisition opportunities in Telangana, Rajasthan, Maharashtra and Tamil Nadu. We will finalise either one of these acquisitions in the first phase. The outlay for the acquisition would be in the region of Rs. 125 crores -150 Crores. We expect that the capacity of the acquired asset would be in the region of 5 lakh cases per month. We also need to spend additional money towards the upgradation of the acquired asset.

For the greenfield project we have received quotation from Praj Industries Ltd for an estimated amount of Rs. 201 Crores for the Plant & Machinery for the brewery project to be set up in the State of Uttar Pradesh. Besides this we would also need to spend money on the civil work and the land. Any amount in excess required by the company for the greenfield project or the acquisition of the assets shall be met through by internal accruals or by bank finance.

Our Company expects to benefit from such investment, as we believe our expansion plans and strategy will allow us to meet the anticipated increase in the demand for our products in the future, enable us to supply to the growing markets more efficiently and drive profitability

The per capita beer consumption in India is still very low compared to other countries in the Asia Pacific, Europe and America and therefore the market could witness huge growth in the coming years. This would be led by factors such as the shift from hard liquor to beer consumption by consumers in India, increase in disposable income, young consumers and change in societal perspective.

Acquiring new assets allows us to rapidly enter new markets, reach a wider customer base, and diversify our revenue streams. This expansion will position us for sustained growth in both established and emerging markets. Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws. In accordance with the SEBI Listing Regulations, our Company shall disclose the utilization of funds raised through this Issue in its annual report every year until such funds are fully utilized.

B. Entering into manufacturing agreements for existing and new brands in other States.

In the alco-beverages business, the key is to make the stock available locally within the State because each State has powers of making laws for manufacturing, transport, storage of finished goods as per their convenience under the applicable laws. Every State imposes import tax on liquor/beer from another State and levy the duty export tax while despatching the goods from one State to another State. This Import and Export tax comes to around 5-6% of the EBIDITA; thus, creating additional cost on our products and reducing our profitability.

We are in negotiation with breweries in Rajasthan and other States which are existing breweries where we will invest capital as a security deposit, packaging and manufacturing equipment, raw-materials, packaging materials and get our brands as well as new brands manufactured. Therefore, we intend to invest in the equipment, materials and Government excise duties and tax payments and the same will be deposited in advance. Our Company proposes to utilise ₹1,00.00 lakhs each for the Fiscal 2024 and Fiscal 2025 towards entering into manufacturing agreements for existing and new brands in other States. Subsequent to the abovementioned arrangements, we will have partial control on the production and quality of the products as well as it will help us to increase our profitability.

C. Funding working capital requirements of our Company

Our Company proposes to utilise ₹4,500.00 lakhs towards funding its working capital requirements in the ordinary course of business. We have significant working capital requirements and in the ordinary course of business we fund our working capital needs through internal accruals and availing financing facilities from various banks and financial institutions. As on August 31, 2023, our Company had a total sanctioned limit of working capital facilities of ₹ 6900.00 lakhs including fund based and non-fund based sub-limits and have utilised ₹3,936 lakhs. Our Company requires additional working capital for the following reasons to support its incremental business requirements, funding future growth opportunities and for other strategic and corporate purposes

- a) **Upfront Excise Duty Payment:** As we increase our footprint across states we will be required to pay excise duty upfront, it means we must allocate a portion of our capital to cover these tax obligations before our products are ready for sale or distribution. Upfront excise duty payments can have a substantial impact on the cash flow. It ties up funds that could otherwise be used for operational expenses, such as purchasing raw materials, maintaining equipment, paying employees, and marketing efforts.
- b) **Inventory Management:** We would like to maintain significant inventories to meet demand especially in the peak season.
- c) **Market Competitiveness:** In a competitive market, having sufficient working capital will allow us to respond to market demands more effectively. It can help with product development, promotional activities, and maintaining product quality and consistency—all of which can boost sales.

Basis of estimation of working capital requirement

The details of Company's working capital and the source of funding, on the basis of the Audited Financial Statements for the financial year ended March 31, 2023, of our Company and estimated the working capital requirements of our Company for Fiscal 2024, Fiscal 2025 and Fiscal 2026 are provided in the table below:

₹ in Lakhs

Sr. No.	Particulars	Fiscal 2023 (Actual)	Holding Level (In Days)	Fiscal 2024 (Estimated)	Holding Level (In Days)	Fiscal 2025 (Estimated)	Holding Level (In Days)
I.	Current Assets						
1.	Inventories						
a)	Raw Material	7705	53	7236	34	8269	34
b)	Work in Progress	1506	8	3553	14	4159	14
c)	Finished goods	4316	24	6414	25	7626	25
2.	Trade Receivables	14215	34	24072	39	28269	40
3.	Cash and Cash Equivalents	1264	0	1043	0	1180	0
4.	Other Current Assets	9941	0	12679	0	16976	0
	Total (A)	38947	0	54997	0	66479	0
II.	Current Liabilities						
1.	Trade Payables	11021	76	10640	50	12319	50
2.	Short Term provisions	2237		6372		6367	
3.	Other Current Liabilities	12471		11974		11914	
	Total (B)	25729		28986		30600	
III.	Total Working Capital (A-B)	13218		26011		35879	
	Funding Pattern	7202	0	10283	0	21257	0
	Internal Accruals/Short Term Borrowings	6016	0	11000	0	12200	0
	Working Capital from Banks	6016	0	11000	0	12200	0
	Preferential issue	0	0	1728	0	922	0
	QIP			3000		1500	

On the basis of existing working capital requirement of our Company, the historical holding levels and the assumptions for our estimated working capital requirements, an independent Chartered Accountant has verified our projected working capital requirements for Fiscal 2024 and 2025 as ₹ 26,011.00 lakhs and ₹35879.00 lakhs respectively. Accordingly, our Company proposes to utilize ₹3,000lakhs and ₹1,500.00. lakhs of the Net Proceeds in Fiscal 2024 and 2025, respectively, towards our estimated working capital requirements. The balance portion of our working capital requirement, if any, shall be met from internal accruals and short term borrowings.

D. Repayment/ prepayment, in full or part, of certain outstanding borrowings availed by our Company

Our Company has entered into various financial arrangements from time to time, with banks and financial institutions. The loan facilities availed by our Company include borrowing in the form of long-term borrowings and short-term borrowings. As of August 31, 2023, we had total outstanding borrowings of ₹ 18086.26 lakhs comprising of non-current borrowings of ₹ 15405.77 lakhs and current borrowings (including current maturities of long-term borrowings) of ₹ 2680.48 lakhs. Our Company proposes to utilise an estimated amount of ₹2,500.00 lakhs from the Net Proceeds towards full or partial repayment or pre-payment of certain unsecured borrowings availed by our Company.

The selection of borrowings proposed to be repaid/pre-paid amongst our borrowing arrangements availed is based on various factors including (i) cost of borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil or obtain waiver for such requirements, and (iii) other commercial considerations including, among others, the amount of the loans outstanding and the remaining tenor of the loan. However, the aggregate amount to be utilised from the Net Proceeds towards repayment or prepayment of borrowings in part or full, would not exceed ₹2,500.00 lakhs.

We believe that such repayment and/or pre-payment will help reduce our outstanding indebtedness on a consolidated basis, debt servicing costs improve our debt to equity ratio and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The following table provides the details of unsecured borrowings availed by our Company as of August 31, 2023, which we have identified to repay or prepay, in full or in part, from the Net Proceeds:

S. No	Name of the Lender/ Trustee	Purpose	Amount disbursed (₹ in lakhs)	Principal amount outstanding as on August 31, 2023 (₹ in lakhs)*	Repayment Date / Schedule/
1.	Maidstone Traders Private Limited	Working Capital	800.00	800.00	Repayable on demand
2.	Norwich Traders Private Limited	Working Capital	1,000.00	1,000.00	Repayable on demand
3.	Mandori Traders Private Limited	Working Capital	900.00	900.00	Repayable on demand
	Total		2,700.00	2,700.00	

*As certified by our Statutory Auditors vide their certificate dated October 5, 2023.

For the purposes of the Issue, our Company has obtained relevant consents and notified the relevant lender, as required under the facility documentation for undertaking the Issue.

E. General Corporate Purposes

Our Company proposes to deploy the balance Gross Proceeds, aggregating to ₹[●] lakhs, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with applicable laws. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, funding growth opportunities, business development initiatives, meeting expenses incurred in the ordinary course of business and towards any exigencies or any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Monitoring Utilization of Funds from the Issue

The Company has appointed ICRA as the Monitoring Agency in relation to the Issue. Our Board and Monitoring Agency shall monitor the utilization of the Net Proceeds and the Monitoring Agency shall submit a report to our Board as required under Regulation 173A of the SEBI ICDR Regulations. The Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate instances, if any, of unutilized Net Proceeds in the balance sheet of the Company for the relevant Financial Years.

Pursuant to the SEBI Listing Regulations, the Company shall, on a quarterly basis, disclose to the Audit Committee, the uses and applications of the Net Proceeds. The report submitted by the Monitoring Agency will be placed before the Audit Committee of the Company, so as to enable the Audit Committee to make appropriate recommendations to our Board for further action, if appropriate. Further, in terms of the SEBI Listing Regulations, the Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above and details of category wise variations in the utilisation of the Net Proceeds from the objects of the Issue as stated above. This information will also be published on our website and explanation for such variation (if any) will be included in our Director's report, after placing it before the Audit Committee.

Other Confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by the Board and/ or a duly authorized committee of the Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed objects as disclosed above and other applicable laws.

Neither our Promoters nor our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds. Except to the extent of repayment of unsecured loans to the Promoters, forming part of the Objects, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, and Key Managerial Personnel/ Senior Management are not eligible to subscribe in the Issue.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors and/or Key Managerial Personnel/ Senior Management.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation and total debt as on March 31, 2023 based on our Audited Consolidated Financial Statements and our Company's capitalisation as adjusted to reflect the receipt of the gross proceeds of this Issue and the application thereof.

This table should be read together with "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Financial Statements" on pages 37, 80 and 187, respectively and the related notes included elsewhere in this Preliminary Placement Document.

(₹ in lakh)

Particulars	Pre – Issue	Post – Issue
	As at March 31, 2023 (A) (Un adjusted)	As Adjusted**
Borrowings:		
Deposits		
Debt Securities		
Borrowings – Non Current	15,966.45	[●]
Borrowing – Current	8,253.04	[●]
Subordinated Liabilities	-	[●]
Total indebtedness (A)	24,219.49	[●]
Equity		
Equity Share capital	3,688.23	[●]
Other Equity	33,848.71	[●]
Total Equity (B)	37,536.94	[●]
Total Capitalization (C = A+B)	61,756.43	[●]
Total Borrowing / Total Equity (A)/(B)	0.65	[●]

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(₹ in lakhs, except share data)

Particulars	Aggregate value at face value (except for securities premium account)
A. AUTHORISED SHARE CAPITAL	
10,00,00,000 Equity Shares of ₹5 each	5,000.00
B. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE	
7,75,10,525 Equity Shares of ₹5 each	3,875.53
C. PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT	
Up to [●] Equity Shares aggregating up to ₹ [●] lakhs ⁽¹⁾⁽²⁾	[●]
D. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE	
[●] Equity Shares of face value of ₹ 2 each ⁽²⁾	[●]
SECURITIES PREMIUM ACCOUNT	
Before the Issue (as of the date of this Preliminary Placement Document)	23,649.35
After the Issue ⁽²⁾⁽³⁾	[●]

(1) The Issue has been authorized by the Board of Directors pursuant to its resolution passed on September 5, 2023. The Shareholders have authorized and approved the Issue by way of a special resolution passed on September 27, 2023.

(2) To be determined upon finalization of the Issue Price.

(3) The securities premium account after the Issue is calculated on the basis of gross proceeds of the Issue. Adjustments do not include Issue related expenses.

Equity Share capital history of our Company

The following table sets forth the history of the Equity Share capital of our Company since incorporation:

Date of allotment/ Year of Allotment	No. of Equity Shares allotted	Fac e val ue (₹)	Issue price per equity share (₹)	Reason/Nature of allotment/ Source	Form of consideration	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
March 26, 1993	70	10	10	Subscribers to the MOA	Cash	70	700
February 21, 1994	15,00,000	10	10	Allotment of equity shares to Som Distilleries Private Limited	Cash	15,00,070	1,50,00,700
May 01, 1994	1,05,000	10	10	Allotment of equity shares to promoters	Cash	16,05,070	1,60,50,700
September 1, 1994	4,35,000	10	10	Allotment of equity shares to the promoters	Cash	20,40,070	2,04,00,700
October 12, 1994	7,50,000	10	10	Allotment to NRIs	Cash	27,90,070	2,79,00,700

November 8, 1994	49,96,100	10	10	Pursuant to public issue opened on 6.09.94	Cash	77,86,170	7,78,61,700
August 28, 1998	22,13,830	10	10	Issue of further equity shares on preferential basis	Cash	1,00,00,000	10,00,00,000
November 7, 2006	81,00,000	10	11	Allotment of equity shares by conversion of warrants	Other than Cash	1,81,00,000	18,10,00,000
March 22, 2010	94,22,400	10	22.1	Conversion of Warrant dated 8.11.08 into Equity	Other than cash	2,75,22,400	27,52,24,000
July 12, 2018	36,82,563	10	271.55	Issue of further equity shares on private placement basis	Cash	3,12,04,963	31,20,49,630
March 2, 2019	12,88,906	10	271.55	Conversion of Warrant dated 16.07.18 into Equity	Cash	3,24,93,869	32,49,38,690
<i>Pursuant to our Shareholders' resolution dated September 29, 2020, each fully paid-up equity shares of our Company of face value of ₹10 was sub-divided into two Equity Shares of our Company of face value of ₹ 5 each. Therefore, 32493869 equity shares of our Company of face value of ₹ 10 each were sub-divided into 64987738 equity shares of our Company of face value of ₹ 5 each.</i>							
February 14, 2022	49,99,058	5	35	Rights Issue allot dated 14.02.22 Equity	Cash	6,99,86,796	34,99,33,980
November 18, 2022	25,00,000	5	72	Conversion of Warrant dated 18.11.22 into Equity	Cash	7,24,86,796	36,24,33,980
December 9, 2022	12,77,777	5	72	Conversion of Warrant dated 9.12.22 into Equity	Cash	7,37,64,573	36,88,22,865
May 18, 2023	34,95,952	5	140	Rights Issue allot dated 18.05.2023 Equity	Cash	7,72,60,525	38,63,02,625
September 5, 2023	2,50,000	5	275	Preferential Issue allotment dated 5.09.2023 Equity	Cash	7,75,10,525	38,75,52,625

Notes to Capital Structure

1. Details of options and outstanding instruments as on the date of this Preliminary Placement Document

As on date of this Preliminary Placement Document, our Company has 51,50,000 Equity warrants outstanding.

Apart from the above, there are no other outstanding options or convertible securities, including any rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Preliminary Placement Document.

2. Employee Stock Option Scheme

As on the date of this Preliminary Placement Document, Our Company has an existing “SOM Employees Stock Option Plan Scheme 2020” which is in force. However, our Company has not issued or granted any options under the scheme and accordingly does not have any outstanding options under the scheme.

3. Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them will be included in the Placement Document in the section “*Details of Proposed Allottees in the Issue*” on page 186.

4. Pre-Issue and post-Issue shareholding pattern

The pre-Issue and post-Issue shareholding pattern of our Company is set forth below:

Sr. No.	Category	Pre-Issue as of August 25, 2023		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	Promoter’s holding[#]				
1.	Indian				
	Individual	1,82,86,813	23.59	[●]	[●]
	Corporate	83,91,759	10.83	[●]	[●]
2.	Foreign	-	-	[●]	[●]
	Sub-total (A)	2,66,78,572	34.42	[●]	[●]
B.	Non-Promoter’s holding				
1.	Institutional investors			[●]	[●]
	Alternate Investment Funds	3,62,479	0.47		
	Foreign Portfolio Investors Category I	2,02,718	0.26		
	Foreign Portfolio Investors Category II	3,38,691	0.44		
2.	Non-institutional investors				
	Directors and their relatives (excluding independent directors and nominee directors)	53,857	0.07		
	Investor Education and Protection Fund (IEPF)	-	-	[●]	[●]
	Individual share capital upto ₹ 2 Lacs	1,96,63,865	25.37	[●]	[●]
	Individual share capital in excess of ₹ 2 Lacs	2,42,97,366	31.35		
3.	Foreign Companies	-	-	[●]	[●]
4.	Non Resident Indians (NRIs)	12,08,541	1.56		
5.	Foreign Nationals	1,950	0.00		
6.	Bodies Corporate	46,29,594	5.97	[●]	[●]
7.	Any Other [including Non-resident Indians (NRIs) and clearing	72,892	0.09	[●]	[●]

Sr. No.	Category	Pre-Issue as of August 25, 2023		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
	members]				
	Sub-total (B)	5,08,31,953	65.58	[-]	[-]
C.	Non-Promoter Non-Public shareholder				
1.	Custodian/ DR Holder	-	-	-	-
2.	Employee Benefit Trust	-	-	-	-
	Sub-total (C)	-	-	-	-
	Total (A+B+C)	7,75,10,525	100.00	[-]	[-]

**Note: The details of the post-Issue shareholding pattern have been intentionally left blank and will be filled in before filing of the Placement Document with the Stock Exchanges.*

Includes shareholding of the members of the Promoter Group.

5. Other Confirmation

The Promoters, the Directors and the Senior Management of our Company do not intend to participate in the Issue. No change in control in our Company will occur consequent to the Issue.

Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of notice dated September 5, 2023, to the shareholders for the approval of this Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.

At any given time, there shall be only one denomination of the Equity Shares of our Company.

All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Preliminary Placement Document.

DIVIDENDS

The declaration and payment of dividends by our Company, if any will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act.

Our Board has approved and adopted a formal dividend distribution policy on November 18, 2022, in terms of Regulation 43A of the SEBI Listing Regulations (“**Dividend Distribution Policy**”). In accordance with the Dividend Distribution Policy, the dividend pay-out shall be determined by the Board after taking into account a number of factors, including but not limited to standalone/ net operating profit after tax, operating cash flow of the Company for the year, loan repayment and working capital requirements, capital expenditure requirements, liquidity position, aggregate debt of the Company, debt service coverage position, Resources required for funding acquisitions, mergers and / or new businesses , etc. , For further information, see “*Description of the Equity Shares*” on page 168.

The following table details the dividend paid and proposed by our Company on the Equity Shares in respect of three months ended June 30, 2023 and in Fiscal 2023, 2022and 2021:

Particulars	From April 1, 2023 to June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Face value of Equity Shares (₹ per Equity Share)	5	5	5	5
Total dividend (interim) per Equity Share (in ₹)	Nil	0.25	Nil	Nil
Total dividend (final) per Equity Share (in ₹)	Nil	Nil	Nil	Nil
Total Dividend per equity share (in ₹)	Nil	0.25	Nil	Nil
Total dividend on Equity Shares (in ₹ lakh)	Nil	1,81,21,699*	Nil	Nil
Dividend distribution tax (in ₹ lakhs)	Nil	-	Nil	Nil
Dividend rate (%)	Nil	5%	Nil	Nil

* These amounts reflect declared dividend during the period / fiscal year.

The form, frequency and amount of future dividends on the Equity Shares will depend upon our Company's future earnings, cash flow, financial condition and other factors and shall be at the discretion of its Board of Directors and subject to approval of the shareholders of our Company. The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. There is no assurance that any future dividends will be declared or paid or that the amount thereof will not be decreased. For details, see “*Risk Factor No. 31 – “Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.”*” on page 48.

The Equity Shares to be offered in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted.

For a summary of certain Indian tax consequences of dividend distributions to shareholders, see “*Statement of Possible Special Tax Benefits*” on page 173.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition is based on our financial results for the three months period ended June 30, 2023 and our financial statements as of and for Fiscal 2023, Fiscal 2022 and Fiscal 2021 (the "Audited Consolidated Financial Statements"). This discussion should be read in conjunction with the section titled "Selected Financial Information", and the Financial Statements included elsewhere in this Preliminary Placement Document.

This discussion contains forward-looking statements, that involve risks and uncertainties and reflects our current views with respect to future events and financial performance. We caution investors that our business and financial performance is subject to substantive risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth under the sections titled "Forward-Looking Statements" and "Risk Factors" on pages 16 and 37, respectively, and elsewhere in this Preliminary Placement Document.

We prepared our Audited Consolidated Financial Statements in accordance with the Indian Accounting Standards prescribed under section 133 of the Company Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"). Ind AS differs in some material respects from US GAAP and IFRS and other accounting principles with which prospective investors may be familiar.

Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12 months ended March 31 of that year.

OVERVIEW

Our company is primarily engaged in production of Beer and blending and bottling of Indian Made Foreign Liquor ("IMFL"). We offer a broad portfolio of products at different price points to cater to varied preferences of consumers. Our product portfolio consists of various options across beer, rum, brandy, vodka, and whisky categories.

Our flagships brands include Hunter, Black Fort, Power Cool and Woodpecker in the Beer segment and Milestone 100 whisky and White Fox vodka in the IMFL segment. Other IMFL brands of ours include Legend, Pentagon, Black Fort, Genius, Sunny, Gypsy and Blue Chip. 90% of our revenues came from beer sales for three months period ended June 30, 2023. Hunter and Woodpecker brands are supplied as draught beer to all major hotels in Madhya Pradesh and Karnataka. We have recently launched 'Woodpecker' Wheat Beer, India's first filtered wheat beer.

Our Company has a long-standing market presence and operating history of nearly three decades. Our Company operates its business through a pan-India network and has a presence across India covering major cities. Our market presence at important locations is critical for increasing of market share, increase in business, widening our customer base, enhancing our service standards and enhancing the reputation of our Company. Over the years, we have expanded our presence internationally. Our key international geographies are UAE, USA, Norway and Seychelles for beer and for IMFL we export mainly to UAE and West African nations.

We believe that our ability to understand consumer preferences and our focus on initiatives to develop product attributes that are most valued by consumers is one of our key strengths. We believe that we have an extensive understanding of the alcoholic beverages industry in India, and especially by leveraging on our wide distribution network, we try to understand changing consumer trends and preferences in terms of products types, pricing and packaging, particularly in our focus market of semi urban and rural areas.

We complement our understanding of the market in India, with our product development and roll-out capabilities and with our attention on continuous improvement in product innovation and quality assurance. We believe that this has enabled us to develop and launch a competitive portfolio of beverages catering to a wide gamut of consumer preferences. We have also launched the 'Woodpecker Beer' in draught and packaged variants tailored to the preferences of consumers. We believe that the development and launch of our brands in

certain key markets demonstrates our ability to roll out and execute sales and marketing initiatives to introduce new products which meet consumer expectations.

Our revenues (net of excise duty), on a consolidated basis, amongst the two major product lines can be broadly classified as under:

(₹ in lakhs)

Particulars	Three months ended June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Beer	36828.91	74081.27	31,860.48	23,587.23
IMFL	1672.79	6586.41	4,415.61	5,169.98
Total	38501.70	80667.68	36,276.09	28,757.21

Our consolidated volume of beer and IMFL cases sold are depicted as under:

(No. in lakhs)

Particulars	Three months ended June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Beer	65.80	149.60	68.30	50.80
IMFL	2.20	8.90	5.70	7.70

Our three millionaire brands'(with sales more than 1 million cases per annum) sales volumes:

(No. in lakhs cases sold)

Particulars	Three months ended June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Hunter	21.40	49.40	24.80	22.40
Black Fort	14.00	19.90	12.00	16.00
Power Cool	29.30	78.50	27.90	15.90

Our manufacturing unit is located at Bhopal (Madhya Pradesh). As on June 30, 2023, we have a total installed capacity of 152 lakhs cases of beer per annum and 6 lakhs cases per annum of IMFL (excluding our subsidiaries) which is sold to the domestic and international customers. Alongside, we have our 100% subsidiary companies, Woodpecker Distilleries & Breweries Private Limited located at Hassan, Karnataka and Som Distilleries & Breweries Odisha Private Limited located at Barpada, Odisha.

Our consolidated capacity volume of beer and IMFL cases are depicted as under:

(No. in lakhs)

Capacity Volume (No. of cases)	SDBL (Bhopal)	Woodpecker (Hassan)	SDBOPL (Barpada)	Total Capacity
Beer	152	90	60	302
IMFL	6	27	6	39
*Capacity Utilization % Beer	97	112	50	-

* For the Q1 FY 23-24

In 2022, we have received ISO 9001:2015 certification for manufacturing and supply of Beer, IMFL (Indian made foreign Liquor) and R.T.D (Ready to Drink) beverages for our Bhopal plant from LMS certification, UK, which is valid till February 2025. We also have FSSAI certifications for all our manufacturing units, which are valid and subsisting.

SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our results of operations and financial condition are subject to various risks and uncertainties, including those discussed in "Risk Factors" on page 37. Set out below are certain important factors that have affected and which may continue to affect our results of operations and financial condition.

Highly Regulated Industry

The manufacturing and distribution of beer is subject to regulation by government of each state of India and is subject to a complex and diverse tax structure. Our Company is subject to the compliance of regulations of each

of the states in which it operates its manufacturing facilities, and these regulations may vary from one state to the other. Such regulations include licensing requirements, restrictions on and prescribed labelling of products, marketing set up and restrictions on advertising

Competition & Changing Consumer Preferences

We operate in the highly competitive alcoholic beverages and IMFL products segments and rely on the continued demand for our beverages in India. We compete with global, regional and local brands of alcoholic beverages. If the number of competitors or level of marketing or investments undertaken by such competitors were to increase, it may result in a reduction in the consumption of our products and may reduce our market share, or we may be required to incur increased marketing and distribution related expenses in order to remain competitive. In addition, the success of our business depends on consumer behaviour and preferences and their affinity and loyalty to our beverages and brands, and there can be no assurance of market acceptance and consumer preference for new beverages or that there will be an increase in market share of the products. Our future growth and success will depend significantly on our ability to anticipate changes in market trends and consumer tastes and preferences, and then to identify, source and bring to the market in a timely manner wine products that satisfy the preferences of a broad range of consumers. In the event of a significant change in consumer preferences or in the event of an inability on our part to anticipate or react to such changes, it could result in reduced demand for our beverages and erosion of our competitive position and goodwill and could adversely affect our business, prospects, results of operations and financial condition.

Dependence on States of Madhya Pradesh, Odisha and Karnataka

The concentration of our operations and sales in the states of Madhya Pradesh, Odisha and Karnataka increases our exposure to economic, climatic, demographic and other challenges, which may adversely affect our business prospects, financial conditions and results of operations. Any adverse development that affects the economic performance in these states could have a material adverse effect on our operations and financial performance.

Critical accounting estimates, assumptions and judgments

The preparation of our consolidated financial statements in conformity with Ind AS requires our management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Changes in estimates are reflected in our financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to our financial statements.

Key accounting policies that are relevant and specific to our business and operations are described below. Our significant accounting policies as at and for the financial year ended March 31, 2023 are described in the Audited Consolidated Financial Statements in "*Financial Information*" on page 187. There was no change in the significant accounting policies of our Company during the three-month period ended June 30, 2023.

Significant Accounting Policies

Basis for preparation

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, and the provisions of the Companies Act, 2013 ('Act') to the extent notified. The Ind AS are prescribed under section 133 of the Act read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereof. All assets and liabilities have been classified as current or non-current as per the Group'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 Group has ascertained its operating cycle as 49 days for the purpose of current/ non-current classification of assets and liabilities.

Key accounting estimates and judgments

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

Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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

Based on the Educational Material on Ind AS 115 issued by the Institute of Chartered Accountants of India (“ICAI”), the recovery of excise duty flows to the Company on its own account and hence is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. However, sales tax/ value added tax (VAT), goods and services tax are not received by the Group on its own account and are taxes collected on value added to the commodity by the seller on behalf of the government. Accordingly, these are excluded from revenue.

Expenditure

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

Property, plant and equipment

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

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

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

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

Cash and cash equivalents

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

Impairment

i) Financial Assets (other than at fair value)

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

ii) Non-financial assets

Tangible and Intangible Assets

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

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount of the asset (or CGU) is reduced to its recoverable amount. An important loss is recognized in the statement of profit and loss.

Inventories

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

- (i) Raw materials, consumables, packing material, stores and spares on weighted average 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.

Foreign Currency Transactions

The functional currency of the Group is the Indian rupee (INR). These financial statements are presented in INR.

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

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

Retirement and other employee benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services

rendered by employees are recognized as an expense during the period when the employees render the services. These benefits include performance incentives and compensated absences.

Post-Employment Benefits

Defined Contribution Plans

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

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

Defined Benefit Plans

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation done as per projected unit credit method, carried out by an independent actuary at the end of the year.

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

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

Taxes on Income

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

Provisions

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

Contingent Liabilities

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

Borrowing Costs

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

Earnings per equity share ('EPS')

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

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

Financial Instruments

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

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

Financial assets at amortised cost

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

Financial asset at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Equity Instruments

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

Results of Operations

Particulars	Three-month period ended June 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income
Revenue from Operations (net of excise duty)	38,501.70	99.59%	80,667.68	99.84%	36,276.09	99.26%	28,757.21	99.11%
Other Income	160.25	0.41%	133.19	0.16%	269.73	0.74%	257.53	0.89%
Total Income	38,661.95	100.00%	80,800.87	100.00%	36,545.82	100.00%	29,014.74	100.00%
Cost of Material Consumed	24,532.93	63.45%	50,35.62	62.28%	21,331.83	58.37%	16,418.19	56.59%
Purchase of stock in-trade	-	-	-	-	257.62	0.70%	-	-
Changes in Inventories of finished goods, work in progress and stock in trade	163.19	0.42%	(1,798.83)	(2.23)%	(851.81)	(2.33) %	128.89	0.44%
Employee Remuneration & Benefits	818.36	2.12%	2,676.55	3.31%	2,169.85	5.94%	1,678.80	5.79%
Financial Cost	316.84	0.82%	1,596.77	1.98%	1,535.45	4.20%	1,865.90	6.43%
Depreciation and Amortization	426.6	1.10%	1,701.08	2.11%	1,677.77	4.59%	1,336.86	4.61%

Expenses								
Other Expenses	8,134.30	21.04%	19,254.68	23.83%	11,679.38	31.96%	11,488.87	39.60%
Total Expenses	34,392.22	88.96%	73,755.87	91.28%	37,800.09	103.43%	32,917.51	113.45%
Profit/(Loss) before tax	4,269.73	11.04%	7,045.00	8.72%	(1,254.27)	(3.43)%	(3,902.77)	(13.45)%
Net Tax expenses	903.11	2.34%	1,014.76	1.26%	(270.26)	(0.74)%	(95.48)	(0.33)%
Profit/(Loss) for the period after tax	3,366.62	8.71%	6,030.24	7.46%	(984.01)	(2.69)%	(3,807.29)	(13.12)%

Fiscal 2023 compared to Fiscal 2022

Total Income

Our total income increased by 121.09% to ₹ 80,800.87 lakhs in FY2023 from ₹ 36,545.82 lakhs in FY2022, primarily due to an increase in revenue from operations during this period. Our total income comprises of revenue from operations (net of excise duty) and other income:

Revenue from operations (net of excise duty)

Our principal component of income is from Sale of Alcoholic Beverages. Our revenue from operations (net of excise duty) increased by 122.37% to ₹ 80,667.68 lakhs in FY2023 from ₹ 36,276.09 lakhs in FY2022. Our revenue from operations (net of excise duty) accounted for 99.84% of our total income in FY2023 as compared to 99.26% in FY2022.

Other Income

Our other income comprises of Interest Income, Profit on Sale of Fixed Assets and other revenues. Our other income decreased by 50.62% to ₹ 133.19 lakhs in FY2023 from ₹ 269.73 lakhs in FY2022. Our other income accounted for 0.16% of our total income in FY2023 as compared to 0.74% in FY2022.

Expenses

Cost of Material Consumed

Our cost of materials consumed increased by 135.92% to ₹ 50,325.62 lakhs in FY2023 from ₹ 21,194.47 lakhs in FY2022. Our cost of materials consumed accounted for 62.28% of our total income in FY2023 as compared to 58.37% in FY2022 and 68.23% of our total expenses in FY2023 as compared to 56.43% in FY2022.

Purchase of stock in trade

Expense incurred for purchase of stock in trade amounted to ₹ 257.62 lakhs in FY2022. Our purchases for stock in trade accounted for 0.70% of our total income and 0.68% of total expenses in FY2022.

Changes in inventories of finished goods, stock-in-trade, and work in progress

Our changes in inventories finished goods, stock-in-trade, and work in progress decreased by 111.18% to ₹ (1,798.83) lakhs in FY2023 from ₹ (851.81) lakhs in FY2022.

Employee benefit expenses

Employee benefits expense includes (i) salaries, allowances and bonuses (ii) employer's contribution to provident and gratuity fund, and (iii) staff welfare expenses. Our employee benefits expenses increased by 23.35% to ₹ 2,676.55 lakhs in FY2023 from ₹ 2,169.85 lakhs in FY2022. Our employee benefits expenses accounted for 3.31% of our total income in FY2023 as compared to 5.94% in FY2022, and 3.63% of our total expenses in FY2023 as compared to 5.74% in FY2022.

Finance cost

Finance cost include interest to Banks & FIIs and interest to others. Our finance cost increased by 3.99% to ₹

1,596.77 lakhs in FY2023 from ₹ 1,535.45 lakhs in FY2022. Our finance costs account for 1.98% of our total income in FY2023 as compared to 4.20% in FY2022, and 2.16% of our total expenses in FY2023 as compared to 4.06% in FY2022.

Depreciation and amortization expenses

Depreciation represents depreciation on our property, plant and equipment. Amortization represents amortization of right of use assets and intangible assets. Depreciation is calculated on written down value method over the estimated useful life of all assets, these lives are in accordance with Schedule II to the Companies Act, 2013. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on prospective basis. Depreciation and amortization expense increased by 1.39% to ₹ 1,701.08 lakhs in FY2023 from ₹ 1,677.77 lakhs in FY2022.

Depreciation and amortization expense accounted for 2.11% of our total income in FY2023 as compared to 4.59% in FY2022, and 2.31% of our total expenses in FY2023 as compared to 4.44% in FY2022.

Other expenses

Other expenses include power & fuel, labour, rent, repair to buildings, machinery and others, insurance, postage, telegram and telephones, rate and taxes, legal and professional fees, auditor's remuneration, advertisement & publicity, sales promotion, corporate social responsibility expenditure, miscellaneous expenditure, travelling and conveyance and general expenses.

Our other expenses increased by 64.86% to ₹ 19,254.68 lakhs in FY2023 from ₹ 11,679.38 lakhs in FY2022. Our other expenses accounted for 23.83% of our total income in FY2023 as compared to 31.96% in FY2022 and 26.11% of our total expenses in FY2023 as compared to 30.90% in FY2022.

Fiscal 2022 compared to Fiscal 2021

Total Income

Our total income increased by 25.96% to ₹ 36,545.82 lakhs in FY2022 from ₹ 28,757.21 lakhs in FY2021, primarily due to an increase in revenue from operations during this period. Our total income comprises of revenue from operations (net of excise duty) and other income:

Revenue from operations (net of excise duty)

Our revenue from operations (net of excise duty) increased by 26.15% to ₹ 36,276.09 lakhs in FY2022 from ₹ 28,757.21 lakhs in FY2021. Our revenue from operations (net of excise duty) accounted for 99.26% of our total income in FY2022 as compared to 99.11% in FY2021.

Other Income

Our other income increased by 4.74% to ₹ 269.73 lakhs in FY2022 from ₹ 257.53 lakhs in FY2021. Our other income accounted for 0.74% of our total income in FY2022 as compared to 0.89% in FY2021.

Expenses

Cost of Material Consumed

Our cost of materials consumed increased by 29.93% to ₹ 21,331.83 lakhs in FY2022 from ₹ 16,418.19 lakhs in FY2021. Our cost of materials consumed accounts for 58.37% of our total income in FY2022 as compared to 56.59% in FY2021 and 56.43% of our total expenses in FY2022 as compared to 49.88% in FY2021.

Purchase of stock in trade

Expense incurred for purchase of stock in trade amounted to ₹ 257.62 lakhs in FY2022. Our purchases for stock in trade accounted for 0.70% of our total income and 0.68% of total expenses in FY2022.

Changes in inventories of finished goods, stock-in-trade, and work in progress

Our changes in inventories finished goods, stock-in-trade, and work in progress decreased by 760.88% to ₹ (851.81) lakhs in FY2022 from ₹ 128.89 lakhs in FY2021.

Employee benefit expenses

Our employee benefits expenses increased by 29.25% to ₹ 2,169.85 lakhs in FY2022 from ₹ 1678.80 lakhs in FY2021. Our employee benefits expenses accounted for 5.94% of our total income in FY2022 as compared to 5.79% in FY2021, and 5.74% of our total expenses in FY2022 as compared to 5.10% in FY2021.

Finance cost

Our finance cost decreased by 17.71% to ₹ 1,535.45 lakhs in FY2022 from ₹ 1,865.90 lakhs in FY2021. Our finance costs account for 4.20% of our total income in FY2022 as compared to 6.43 % in FY2021, and 4.06% of our total expenses in FY2022 as compared to 5.67% in FY2021.

Depreciation and amortization expenses

Depreciation and amortization expense increased by 25.50% to ₹ 1,677.77 lakhs in FY2022 from ₹ 1,336.86 lakhs in FY2021. Depreciation and amortization expense accounted for 4.59% of our total income in FY2022 as compared to 4.61% in FY2021, and 4.44% of our total expenses in FY2022 as compared to 4.06% in FY2021.

Other expenses

Our other expenses increased by 1.66% to ₹ 11,679.38 Lakhs in FY2022 from ₹ 11,488.87 lakhs in FY2021. Our other expenses accounted for 31.96% of our total income in FY2022 as compared to 39.60% in FY2021 and 30.90% of our total expenses in FY2022 as compared to 34.90% in FY2021.

Cash Flows

The following table sets forth certain information relating to our cash flows under Ind AS in FY2023, FY2022 and FY2021:

	<i>(₹ in lakhs)</i>		
Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net cash flow from/ (used in) operating activities	1,427.46	1,027.96	2341.42
Net cash flow from/ (used in) investing activities	(10,843.33)	(596.51)	(1,289.33)
Net cash flow from/ (used in) financing activities	9,730.72	(929.40)	(1799.34)
Net increase/(decrease) in cash and cash equivalents	314.85	(497.95)	(747.25)
Cash and cash equivalents at the beginning of the year	948.83	1,446.79	2,194.04
Cash and cash equivalents at the end of the year	1,263.68	948.83	1,446.79

Net cash generated from operating activities

Net cash generated from operating activities in the Financial Year 2023 was ₹ 1,427.46 lakhs and our profit before tax for the period was ₹ 7,045 lakhs. The difference was primarily on account of depreciation of ₹ 1,701.99 lakhs, interest expense of ₹ 1,596.77 lakhs and thereafter change in inventories, trade receivables and trade payables of ₹ (5,075.74) lakhs, ₹ (2,635.41) lakhs and ₹ 4,08,851 lakhs respectively, resulting in gross cash generated from operations at ₹ 1,427.46 lakhs.

Net cash generated from operating activities in the Financial Year 2022 was ₹ 1,027.96 lakhs and our profit before tax for the period was ₹ (1,254.27) lakhs. The difference was primarily on account of depreciation of ₹ 1,677.77 lakhs, interest expense of ₹ 1,535.45 lakhs, profit on sale of fixed assets of ₹ 0.73 lakhs, loss on sale of fixed assets of ₹ 50.82 lakhs and thereafter change in inventories, trade receivables and trade payables of ₹ (1,607.64) lakhs, ₹ 1,570.32 lakhs and ₹ (1,997.42) lakhs respectively, resulting in gross cash generated from operations at ₹ 1,335.81 lakhs. We paid an income tax of ₹ 307.85 lakhs.

Net cash generated from operating activities in the Financial Year 2021 was ₹ 2,341.42 lakhs and our profit before tax was ₹ (3,902.77) lakhs. The difference was on primarily on account of depreciation of ₹ 1,336.86 lakhs, interest expense of ₹ 1,865.90 lakhs and thereafter change in inventories, trade receivables and trade payables of ₹ 3,547.77 lakhs, ₹ (145.44) lakhs and ₹ 248.01 lakhs respectively, resulting in gross cash generated from operations at ₹ 2,611.91 lakhs. We paid an income tax of ₹ 270.48 lakhs.

Net cash used in investing activities

In the Financial Year 2023, our net cash used in investing activities was ₹ 10,843.33 lakhs. This was on account of (i) purchase of fixed assets of ₹ 9,941.13 lakhs (ii) increase in non-current assets of ₹ 935.71 lakhs and (iii) decrease in long term financial assets by ₹ 33.52 lakhs.

In the Financial Year 2022, our net cash used in investing activities was ₹ 596.51 lakhs. This was on account of (i) purchase of fixed assets of ₹ 680.49 lakhs, (ii) proceeds from sale of fixed assets of ₹ 14.46 lakhs and (iii) decrease in long term financial assets by ₹ 69.52 lakhs.

In the Financial Year 2021, our net cash used in investing activities was ₹ 1,289.33 lakhs. This was on account of (i) purchase of fixed assets of ₹ 1,603.36 lakhs and (ii) decrease in long term financial assets by ₹ 314.03 lakhs.

Net cash generated from/ used in financing activities

In the Financial Year 2023, our net cash from financing activities was ₹ 9,730.72 lakhs. This was primarily due to net borrowing availed of ₹ 4,487.65 lakhs, increase in other long term liabilities of ₹ 4,304.37 lakhs, proceeds from preferential equity shares of ₹ 2,720.00 lakhs and net interest and dividend paid of ₹ 1,596.77 lakhs and ₹ 184.53 lakhs.

In the Financial Year 2022, our net cash used in financing activities was ₹ 929.40 lakhs. This was primarily due to payment of interest of ₹ 1,535.45 lakhs, dividend of ₹ 10.88 lakhs and reduction in borrowings of ₹ 1,191.91 lakhs respectively.

In the Financial Year 2021, our net cash used in financing activities was ₹ 1,799.34 lakhs. This was primarily due to payment of interest of ₹ 1,865.90 lakhs and reduction in borrowings of ₹ 1,360.76 lakhs respectively.

Contingent liabilities

As of March 31, 2023, contingent liabilities disclosed in the notes to our Audited Consolidated Financial Statements aggregated ₹ 6215.38 lakhs.

Particulars	Amount
<i>(₹ in lakhs)</i>	
i) Claims against the Company not acknowledged as debts/disputed*:	
Commercial Tax Department	60.71
Income Tax Department	2,279.77
ii) Guarantees given by Bankers on behalf of the Company not provided for	1,738.90
iii) Corporate guarantee given to a bank on behalf of others	2,136.00

* The Company has reviewed its pending litigations and expects that the outcome of the proceedings will not have any material effect on its financial positions.

Off Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or which we believe reasonably likely to have a current or future effect on our financial condition, revenue or expenses, operating results, liquidity, capital expenditure or capital resources.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. For further information

relating to our related party transactions, see “Financial Statements — Notes to Financial Statements – Note 43, Note 32 and Note 33– Related party disclosures” on page F38, F66 and F94, respectively, of this Preliminary Placement Document.

Reservations, Qualifications and Adverse Remarks by the statutory auditors

There are no reservations, qualifications, and adverse remarks by our Statutory Auditors on the Audited Consolidated Financial Statements as of and for the year ended March 31, 2023, March 31, 2022 and March 2021, and the Unaudited Consolidated Financial Results for the three months ended June 30, 2023.

Details of Default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues or repayment of debentures or repayment of deposits or repayment of loans from any bank or financial institution

There have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company for the Financial Year 2023, Financial Year 2022 and Financial Year 2021.

Material Frauds

There are no material frauds, as reported by our statutory auditor, committed against our Company, during the last three financial years.

Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rates. In the normal course of business, we are exposed to certain market risks including interest risk.

Interest rate risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at variable rates as well as fixed rates. We mitigate risk by structuring our borrowings to achieve a reasonable, competitive cost of funding. There can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Liquidity risk

Adequate and timely cash availability for our operations is the liquidity risk associated with our operations. Our Company’s objective is to all time maintain optimum levels of liquidity to meet its cash and collateral requirements. We employ prudent liquidity risk management practices which inter-alia means maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Credit Risk

We are exposed to the risk that our counterparties may not comply with their obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables.

We consider our customers to be creditworthy counterparties as our major supplies are to state government beverage corporations which limits the credit risk, however, there can be no assurance that our counterparties may not default on their obligations, which may adversely affect our business and financial condition.

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. Unusual or infrequent events or transactions

Except as disclosed elsewhere in this Preliminary Placement Document, there have been no unusual or

infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change in accounting policies and discretionary reduction of expenses.

2. *Significant economic changes that materially affected or are likely to affect income from continuing operations*

Except as described under Section “Risk Factors” beginning on page 37, there are no significant economic changes that may materially affect or likely to affect income from continuing operations.

3. *Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.*

Except as described under Section “Risk Factors” beginning on page 37, in our opinion, there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. *Future changes in relationship between costs and revenues*

Our Company’s future costs and revenues will be determined by demand/supply situation of our end services as well as the prices of our service suppliers, cost of employees, government policies and budget constraints of our customer(s).

5. *Increases in net sales or revenue and Introduction of new products or services or increased sales prices*

Increases in revenues shall by and large be linked to increases in volume of business.

6. *Status of any publicly announced New Products or Business Segment*

Except as disclosed elsewhere in this Preliminary Placement Document, we have not announced and do not expect to announce in the near future any new products or business segments.

7. *Total Turnover of Each Major Industry Segment in Which the Issuer Operates*

Our Company currently operates in the alcoholic beverages sector. Details of the industry related data and other relevant information is disclosed in the section “Industry Overview” beginning on page 95.

8. *Seasonality of business*

Our Company’s business is seasonal in nature. We derive maximum revenues in the months of summer season.

9. *Any Major Dependence on a single or few suppliers or customers*

Except as disclosed elsewhere in this Preliminary Placement Document, particularly in sections “Risk Factors” on page 37 to our knowledge, there is no significant dependence on a single or few customers or suppliers.

10. *Competitive conditions:*

Competitive conditions are as described under the chapters “Industry Overview” and “Our Business” beginning on page 95 and 107, respectively.

11. *Significant Developments after June 30, 2023, that may affect our results of operations*

Except as provided below and disclosed in this Preliminary Placement Document, there have not arisen, since the date of the last financial statements disclosed in this Preliminary Placement Document, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operation”, “Our Business” and “Risk Factors” on page 80, 107 and 37, respectively.

SIGNIFICANT DEVELOPMENTS AFTER JUNE 30 2023

Except as stated in this Preliminary Placement Document and disclosed below, to our knowledge no circumstances have arisen since the date of the last financial information as disclosed in this Preliminary Placement Document:

1. The Board of Directors in their meeting held on September 5, 2023, considered and approved the following matters:
 - a) raising of funds through issuance of securities of the Company by way of qualified institution placement and other permissible modes for an amount not exceeding ₹3,50,00,00,000 subject to approval of the Members at the ensuing AGM.
 - b) appointment of Mr. Nakul Kam Sethi, Whole-time Director, who retired by rotation, and being eligible, offered himself for re-appointment, subject to approval of Members at the ensuing annual general meeting.
 - c) re-appointment of Mr. Satpal Kumar Arora as an Independent Director of the Company on completion of his tenure of five years, for a second term of five consecutive years w.e.f October 13, 2023, not liable to retire by rotation, subject to approval of Members at the ensuing AGM.
 - d) the material related party transactions with Som Distilleries Private Limited, being a Promoter & related party, during the Financial Year 2023-24 and subsequent Financial Years for purchase of goods, materials, availing of services or other resources and obligations in the ordinary course of business and on arm's length basis, which may exceed the materiality threshold limit, subject to approval of Members at the ensuing AGM.
 - e) giving loans in one or more tranches and/or giving of guarantees, and/or providing of securities in connection with any loan taken/to be taken by any entity which is a subsidiary or associate or joint Venture or group entity of the Company or any other person in which any of the Director of the Company is deemed to be interested up to a sum not exceeding ₹500 Crores at any point in time, subject to approval of Members at the ensuing AGM.
2. The Company received in-principle approvals from NSE and BSE, both, on August 11, 2023 for listing its 2,50,000 Equity Shares and 51,50,000 warrants convertible into 51,50,000 Equity Shares issued to persons on a preferential basis.
3. As per Announcement / Media release dated 01-Aug-2023, the Company have received permission for supply of Indian Made Foreign Liquor (IMFL) Brands to the State of Rajasthan, in addition to Beer. As per Announcement / Media release dated 29-Aug-2023, the Company's beer brands have received permissions for supply to the State of Chhattisgarh.
4. As per Announcement / Media release dated 08-Aug-2023, the Company's Long-term bank loan ratings have been upgraded from BBB to BBB+ by ICRA. Similarly, short-term rating has been upgraded to A2 from A3+.
5. The Board of Directors in their meeting held on July 8, 2023 and the Shareholders in the extra ordinary general meeting held on August 5, 2023, respectively, considered and approved the following matters:
 - a) the issue of 2,50,000 Equity Shares on a preferential and private placement basis to an identified non-Promoter entity.
 - b) the issue of convertible Equity warrants to Promoters / Promoters Group / Other Public Investors on preferential basis upto 51,50,000 warrants convertible.
 - c) the re-appointment of Mr. Nakul Kam Sethi, as WholeTime Director and designated as Executive Director Finance & Strategy and approval of payment of remuneration
 - d) the increase in remuneration of Jagdish Kumar Arora, Chairman & Managing Director of the Company.
 - e) the increase in the limits of investments / loans and guarantees under Section 186 of Companies Act, 2013 which should not exceed at any given time 1,00,000 lakhs which shall be over and above the limits as specified in section 186(2) of the Companies Act, 2013 and the aggregate outstanding amount of loans/guarantees/securities given/provided to wholly owned subsidiary companies and /or joint venture companies and investments made in wholly owned subsidiary companies from time to time
6. The Board of Directors in their meeting held on July 31, 2023 considered and approved the unaudited financial results (standalone and consolidated) for the quarter ended June 30, 2023 along with the limited review report thereon.

INDUSTRY OVERVIEW






Unless noted otherwise, the information in this section is obtained or extracted from thematic report titled “Indian Alcohol Beverage Industry” dated September 26, 2023 prepared and issued by ICRA Limited (the “ICRA Report”). Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

Highlights

ICRA expects its sample set companies to report 8-10% YoY growth in revenues in FY2024 led by steady demand and increasing premiumisation.

However, the operating profit margin (OPM) is likely to moderate by 90-140 bps due to the rise in key input costs such as Extra Neutral Alcohol (ENA) and glass, partly offset by a decline in barley prices.

	The Indian alcohol beverage industry witnessed healthy revival in FY 2023 led by strong demand across both the segments of spirits and beer FY2023 was the first full year of normal operations after two consecutive pandemic hit years of FY2021 and FY2022
	In FY 2023 the industry witnessed a healthy volumetric growth of 17% for spirits* supported by favourable consumer sentiments amid waning impact of the pandemic Further, beer consumption growth was robust at 46% led by low base, strong demand and favourable change in Government policies conducive weather conditions and a disruption free peak season ICRA expects alcohol beverage consumption growth to remain steady in the near to medium term supported by growing urbanisation rising disposable incomes, favourable demographics and easing regulatory environment by some states
	ICRA's sample set reported 20% YoY growth in revenues in FY2023 while spirits' revenues grew by 14% beer revenues increased by 34% mainly led by healthy demand coupled with premiumisation. ICRA's sample set is poised to report revenue growth of 8-10 in FY2024 backed by volume growth and product mix benefits, though there was an impact of unseasonal rains during Q1 FY2024 the peak season for beer. Prevailing El Nino conditions, a sub par monsoon and a dry climate would support industry growth
	The OPM for ICRA's sample set contracted by more than 300 bps to 11.4% in FY 2023 owing to a sharp rise in input costs, particularly barley and glass bottles ICRA expects the OPM to remain under pressure in FY 2024 as well, with input prices (including grains for ENA and glass) likely to remain elevated The OPM is likely to moderate by 90-140 bps to 10.2% in FY2024
	While ICRA's sample set undertook sizeable capex at 5% of operating income in FY 2023 the same is expected to moderate to 2-3 in FY2024 and FY2025 as key players have enhanced capacities recently ICRA expects the industry to continue to demonstrate stable and healthy credit metrics supported by strong cash flow generation and limited debt addition

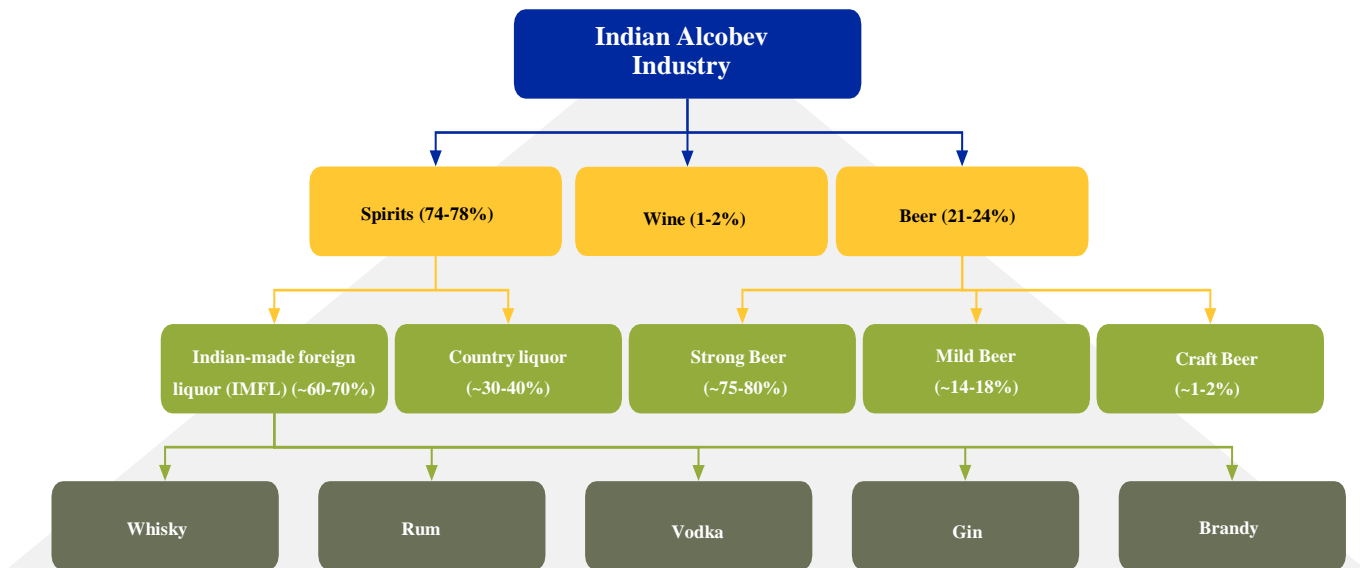

ICRA sample set includes Associated Alcohols & Breweries Limited, GM Breweries Limited, Mohan Meakin Limited, Radico Khaitan Limited, Som Distilleries & Breweries Limited, Tilaknagar Industries Limited, United Breweries Limited, and United Spirits Limited.

*includes Indian Made Foreign Liquor (IMFL) and Indian Made Indian Liquor or Country Liquor (IMIL or CL)

Outlook for FY2024



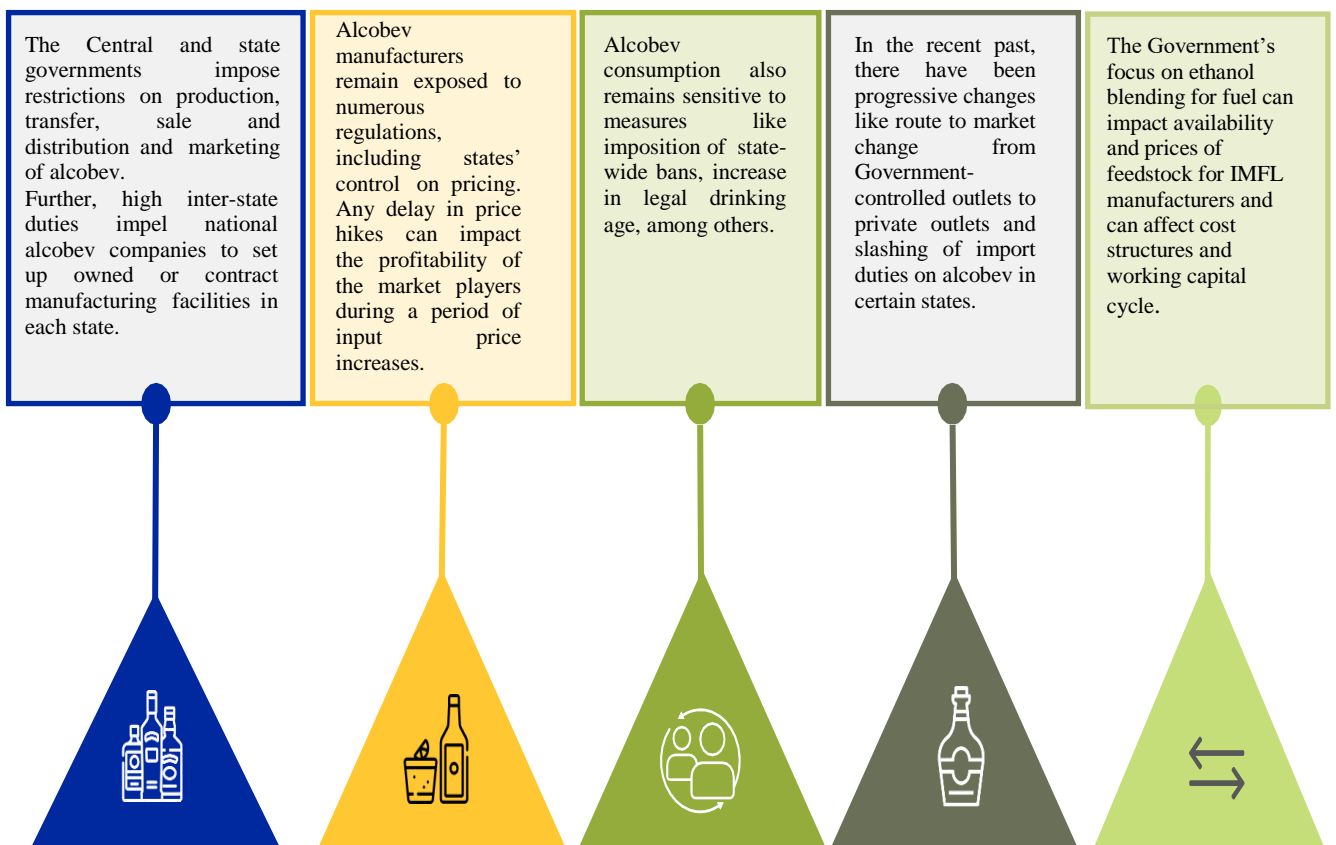
India is the third largest alcohol market globally






- The Indian alcohol market is the third largest globally in terms of value followed by China and the US and is one of the fastest growing markets. The manufacturing ecosystem includes brand owners, contract manufacturers including distillers, breweries and bottlers.
- Under the IMFL segment, whisky is the major contributing segment in terms of both volume and value.
- Based on pricing, the alcohol industry is classified into various segments such as Popular, Prestige, Premium and Luxury.

Source: ICRA Research; Strong beer has more than 5% alcohol content and mild beer has less than 5% alcohol content

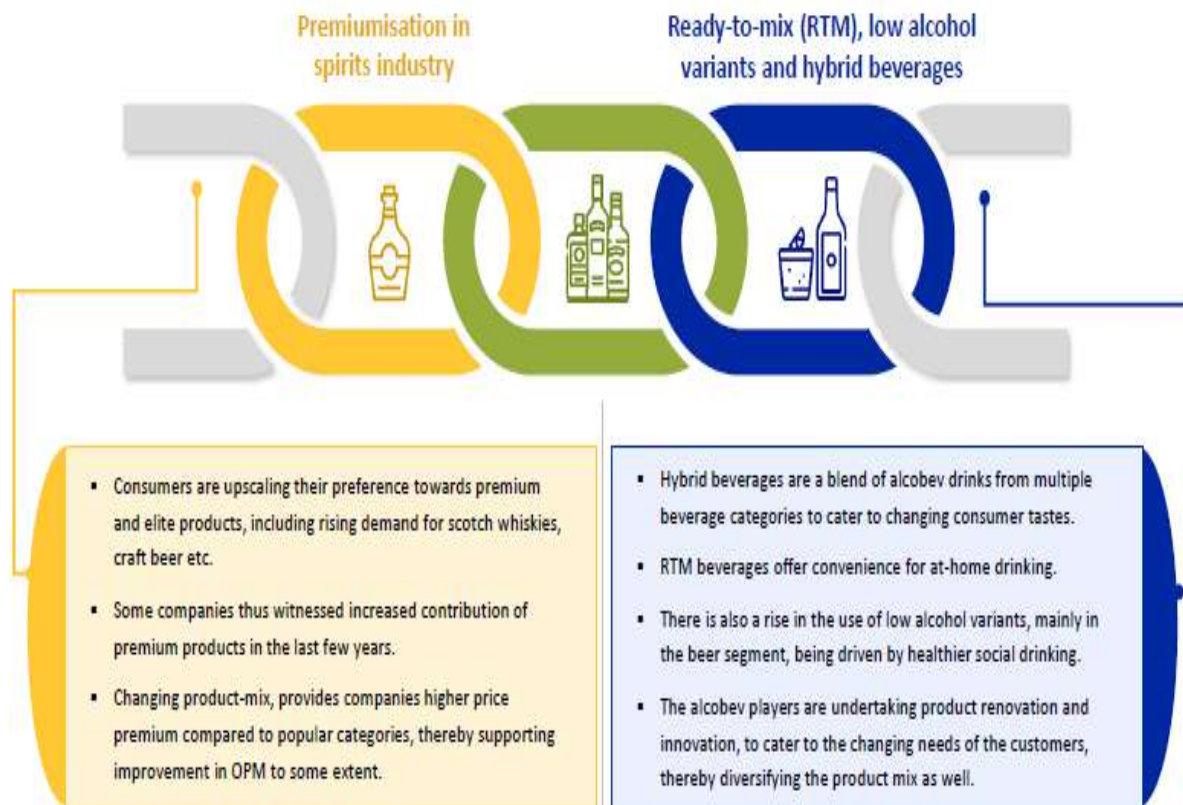
Highly regulated industry with state-specific pricing policies



Dynamic regulatory landscape across states

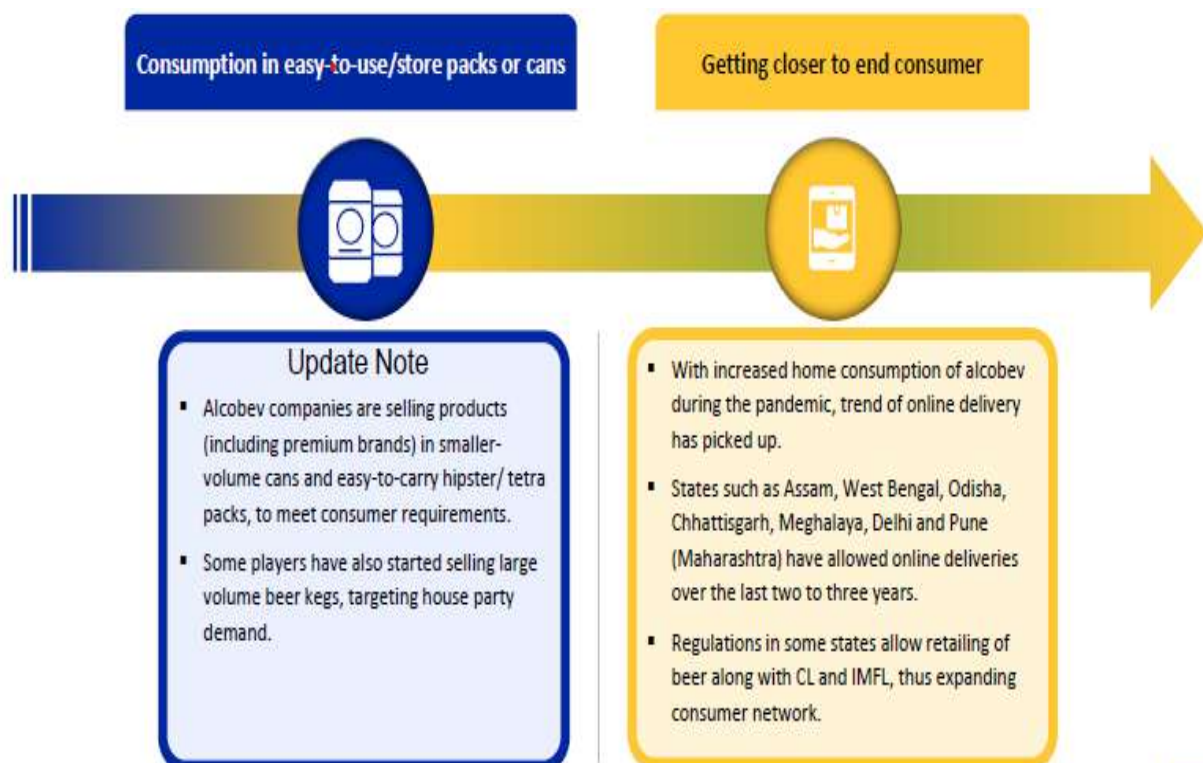
State	Regulatory changes	Impact
Delhi 	<p>With effect from September 1, 2022, Delhi rolled back its old excise policy and the Government agencies took complete control of the supply of alcobev.</p>	<p>Availability of alcobev products has been the issue under the new regime. The state government is currently operating with 615 liquor shops (increased gradually from 250 shops in September 2022) under new regime compared to 849 shops in the previous regime. There have been changes in discounting policy which has restricted pricing flexibility for retailers. This apart, a key global brand is yet to receive sale licence, thereby leading to its unavailability.</p>
Madhya Pradesh 	<p>Reduction of 10% each in excise duty and maximum retail price (MRP), increased selling points from 900 to 2,900 retail shops, with effect from April 1, 2022, onwards</p>	<p>The beer consumption increased by 100% and IMFL and CL consumption increased by 40% each in FY2023 over FY2022.</p>
Karnataka 	<p>With effect from August 1, 2023, there has been an increase in excise duty by 20% on 18 price slabs of IMFL and duty on beer increased to 185% from 175% of ex-distilleries price (EDP)</p>	<p>This has led to sharp increase in retail price of IMFL and moderate increase in beer price in the state. Consequently, IMFL volumes declined by 14% during the first 15 days of August 2023 on a YoY basis, while beer sales volume increased by 21% due to some shift of consumers towards beer.</p>
Haryana 	<p>Under the new excise policy with effect from April 1, 2023, corporates in Haryana are allowed to serve beer, wine at workplaces with at least 5,000 employees and a minimum premises covered area of one lakh square feet in single premises</p>	<p>Haryana became the first state to approve serving liquor at corporate offices, which will increase state revenues in the form of licence fees and excise revenues; however, licence conditions are stringent. Meaningful impact on consumption will take time.</p>
Uttar Pradesh 	<p>Several new manufacturing licences for distilleries issued</p>	<p>There has been a rapid increase in the number of distilleries in the last few years, while 80 new distilleries are expected to commercialise operations in the next one-two years</p>

Industry trends: Product innovation



Source: ICRA Research

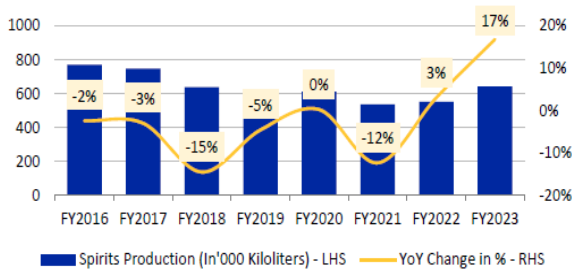
Industry trends: Increase in consumer reach



Source: ICRA Research

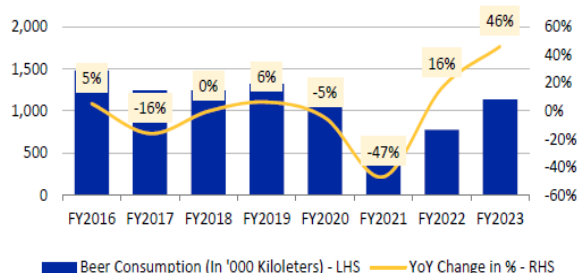
Consumption growth to continue led by favourable demographics

Exhibit: Trend in Domestic Spirits Consumption



Source: CMIE, ICRA Research

Exhibit: Trend in Domestic Beer Consumption



Source: CMIE, ICRA Research

- Spirits (IMFL and CL) consumption increased by ~17% YoY in FY2023 led by revival in demand in both urban and rural areas after two consecutive Covid-impacted years. ICRA expects spirits volumes to continue to grow at a steady pace in FY2024 supported by growth in consumer base led by favourable demographic changes with a shift in perspective towards alcohol consumption.
- Beer has shown remarkable consumption growth in FY2023 with a YoY growth of 46%. This was supported by strong demand recovery during the peak season of April-June 2022 and favourable change in excise policy in a few states.
- In FY2024, ICRA expects beer volumes to witness growth, albeit at a lower pace, given the high base of FY2023. While summer of FY2024 has been less harsh, a sub-par monsoon, prevailing El Nino conditions and consequent warmer temperatures in key consuming regions are expected to support beer volumes.

Source: ICRA Research

Sub-par monsoon and El Nino conditions to support consumption in FY2024



IMFL and beer constitute majority (~85-90%) of the Indian alcobev industry in terms of value. CL's contribution is low at ~10-15% in terms of value, although volume contribution is largely similar for IMFL, beer and CL.



While spirits consumption is tilted towards the southern states, beer consumption is higher in the northern and central states. The southern states comprising Kerala, Telangana, Karnataka, Tamil Nadu and Andhra Pradesh account for ~50% of the total alcohol consumption. Other high consumption states include West Bengal, Odisha, Delhi, Haryana and Punjab.



Conducive weather conditions in southern states support steady IMFL consumption. Long and hot summers in the northern and central states support high consumption of beer in these regions.

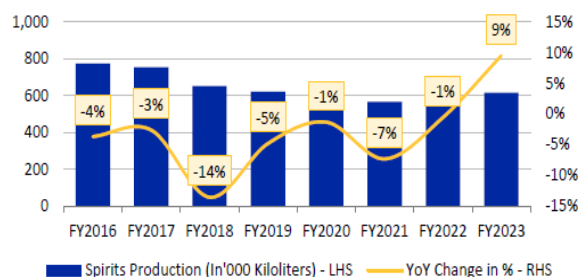


In FY2023, a harsh summer and demand recovery post Covid-19 pandemic led to robust beer volume growth. In FY2024, while some regions witnessed an early onset of summer, overall, it was milder than the previous fiscal. Nevertheless, El Nino conditions and an overall muted monsoon is expected to support alcobev volumes, particularly beer. Warmer temperatures in Q2-Q3 FY2024 in key consuming regions like Kerala, Karnataka, Maharashtra and other southern states will support the offtake.

Source: ICRA Research

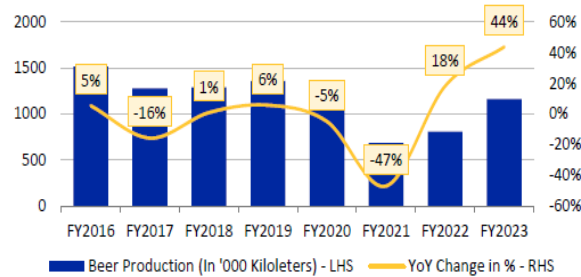
Healthy consumption growth is driving capacity utilisation and production levels

Exhibit: Trend in Domestic Spirits Production



Source: CMIE, ICRA Research

Exhibit: Trend in Domestic Beer Production

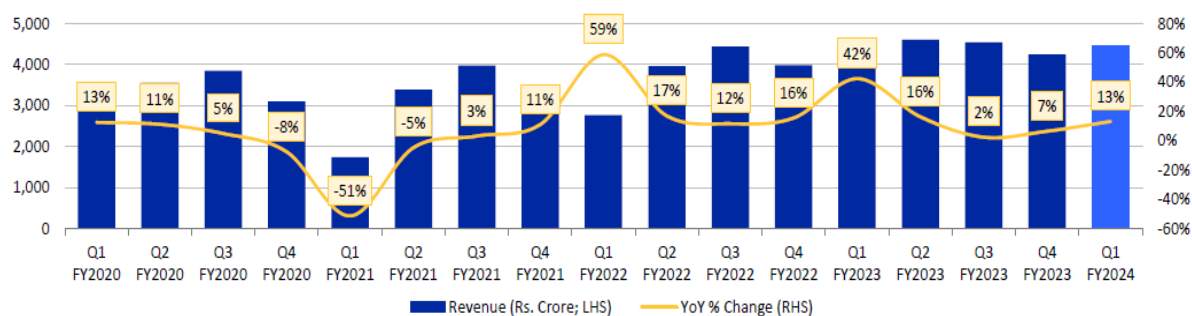


Source: CMIE, ICRA Research

- Beer manufacturers have added capacity over the last two fiscals to address the growing domestic consumption. As beer has a short shelf life of up to six months, producers' ability to stock inventory remains limited and thus production and consumption patterns remain closely linked. Contrary to beer, unopened spirit has a longer shelf life. Production levels of beer have grown in line with consumption trends and ICRA expects the same to continue given the favourable demand outlook.
- While spirits' capacity addition has a long approval process, franchisee arrangements for bottling or canning of alcobev are typically faster to set up assuming distilled concentrate is available. Alcobev brands have been steadily adding franchisee or contract manufacturing arrangements at the regional level to be closer to their end consumers and thereby also improve their cost structures by saving on logistics costs and interstate taxes. State level policies thus remain crucial to boost production levels.

Healthy Q1 performance to support revenues for spirit manufacturers in FY2024

Exhibit: Quarterly Revenue Trend for Spirits Players in ICRA Sample Set

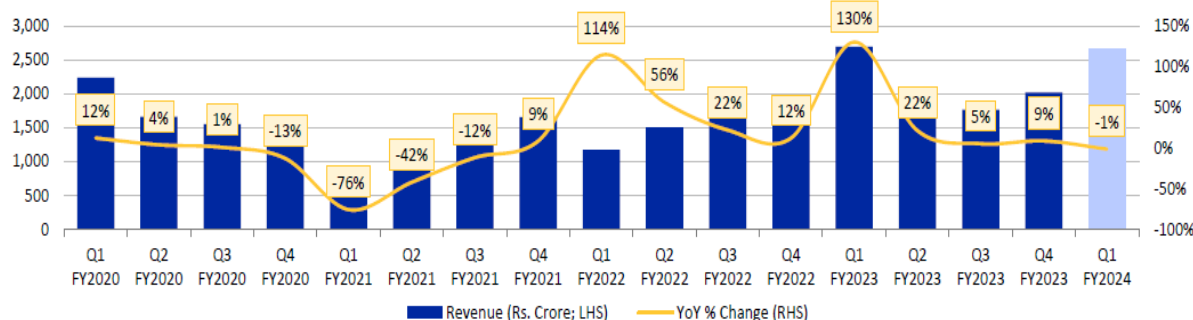


- Typically, Q3 of every fiscal is the peak season for spirit consumption, contributing ~30% to the full-year sales, driven by spike in demand during winters in North and Central India, festive seasons, and auspicious dates for weddings and ceremonies.
- Revival in demand and premiumisation supported ~14% YoY growth in revenues in FY2023 for ICRA's sample set of spirits manufacturers. Further, in Q1 FY2024, spirits manufacturers witnessed YoY growth of 13%, thereby reaching peak revenues over the last six quarters, backed by continued healthy demand. Notably, Q1 FY2024 revenues were higher than Q3 of the previous fiscal, underscoring the healthy demand scenario.
- ICRA expects its sample set of manufacturers to witness strong YoY growth of ~10-12% in revenues in FY2024 led by a mix of volume and realisation improvement. The realisation growth is expected to be a combination of upscaling from lower to higher variants (premiumisation) as well as price hikes approved by state governments.
- Consumption is expected to improve gradually over the long term, supported by changing preference towards premium alcobev and expansion of consumer base.

Source: Source: Company data; ICRA Research; Based on ICRA sample of six listed spirits manufacturers -Associated Alcohols & Breweries Limited, GM Breweries Limited, Mohan Meakin Limited, Radico Khaitan Limited, Tilaknagar Industries Limited, United Spirits Limited.

Warm and dry weather conditions to support beer sales in FY2024

Exhibit: Quarterly Revenue Trend for Beer Manufacturers in ICRA Sample Set

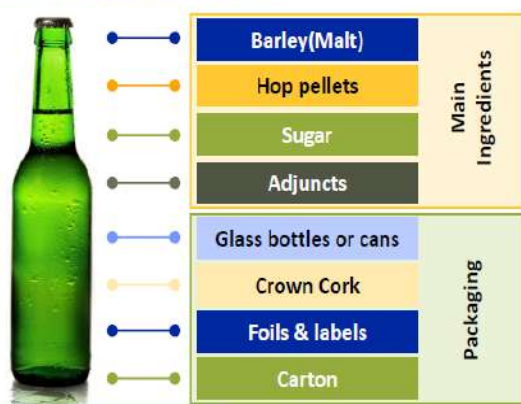


- Being a refrigerated drink, beer has its highest consumption during the summers, with peak volumes in Q1 (~30% of full-year revenues) of every fiscal.
- Q1 FY2023 was the first disruption-free peak season for domestic beer business after the impact of the pandemic. Moreover, this period witnessed a harsh summer with heatwaves across regions, which led to strong performance.
- An early onset of monsoon resulted in stagnant revenues for beer manufacturers in Q1 FY2024. However, a weak monsoon and relatively warm and dry El Nino conditions across the country will drive demand in the balance part of the fiscal. Moreover, increased realisations to pass on the input cost rise will also support revenue growth to an extent. With a high base of FY2023, ICRA expects revenues for beer manufacturers in its sample set to witness some moderation in YoY growth to ~8-10% in FY2024 compared to 46% in FY2023.
- Over the long term, the increasing popularity of low-alcohol beverages and launch of new variants of beer (including low alcohol content) and young population preferring beer for social gatherings is likely to support growth in beer consumption volumes.

Source: ICRA research, Based on ICRA sample of two listed beer companies, Som Distilleries & Breweries Limited and United Breweries Limited

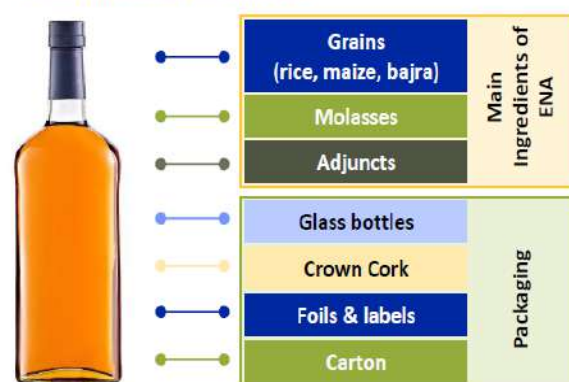
Cost structure for alcobev manufacturers

Exhibit: Typical composition of beer



Barley is the key raw material for producing beer, accounting for about one-fourth of the cost of manufacturing. Other ingredients are sugar, hops and other adjuncts.

Exhibit: Typical composition of IMFL



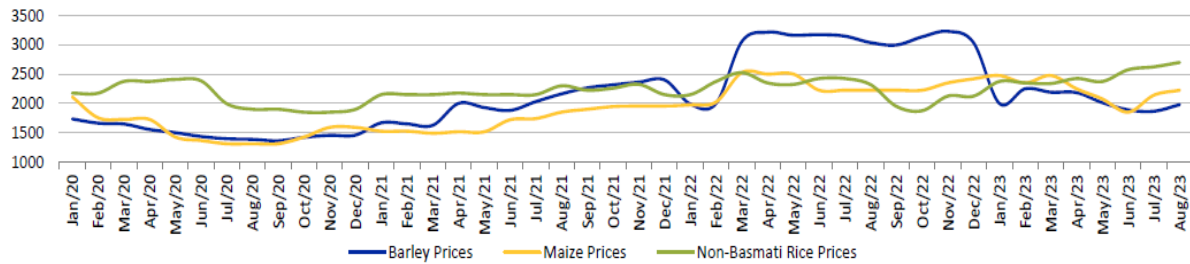
ENA, which is the base for IMFL, is derived primarily from two processes. One is from starch-rich grains like rice and maize through a milling, liquefying, fermentation, denaturing and distillation process. The other is through fermentation and distillation of molasses, which are by-products of sugar making. In addition to ENA, flavour concentrate for the particular IMFL brand and other adjuncts form the key components of raw material. Thus, the cost structure varies in line with the IMFL category and its feedstock.

Glass bottles are another key cost component for alcobev manufacturers. Players also use returned glass bottles to optimise their costs; however, this requires the presence of a robust and an efficient bottle return system. Other packaging components include corks, labels, packing cartons etc.

Source: ICRA Research

Elevated raw material costs to impact manufacturers' gross margins in FY2024

Exhibit: Trend in Barley, Maize and Non-Basmati Rice Prices (Rs./ Quintal)

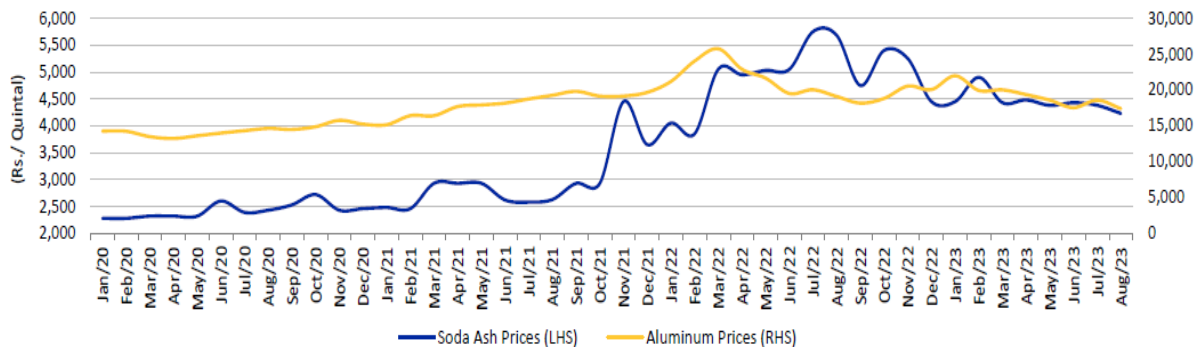


- Grain prices vary with agro-climatic conditions and Government regulations. In the current fiscal, non-basmati rice prices have rallied (by ~14% over March to August 2023) and recent measures taken by the Government including announcement of export restrictions and cancellation of subsidised broken rice supply to ethanol manufacturers are expected to curb the rally across non-basmati rice segments. New rice crop arrivals in the latter part of the fiscal and quality of the harvest can help soften prices. While maize prices have softened recently (declined by ~10% over March to August), impact of a late monsoon on further crop arrivals and prices remains to be seen. In case of molasses-based ENA, often alcohol players enter into long-term price contracts with sugar mills and many ENA manufacturers also have dual feed (molasses and grain) capacities.
- Barley prices witnessed a sharp rise of ~50% in March-April 2022 compared to January-February 2022, triggered by the Ukraine-Russia conflict and expectations of healthy domestic demand during the upcoming peak beer season. Ukraine is one of the key producers of barley and caters to ~50% of India's requirement. The prices of barley started softening from January 2023 to levels close to those in January 2022 post the new crop arrival, coupled with improvement in supplies from Ukraine. The barley prices are likely to remain stable in the near to medium term. Sugar prices are expected to remain elevated in the current fiscal compared to FY2023.
- As the industry receives price hike from the state governments with a lag of a year and average grain prices are expected to be elevated in FY2024, ICRA expects gross margins of spirits manufacturers to be impacted. In the medium term, grain prices may witness a significant increase if they are diverted substantially towards ethanol blending.

Source: ICRA Research

Packing material prices witness modest correction in early FY2024

Exhibit: Trend in Soda Ash Prices & aluminum prices (Rs./ Quintal)

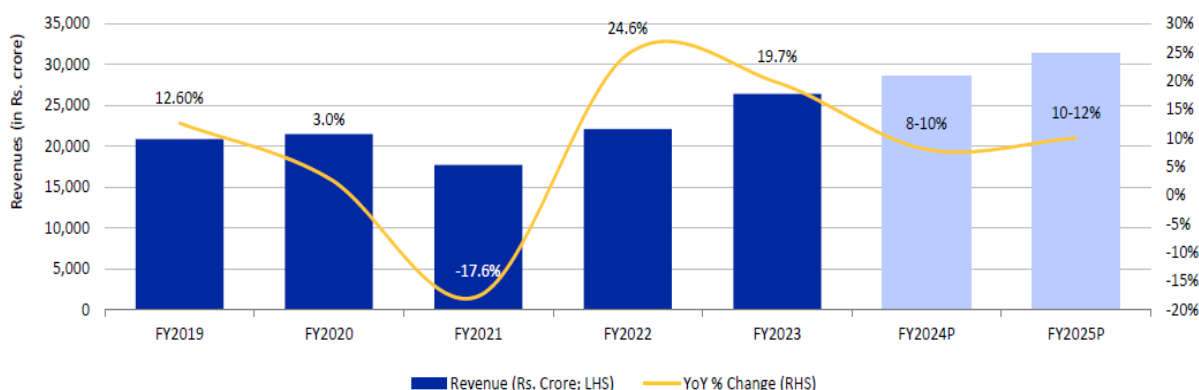


- Packing material forms as high as ~50-60% of manufacturing cost of an alcohol player. Both aluminium (which forms base for can prices) and soda ash (which determines glass bottle prices) witnessed highs in Q4 FY2022 and H1 FY2023, respectively. The sharp increase is attributed to the significant pick-up in demand and rise in coal prices during the period.
- Soda ash prices softened from August 2022 onwards, although, they remain at an elevated level compared to the previous normal. Aluminium prices have started softening from January 2023 onwards. Going forward, soda ash prices are likely to remain elevated led by healthy demand from various end-user industries and domestic capacity utilisation almost at 100%.

Source: Bloomberg, ICRA research.. Aluminium is used for cans manufacturing. IMFL is largely glass bottles based, while 80-85% of beer is bottled and balance 15-20% is canned.

High single digit revenue growth expected in FY2024

Exhibit: Trend in operating revenues for ICRA sample set

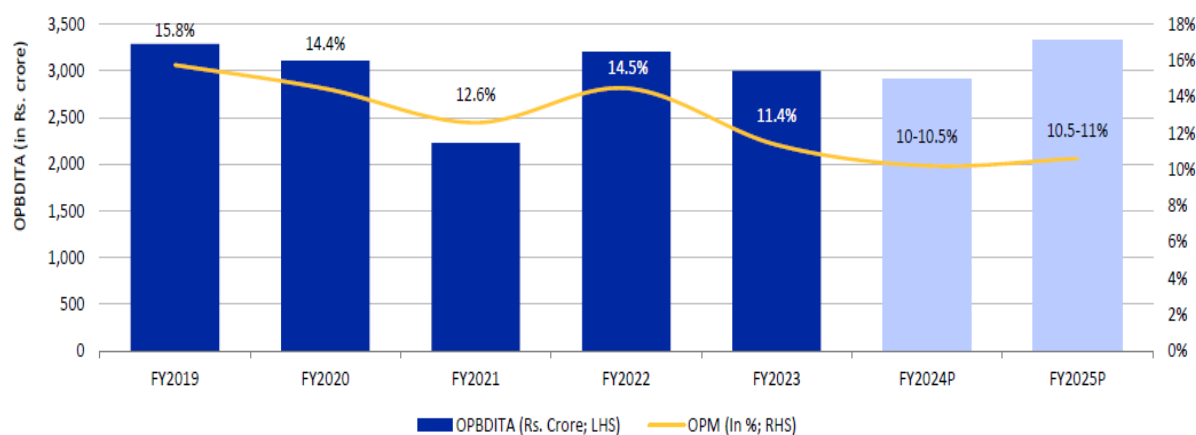


- ICRA's sample set companies witnessed a strong YoY growth of 19.7% in FY2023, led by a robust 34% growth in beer revenues and 14% in spirits revenues.
- While revenues from beer remained flat in Q1 FY2024 on a YoY basis given the high base, spirits revenues witnessed a YoY growth of ~13%. Revenues for the companies are likely to grow at 8-10% in FY2024 and 10-12% in FY2025, led by healthy volume growth in addition to improving contribution of premium brands to the overall revenues as well as price hikes expected to be granted by most state governments, albeit with a lag.

Source: Source: Company financials, ICRA Research, ICRA sample set of eight companies -Associated Alcohols & Breweries Limited, GM Breweries Limited, Mohan Meakin Limited, Radico Khaitan Limited, Som Distilleries & Breweries Limited, Tilaknagar Industries Limited, United Spirits Limited and United Breweries Limited

Input cost pressures to result in margin contraction in FY2024

Exhibit: Trend in OPBITDA for ICRA sample set

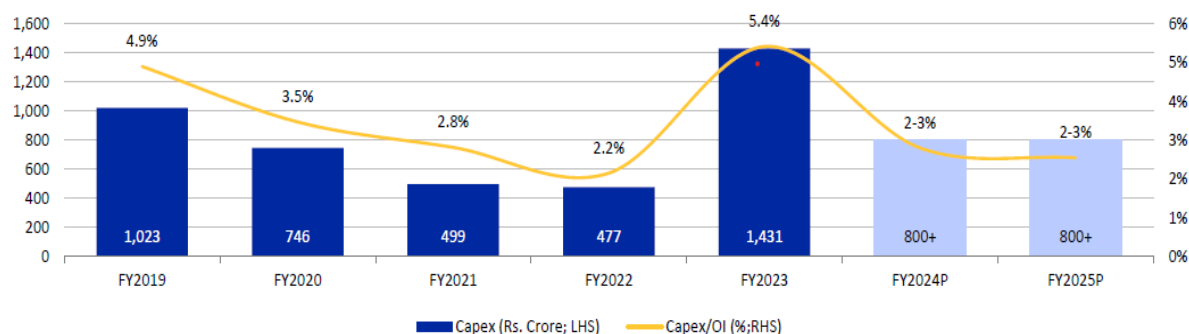


- The OPM for ICRA's sample set companies declined by 310 bps in FY2023 to 11.4% due to a sharp increase in input prices including barley and glass (used for packaging), despite a strong revenue growth of ~20%.
- While alcobev manufacturers have received price hikes across many states to address the cost escalation, continued input cost pressures, particularly grains (and thus ENA) is expected to result in further contraction in OPM in FY2024 to 10-10.5%. However, subsequently, ICRA's sample set companies may witness modest margin improvement in FY2025 led by steady demand growth, improving product mix and gradual easing of cost pressures.

Source: Company financials, ICRA Research, ICRA sample set of eight companies -Associated Alcohols & Breweries Limited, GM Breweries Limited, Mohan Meakin Limited, Radico Khaitan Limited, Som Distilleries & Breweries Limited, Tilaknagar Industries Limited, United Spirits Limited and United Breweries Limited

Capacity addition to continue at a moderate pace

Exhibit: Trend in capex outflow for ICRA sample set (Rs. crore)



- During FY2023, companies in ICRA's sample set incurred capital expenditure (capex) of ~Rs. 1,431 crore, indicating an investment revival after the pandemic. This capex was primarily towards distilleries and brewery capacity additions and enhancement of manufacturing infrastructure, including maintenance. The companies undertook modest capex at ~2-3% of operating income during FY2020-FY2022, which grew to 5.4% in FY2023. ICRA expects the capex to remain at 2-3% of the operating income over the next two years.
- New beer manufacturing capacities are expected to come up in the near to medium term with some players looking to expand to new states and also deepen penetration in existing regions. Given the long approval process for greenfield expansion, much of the investment at present is towards brownfield facilities and enhancement in backward integration capabilities (such as captive ENA production) by some IMFL companies.

Source: Company financials, ICRA Research, ICRA sample set of eight companies -Associated Alcohols & Breweries Limited, GM Breweries Limited, Mohan Meakin Limited, Radico Khaitan Limited, Som Distilleries & Breweries Limited, Tilaknagar Industries Limited, United Spirits Limited and United Breweries Limited

Credit metrics to remain healthy

Exhibit: Trend in Debt/EBIDTA (x) for ICRA sample set

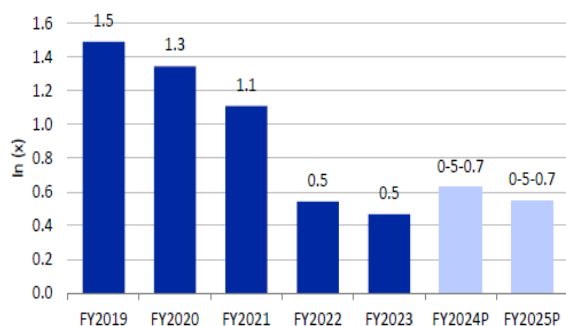
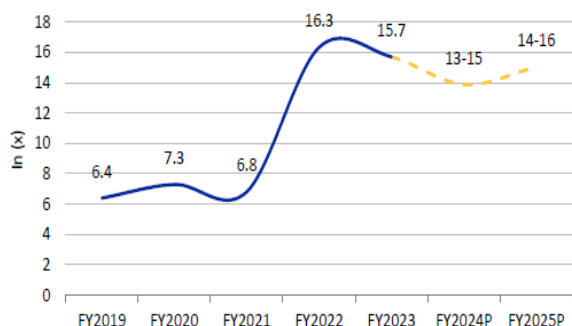


Exhibit: Trend in OPBDIT/Interest cover (x) for ICRA sample set



- Substantial reduction in debt over the past few years by industry majors, backed by healthy cash accruals, supported a gradual improvement in debt coverage metrics from FY2020 to FY2023.
- While margins are expected to remain under pressure, ICRA expects operating profits to remain healthy given the steady revenue growth expectations.
- Given the ongoing availability issues, especially for broken rice, spirits manufacturers may have to shore up raw material stock levels in the near term, leading to higher working capital requirements. However, in the absence of any large debt-funded capex plans, healthy cash accruals are expected to maintain stable debt levels for ICRA's sample set. Consequently, ICRA expects debt coverage metrics for its sample set to remain healthy over the near to medium term.

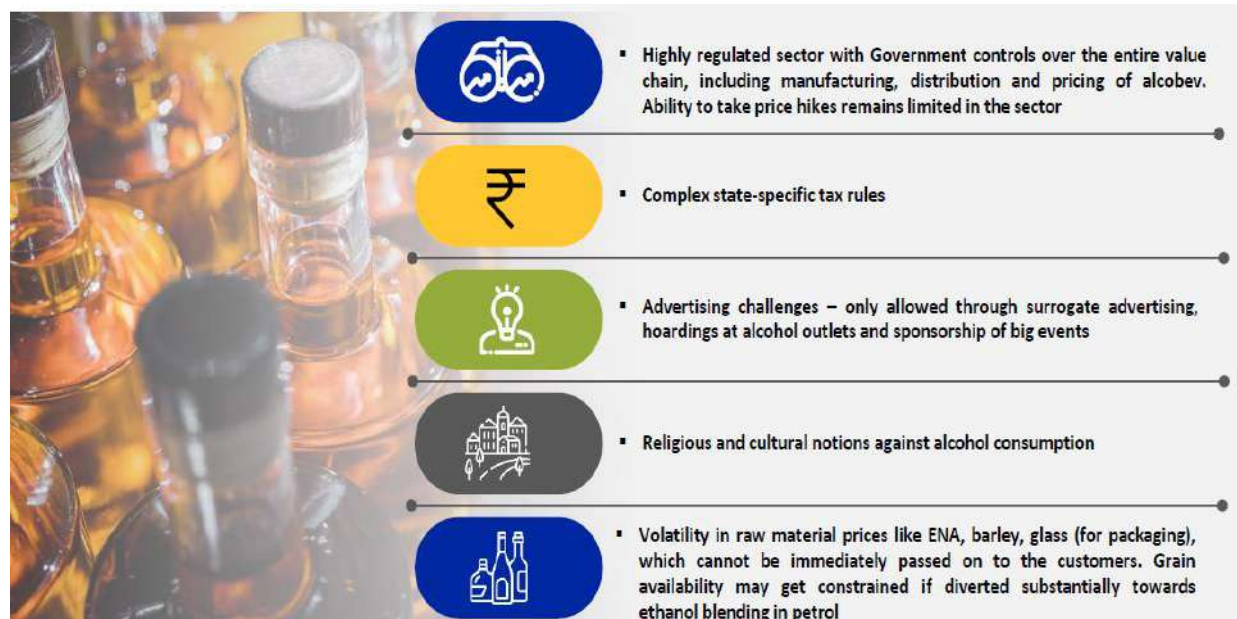
Source: Company financials, ICRA Research, ICRA sample set of eight companies -Associated Alcohols & Breweries Limited, GM Breweries Limited, Mohan Meakin Limited, Radico Khaitan Limited, Som Distilleries & Breweries Limited, Tilaknagar Industries Limited, United Spirits Limited and United Breweries Limited

Key growth drivers



Source: ICRA Research

Key challenges



Source: ICRA Research

OUR BUSINESS

Before making an investment in the Equity Shares, this section should be read in conjunction with the sections entitled “Risk Factors”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 37, 80, 95 and 187, respectively. This Preliminary Placement Document contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements because of certain factors, including considerations described below and in the section titled “Forward-Looking Statements” on page 16.

Unless otherwise stated, references in this section to “our Company”, “we”, “us”, or “our” (including in the context of any financial or operational information) are to Som Distilleries and Breweries Limited and our Subsidiaries on a consolidated basis.

Our fiscal year ends on March 31 of each year. Accordingly, references to a “Fiscal” year are to the 12-month period ended March 31 of the relevant year. The financial information included in this section for Fiscal 2023, Fiscal 2022 and Fiscal 2021 have been extracted from our Audited Consolidated Financial Statements beginning on page 187.

Overview

Our Company was incorporated as ‘Som Distilleries and Breweries Limited’ on March 26, 1993 as a public limited company under the Companies Act, 1956 with the Registrar of Companies, Delhi & Haryana at Delhi. The Corporate identification number of our Company is L74899DL1993PLC052787.

In the year 1994, our Company made an initial public offering of 49,96,100 Equity Shares of ₹ 10 each at par aggregating to ₹ 499.61 lakhs and listed its Equity Shares on BSE. Our Company was listed on NSE with effect from March 18, 2014.

Our company is primarily engaged in production of beer and blending and bottling of Indian Made Foreign Liquor (“**IMFL**”). We offer a broad portfolio of products at different price points to cater to varied preferences of consumers. Our product portfolio consists of various options across beer, rum, brandy, vodka, and whisky categories.

Our flagships brands include Hunter, Black Fort, Power Cool and Woodpecker in the Beer segment and Milestone 100 whisky and White Fox vodka in the IMFL segment. Other IMFL brands of ours include Legend, Pentagon, Black Fort, Genius, Sunny, Gypsy and Blue Chip. For the FY 2022-23 close to 91% of our sales came from the sale of Beer while the rest came from sale of IMFL. Hunter and Woodpecker brands are supplied as draught beer to all major hotels in Madhya Pradesh and Karnataka. We launched ‘Woodpecker’ Wheat Beer, India’s first filtered wheat beer in the year 2020.

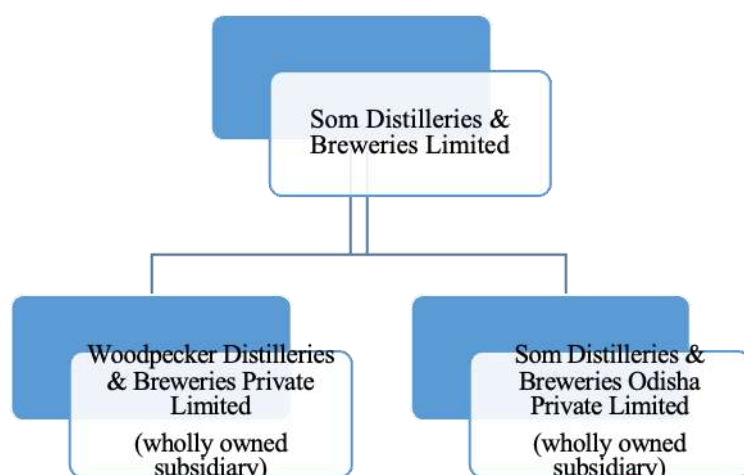
Our manufacturing unit is located at Bhopal (Madhya Pradesh). The Bhopal plant has a total installed capacity of 152 lakhs cases of beer per annum and 6 lakhs cases per annum of IMFL (excluding our subsidiaries) which is sold to the domestic and international customers. Alongside, we have our 100% subsidiary companies, Woodpecker Distilleries & Breweries Private Limited located at Hassan, Karnataka and Som Distilleries & Breweries Odisha Private Limited located at Barpada, Odisha.

Our revenues (net of excise duty), on a consolidated basis, amongst the two major product lines can be broadly classified as under:

(₹ in lakhs)

Particulars	Three months ended June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Beer	36,828.91	7,4081.27	31,860.48	23,587.23
IMFL	1,672.79	6,586.41	4,415.61	5,169.98
Total	3,8501.70	80,667.68	36,276.09	28,757.21

As on date, our business activities are carried out through the following subsidiaries:



1. Woodpecker Distilleries & Breweries Private Limited (“**WDBPL**”)

Our wholly owned subsidiary Woodpecker Distilleries & Breweries Private Limited is located at Hassan, Karnataka and is engaged in manufacturing of beer and bottling/blending of IMFL. It started its commercial production in 2018 with a capacity of 34 lakhs cases per annum. The unit has a total installed capacity of 90 lakhs cases of Beer and 27 lakhs cases of IMFL per annum.

2. Som Distilleries & Breweries Odisha Private Limited (“**SDBOPL**”)

Our subsidiary Som Distilleries & Breweries Odisha Private Limited is located at Barpada, Odisha and is engaged in manufacturing of beer. It started its commercial production in March 2019 with capacity of 42 lakhs cases per annum. The unit has a total installed capacity of 60 lakhs cases per annum. Carlsberg India Private Limited is also getting its beers manufactured at this facility.

In 2022, we have received ISO 9001:2015 certification for manufacturing and supply of Beer, IMFL (Indian made foreign Liquor) and R.T.D (Ready to Drink) beverages for our Bhopal plant from LMS certification, UK, which is valid till February 2025. We also have FSSAI certifications for all our manufacturing units, which are valid and subsisting.

Our consolidated volume of beer and IMFL cases sold are depicted as under:

(No. in lakhs)

Sales Volume (No of cases sold)	Three months ended June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Beer	65.83	149.62	69.96	50.21
IMFL	2.20	8.85	5.71	7.44
Total	68.03	158.48	75.67	57.65

Key Financial Information and Key Performance Indicators (KPIs)

Set forth below is certain of our key financial information:

(₹ in lakhs)

Particulars	June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from operations (Net of Excise)	38,501.70	80,667.68	36,516.30	28,757.21
Total Net Revenue (Net of Excise)	38,661.95	80,800.87	36,545.82	29,014.74
EBITDA	5,013.17	10,342.85	1,958.95	-700.00
EBITDA margin (%) on Total Net Revenue	12.97%	12.80%	5.36%	-2.41%
Profit after tax	3,366.62	6,030.23	-984.00	-3,807.28
PAT margin (%) on Total Net Revenue	8.71%	7.46%	-2.69%	-13.12%

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
ROCE(1)	13.99%	0.58%	-5%
ROE(2)	18.17%	-3.41%	-13%
Fixed asset turnover ratio(3)	1.80	0.89	0.69
Debt / equity ratio	0.65	0.68	0.74
Interest Coverage Ratio(4)	5.41	0.18	-1.09
Debtor / Receivable Days(5)	31	69	94

1. ROCE is calculated by earnings before interest and tax divided by average of total assets less current liabilities of last two fiscals.
2. ROE is calculated by profits after tax divided by average networth of last two fiscals.
3. Fixed asset turnover is calculated by dividing gross block of fixed assets by revenue from operations.
4. Interest coverage Ratio is calculated dividing EBIT by considering entire finance cost Schedule
5. Debtor / Receivable Days is calculated as Average Debtors divided by the Sales multiplied by 365.

Our Competitive Strengths

Understanding consumer preferences, product development and roll out capabilities

We believe that our ability to understand consumer preferences and our focus on initiatives to develop product attributes that are most valued by consumers is one of our key strengths. We believe that we have an extensive understanding of the alcoholic beverages industry in India, and especially by leveraging on our wide distribution network, we try to understand changing consumer trends and preferences in terms of products types, pricing and packaging, particularly in our focus market of semi urban and rural areas. We complement our understanding of the market in India, with our product development and roll-out capabilities and with our attention on continuous improvement in product innovation and quality assurance. We believe that this has enabled us to develop and launch a competitive portfolio of beverages catering to a wide gamut of consumer preferences. We have also launched the 'Woodpecker Beer' in draught and packaged variants tailored to the preferences of consumers. We believe that the development and launch of our brands in certain key markets demonstrates our ability to roll out and execute sales and marketing initiatives to introduce new products which meet consumer expectations.

Pan India and presence in key international markets

Our Company has a long-standing market presence and operating history of nearly three decades. Our Company operates its business through a pan-India network and has a presence across India covering major cities. Our market presence at important locations is critical for increasing of market share, increase in business, widening our customer base, enhancing our service standards and enhancing the reputation of our Company. Over the years, we have expanded our presence internationally. Our key international geographies are UAE, USA, Norway and Seychelles for beer and for IMFL we export mainly to UAE and West African nations. Our consolidated revenues (net of excise duty) from domestic and international markets are detailed hereunder:

(₹ in lakhs)

Consolidated Revenue (net of excise duty)	Three months ended June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Domestic	38,323.02	79,757.41	35,390.17	27,859.43
Exports	178.68	910.27	885.92	897.77
Total	38,501.70	80,667.68	36,276.09	28,757.21

Experienced management team

We have a qualified and professional management team with significant experience in all operational aspects of our business. We believe that the industry experience of our management team and their ability to deliver consistent sales growth are our significant strengths. Our management comprises of professionals who have the requisite qualifications and relevant industry experience. Mr. Jagdish Kumar Arora, our Promoter and Managing

Director has an experience of more than 40 years in this line of business. Mr. Jagdish Kumar Arora provides strategic leadership to our Company and is also closely involved in our operations. We believe that our management team's in-depth understanding of target markets and consumer demand and preferences has enabled us to continue to grow our business and expand our sales internationally. We believe that our experience, knowledge and human resources will enable us to drive the business in a successful and profitable manner. For further details of our management team please refer the chapter titled "*Board of Directors and Senior Management Personnel*" beginning on page 122.

Our Business Strategies

We intend to pursue the following principal strategies to leverage our competitive strengths and grow our business:

Strengthening our business through product innovation and new product launches

Our customers' demand for top quality products is growing. In response to this, we place a strong emphasis on developing high quality products through product innovation and new product launches. We intend to continue to leverage on our in-depth market research to enable us to introduce a wider range of products under our existing brands based on consumer preferences and demand and to distinguish ourselves from our competitors. Our products taste and packaging are crafted to appeal to the younger generation. By providing innovative products, we believe that we will be able to become a preferred brand to our customers, thus giving us the opportunity to consolidate our position with our target market and increase our market-share. We further believe that it will provide us with early-mover advantages and higher profit margins and will present us with opportunities to capture shifts in customer preferences.

Strengthening up our business through working more on the trade channels and increasing the width of distribution

We see a big opportunity to grow further and faster, provided we can aid the awareness and trial generation effort through campaigns, complemented by our effort in the channels for availability of required quantity and quality.

Our marketing and engagement plan addresses the key important drivers that would help us reach our consumers in a more effective manner. The investment here would be in improving in channel awareness, visibility, cold stock availability through our own coolers in trade, cold rooms in walk-in-channel, trade engagement and consumer engagement programs.

Focus on operational efficiencies to improve returns

Offering quality products at attractive prices is a key aspect of maintaining and expanding our relationships with our customers. To that end, we have adopted a number of initiatives designed to improve our cost efficiency and as a one of our primary business strategies we intend to continue improving cost efficiency. We are addressing the increase in operational output through continuous process improvements, quality check and technology development. We intend to use a variety of other manufacturing strategies, sourcing strategies and cost reduction strategies to continue to improve our operational efficiencies. For example, we plan to: (i) install machines with higher productivity; (ii) implement low-cost automation; (iii) rationalize our manpower requirements; (iv) use our research and design capabilities to reduce process and component and packaging costs; (v) continually review our vendor base so that we secure the best costs amongst vendors that meet our quality requirements; and (vi) outsource non-critical operations so that we can focus our efforts on delivering the best quality products within our core areas. Our employees are regularly motivated to increase efficiency with error free exercise. We believe that this can be done through continuous process improvements, learnings, training and skill development.

Widening our customer base by entering into new geographies

We aim to pursue growth strategies to expand our market share across key geographies. On the domestic front as well, top 5 states contributed 94%, 92% , 86% and 84% of our domestic revenues for three months period ended June 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively, which we intend to spread to more states to improve our reach, revenues and profitability. We intend to cater to the increasing demand of our existing customers by widening our market reach to areas in which we do not operate currently. Our emphasis is

on expanding the scale of our operations as well as growing our network, which we believe will provide opportunities to grow our client base increase our market share, revenues and profitability. The domestic market offers various opportunities in term of sub-geographic penetration and market diversification which we intend to seize and increase our market share by exploring untapped markets. We shall also continue to explore opportunities in different regions to enhance our geographical reach.

Selectively Pursue Strategic Acquisitions in the medium term

We plan to selectively pursue acquisitions. In July 2018, we acquired a brewery plant in Odisha which generated 10.51%, 10.09%, 12.39% and 14.32% of total consolidated net revenues for the three months ended June 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively. We intend to continue our strategic expansion plans through inorganic growth opportunities that allow us to expand our existing operations. Through strategic acquisitions, we intend to increase our scale of operations, access new clients and enter high growth geographies in a cost – effective manner.




We shall continue to evaluate potential opportunities that would allow us to expand our reach and strengthen our position.

Product Portfolio

Our product portfolio includes Brews, Blends and Ready to Drinks products.

• **Brews**

The following table sets forth certain information relating to the products we produce and distribute:

Product	Description	Packaging sizes
 Hunter Strong Premium Beer	Hunter competes with all the national level main line brands in the strong beer segment having alcohol content of 6% to 8% v/v.	Available in 650 ml bottle, pint bottles and cans; Draught beer kegs
 Woodpecker Wheat Beer	Woodpecker is brewed using the finest South American wheat malts and German alfa hops to get the right texture, finesse and aroma.	Available in 650 ml bottle, pint bottles and cans; Draught beer kegs
 Black Fort Super Strong Beer	Black fort super strong beer is one of the signature brand of the company. This beer competes with the regional beer brands in the country.	Available in 650 ml bottle, pint bottles and cans

Product	Description	Packaging sizes
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Power Cool

Power Cool is a strong beer and is one of the signature brand for the company. It is aimed at the consumers who would like to shift from IMFL to beer.

Available in 650 ml bottle, pint bottles and cans



Legend Premium Beer

Legend Premium Beer is brewed from the finest barley malt, imported hops and water.

Available in Cans of 500 ml.

• Blends

Product	Description	Packaging sizes
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Pentagon Gold Edition Whisky

Our product Pentagon gold edition whisky is a combination of highland scotch malt and the Sharbati Wheat variant. It's a 100% grain triple-distilled whisky.

Bottles of 90ml, 180 ml, 375 ml and 750 ml.



Pentagon XO Premium Rum

Pentagon Rum is created by using a fine blend of cane juice and molasses.

Bottles of 90ml, 180 ml, 375 ml and 750 ml.



White Fox Vodka

White Fox Vodka is produced from the finest grain. It is triple-distilled, charcoal filtered and made from the finest grain with a touch of rose and vanilla notes




Bottles of 90ml, 180 ml, 375 ml and 750 ml.






Legend Rare Brandy

Legend Rare Brandy is produced by distilling grape juice. It contains 35–60% alcohol that is aged in wooden casks.

Bottles of 90ml, 180 ml, 375 ml and 750 ml.

Product	Description	Packaging sizes
 Black Fort Rum	Black Fort Rum is a classic blend of distilled sugarcane juice spirit. Dark rum with 42.8% alcohol content and 57.2% ecstasy.	Bottles of 90ml, 180 ml, 375 ml and 750 ml.
 Milestone 100 Whisky	Milestone 100 Whisky is a blended scotch whisky.	Bottles of 90ml, 180 ml, 375 ml, 750 ml and 1,000 ml.
 Legend Premium Whisky	Legend Premium Whisky is a finest blended scotch whisky.	Bottles of 90ml, 180 ml, 375 ml and 750 ml.

• Ready to Drink

Product	Description	Packaging sizes
 White Fox Refresh Cranberry	Ready to mix drink with vodka base and cranberry flavour. Low on sugar and high on taste.	Cans of 330 ml.
 White Fox Refresh Passion Fruit	Ready to mix drink with vodka base and passion fruit flavour. Low on sugar and high on taste.	Cans of 330 ml.
 White Fox Refresh Orange	Ready to drink with vodka base and orange flavour. Low on sugar and high on taste.	Cans of 330 ml.

Product	Description	Packaging sizes
White Refresh Naughty Orange	Fox –	



Ready to mix drink with vodka base and lemon flavour. Low on sugar and high on taste. Cans of 330 ml.

White	Fox
Refresh	-
Tangy Lemon	

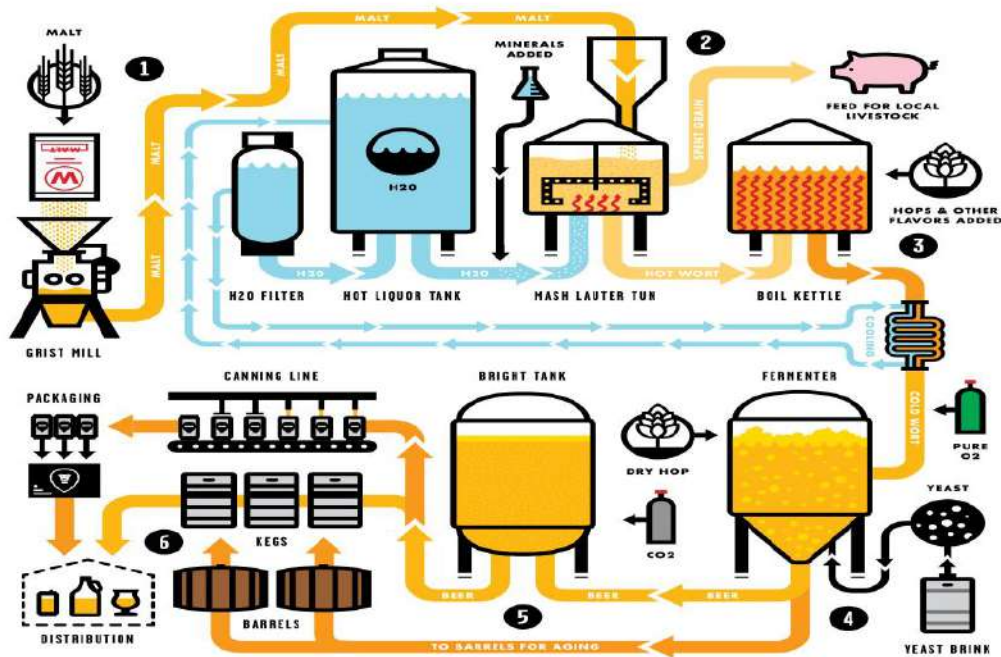
Technology and Process

The technology for manufacturing Beer and Indian Made Foreign Liquor is well established. Our company and its promoter have the requisite knowledge and technology to produce the same, having been in this business since 1993.

Manufacturing Process

Beer making is a batch process which involves the extraction and scarification of starches and their conversion into an alcoholic brew by fermentation process. The basic ingredients involved in beer manufacturing are Malt, Adjuncts such as maize flakes or rice flakes, sugar, hops either in form of pellets or extracts, yeast and potable water. The basic functions involved are as follows:

- Malt Screening and Cleaning
- Malt Milling
- Mashing & Loitering
- Boiling of Wort with Hops
- Wort Cooling
- Fermentation
- Laagering and Balancing of Beer
- Filtration, Carbonation and Bottling



Step 1: Malt Screening and Cleaning

Malt grains are fed through the hopper of an elevator to a screening system consisting of sieves of two different perforations where the dust and small grains of malt are separated and conveyed through ducting to an aspirator. From the screener, the correct sized malt grains are passed on to a magnetic separator, while the dust and fine particles are led by a fan to the cyclone separator. Dust and chaff (loose grain skins) are sucked on to the shell side by centrifugal force and skimmed by a brush continuously. Grains so cleaned are passed over to a permanent magnet to remove ferrous particles, if any, preventing any damage to the rollers in the mill. The malt then passes to a de-stoner which operates on the principle of fluidization and difference in density. The cleaned malt is then fed to the malt mill through an elevator.

Step 2: Malt Milling

To achieve the best results, the milling of the malt grains should be such that the husks are least broken. Preserving husk integrity thus makes the bed of spent grains in the lauter tun, light and porous. Lauter Tun is a vessel for separating the wort from the solids of the mash. It results in rapid filtration of even highly viscous worts through the filtering spent grains bed, and thus increasing productivity. It also results in effective leaching (dissolving of soluble parts) of the grains bed during sparging. On the other hand, the grains (kernels) are reduced to a fine grit so that the conversion of starches into glucose is as complete during the mashing process. To fulfil these requirements a proven, simple and indigenous mill is incorporated. The gap between the crusher roller and the pressure on them are set as to achieve the best results. The malt after the milling is called grist.

Step 3: Mashing & Loitering

Grist from the mill is passed on to the mash kettle through a pre-masher. During mashing, the malt grist and water are mixed together. It is the first and most important step in beer production. Mashing decisively determines the composition of the mash, filtered wort and finally the quality of finished beer. During mashing, the contents of the malt grist goes into solution or are brought into solution by the activity of enzymes, while the insoluble substances are separated as spent grains in the lauter tun. The part, which is brought into solution, is called the extract. The extract concentration in cold wort which is fermented is called the original gravity. "Mashing-in-liquor" refers to the volume of water mixed with the malt quantity for a brew. Sparging refers to the water used in the lauter tun for leaching the remaining extracts from the spent grains. In Mashing the extraction of soluble and digestible insoluble substances from malt is extracted. The mashing process consists of three distinct stages, which are achieved at different temperatures. The first stage consists of separation of proteins from the malt. The second stage consists of conversion of starch into fermenting sugars and the third stage consists of the complete conversion of the remaining starch into maltose. The mash is heated up in stages

as to a predetermined regime of time and duration. Mashing in occurs at specified temperatures and ultimately the temperature is raised to 760°C. At specific temperatures there are rest periods of 5 to 75 minutes. This enables the enzymes in the mash to break down the mash substances at their specific optimal temperatures. The mash, which contains all the water extractable matter, is transferred to the lauter tun along with the spent grains. Here it runs through the spent grains bed and false bottom of the lauter tun. During the mash transfer to the lauter tun, turbid worts are recirculated, so that by the end of the mash intake, clear wort collection starts. The bottom entry valves (mash infeed) guarantee a uniform intake.

Step 4: Boiling of Wort with Hops

The prime objectives of wort boiling are:

1. Extraction and transformation of hop components, which in turn influence, the other objectives favourably. Hops contain two types of aromatic materials. The essential oils which are volatile and the bitter resins. Essential oils give the aroma to beer. The bitter resins impart bitter taste and flavour.
2. Formation and precipitation of protein – polyphenol complexes.
3. Boiling of the wort with hop stabilises its composition.
4. During boiling, the wort is sterilised and all the enzymes activity is terminated.
5. Increase wort acidity and colour.

Boiling of wort is carried out by using low-pressure dry saturated steam in a tube type internal reboiler installed inside the kettle. The reboiler works on the principle of natural circulation loops also known as thermosyphon. The boiling time is for 90 minutes at atmospheric pressure and an evaporation of 8% per hour is ensured. After boiling, the wort is pumped into turbulence tun called a whirlpool in a direction tangential to the circular sheet of the tun. The function of the whirlpool is to separate the hot worts from the hot trub, which is extracted as clear wort. This gives a whirlpool motion to the liquid, and suspended matter is collected in the centre after the motion ceases from where it is removed.

Step 5: Wort Cooling

The hot wort is cooled before it is pitched with yeast for fermentation. This cooling results in the formation and precipitation of the cold break which is basically the remaining part of the proteins coagulated during boiling and removed in the whirlpool. This appears as a fine colloidal suspension of the beer. Wort aeration is carried out immediately after cooling by injecting sterile air into it. This assists in good coagulation of proteinaceous matter and also the dissolved oxygen in the wort enhances the development of the yeast during fermentation.

Step 6: Fermentation

Fermentation of sugars is an exothermic process. It is carried out under controlled conditions of temperature and pressure. During fermentation the temperature of beer is maintained at 150 °C by using a flowing cooling medium.

Step 7: Lagering and Balancing of Beer

The stage in the manufacture of a lager beer when it is stored at a low temperature for maturing and clarification. Lagering or conditioning of the beer is necessary to achieve the following effects:

1. Setting of yeast and turbid matter.
2. Saturation of beer with carbon dioxide.
3. Improvement in flavour as a result of maturation.
4. Precipitation of chill haze

After fermentation beer is cooled down from 150 °C to (-) 10 °C by using cooling medium. Chilled green beer is kept under pressure with CO₂. During conditioning, blending of beer is also carried out by mixing beer from different batches and of different gravity. At the end of the maturation process, the beer becomes clear.

Step 8: Filtration, Carbonation and Bottling

The clear beer is taken from conditioning tanks and passed through a modern filtration plant. The filtration plant consists of candle filter, i.e., coarse common filter aid (also known as kieselguhr filtration), which is followed by trap filter. The trap filter increases the clarity of beer. The beer after filtration and carbonation is pumped into bright beer tanks from where it is pumped through insulated pipes to the automatic bottle filling machine. Beer bottles are pasteurized and labelled by automatic machine and are finally packed for distribution.

Raw Materials, Utilities and Infrastructure Facilities

Raw materials

The primary raw materials essential to manufacture our product are barley malt, rice flakes, sugar, hops and other chemicals, which are available from various vendors/suppliers. Raw materials are procured and stored based on production planning, inventory and dispatch schedules for optimum working capital utilisation. We purchase our raw materials from multiple suppliers on a purchase order basis. We do not have long term contracts for the supply of our raw materials and we procure required raw materials through purchase orders. We have long established relationships with a number of such suppliers, and such long established relationship ensure stable supply without dependency on a single source. On receipt of the raw materials from the suppliers, our quality control team tests the materials and only after such testing of the materials, the quality control department confirms whether the material is to be approved or rejected.

Water

Our manufacturing facilities are located at places where ground water is abundantly available and we utilise the same with requisite permissions/connections from local municipalities to meet water requirements for our manufacturing process. Generally, we use ground water and municipal water tap connections provided by the authorities.

Power

Our power requirements are met through state electricity boards. Our manufacturing processes require uninterrupted supply of power in order to ensure that we are able to manufacture our products in time. To meet power failure exigencies, we have also installed diesel generators at our manufacturing facilities to ensure uninterrupted supply.

Plant and Machinery

Our manufacturing facilities have been built keeping in mind efficiency, safety and environmental factors. Our units have all the key ingredients for a successful manufacturing unit. We have made all endeavours in procuring the best equipment within the financial resources available that can effectively cater to customer needs. The major equipment and machinery installed at our manufacturing facility includes:

Sr. No	Plant / Machinery	Use / Process	Make / Manufacturer	Location
1.	Bottling Line	For Bottling of Beer Bottles	Krones, Germany	Bhopal
2.	Process Plant	For Manufacturing of Beer	Alfa Laval / Praj	Bhopal
3.	Process Plant	For Manufacturing of CO ₂ recovery	Pent Air	Bhopal

Subsisting collaborations, any performance guarantee or assistance in marketing by the collaborators, infrastructure facilities for raw materials and utilities like water, electricity, etc.

Our Company does not have any collaborations or any marketing assistance from any collaborators.

Sales

The efficiency of the marketing and network is critical to success of our Company. We maintain a strong sales force which reach out to the retailers and the distributors across all the major states where we are present. Our distribution network has a strong presence in certain semi urban and rural markets in India.

We mainly operate in government markets where the wholesaler is the government, and the retail trade/outlets is controlled by the private parties. Examples of such states are Madhya Pradesh, Odisha, Karnataka and Kerala. Thus, our debtors are mainly the government corporations.

We have a warehouse in Uttar Pradesh to stock our products. From this location, our products are typically sent directly to retail outlets after the payment of the requisite excise duty.

Marketing

Recognizing that the alcobev industry in India is brand centric, marketing our brands is one of our key focus areas. The primary aim of our marketing campaigns is to build brand awareness and achieve recall for our brands, especially in semi urban and rural markets. For three months ended June 30,2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021, our marketing expenditure was ₹ 2,788.50 lakhs, ₹ 4,468.28 lakhs, ₹ 3,521.77 lakhs and ₹ 4,575.24 lakhs, respectively. We work closely with the retail outlets and believe in working with the trade in the promotion and trials of our products.

Collaborations

As on the date of this Preliminary Placement Document, we have not entered into any technical or other collaboration arrangements.

Human Resources

We believe our employees are one of our most important assets and critical to maintaining our competitive position in our key geographical markets and in our industry. As on June 30, 2023 we had 426 full time employees.

The following table sets forth a bifurcation of the number of our employees as of June 30, 2023:

Sr. No.	Description	No. of Employees
1	Promoter Management	1
2	Top Management	2
3	Corporate support staff (Accounts, Secretarial, office staff)	15
4	Business staff	52
5	Others	356
Total		426

Competition

Alcobev Industry in India is highly competitive. In particular, the beer segment consists of well entrenched brands which have built their brand equity over several decades. Many of our competitors, specifically the multi-national brands, have significant competitive advantages, including longer operating histories, larger and broader customer bases, more established relationships, greater brand recognition and greater financial strength, research and development, marketing, distribution and other resources than we do. The number of our direct competitors and the intensity of competition may increase as we expand our product portfolio and presence. They may also have the ability to spend more aggressively on marketing and distribution initiatives and may have more flexibility to respond to changing business and economic conditions than we do. Our competitors may also be able to respond more quickly and effectively than we can to new or changing opportunities, standards or consumer preferences, which could result in a decline in our revenues and market share.

Corporate Social Responsibility

We as a responsible corporate citizen are committed to take up different developmental projects, as part of our Corporate Social Responsibility (“CSR”) initiatives towards improving the quality of lives of the underprivileged sections of the society and other stakeholders. Our CSR strategies are aligned to national priorities to meet the basic needs of the local community. Our CSR policy defines the framework for implementing CSR activities in compliance with Section 135 of the Companies Act, 2013 and rules framed thereunder. The CSR committee has been constituted as per the applicable act. We demonstrate our commitment towards our communities by committing our resources and energies to social development and we have aligned

our CSR programs with legal requirements under the applicable Indian laws. For three months ended June 30, 2023, Fiscal 2023, we do not require to do any CSR. However, for Fiscal 2022 and Fiscal 2021, we have spent an amount of, ₹ 23.50 lakhs and ₹ 69.50 lakhs, respectively, towards our CSR initiatives

Capacity and Capacity Utilization

Set forth below are the details of the installed and utilized capacity of beers at our manufacturing units for three months ended June 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021.

(No in lakhs)

Particulars	Three months ended June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
A. Bhopal Plant				
Installed capacity (cases per annum)	152	152	152	152*
Production (cases per annum)	36.89	79.16	37.64	30.58
Capacity utilization (cases per annum)	24.27 [#]	52.08	24.76%	20.12%
B. Hassan Plant				
Installed capacity (cases per annum)	90	90	34	34
Production (cases per annum)	25.22	57.31	22.43	11.45
Capacity utilization (cases per annum)	28.02 [#]	63.68	65.97%	33.67%
C. Barpada Plant				
Installed capacity (cases per annum)	66	66	42	42
Production (cases per annum)	6.38	18.51	9.88	8.19
Capacity utilization	9.67 [#]	28.05	23.52%	19.50%

* This facility was capitalized and operational in the last quarter of the financial year 2020-21

[#] Not annualised

Note: Hassan and Badapada plants underwent capacity expansion in April 2023 and June 2023.

Intellectual Property

We have registered certain business names and logos as trademarks under various classes with the Registrar of Trademarks in India under the Trade Marks Act, 1999. We have 58 trademarks as on the date of this Preliminary Placement Document. Presently 8 trademarks are under objection, and rectification has been filed for 2 trademarks. The registered trademarks are valid for a period of 10 years from the date of application or renewal.

Property

We carry out business operations from the following properties:

a) *Freehold property:*

Sr. No.	Particulars of the Property	Usage
1.	Factory land admeasuring 28.10 acres (Our Company)	Factory at Bhopal
2.	Factory land admeasuring 26.20 acres (Subsidiary)	Factory at Hassan
3.	Factory land admeasuring 7.301 acres (Subsidiary)	Factory at Barpada

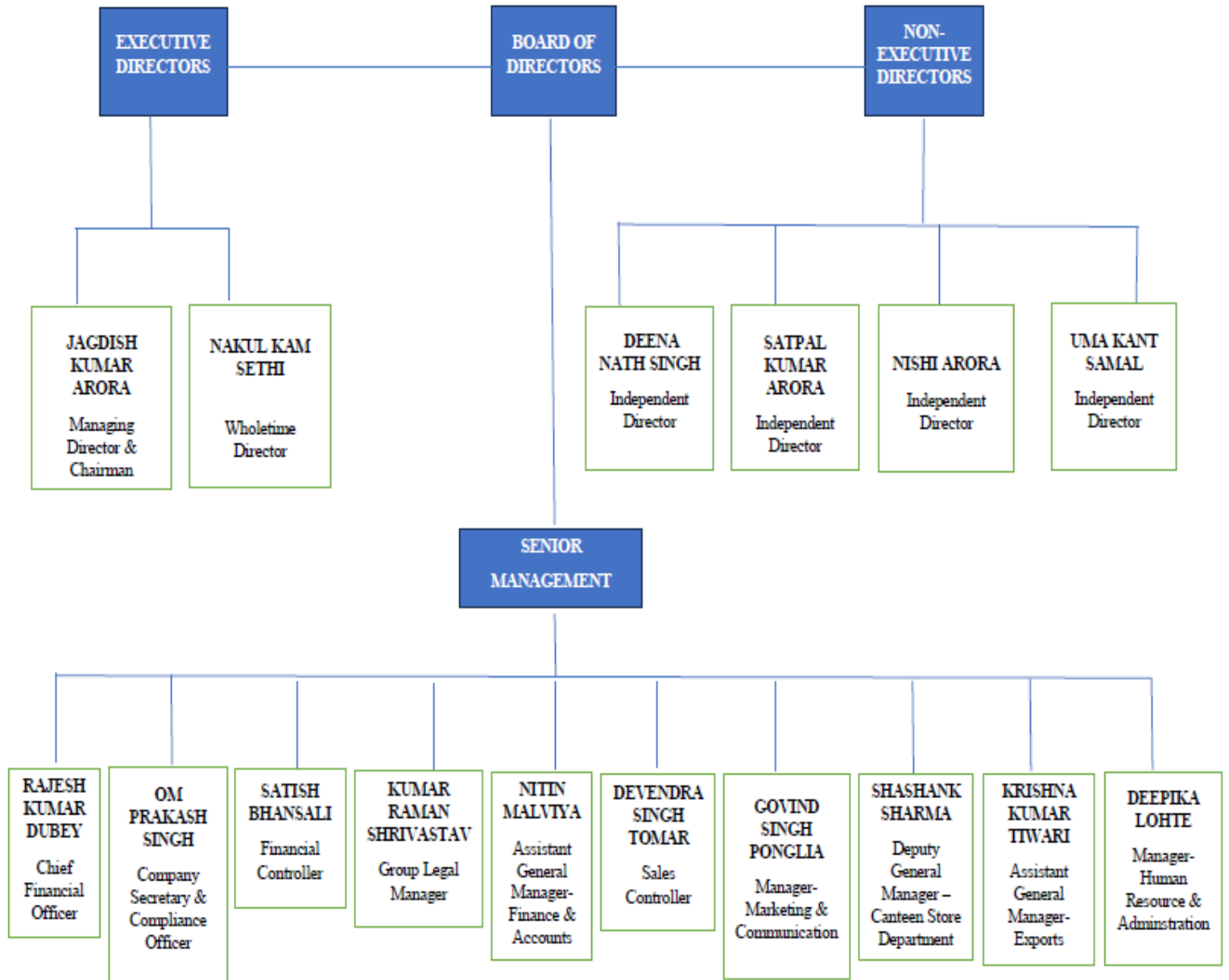
b) *Leasehold property:*

Sr. No.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
1.	Leave and License Agreement dated June 1, 2022 entered into by and between Mrs. Nehta Garg (“Licensor”) and Company (“Licensee”)	6000 sq. ft. in the premises situated at 43/L/111AB, Lakhampur, Opp. Lifeline Hospital, NH2 - NH11 Bye Pass Road, Shashtripuram, Agra – 282 070, Uttar Pradesh, India.	₹ 72,000 per month (6,000 sq. ft. @ ₹ 12 per sq. ft.) Increase by 5% of previous licensee fees at the expiry of every one year	From June 1, 2022 to May 31, 2025	Warehouse
2.	Carrying & Forwarding Agreement entered into by and between the Company	Warehouse located at D 15, Okhla Industrial Area Phase 2, New Delhi –	₹ 20 per case + GST + reimbursement expenses and other	From June 26, 2023 to May 25, 2024	Warehouse

Sr. No.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
	and M/s. Shiv Enterprise on June 26, 2023 for storing Company's products at warehouse owned by M/s. Shiv Enterprise	110 020.	such conditions as agreed between Company and M/s. Shiv Enterprise.		

ORGANIZATION STRUCTURE

Set forth below is our Company's Management Organizational Structure:



BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Board of Directors

Our Articles of Association require us to have not less than three (3) and not more than fifteen (15) Directors. As on date of this Preliminary Placement Document, our Company has 6 (six) Directors on our Board, comprising of 2 (two) Executive Directors and 4 (four) Independent Directors including 1 (one) Woman Director. The composition of our Board is governed by the provisions of the Companies Act and the SEBI Listing Regulations and the norms of the code of corporate governance as applicable to listed companies in India.

Our Board composition is in compliance with the Companies Act and the SEBI Listing Regulations.

The following table sets forth details regarding our Board, as of the date of this Preliminary Placement Document:

Name, address, occupation, term, nationality and DIN	Age (years)	Designation
Jagdish Kumar Arora Address: SOM House (Vatsalya Bhavan), Kerwa Dam Road, Mendori, Bhopal - 462 044, Madhya Pradesh, India. Occupation: Business Term: For a period of 3 (three) years from February 4, 2022 to February 3, 2025. Nationality: Indian DIN: 00224633	67	Chairman and Managing Director
Nakul Kam Sethi Address: C-3 Nizamuddin East, Hazrat, New Delhi – 110 013, India. Occupation: Business Term: For a period of 5 (five) years from June 1, 2023 to May 31, 2028 Nationality: Indian DIN: 06512548	49	Whole-time Director
Satpal Kumar Arora Address: C-1/401, Ram Prastha Colony, Chander Nagar, Ghaziabad, Uttar Pradesh - 201 011, India. Occupation: Business Term: For a period of 5 (five) years from October 13, 2018 till October 12, 2023. Nationality: Indian	66	Non-Executive Independent Director

Name, address, occupation, term, nationality and DIN	Age (years)	Designation
DIN: 00061420		
Deena Nath Singh	50	Non-Executive Independent Director
Address: 312/2 C, Saket Nagar, Habibgani, Huzur Bhopal - 462 024, Madhya Pradesh, India.		
Occupation: Business		
Term: For a period of 5 (five) years from April 1, 2019 till March 31, 2024		
Nationality: Indian		
DIN: 00281542		
Uma Kant Samal	75	Non-Executive Independent Director
Address: NUA- Palimi, Khasra - 209-211 NH-12, Hoshangabad Road, Misrod, Huzur, Bhopal - 462026, Madhya Pradesh, India.		
Occupation: Business		
Term: For a period of 5 (five) year from April 20, 2020 to April 19, 2025		
Nationality: Indian		
DIN: 08669929		
Nishi Arora	54	Non-Executive Independent Director
Address: Flat No. S-3, Plot No. 199, 2-B, Saket Nagar Bhopal - 462 024, Madhya Pradesh, India		
Occupation: Business		
Term: For a period of 5 (five) years from November 14, 2020 till November 13, 2024.		
Nationality: Indian		
DIN: 07021730		

Brief Profiles of our Directors

Jagdish Kumar Arora, is the Managing Director and Chairman of our Company. He has been associated with the Company since incorporation. He has a degree in Bachelors in Science. His seasoned leadership qualities, his meticulous planning and strategies have given the desired shape and direction to the growth of the group. His vision as the founder has steered the Company toward achieving leadership position. Mr Jagdish Kumar Arora has been instrumental in shaping the Company's focus strategy & building a unique partnership model based on the tenets of innovation & sustainable development.

Nakul Kam Sethi, is the Whole-time Director of the Company. He holds a bachelor's degree in commerce from Delhi University and Master's Degree in Business Administration from the UK. He has had an eventful career and a total experience of more than 20 years with commercial and investment banks and corporates across geographies in India, Australia and Middle East. Mr. Sethi possess diverse skills sets in- investor relations, loan syndication, private equity mergers and acquisitions structured finance recapitalization, treasury money markets etc. He is an integral part of SOM Group for the last 12 years and joined the Board of our Company with effect from June 1, 2018.

Satpal Kumar Arora, is a Non-Executive and Independent Director of our Company. He holds a LLB degree and Master's Degree in Commerce. He has also completed CAIIB (both parts) from the Indian Institute of Bankers. Further he is a Certified Management Accountant and a Company Secretary as well. He is also an Insolvency Professional. He has more than 35 years of experience in corporate industry as a director, company secretary and has spearheaded internal audit, corporate advisory and vigilance departments. He has extensive knowledge and expertise in fields of project financing, loan restructuring and other financial matters. He has also handled BIFR and litigation matters. He joined the Board of our Company with effect from October 13, 2018.

Deena Nath Singh, is Non-Executive and Independent Director of our Company. He holds a Bachelor's Degree in Science. He has significant amount of experience in corporate sector as a director, accounts and finance expert and has gained vast experience in the field of finance and banking. He joined the Board our Company with effect from March 30, 2006.

Uma Kant Samal, a Non-Executive and Independent Director of our Company. He is retired IAS 1971 - Madhya Pradesh Cadre. He has completed Masters of Arts in Political Science and holds a certificate in Development Studies from Sussex University, U.K. He has more than 30 years of experience in various administrative and judiciary positions in the state of Madhya Pradesh (Govt. of India) during the period from 1977 to 2007. His last position was chairperson of Board of Secondary Education, Govt. of Madhya Pradesh (2005 to 2007). Mr. Uma Kant Samal, after retirement has been self employed and is advising clients on MIS, automation and internal audit functions. He joined the Board of our Company with effect from April 20, 2020.

Nishi Arora, is a Non-Executive and independent Director of our Company. She holds a Bachelor's Degree in Commerce. She has significant years of experience in the business of Alco-beverages sector possessing good knowledge and experience in the field of procurement and supply chain. She joined the Board of our Company with effect from November 11, 2014.

Relationship with other Directors

None of our Directors are related to each other.

Shareholding of Directors in our Company

As per the Articles of Association of our Company, our Directors are not required to hold qualification shares.

The following table sets forth details of shareholding of our Directors in our Company as of the date of this Preliminary Placement Document:

Name of the Director	No. of Equity Shares	Percentage (%)
Jagdish Kumar Arora	1,51,55,309	19.55
Nakul Sethi	53,857	0.07
Satpal Kumar Arora	17,125	0.02
Total	1,52,26,291	19.64

Borrowing powers of the Board

Pursuant to a resolution passed by the Board of Directors and approved by the Shareholders in the extra ordinary general meeting of the Company held on March 26, 2019 and in accordance with provisions of the Companies Act, the Board has been authorized to borrow money, without limitation, from any bank or financial institution, or any other institutions, firms, body corporates or other persons or from any other source in India or outside India or whomsoever for an aggregate amount not exceeding ₹ 50,000 lakhs.

Interests of our Directors

Our Executive Directors may be deemed to be interested to the extent of their shareholding and remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. Further, our Directors may also be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Subsidiaries and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our Director, see “- *Terms of appointment and remuneration of Executive Directors*” and “- *Remuneration of Non-executive and Independent Directors*” on page 125.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company and Subsidiaries, if any, details of which have been disclosed below under the heading “*Shareholding of Directors in our Company*” on page 131. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

Except as stated in the section “*Related Party Transactions*” on page 36, our Directors do not have any other interest in the business of our Company.

Except for Jagdish Kumar Arora who is one of the Promoter of our Company, our Directors have no interest in the promotion of our Company as of the date of this Preliminary Placement Document, except in the ordinary course of business.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which our Directors are interested. Further, except as disclosed in “*Related Party Transactions*” on page 36, our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

Our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of this Preliminary Placement Document in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. Further, as on the date of this Preliminary Placement Document, the Directors have not taken any loans from our Company.

Except as stated in “*Financial Statements*” beginning on page 187, our Directors have no interest in any property acquired or proposed to be acquired of or by our Company as on the date of this Preliminary Placement Document or in any transaction by our Company for acquisition of land, construction of buildings and supply of machinery.

Terms of appointment and remuneration of Executive Directors

i. Terms of appointment of Jagdish Kumar Arora

Jagdish Kumar Arora, is the Chairman and the Managing Director of our Company. He was re-appointed as the Managing Director of our Company, pursuant to a resolution passed by the Board of Directors at their meeting held on November 18, 2021 and approved by the Shareholders of our Company at the extra ordinary general meeting held on December 16, 2021, for a period of three years with effect from February 4, 2022 along with the terms of remuneration, which provides that the aggregate of his salary and perquisites in any one financial year shall not exceed the limits prescribed under Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder. The terms of his remuneration were altered by a resolution passed in the meeting of the Board of Directors held on April 27, 2023 and approved by the shareholders in their meeting held on August 5, 2023. The terms and conditions of his appointment as the Managing Director are set forth below:

Particulars	Details
Salary	₹ 30 lakhs per month with increment as the Board of the Company may decide from time to time, subject however to a ceiling of ₹ 35 lakhs per month.

Particulars	Details
	In the event of loss or inadequate profits in any financial year such that the remuneration payable to him shall not exceed 25,00,00,000/- per year with effect from April 27, 2023 to February 3, 2025, on the terms and conditions, as may be agreed between the Board and Mr. Jagdish Kumar Arora, with liberty to the Board / Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board and Mr. Jagdish Kumar Arora, such variation or increase in the aforesaid remuneration may be beyond the permissible limits as under the relevant provisions of Section 196, 197 read with schedule V of the Companies Act, 2013 and/or Regulation 17 of the Listing Regulations, as may be applicable
Other perquisites	Perquisites will be paid and/or provided in addition to salary. <ul style="list-style-type: none"> i. Contribution to provident fund or superannuation fund or annuity fund to the extent not taxable under the Income Tax Act, 1961. ii. Gratuity at the rate of half a month's salary for each completed year of service. iii. Leave as per Company's Rules as specified from time to time. iv. Leave Travel Concession: For self and his family, once a year, incurred in accordance with rules of the Company. v. Premium paid on personal accident policy. vi. Leave encashment in accordance with the rules of the company. vii. Re-imbursment of medical expenses either directly or through insurance for self and family to the extent allowed under Income Tax Act. viii. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company. ix. Reimbursement of official expenses.
Minimum Remuneration	In the event, the Company has no profits or its profits are inadequate during the aforesaid tenure, the managerial remuneration aforesaid consisting of salary, perquisites, allowance, amenities and performance based incentive shall be paid to Mr. Jagdish Kumar Arora, Managing Director as the minimum remuneration as per applicable provisions of the Companies Act, 2013

ii. Terms of appointment of Nakul Kam Sethi

Nakul Kam Sethi, is the Whole-time Director of our Company. He was re-appointed as the Whole-time Director of the Company for a period of five years with effect from June 1, 2023 and being liable to retire by rotation, pursuant to resolution passed at the meeting of the Board of Directors of the Company held on April 27, 2023 and approved by the Shareholders in the extra-ordinary general meeting held on August 5, 2023. Further, the terms and conditions of his appointment as the Whole-time Director are set forth below:

Particulars	Details
Salary	₹ 5.5 lakhs per month with such increments as the Board may decide from time to time subject to a ceiling of ₹ 6.5 lakhs per month. <p>Long-term incentive compensation /employee stock option / restricted stock units/ stock appreciation Rights: As per the plan applicable to the Senior Executives of the Company/ Som Group, including that of any parent/ subsidiary company, as may be decided by the Board from time to time.</p> <p>Remuneration to be paid in the event of loss or inadequacy of profits in any financial year such that the remuneration payable Mr. Nakul Kam Sethi shall not exceed ₹ 80,00,000/- on the terms and conditions, as may be agreed between the Board and Mr.Nakul Kam Sethi, with liberty to the Board / Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board and Mr. Nakul Kam Sethi, such variation or increase in the aforesaid remuneration may be beyond the permissible</p>

Particulars	Details
	limits as under the relevant provisions of Section 196, 197 read with schedule V of the Companies Act, 2013 and/or Regulation 17 of the Listing Regulations, as may be applicable
Other perquisites	<ul style="list-style-type: none"> i. Contribution to provident fund or superannuation fund or annuity fund to the extent not taxable under the Income Tax Act, 1961. ii. Gratuity at the rate of half a month's salary for each completed year of service. iii. Leave as per Company's Rules as specified from time to time. iv. Leave Travel Concession: For self and his family, once a year, incurred in accordance with rules of the Company. v. Premium paid on personal accident policy. vi. Leave encashment at the end of the tenure in accordance with the rules of the Company. vii. Re-imbursalment of medical expenses either directly or through insurance for self and family to the extent allowed under Income Tax Act, 1961. viii. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.
Minimum Remuneration	In the event, the Company has no profits or its profits are inadequate during the aforesaid tenure, the managerial remuneration aforesaid consisting of salary, perquisites, allowance, amenities and performance based incentive shall be paid to Mr. Nakul Kam Sethi, Wholetime Director as the minimum remuneration as per applicable provisions of the Companies Act, 2013.

Remuneration of Executive Directors

The following table set forth the compensation paid by our Company to the Executive Directors during Fiscals 2023, 2022, 2021:

(₹ in lakhs)

Name of the Director	Remuneration		
	For Fiscal 2023	For Fiscal 2022	For Fiscal 2021
Jagdish Kumar Arora	217.50	128.67	51.45
Nakul Kam Sethi	58.15	52.45	36.49

For further details of compensation paid to our Executive Directors for Fiscals 2023, 2022 and 2021, see "Related Party Transactions" on page 36.

Remuneration of our Non-Executive Independent Directors

Our Independent Directors are entitled to sitting fees of ₹ 30,000 for attending each meeting of our Board. Additionally, our Independent Directors are also entitled to reimbursement of fair and reasonable expenditure incurred while performing the role as an Independent Director.

The following table sets forth the sitting fees paid by our Company to our Non-Executive Independent Directors during Fiscals 2023, 2022, 2021:

(₹ in lakh)

Name of the Director	Remuneration		
	For Fiscal 2023	For Fiscal 2022	For Fiscal 2021
Satpal Kumar Arora	2.40	2.40	1.50
Deena Nath Singh	0.60	0.90	1.20
Uma Kant Samal	2.40	2.40	1.50
Nishi Arora	0.90	0.90	1.20

Corporate Governance

As on the date of this Preliminary Placement Document, we have six Directors on our Board, which comprises one Managing Director, one Whole-time Director, and four Independent Directors (including one woman Independent Director).

We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act and other applicable SEBI Regulations in respect of corporate governance, including constitution of the Board and committees thereof. Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations.

Committees of the Board of Directors

Our Company has constituted the following five committees in terms of the SEBI Listing Regulations and the Companies Act, each of which functions in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations.

The following table sets forth the members of the aforesaid committees as of the date of this Preliminary Placement Document:

Name of the Committee	Members
Audit Committee	Satpal Kumar Arora (Chairperson) Deena Nath Singh Nakul Kam Sethi Nishi Arora Uma Kant Samal
Nomination and Remuneration Committee	Uma Kant Samal (Chairperson) Nishi Arora Satpal Kumar Arora
Corporate Social Responsibility Committee	Uma Kant Samal (Chairperson) Deena Nath Singh Nakul Kam, Sethi Nishi Arora
Risk Management Committee	Nakul Kam Sethi (Chairperson) Nishi Arora Deena Nath Singh
Investor Grievances cum Stakeholder Relationship Committee	Satpal Kumar Arora (Chairperson) Deena Nath Singh Nakul Kam Sethi Nishi Arora
Executive, Legal and Borrowing Committee	Nakul Kam Sethi (Chairperson) Deena Nath Singh Rajesh Kumar Dubey
Fund Raising Committee	Jagdish Kumar Arora Nakul Kam Sethi Rajesh Dubey

Senior Management

The following table sets forth the details of our senior management, including our key managerial personnel and senior management (“**Senior Management**”), other than our Managing Director, Jagdish Kumar Arora and our Whole-time Director, Nakul Kam Sethi:

Name	Designation
Rajesh Kumar Dubey	Chief Financial Officer
Om Prakash Singh	Company Secretary and Compliance Officer
Satish Bhansali	Financial Controller
Kumar Raman Shrivastav	Group Legal Manager
Nitin Malviya	Assistant General Manager- Finance & Accounts
Devendra Singh Tomar	Sales Controller
Govind Singh Ponglia	Manager – Marketing & Communication
Shashank Sharma	Senior Manager – Canteen Store Department
Krishna Kumar Tiwari	Assistant General Manager- Exports
Deepika Lohte	Manager – Human Resource & Administration

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Shareholding of Senior Management

Except as provided below none of our Senior Management hold any Equity Shares in our Company, as on the date of this Preliminary Placement Document.

Name of the Director	Number of shares held	% of shareholding
Nitin Malviya	300	0.00

Relationship between Senior Management

None of the Senior Management are related to each other.

Interest of Senior Management

Our Senior Management do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment and the reimbursement of expenses incurred by them during the ordinary course of business.

Our Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, to the extent of any Equity Shares held by them.

Except as provided in “*Related Party Transactions*” on page 36, our Senior Management do not have any interest in our Company.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to us and our employees and requires us to formulate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons. Our Company is in compliance with the same and has implemented a code of conduct for regulating, monitoring and reporting of trades and prevention of insider trading in accordance with the SEBI Insider Trading Regulations, in terms of which, Company Secretary, acts as the Compliance Officer of our Company under the aforesaid code of conduct for the prevention of insider trading. The abovementioned code is uploaded on the website of the Company at the link <https://www.somindia.com/som-policies-codes.php>.

Other confirmations

Neither our Promoters nor our Directors or Senior Management have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Neither our Company, nor our Promoters nor our Directors have been identified as Wilful Defaulters or Fraudulent Borrower, as defined under the SEBI ICDR Regulations.

None of our Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Neither our Company, nor our Directors, nor our Promoters or the companies with which our Promoters are or have been associated with a promoter or a person in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other governmental authority.

None of the Directors, Promoters or Senior Management of our Company intends to subscribe to the Issue.

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company as on date of August 25, 2023 is as follows:

Summary statement of holding of Equity Shares as at August 25, 2023:

Category of the shareholder	Nos. of shareholders	No. of fully paid-up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of Locked in shares		No. of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	
(A) Promoter & Promoter Group	8	2,66,78,572	2,66,78,572	34.42	2,66,78,572	34.42	1,61,64,819	60.59	2,66,78,572
(B) Public	50791	5,08,31,953	5,08,31,953	65.58	5,08,31,953	65.58	13,53,500	2.66	4,88,04,245
(C1) Shares underlying DRs	-	-	-	0.00	-	0.00	-	0.00	-
(C2) Shares held by Employee Trust	-	-	-	0.00	-	0.00	-	0.00	-
(C) Non Promoter-Non Public	-	-	-	0.00	-	0.00	-	0.00	-
Grand Total	50799	7,75,10,525	7,75,10,525	100.00	7,75,10,525	100.00	1,75,18,319	22.60	7,54,82,817

Shareholding pattern of the Promoter and members of the promoter group of the Company as on August 25, 2023:

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of Locked in shares		Number of equity shares held in dematerialized form
						No.(a)	As a % of total Shares held (b)	Class eg: X	Total	
A1) Indian					0.00					
Individuals/Hindu undivided family		6	1,82,86,813	1,82,86,813	23.59	1,82,86,813	23.59	1,61,64,819	88.39	1,82,86,813
AJAY KUMAR ARORA	Promoter	1	14,80,370	14,80,370	1.91	14,80,370	1.91		0.00	14,80,370
SUNITA ARORA	Promoter	1	3,22,046	3,22,046	0.42	3,22,046	0.42		0.00	3,22,046
NATASHA ARORA	Promoter	1	2,89,486	2,89,486	0.37	2,89,486	0.37		0.00	2,89,486
JAGDISH KUMAR ARORA	Promoter	1	1,51,55,309	1,51,55,309	19.55	1,51,55,309	19.55	1,51,35,309	99.86	1,51,55,309
SWEENA ARORA	Promoter	1	92	92	0.00	92	0.00		0.00	92
DEEPAK ARORA	Promoter	1	10,39,510	10,39,510	1.34	10,39,510	1.34	10,29,510	99.04	10,39,510
SURJEET LAL	Promoter				0.00		0.00		0.00	
Any Other (specify)		2	83,91,759	83,91,759	10.83	83,91,759	10.83		0.00	83,91,759
AALOK DEEP FINANCE	Promoter	1	11,55,700	11,55,700	1.49	11,55,700	1.49		0.00	11,55,700

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of Locked in shares		Number of equity shares held in dematerialized form
						No.(a)	As a % of total Shares held (b)	Class eg: X	Total	
PRIVATE LIMITED										
SOM DISTILLERIE S PRIVATE LIMITED	Promoter	1	72,36,059	72,36,059	9.34	72,36,059	9.34		0.00	72,36,059
Sub Total A1		8	2,66,78,572	2,66,78,572	34.42	2,66,78,572	34.42	1,61,64,819	60.59	2,66,78,572
A2) Foreign					0.00		0.00		0.00	
A=A1+A2		8	2,66,78,572	2,66,78,572	34.42	2,66,78,572	34.42	1,61,64,819	60.59	2,66,78,572

Statement showing shareholding pattern of the public shareholder of the Company as on August 25, 2023:

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Locked in shares		No. of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	
B1) Institutions (Domestic)	0	0		0.00		0.00		0.00	
Alternate Investment Funds	3	3,62,479	3,62,479	0.47	3,62,479	0.47	3,53,500	97.52	3,62,479
Sub Total B1	3	3,62,479	3,62,479	0.47	3,62,479	0.47	3,53,500	97.52	3,62,479
B2) Institutions (Foreign)	0	0		0.00		0.00		0.00	-
Foreign Portfolio Investors Category I	7	2,02,718	2,02,718	0.26	2,02,718	0.26		0.00	2,02,718
Foreign Portfolio Investors Category II	1	3,38,691	3,38,691	0.44	3,38,691	0.44		0.00	3,38,691
Sub Total B2	8	5,41,409	5,41,409	0.70	5,41,409	0.70		0.00	5,41,409
B3) Central Government/ State Government(s)/ President of India	0	0		0.00		0.00		0.00	
B4) Non-Institutions	0	0		0.00		0.00		0.00	
Directors and	1	53,857	53,857	0.07	53,857	0.07		0.00	53,857

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Locked in shares		No. of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	
their relatives (excluding independent directors and nominee directors)									
Resident Individuals holding nominal share capital up to Rs. 2 lakhs	49763	1,96,63,865	1,96,63,865	25.37	1,96,63,865	25.37		0.00	1,78,19,557
Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	67	2,42,97,366	2,42,97,366	31.35	2,42,97,366	31.35		0.00	2,42,97,366
BANA SINGH	1	20,01,830	20,01,830	2.58	20,01,830	2.58		0.00	20,01,830
MOHAR SINGH	1	12,48,644	12,48,644	1.61	12,48,644	1.61		0.00	12,48,644
ANURADHA NAUGRAIYA	1	9,94,689	9,94,689	1.28	9,94,689	1.28		0.00	9,94,689
PREM CHAND PAL	1	18,57,600	18,57,600	2.40	18,57,600	2.40		0.00	18,57,600
GANGADEEN PATEL	1	16,84,506	16,84,506	2.17	16,84,506	2.17		0.00	16,84,506
AVINASH KUMAR CHALANA	1	19,65,396	19,65,396	2.54	19,65,396	2.54		0.00	19,65,396

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Locked in shares		No. of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	
SANTOSH BHADORIYA	1	9,78,211	9,78,211	1.26	9,78,211	1.26		0.00	9,78,211
ANIL KUMAR ARORA	1	20,48,372	20,48,372	2.64	20,48,372	2.64		0.00	20,48,372
DOLLY KHANNA	1	8,96,429	8,96,429	1.16	8,96,429	1.16		0.00	8,96,429
SHRILAL LODHI	1	12,29,624	12,29,624	1.59	12,29,624	1.59		0.00	12,29,624
SUBHASH PHOOTARMAL RATHOD	1	20,12,215	20,12,215	2.60	20,12,215	2.60		0.00	20,12,215
Non Resident Indians (NRIs)	691	12,08,541	12,08,541	1.56	12,08,541	1.56		0.00	12,08,541
Foreign Nationals	1	1,950	1,950	0.00	1,950	0.00		0.00	1,950
Bodies Corporate	232	46,29,594	46,29,594	5.97	46,29,594	5.97	10,00,000	21.60	44,46,194
Any Other (specify)	25	72,892	72,892	0.09	72,892	0.09		0.00	72,892
Sub Total B4	50780	4,99,28,065	4,99,28,065	64.41	4,99,28,065	64.41	10,00,000	2.00	4,79,00,357
B=B1+B2+B3+B4	50791	5,08,31,953	5,08,31,953	65.58	5,08,31,953	65.58	13,53,500	2.66	4,88,04,245

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Shareholding pattern of the non-Promoter – non-public shareholder of the Company as on August 25, 2023:

Category and name of the shareholders(I)	No. of shareholder (III)	No. of fully paid up equity shares	Total no. shares held (VII =	Shareholding % calculated as per	Number of Locked in shares (XII)	Number of equity shares held in
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		held (IV)	IV+V+VI)	SCRR, 1957 As a % of (A+B+C2) (VIII)	No	As a % of total Shares held	dematerialized form (XIV)(Not Applicable)
C1) Custodian/DR Holder	0	0		0.00		0.00	
C2) Employee Benefit Trust	0	0		0.00		0.00	

Details of disclosure made by the trading members holding 1% or more of the total number of shares of the Company as on August 25, 2023:

Sl. No.	Name of the Trading Member	Name of the beneficial owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
-	NIL	NIL	NIL	NIL	NIL

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Application Amount, Allocation and Allotment of Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and the investors are assumed to have apprised themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisors in this regard. Bidders that apply in the issue will be required to confirm and will be deemed to have represented to our Company, the BRLM and their respective directors, officer, agents affiliate and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Also see “Selling Restrictions” and “Transfer Restrictions” beginning on page 157 and 162 respectively.

Our Company, the BRLM and their respective directors, officers, agents, advisors, shareholders, employees, counsel, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, our Company, being a listed company in India may issue eligible securities to Eligible QIBs provided that certain conditions are met by such Company. Some of these conditions are set out below:

- the shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must *inter alia* specify that, (a) the allotment of securities is proposed to be made pursuant to the QIP; and (b) the relevant date for the QIP;
- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to seek approval of the shareholders for the abovementioned special resolution; except for Equity Shares allotted during the preceding one year from the date of this Preliminary Placement Document;

- invitation to apply in the QIP must be made through a private placement offer-cum-application form serially numbered and addressed specifically to the Eligible QIBs to whom the QIP is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law; the issuer shall have completed allotments with respect to any earlier offer or invitation made by the issuer or shall have withdrawn or abandoned such invitation or offer made by the issuer, except as permitted under the Companies Act;
- the issuer shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;
- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;
- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., this Preliminary Placement Document), the issuer shall prepare and record a list of Eligible QIBs to whom the Issue will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;
- the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited.
- In accordance with the SEBI ICDR Regulations, securities will be issued and allotment shall be made only in dematerialized form to the allottees; and
- the promoter and directors of the issuer are not Fugitive Economic Offenders

At least 10% of the equity shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs

Bidders are not allowed to withdraw or revise downwards their Bids after the Bid/ Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of up to 5% of the floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated September 5, 2023 and our Shareholders through a special resolution dated September 27, 2023, have authorised our Board to decide the quantum of discount up to 5 % of the Floor Price at the time of determination of the Issue Price.

The Issue Price shall be subject to appropriate adjustments, if our Company makes any alteration to its share capital as mentioned in Regulation 176 (4) of the SEBI ICDR Regulations.

The "relevant date" mentioned above in case of allotment of equity shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

The securities must be allotted within 365 days from the date of the shareholders' resolution approving the QIP in one or tranches and also within 60 days from the date of receipt of Application Amount from the successful Eligible QIBs. For details of Allotment, see "**Pricing and Allocation – Designated Date and Allotment of Equity Shares**" below.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Preliminary Placement Document and the Placement Document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement

Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹25,000 lakhs; and
- five, where the issue size is greater than ₹25,000 lakhs.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes “same group” or “common control”, see “*Application Form – Bid Process*” on beginning page 139.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

The Issue has been authorised and approved by our Board on September 5, 2023 and our Shareholders through a special resolution at the Annual General Meeting held on September 27, 2023.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States, and may not be offered, sold or delivered in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in “offshore transactions” as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 157 and 162, respectively.

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold. And Bids may not be made by persons in any such jurisdictions, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On Bid / Issue Opening Date, our Company in consultation with the BRLM shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to Eligible QIBs and the Application Form will be specifically addressed to such Eligible QIBs. In terms of Section 42(3) of the Companies Act, our Company shall

maintain complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. Our Company will make the requisite filings with RoC within the stipulated time period as required under the Companies Act and the PAS Rules.

2. The list of QIBs to whom the Application Form is delivered shall be determined by our Company in consultation with the BRLM. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Accounts, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Accounts, on behalf of the Eligible QIB is authorised to do so.
3. Eligible QIBs may submit an Application Form, including any revisions thereof, along with the Application Amount transferred to the Escrow Accounts specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/Issue Period to the BRLM.
4. Bidders will be required to indicate the following in the Application Form:
 - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, email id, PAN details (if applicable), phone number and bank account details;
 - number of Equity Shares Bid for;
 - price at which they are agreeable to subscribe to the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;
 - an undertaking that they will deliver an offshore transaction letter to our Company prior to any sale of Equity Shares confirming that they will not re-offer, re-sell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S under the U.S. Securities Act;
 - details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;
 - equity shares held by the Bidder in our Company prior to the Issue;
 - it has agreed to all the representations, warranties, acknowledgements and agreements set forth in or incorporated by reference in the Application Form, which will include, but will not be limited to, the representations, warranties, acknowledgements and agreements set forth in the “*Notice to Investors*”, “*Representations by Investors*”, “*Issue Procedure*”, “*Selling Restrictions*” and “*Transfer Restrictions*” beginning on pages 1, 4, 139, 157, and 162, respectively, which will be incorporated by reference; and
 - a representation that it is outside the United States acquiring the Equity Shares in an “offshore transaction” as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in this Preliminary Placement Document and in the Application Form.

***NOTE:** Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

5. Eligible QIBs shall be required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Accounts opened in the name of “SDBL QIP ESCROW ACCOUNT R 2023” and “SDBL QIP ESCROW ACCOUNT NR 2023” with the Escrow Agent, within the Bid/Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the Bidders in cash. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, (c) the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in “Issue Procedure– Refunds” on page 139.
6. Once a duly completed Application Form is submitted by a Bidder and the Application Amount is transferred to the Escrow Accounts, such application constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Accounts along with the submission of such revised Bid. The Bid/ Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.
7. The Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.
8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.
9. Upon receipt of the duly completed Application Form, whether signed or not and the Application Amount in the Escrow Accounts, on or after the Bid/ Issue Closing Date, our Company shall, in consultation with Book Running Lead Manager determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the BRLM, on behalf of our Company, will send the serially numbered Confirmation of Allocation Note (“CAN”) and the Placement Document to the Successful Bidders. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the

Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Accounts, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the BRLM.**

10. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.
11. Upon determination of the Issue Price and before Allotment of Equity Shares to the Successful Bidders, the BRLM, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.
12. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.
13. After passing the resolution passed by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.
14. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.
15. Our Company will then apply for the final trading approvals from the Stock Exchanges.
16. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.
17. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.
18. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for, through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in “- Refunds” on page 139.

Eligible Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Non-Debt Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to

participate in the Issue (not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations) and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions; (which are resident in India)
- Mutual Funds registered with SEBI;
- pension funds with minimum corpus of ₹25 crore;
- provident funds with minimum corpus of ₹25 crore;
- public financial institutions; as defined under Section 2(72) of the Companies Act
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIS ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control) should not exceed 10.00% of post-Issue Equity Share capital of our Company. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Further, in terms of the FEMA Rules, the total holding of each FPI or an investor group shall be below 10.00% of the post-issue total paid-up Equity Share capital of our Company on a fully diluted basis.

Further, with effect from April 1, 2020, the limit of total holdings of all Eligible FPIs put together shall be the sectoral cap applicable to our Company, currently being 100.00% under the automatic route. As of June 30th 2023, the aggregate FPI shareholding in our Company is 1.00% % of our Company's paid-up Equity Share capital on a fully diluted basis. For further details, see "*Shareholding Pattern of our Company*" on page 131.

In case the holding of an FPI including its investor group increases to 10.00% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per the procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. As per the circular issued by SEBI dated November 5, 2019 (circular no. IMD/FPI&C/CIR/P/2019/124), these investment restrictions shall also apply to subscribers of Offshore Derivative Instruments. Two or more subscribers of Offshore Derivative Instruments having a common beneficial owner shall be considered together as a single subscriber of the Offshore Derivative Instruments. In the event an investor has investments as an FPI and as a subscriber of

Offshore Derivative Instruments, these investment restrictions shall apply on the aggregate of the FPI and Offshore Derivative Instruments investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed Central Depository Services (India) Limited as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3.00% below the overall limit a red flag shall be activated. The designated depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars / public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see “*Selling Restrictions*” and “*Transfer Restrictions*” on page 157 and 162, respectively.

Please note that participation by non-residents in the Issue is restricted to participation by FPIs under Schedule II of the FEMA Rules, in the Issue subject to limit of the individual holding of an FPI below 10.00% of the post Issue paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding 100.00% (sectoral limit of the sector in which our Company operates) of the paid-up capital of our Company. Other non-residents such as FVCIs are not permitted to participate in the Issue.

Restriction on Allotment.

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a promoter, or any person related to, the promoter. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the promoter:

- rights under a shareholders’ agreement or voting agreement entered into with the promoters or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on the board of the Issuer.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoter.

Our Company, the Book Running Lead Manager and any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: Affiliates or associates of the Book Running Lead Manager who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the BRLM in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made all the following representations and warranties and the representations, warranties and agreements made under “*Notice to Investors*”, “*Representations by Investors*” and “*Selling Restrictions*” beginning on pages 1, 4 and 157, respectively:

1. Each Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;
2. Each Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoter(s), either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter(s) or members of the Promoter Group or persons related to the Promoter(s);
3. Each Eligible QIB confirms that it has no rights under a shareholders’ agreement or voting agreement with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoter(s);
4. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;
5. Each Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;
6. Each Bidder confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;
7. Each Eligible QIB confirms that the Eligible QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. Each Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;
8. Each Eligible QIB confirms that its Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations;
9. The Eligible QIB agrees that it will make payment of its Application Amount along with submission of the Application Form within the Issue Period. Each Eligible QIB agrees that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Accounts, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;
10. The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, our Company

reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Manager. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names as “*proposed Allotees*” and percentage of post-Issue shareholding of the proposed Allotees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that, disclosure of such details as “*proposed Allotees*” in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM;
12. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names as “*proposed Allotees*” and percentage of post-Issue shareholding of the proposed Allotees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that, disclosure of such details as “*proposed Allotees*” in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Manager;
 - a. QIBs “*belonging to the same group*” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other Eligible QIB; and
 - b. ‘Control’ shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;
13. The Eligible QIBs acknowledge that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.
14. Each Eligible QIB confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.
15. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.
16. A representation that such Bidder is outside the United States, is acquiring the Equity Shares in an “offshore transaction” under Regulation S and is not an affiliate of the Company or the BRLM or a person acting on behalf of such an affiliate

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the FDI Policy, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy.

ELIGIBLE QIBs MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT’S NAME, DEPOSITORY PARTICIPANTS IDENTIFICATION NUMBER AND ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM, ELIGIBLE

QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRE BY THE BOOK RUNNING LEAD MANAGER, THE ELIGIBLE QIBs SUBMITTING A BID ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGER TO EVIDENCE THEIR STATUS AS A “QIB” AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the BRLM) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the relevant Escrow Accounts into which the Application Amounts will have to be deposited. The Application Amount shall be deposited in the Escrow Accounts as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Manager either through electronic form or through physical delivery at either of the following addresses:

Name	Address	Contact Person	Email	Telephone
Elara Capital (India) Private Limited	One International Centre, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai – 400 013, India	Ms. Astha Daga	sdbl.qip@elaracapital.com	+91 22 6164 8599

The Book Running Lead Manager shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

All Bidders Bidding in the Issue shall pay the entire Application Amount along with the submission of the Application Form, within the Issue Period.

Payment of Bid Amount

Our Company has opened the Escrow Accounts in the name of “*SDBL QIP ESCROW ACCOUNT R 2023*” and “*SDBL QIP ESCROW ACCOUNT NR 2023*” with Amount only through electronic transfer of funds from their own bank account the Escrow Agent, in terms of the Escrow Agreement entered among our Company, the Book Running Lead Manager and the Escrow Agent. Each Bidder will be required to deposit the Application Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bid/ Issue Period. Bidders can make payment of the Application.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in “*SDBL QIP ESCROW ACCOUNT R 2023*” and “*SDBL QIP ESCROW ACCOUNT NR 2023*” only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Application Amount in terms of this Preliminary Placement Document. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in “*Issue Procedure – Refunds*” on page 139.

Bank Account Details

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. For the purpose of determination of the Floor Price, ‘*stock exchange*’ shall mean any of the recognised stock exchanges in which the Equity Shares are listed and in which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. However, our Company may offer a discount of not more than 5% of the Floor Price in accordance with the approval of the Shareholders of our Company accorded through special resolution dated September 27, 2023, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

Our Company, in consultation with the Book Running Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price.

The “Relevant Date” referred to above will be the date of the meeting in which the Board or the committee thereof decides to open the Issue and “stock exchange” means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Build-up of the Book

The Bidders shall submit their Bids (including any revision thereof) through the Application Forms within the Bid/ Issue Period to the Book Running Lead Manager. Such Bids cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book shall be maintained by the BRLM.

Price Discovery and Allocation

Our Company, in consultation with the BRLM, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our shareholders pursuant to special resolution passed at the Annual General Meeting held on September 27, 2023. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the BRLM on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Bidders at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with BRLM has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLM IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE BID/ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLM ARE NOT OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

Confirmation of Allocation Note (“CAN”)

Based on receipt of the serially numbered Application Forms and Application Amount, our Company, in consultation with the Book Running Lead Manager, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Application Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Successful Bidders’ account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the respective Successful Bidders shall be deemed a valid, binding and irrevocable contract for such Bidders to subscribe to the Equity Shares Allocated to them. Subsequently, our Board or the Fund Raising Committee will approve the Allotment of the Equity Shares to the Allottees in consultation with the Book Running Lead Manager.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section “*Notice to Investors*” on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.
2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, no transfer of securities in listed companies in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.
3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Allottees.
5. Following the credit of Equity Shares into the respective Allottees' beneficiary accounts, our Company will apply for the final listing and trading approvals from the Stock Exchanges.
6. The monies lying to the credit of the Escrow Accounts shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue under Form PAS-3 with the RoC within the prescribed timelines under the Companies Act, whichever is later.
7. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document, which will include names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company.
8. Pursuant to the circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Bidder has deposited the Application Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which Application Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Accounts shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC, whichever is later.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Manager in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the Bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder as set out in the Application Form. For details, see “*Issue Procedure*” – “*Refund*” on page 139.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL.

The Stock Exchanges have electronic connectivity with NSDL and CDSL. The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Manager shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT AND LOCK UP

Placement Agreement

The Book Running Lead Manager has entered into the Placement Agreement dated October 4, 2023 with our Company, pursuant to which the Book Running Lead Manager has agreed, subject to certain conditions, to manage this Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares on a reasonable effort's basis.

The Equity Shares will be placed with the Eligible QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act read with Rule 14 of the PAS Rules, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and is subject to satisfaction of certain conditions and termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies, and no Equity Shares issued pursuant to the Issue, will be offered in India or overseas to the public or any members of the public in India or any other class of prospective investors, other than Eligible QIBs.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For further details, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 157 and 162, respectively.

Relationship with the Book Running Lead Manager

In connection with the Issue, the Book Running Lead Manager or its affiliates may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may purchase or subscribe to the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see the section "*Offshore Derivative Instruments*" beginning on page 10.

From time to time, the Book Running Lead Manager, and its affiliates and associates may have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, commercial banking, trading services for our Company, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Manager and its affiliates and associates.

Lock up

Under the Placement Agreement, our Company has undertaken that it will not, for a period commencing from the date hereof and ending 90 days from the date of Allotment, without the prior written consent of the Book Running Lead Manager, directly or indirectly:

- a) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any equity shares, or any securities convertible into or exercisable or exchangeable for Equity Share (including, without limitation, securities convertible into or exercisable for Equity Shares which may be deemed to be beneficially owned); or
- b) file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; or
- c) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares, regardless, whether any of the transaction is to be settled by the delivery of Equity Shares or other securities convertible into or exercisable or exchangeable for the Equity Shares, in cash or otherwise; or
- d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Shares in any depository receipt facility; or
- e) deposit Equity Shares with any other depository in connection with a depository receipt facility,
- f) publicly announce any intention to enter into any transaction described in (a) to (bc above, whether any such transaction described in (a) to (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise;

However, the foregoing restrictions shall not be applicable to the

- (i) the issuance of the Equity Shares pursuant to this Issue;
- (ii) preferential issuance of Equity Shares or any other securities to the Promoters of the Company;
- (iii) a bonus issue in accordance with applicable laws; and
- (iv) any transaction required by law or an order of a court of law or a statutory authority.

Further, subject to approval of our Board and the Shareholders of our Company, our Company may undertake a preferential issue of its Equity Shares to Promoters, HNIs and other investors.

Promoter's Lock-up

Our Promoters and members of the Promoter Group agree that without the prior written consent of the Book Running Lead Manager, they shall not, announce any intention to enter into any transaction whether any such transaction which is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, during the period commencing on the date of the Preliminary Placement Document and ending 90 days from the date of the filing of the Placement Document (both dates inclusive) ("**Lock-up Period**") directly or indirectly: (1) offer, issue, pledge, sell, encumber, contract to sell or announce the intention to sell, lend, purchase any option or contract to sell, grant or sell any option, right, contract or warrant to purchase, lend, make any short sale or otherwise transfer or dispose of any Equity Shares or any other securities of our Company substantially similar to the Equity Shares acquired or purchased during the Lock-Up Period, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Equity Shares or any such substantially similar securities, whether now owned or hereinafter acquired; (2) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the Equity Shares and the securities that are convertible into, exercisable or exchangeable for or any such substantially similar securities, whether now owned or hereinafter acquired; whether any such transaction described in clause (1) or (2) above is to be settled by delivery of the Equity Shares or such other securities, in cash or otherwise, (3) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in any depository receipt facility, or (4) publicly announce its intention to enter into the transactions referred to in (1) to (3) above.

Provided, that none of the foregoing restrictions shall restrict –

- (i) the inter-se transfer of any Equity Shares between the Promoters and members of the Promoter Group, provided that the lock-up shall continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the Lock-up Period set out herein has expired;
- (ii) the bona fide pledge of lock-up Equity Shares, as collateral for loans as per the normal commercial terms entered into, in the ordinary course of business of the Company, where any arrangement for any such encumbrance as collateral is undertaken with the prior written approval of the Book Running Lead Manager; and
- (iii) a preferential issue of Equity Shares or any other securities of our Company, subject to the approval of our Board and the Shareholders of our Company, to our Promoters, in one or more tranches.

In addition, the Promoters shall not, without the prior written consent of the Book Running Lead Manager, during the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any Equity Shares or any other securities of the Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Equity Shares or any such substantially similar securities, hereinafter acquired.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under “Notice to Investors” and “Representations by Investors” on pages 1 and 4, respectively.

General

No action has been taken or will be taken by our Company or the BRLM that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made only to Eligible QIBs through a QIP, in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgment and agreements as described in this section and under “*Notice to Investors*”, “*Representations by Investors*” and “*Transfer Restrictions*” beginning on pages 1, 4 and 162, respectively.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. The offering of Equity Shares pursuant to this Preliminary Placement Document by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public at large about this Issue is prohibited.

European Economic Area

In relation to each member state of the European Economic Area (each, a “Relevant State”), no Equity Shares have been offered or will be offered pursuant to this Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares that has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of the Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

- a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
 - b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Manager for any such offer;
- or

c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall require the Company or the Book Running Lead Manager or any Syndicate Members to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Book Running Lead Manager and the Company that it is a “qualified investor” within the meaning of the law in that Member State implementing Article 2(e) of the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Member State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Manager has been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an “offer of Equity Shares to the public” in relation to any Equity Shares in any Relevant Member State means the communication in any form and by means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

Hong Kong

The Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Equity Shares may be offered or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “Financial Instruments and Exchange Act” or the “FIEA”). No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan (“Japanese Resident”) or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a “qualified institutional investor” (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the “Qualified Institutional Investor”), the Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To receive the Equity Shares (the “QII Equity Shares”) such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Equity Shares, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001, of Singapore as modified and amended from time to time (the “SFA”)), (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,
- c) securities or securities-based derivatives contracts (each term as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:
- d) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(iii)(B) of the SFA;
- e) where no consideration is or will be given for the transfer
- f) where the transfer is by operation of law
- g) as specified in Section 276(7) of the SFA; or
- h) As specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products)

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares, except that the Equity Shares may be offered to the public in the United Kingdom at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager for any such offer; or
- (c) in any other circumstances falling within Section 86 of the FSMA provided that no such offer of the Equity Shares shall require the Issuer or any placement agent to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

United States

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in “offshore transactions” as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, see “*Representations by Investors*” and “*Transfer Restrictions*” on pages 4 and 162, respectively.

United Arab Emirates (excluding the Dubai International Financial Centre)

This document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, “Promotion”) of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the “UAE”) unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the “SCA”) and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors’ Chairman Decision no. (3/R.M.) of 2017 (the “Promotion and Introduction Regulations”), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to “Qualified Investors” (excluding “High Net Worth Individuals”) (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

Dubai International Financial Centre

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority (“DFSA”). This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/ or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document you should consult an authorized financial advisor. In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

South Africa

Due to restrictions under the securities laws of South Africa, no “offer to the public” (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the “South African Companies

Act’)) is being made in connection with the issue of the Securities in South Africa. Accordingly, this Preliminary Placement Document does not, nor is it intended to, constitute a “registered prospectus” (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. The Securities are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions stipulated in section 96 (1) applies:

- (i) the offer, transfer, sale, renunciation or delivery is to:
 - (a) persons whose ordinary business is to deal in securities, as principal or agent;
 - (b) the South African Public Investment Corporation;
 - (c) persons or entities regulated by the Reserve Bank of South Africa;
 - (d) authorised financial service providers under South African law;
 - (e) financial institutions recognised as such under South African law;
 - (f) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund or collective investment scheme (in each case duly registered as such under South African law); or
 - (g) any combination of the person in (a) to (f); or

- (ii) the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000 or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

Information made available in this Preliminary Placement Document should not be considered as “advice” as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see “*Selling Restrictions*” on page 157.

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Each purchaser of the Equity Shares outside the United States is deemed to have represented, agreed and acknowledged as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations and will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Preliminary Placement Document) which may be applicable in its jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Equity Shares, and it acknowledges and agrees that none of the Company or the BRLM and their affiliates shall have any responsibility in this regard..
- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in “offshore transactions” as defined in, and in reliance on, Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.
- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States (within the meaning of Regulation S) , and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.
- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.
- The Equity Shares have not been offered to it by means of any “directed selling efforts” as defined in Regulation S.
- It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the U.S. Securities Act and other applicable securities laws

only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and, in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or the BRLM for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Equity Shares in this Issue for its own investment and not with a view to distribution. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.
- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.
- It agrees to indemnify and hold the Company and the BRLM harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the BRLM liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.
- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

If such person is a dealer (as such term is defined under the U.S. Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. It acknowledges that the Company and the BRLM and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the BRLM. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, the Book Running Lead Manager or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchange Regulations

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, as amended from time to time, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the “**SECC Regulations**”), which regulate inter alia the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act, and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company’s obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange’s governing body and withdraw recognition of a recognized stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, to govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding at 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Further, where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

BSE is one of the stock exchanges in India on which our Equity Shares are listed. Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. Deliveries for trades executed "on-market" are exchanged through the National Securities Clearing Corporation Limited. It has evolved over the years into its present status as one of the premier stock exchanges of India. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading (“**BOLT**”) facility in 1995. This totally automated screen-based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT Plus NSE has introduced a fully automated trading system called National Exchange for Automated Trading (“**NEAT**”), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management’s discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to, inter alia, continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company’s shares/ voting rights/ control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. The SEBI Takeover Regulations were further amended on June 22, 2020 to exempt any acquisitions by way of preferential issue from the obligation to make an open offer. Subsequently, the SEBI Takeover Regulations were amended on August 13, 2021 exempting (a) persons, together with persons acting in concert with him, holding shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company; and (b) promoter of the target company, together with persons acting in concert with him, from making continual disclosures in relation to aggregate shareholding and voting rights in the target company. Further, the amendment has also removed certain disclosure obligations for acquirers/promoters, pertaining to acquisition or disposal of shares aggregating to 5% and any change of 2% thereafter, annual shareholding disclosure and creation/invocation/release of encumbrance registered in depository systems under the SEBI Takeover Regulations. These relaxations have been given on account of implementation of the System Driven Disclosures (SDD).

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information (“**UPSI**”).

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, inter alia, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities listed or proposed to be listed, to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations also provides for disclosure obligations for promoters, members of the promoter group, designated person or director in case value of trade exceed monetary threshold of ₹10 lakhs over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations.

Further, on July 17, 2020, SEBI amended the Insider Trading Regulations to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database be maintained, containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details person with whom information is shared.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act. Bidders are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share capital

The authorized share capital of our Company is ₹ 5,000 lakhs divided into 10,00,00,000 Equity Shares of face value of ₹5 each. For further details, see “**Capital Structure**” beginning on page 75.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM of shareholders held each financial year. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions specified under Section 123 of the Companies Act and the rules made thereunder no dividend can be declared or paid by a company for any financial year except (a) out of the profits of the company for that year after providing depreciation, calculated in accordance with the provisions of the Companies Act; or (b) out of the profits of the company for any previous financial year(s) arrived at in accordance with the Companies Act and remaining undistributed; or (c) out of both; or (d) out of money provided by the Central Government or a state Government for payment of dividend by the Company in pursuance of a guarantee given by that Government.

Further, as per the Companies Act, read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in case of the inadequacy or absence of profits in any year, a company may declare dividend out of the accumulated profits earned in previous years and transferred to the free reserves, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves as per its most recent audited financial statements; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of the reserves of our Company after such withdrawal shall not fall below 15% of the company's paid up share capital as per its most recent audited financial statements.

These dividends are required to be deposited into a separate bank account within five days of the declaration of such dividend and paid to shareholders within 30 days of the date of its declaration.

The Articles of Association provide that our Company in its general meeting may declare dividends to be paid to the members according to their shareholding. The dividend shall not exceed the amount recommended by our Board. Further, our Board may from time to time pay the members interim dividend as may appear to them to be justified. No dividend may be paid otherwise than out of the profits of our Company, arrived at in the manner provided under the Companies Act.

The dividends of our Company shall be divisible among the members in proportion of the amount of capital paid up or credited as paid-up on the Equity Shares, held by them for the respective period of the holding of the Equity Shares or both. However, our Board may retain any dividends on which our Company may have a lien and may apply the same towards the satisfaction of the debts or liabilities in respect of which the lien exists. All dividends shall be apportioned and paid on the amounts paid or credited as paid on the Equity Shares during any portion or portions of the period in respect of which the dividend is paid but if any Share is issued on terms providing that it shall rank for dividends as from a particular date, such Share shall rank for dividend accordingly. No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Equity Shares while any money may be due or owing from him to the company and our Board may deduct from the interest or dividend to any member all such sums of money so due from him to our Company. A

transfer of Equity Shares shall not pass the right to any dividend declared therein before the registration of the transfer.

The Companies Act states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account. Any dividend amount (along with interest) that remains unpaid or unclaimed for seven years from the date of such transfer is to be transferred by our Company to a fund, called the Investor Education and Protection Fund, created by the Government. In addition, all shares in respect of which dividend has not been paid or claimed for seven consecutive years, shall be transferred by the Company to the Investor Education and Protection Fund along with a statement containing requisite details.

Capitalisation of Reserves and Issue of Bonus Shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the board of directors, if so approved by the shareholders in a general meeting, to capitalise its profits or reserves for the purpose of issuing fully paid-up bonus shares, which are similar to stock dividend. The Companies Act permits the issue of fully paid up bonus shares from its free reserves, securities premium account or capital redemption reserve account, provided that bonus shares shall not be issued by capitalising reserves created by revaluation of assets. These bonus Equity Shares must be distributed to shareholders in proportion to the number of Equity Shares owned by them as recommended by the board of directors.

Any issue of bonus shares by a listed company would be subject to the SEBI regulations. The relevant SEBI regulations prescribe that no company shall make a bonus issue of Equity Shares if it has outstanding fully or partly convertible debt instruments at the time of making the bonus issue, unless it has made reservation of the Equity Shares in the same class in favour of the holders of the outstanding convertible debt instruments in proportion to the convertible part thereof and the Equity Shares reserved for the holders of fully or partly convertible debt instruments shall be issued at the time of conversion of such convertible debt instruments on the same terms or same proportion on which the bonds were issued. Further, for issuance of such bonus shares, a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption of such debentures. The declaration of bonus shares in lieu of a dividend cannot be made. The bonus issuance shall be made out of free reserves built out of genuine profits or share premium collected in cash only. The reserves created by revaluation of fixed assets cannot be capitalised. Further, a company should have sufficient reason to believe that it has not defaulted in respect of the payment of statutory dues of the employees, such as contributions to provident funds, gratuities and/or bonuses.

The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of Equity Shares and standing to the credit of the Shares Premium Account) be capitalized and distributed among such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.

Alteration of Share Capital

Subject to the provisions of the Companies Act our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of our Shareholders in a General Meeting may determine. According to Section 62(1)(a) of the Companies Act such new shares shall be offered to existing shareholders in proportion to the paid up share capital on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date or on receipt of earlier intimation from the persons to whom such notice is given that they decline to accept the shares offered, the Board may dispose of the shares offered in respect of which no acceptance has been received in a manner which shall not be disadvantageous to the shareholders of our

Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person. Private Placement and Public Issues shall be undertaken pursuant to Chapter III of the Companies Act.

Under the provisions of Section 62(1)(c) of the Companies Act and the Companies (Share Capital and Debentures) Rules, 2014, new shares may be offered to any persons whether or not those persons include existing shareholders or employees to whom shares are allotted under a scheme of employees stock options, either for cash or for consideration other than cash, if a special resolution to that effect is passed by our Company's shareholders in a general meeting. Our Company may, by a resolution passed in a general meeting, from time to time, increase the share capital by the creation of new Equity Shares of such amount as may be deemed expedient and specified in the resolution. Such increase in the share capital shall be subject to compliance with the provision of the Companies Act and of any other laws that may be in force. New Equity Shares shall be issued upon such terms and conditions and with such rights and privileges attached thereto as are consistent with provisions of the Companies Act and which the general meeting, resolving upon the creation thereof shall direct and if no direction be given, as our Board shall determine, and in particular such Equity Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of our Company and with a special or without any right of voting, subject to the conditions prescribed under the Companies Act.

Our Company may by Ordinary Resolution:

- (i) Consolidate and divide its Equity Shares or any of them into Equity Shares of larger amount than its existing Equity Shares; subject to the applicable approvals under the Companies Act for any consolidation and division which results in changes in the voting percentage of members;
- (ii) Subdivide its existing Equity Shares or any of them into Equity Shares of smaller amount than is fixed originally by the Memorandum of Association, such that in the subdivision, the proportion between the amount paid and the amount unpaid on each reduced Share be the same as it was in the case of the Share from which the reduced Share is derived and other conditions, if any, laid down by the Articles of Association;
- (iii) Cancel any Equity Shares which at the date of the passing of the ordinary resolution, have not been taken or agreed to be taken by any person and also may diminish the amount of its Share capital by the amount of the Equity Shares so cancelled.

Further, our Company may, from time to time, by special resolution, reduce its share capital or any share premium account in any manner, subject to any incident authorized and consent required by law.

General Meetings of Shareholders

Every year our Company is required to hold an annual general meeting in addition to any other meetings. Further, our Board may, whenever it thinks fit, call an extraordinary general meeting and shall, on the requisition of a number of members who constitute not less than one-tenth of the paid-up capital of our Company, proceed to call an extraordinary general meeting. Not less than 21 days' clear notice in writing of the general meeting is to be given, but shorter notice may be given if consent in writing is accorded by all the members entitled to vote and in case of any other meetings, with the consent of members holding not less than 95 per cent of such part of the paid-up Share capital of our Company which gives a right to vote at the meeting. For a meeting of the shareholders, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. No business is to be transacted at the general meeting unless the requisite quorum is present at the commencement of the same. If the quorum is not present within half an hour of the time appointed for a meeting, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place. The Articles of Association further provide that no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

The Chairman of our Board shall be entitled to take the chair at every general meeting or, if there is no such chairman, or if at any general meeting he is not present within fifteen minutes after the time appointed for

holding such general meeting or is unwilling to act as Chairman, the Directors present shall elect one of them to be the chairman of the meeting. If no Director is present or if all the Directors present decline to take the chair, then the members present shall choose one amongst themselves to be chairman of the general meeting.

A company intending to pass a resolution relating to matters such as, but not limited to, amendments to the objects clause of the Memorandum of Association, a variation of the rights attached to a class of shares or debentures or other securities, buy-backs of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the notice. Postal ballot includes voting by electronic mode.

Voting Rights

Every member present in person shall have one vote on poll and the member present in person or by proxy shall have one vote for each Share of our Company held by him, subject to any rights or restrictions for the time being attached to any class or classes of Equity Shares. The Articles of Association provide that votes may be given by proxies in a manner as authorized under the Articles of Association.

The instrument appointing a proxy is required to be lodged at the registered office at least 48 hours before the time of the meeting. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument or transfer of the Share in respect of which the vote is given provided no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office of our Company before the general meeting. Provided never the less that the chairman of any general meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

No member is entitled to be present or to vote on any question either personally or by proxy or as proxy for another member at any general meeting or upon a poll or to be reckoned in a quorum while any call or other sum payable to our Company in respect of any of the Equity Shares of such member shall remain unpaid, and no member is entitled to be present or to vote at any general meeting in respect of any Equity Share that he has acquired by transfer unless his name is entered as the registered holder of the Equity Share in respect of which he claims to vote, but this shall not affect Equity Shares acquired under a testamentary disposition or by succession to an intestate or under an insolvency or liquidation.

Ordinary resolutions may be passed by simple majority of those present and voting and those voting electronically. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

Directors

The Articles of Association provide that the number of Directors shall not be less than three and not be more than fifteen. The Directors shall be appointed by our Company in the general meeting subject to the provisions of the Companies Act and the Articles of Association. The Companies Act provides that not less than two-thirds of the total number of directors on the board of a company, excluding the independent directors, shall be liable to retire by rotation. One-third of the directors shall automatically retire every year at the annual general meeting and shall be eligible for re-appointment. The directors to retire by rotation shall be decided based on those who have been longest in office, and as between persons appointed on the same day, the same shall be decided by mutual agreement or by draw of lots. The independent directors may be appointed for a maximum of two terms of up to five consecutive years each; however, such directors are eligible for re-appointment after the expiry of three years of ceasing to be an independent director provided that such directors were not, during the three-year period, appointed in or associated with the company in any other capacity, either directly or indirectly. Any reappointment of independent directors, inter alia, shall be on the basis of performance evaluation report and requires the approval of the shareholders by way of a special resolution.

Our Board is required to meet at least once every 120 days for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year. The quorum for a meeting of our Board is one-third of its total strength (any fraction contained in

that one-third being rounded off as one) or two Directors, whichever is higher. However, where it involves a decision on an affirmative vote item, the quorum is required to include an investor Director.

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act and the related SEBI guidelines issued in connection therewith.

Transfer and transmission of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system.

Transfers of beneficial ownership of shares held through a depository are subject to STT (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with NSDL and CDSL.

SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered. Pursuant to the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository. The Equity Shares shall be freely transferable, subject to applicable laws

Liquidation Rights

In the event that our Company is wound up, and the assets available for distribution among the members as such are insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the Equity Shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the paid up capital at the commencement of the winding up the excess shall be distributed amongst the members but this shall be without prejudice to the rights of member registered in respect of Equity Shares issued upon special terms and conditions. On winding up, preference shares issued by our Company, if any, shall rank in priority to Equity Shares but shall not be entitled to any further participation in profits or assets.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

We, **M/s A.K.B. Jain & Co**, independent statutory auditors of the Company and its Subsidiaries, hereby report the possible tax benefits available to the Company and the shareholders of the Company, under the Income Tax Act, 1961, as amended (the “**IT Act**”), applicable indirect tax laws, along with the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2024-25 relevant to the financial year 2023-24, presently in force in India, in the enclosed statement at **Annexure A**.

Several of these stated tax benefits/consequences are dependent on the Company and/or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Company and/or its shareholders to derive the tax benefits is dependent on fulfilling such conditions.

The benefits discussed in the enclosed annexure are not exhaustive. **Annexure A** is for your information and we consent its inclusion in the preliminary placement document and placement document, as amended or supplemented thereto (together the “**Placement Documents**”) to be filed by the Company with the stock exchanges, the Securities and Exchange Board of India (“**SEBI**”), and the Registrar of Companies, and any other authority and such other documents as may be prepared in connection with the Issue.

In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

- i) the Company or its shareholders will continue to obtain these benefits in future; or
- ii) the conditions prescribed for availing the benefits have been/would be met with; or
- iii) the revenue authorities / courts will concur with the views expressed herein.

We consent to the inclusion of the above information in the Preliminary Placement Document and the Placement Document (together as the “**Placement Documents**”) to be filed by the Company with BSE Limited and the National Stock Exchange of India Limited on which the Equity Shares of the Company are listed (the “**Stock Exchanges**”), the Securities and Exchange Board of India, and the Registrar of Companies, Delhi & Haryana at Delhi, and any other authority and such other documents as may be prepared in connection with the Issue.

This certificate may be disclosed by the Book Running Lead Manager, if required, (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

This statement is prepared for inclusion in the Preliminary Placement Document (PPD) and the Placement Document (PD) in connection with the Issue, to be filed by the Company with the National Stock Exchange of India Limited and BSE Limited. The aforesaid information contained herein and in **Annexure A** may be relied upon by the Book Running Lead Manager and legal counsel appointed pursuant to the Issue and may be submitted to the stock exchanges, SEBI, and any other regulatory or statutory authority in respect of the Issue and for the records to be maintained by the Book Running Lead Manager in connection with the Issue and We undertake to immediately inform in writing to the Book Running Lead Manager and legal counsel in case of any changes to the above until the date when the Equity Shares issued pursuant to the Issue commence trading on the Stock Exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Placement Documents prepared in connection with the Issue.

For M/s A.K.B. Jain & Co.
Chartered Accountants
Firm Registration No.: 003904C

Rahul Dewani
Partner
Place: Bhopal
Membership No. 435066
Date: October 5, 2023
UDIN: 23435066BGUVRX5948

CC:
Legal Counsel to the Company as to Indian Law

M/s. Crawford Bayley & Co.
State Bank Buildings
N.G. N. Vaidya Marg
Fort, Mumbai 400 023

Annexure A

S. No.	Legislation	Special Tax Benefit to the Company
1.	Income Tax Laws	Nil
2.	Goods and Service Tax Laws	Nil
3.	Customs Laws	Nil

LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of tax disputes and civil proceedings, which are pending before various adjudicating forums.

*In terms of our Company's "Policy for Determination of Materiality of Events and Information" ("**Materiality Policy**") framed in accordance with Regulation 30 of the SEBI Listing Regulations, there are no outstanding litigations involving our Company that have been disclosed to the Stock Exchanges, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Preliminary Placement Document.*

*However, solely for the purpose of the Issue, our Company has disclosed in this section, to the extent applicable (i) all outstanding criminal proceedings involving our Company; (ii) all outstanding actions by statutory or regulatory authorities against our Company; (iii) outstanding civil involving our Company, where the amount involved in such proceeding exceeds ₹ 1,144.85 lakhs i.e. 2% of the revenue from operations of the Company as per the standalone audited financial statements of the Company for the immediately preceding financial year (being ₹ 1,144.85 lakhs i.e., 2% of the ₹ 57,242.44 lakhs as on March 31, 2023) ("**Materiality Threshold**"); (iv) disclosure of the direct and indirect tax matters involving the Company; and (v) any other outstanding litigation involving our Company wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of our Company.*

Further, other than as disclosed in this section, (i) there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during the last three years immediately preceding the year of circulation of this Preliminary Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Preliminary Placement Document involving our Company, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company; (iii) there are no defaults in repayment of (a) undisputed statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon and (d) any loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of this Preliminary Placement Document; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; or (vii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of this Preliminary Placement Document.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Directors and/or our Promoter from third parties (excluding statutory / regulatory /governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Directors and/or our Promoter, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

1. Litigation involving our Company

Material civil proceedings involving our Company

A. Civil Proceedings filed by our Company

- a) Writ Petition bearing number 15333 of 2020 was filed by our Company (“**Petitioner**”) against United Breweries Limited, before the Hon’ble High Court of Karnataka. The petition is filed against the Order of District Court Bangalore whereby district court did not direct United Breweries Limited to lead the Evidence. The matter was last heard on December 13, 2021 and was adjourned to uptill six weeks. These cases are filed on regular course of business by every distillery against the each other to restrain them from using recycled bottles of other distillery procured from junk market and normally only injunctive orders are passed so far in these type of cases. Therefore, we do not foresee any financial implication in future.
- b) Arbitration Appeal bearing number 66 of 2019 was filed by our Company against Rahul Malt Private Limited before the Hon’ble High Court of Madhya Pradesh, Principal Bench, Jabalpur. Appeal is filed under Arbitration & Conciliation Act, 1996 against the Order dated May 13, 2019 of Add. District Judge, Raisen Whereby the award dated October 18, 2007 passed by the Arbitration Tribunal in favour of respondent for ₹35,16,203 was upheld. The matter was last listed on February 18, 2020 and is pending for final hearing.
- c) RCS A-CIVIL SUIT CLASS-A No. 98 of 2020 filed by our Company (“**Plaintiff**”) against United Breweries Ltd. (“**Defendant**”) before VIII ADJ Bhopal. Company had entered in to the Bottling arrangement with the UB Group from 2003 – 2014. Thereafter the dispute arose with respect to the short lifting by the Defendant Company in FY 2012-13 & 2013-14 resulting in the loss to the tune of ₹ 5,33,44,500 by the Plaintiff Company and hence Company has filed the Recovery Suit in this regard. Matter is listed for hearing on October 11, 2023.
- d) CS(COMM) 102/2020 filed by our Company (“**Plaintiff**”) against Mount Everest Breweries Limited & Ors (“**Defendant**”) in the Hon’ble High Court of Delhi. Trademark Infringement Suit filed against the Defendant for using ‘Hunter Bottles’ of the Company for sale of their beers. The matter is listed for admission/ denial of documents on October 10, 2023. The matter is filed against Mount Everest to restrain them from using Hunter Bottles for filing of their beer. Therefore, there will no financial implication on the Company.

B. Civil Proceedings filed against our Company

- a) An Original Suit bearing number 25327 of 2015 was filed by United Breweries Limited before the Hon’ble Addl. City Civil and Sessions Judges, Mayo Hall and FTC, Mayohall against our Company under Order 7 Rule 1 read with Section 26 of Civil Procedure Code. United Breweries Limited had filed the suit for restraining our Company from infringing its registered trade mark ‘*Kingfisher*’ by using/ reusing beer bottles having a label Kingfisher with a device flying horse and mandatory injunction directing our Company to render accounts of profit made due to wrongful use of the aforementioned beer bottles. Presently the case is stayed by Hon’ble High Court, Karnataka vide its Order dated January 15, 2021 passed in WP No. 15333/2020 which was subsequently extended by Order dated December 13, 2021 and the lower Court is awaiting Orders which is listed before 1169-CCH75-LXXIV Additional City Civil and Sessions Judge and was listed for hearing on September 2, 2023.
- b) A Company Petition bearing number 198 of 2008 was filed by Madhya Pradesh State Industrial Development Corporation (“**Petitioner**”) before Hon’ble High Court, Delhi against our Company. As per the Order dated July 26, 2017 passed by the Hon’ble High Court of Delhi, our Company was directed to pay an amount of ₹8,35,00,000 along with an interest of ₹2,15,00,000 which has been accrued till the date of application to the Petitioner. Our Company has already deposited an amount of ₹ 9,43,00,000 with the Registrar. Presently the Petitioner and our Company are endeavouring to settle the matter amicably. The matter is pending before the Hon’ble High Court, Delhi.
- c) A First Appeal bearing number 492 of 2019 was filed by Anheuser Busch Inbev India Limited (“**Petitioner**”) before Hon’ble High Court, Madhya Pradesh, Principal Bench Jabalpur, against our Company under the relevant provisions of the Code of Civil Procedure, 1908. The Appeal has been filed challenging the Order of the Hon’ble Raisen District Court wherein an infringement suit filed against our Company was dismissed. The matter is not listed since August 29, 2019 and remains pending as on date of the Preliminary Placement Document.
- d) Writ Petition bearing number 13297 of 2019 filed by one Gaurav Gupta against the State of Madhya Pradesh and Ors before the Hon’ble High Court of Madhya Pradesh. Our Company has been made

respondent no. 4. The PIL is yet to be admitted and notice is yet to be issued to our Company. The matter was last listed on March 13, 2020. There is no financial implication on the Company in this matter.

- e) Writ Petition bearing number 4049 of 2014 filed by Regent Beers and Wines Limited (“**Petitioner**”) against the State of Madhya Pradesh & Ors before the Hon’ble High Court of Madhya Pradesh where our Company has been made party as Respondent No. 3. This matter was filed by the Petitioner against the Order dated June 26, 2014 of the Excise Commissioner whereby the Excise Commissioner rejected the label registration of the Petitioner for “Black Force” Beer which was deceptively similar to the trade mark of our Company’s product “BLACK FORT”. The matter is pending for final hearing. There is no financial implication on the Company in this matter.

Criminal Proceedings involving our Company

A. Criminal Matters filed by our Company

- a) A regular criminal trial bearing number 6578 of 2019 was filed by our Company before the Hon’ble District and Sessions Court, Bhopal against M/s. Haridhan Sprints India (the “**Accused**”) under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheques issued by the Accused to our Company for payment of consideration for goods supplied and services rendered aggregating to ₹65,06,765. The case was disposed on January 12, 2023 as the accused had absconded. Permanent arrest warrants have been issued against the accused persons. The case file has been sent to record room and the matter will automatically open upon the arrest of accused person.
- b) A regular criminal trial bearing number 7142 of 2019 was filed by our Company before Hon’ble District and Sessions Court, Bhopal against M/s. Kumar Departmental Store (the “**Accused**”) under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheques issued by the Accused to our Company for payment of consideration for goods supplied and services rendered aggregating to ₹1,00,000. Presently the case is pending before the Hon’ble IX Civil Judge Class-I and is listed for hearing on November 23, 2023.
- c) A regular criminal trial bearing number 7147 of 2019 was filed by our Company before the Hon’ble District and Sessions Court, Bhopal against M/s. Kumar Departmental Store (the “**Accused**”) under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheques issued by the Accused to our Company for payment of consideration for goods supplied and services rendered aggregating to ₹4,00,000. Presently the case is pending before the Hon’ble XI Civil Judge Class-I and is listed for hearing on November 23, 2023.
- d) A regular criminal trial bearing number 16175 of 2019 was filed by our Company before the Hon’ble District and Sessions Court, Bhopal against M/s. Journey Makers (the “**Accused**”) under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheques issued by the Accused to our Company for payment of consideration for goods supplied and services rendered aggregating to ₹5,40,000. The case has been disposed of by the Hon’ble 24-VI Civil Judge Class-I on January 27, 2023 as the accused persons are not appearing before the Hon’ble Court. Therefore, permanent arrest warrants have been issued against the accused and records of the matter has been sent to record room. Matter will re-open upon arrest of accused.
- e) A regular criminal trial bearing number 16185 of 2019 was filed by our Company before the Hon’ble District and Sessions Court, Bhopal against M/s. Kumar Departmental Store (the “**Accused**”) under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheques issued by the Accused to our Company for payment of consideration for goods supplied and services rendered aggregating to ₹1,00,000. Permanent arrest warrants against the accused has been issued by the Court on February 8, 2023 and the matter will re-open upon arrest of the accused.
- f) A Miscellaneous Criminal Case bearing number 15928 of 2018 was filed by Amber Jaiswal and Ors. (“**Complainant**”) before Hon’ble Madhya Pradesh High Court, Principal Bench Jabalpur against our Company under Sections 409, 467, 465, 464, 420, 418, 471, 468 of the Indian Penal Code, 1860 read with Section 482 of Code of Criminal Procedure, 1973 against the order passed by the lower court in the matter bearing crime no. 160/2017 wherein our Company had filed a complaint for fraud and

forgery against the Complainant for opening accounts of our Company without authorisation for an amount to the tune of ₹ 27,00,000. Presently the case is pending before Hon'ble Madhya Pradesh High Court.

- g) A Miscellaneous Criminal Case bearing number 15336 of 2012 was filed by our Company before the Hon'ble Madhya Pradesh High Court against the State of Madhya Pradesh and Ors. (“**Respondents**”) under Section 378 (4) of the Code of Criminal Procedure, 1973. The said appeal has been filed by our Company against acquittal order dated July 23, 2012 passed by the Hon'ble Fasttrack Court of JMFC, Bhopal in R.T. no. 6196/06 wherein one of the Respondents was acquitted of the offence under Section 138 of the Negotiable Instruments Act, 1881. The appeal remains pending.

B. Criminal Matters filed against our Company

- a) A regular criminal trial bearing number 4656 of 2020 was filed by Food Inspector, Food and Drugs Administration, Indore, Madhya Pradesh before the Hon'ble District and Sessions Court, Indore against our Company (the “**Accused**”) under Sections 3(1)(l), 3(1)(zf), 26(2)(ii), 26(2)(iii), 27(1), 31(1), 52, 55, 58, 62, 63 and 66 of the Food Safety and Standards Act, 2006 on the allegation of non-compliance with labelling regulations. Presently the case is pending before the Hon'ble 96-XVIII Civil Judge Class-II, Indore.

Proceedings involving material violations of statutory regulations by our Company

As on the date of this Preliminary Placement Document, there are no pending or outstanding violations of any statutory regulations against our Company. However, our Company and some of our Promoters have been penalised by SEBI, RBI and the Stock Exchanges in the last 5 years for violating certain statutory regulations. The penalties have been paid and there are no outstanding actions by any of the abovementioned regulatory authorities pending against the Company or our Promoters. The details of the penalties imposed by the regulatory authorities are mentioned below:

i. Actions taken by SEBI

Sr. No.	Particulars	Fine/Penalty imposed (₹)	Date on which Fine/ Penalty was imposed on	Status
1.	Penalized our Company for violations of certain provisions of SEBI LODR Regulations.	₹5,00,000	June 19, 2019	Penalty paid
2.	Penalized <i>Aalok Deep Finance Pvt. Ltd. (our Promoter)</i> for violation of Regulation 13(2A) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.	₹2,00,000	September 27, 2019	Penalty paid
3.	Penalized <i>Jagdish Kumar Arora (our Promoter)</i> for violation of Regulation 13(4A) read with 13(5) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.	₹2,00,000 + interest of ₹ 1,38,119	September 27, 2019	Penalty paid
4.	Penalized <i>Som Distilleries Private Limited (our Promoter)</i> for violation of Regulation 13(4A) read with 13(5) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.	₹2,00,000	September 27, 2019	Penalty paid
5.	Non-Compliance of Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements), 2018.	₹5,00,000	July 3, 2019	Complied with in June 2019.
6.	Non-compliance with SEBI circular no. CIR/MRD/DP/10/2015 dated June 05, 2015	Nil	Nil	Complied with in February 2020.

Tax proceedings involving our Company

We have set out below claims relating to direct and indirect taxes involving our Company in a consolidated manner giving details of number of cases and total amount involved in such claims as on June 30, 2023:

Nature of case	Number of cases	Amount Involved (Net of Provision) (₹ in lakhs)
Direct Tax	10	2,272.64
Indirect Tax	Nil	Nil

2. Litigation involving our Subsidiaries

Material civil proceedings involving our Subsidiaries

A. Civil Proceedings filed by our Subsidiaries

As on the date of this Preliminary Placement Document, there are no outstanding material civil proceedings by our Subsidiaries.

B. Civil Proceedings filed against our Subsidiaries

As on the date of this Preliminary Placement Document, there are no outstanding material civil proceedings against our Subsidiaries.

Criminal proceedings involving our Subsidiaries

A. Criminal Matters filed by our Subsidiaries

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings filed by our Subsidiaries.

B. Criminal Matters filed against our Subsidiaries

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings against our Subsidiaries.

Tax proceedings involving our Subsidiaries

We have set out below claims relating to direct and indirect taxes involving our Subsidiaries in a consolidated manner giving details of number of cases and total amount involved in such claims:

Nature of case	Number of cases	Amount Involved (net of provision) (in ₹ lakhs)
Direct Tax	Nil	-
Indirect Tax	Nil	-

3. Litigation involving our Directors

Criminal proceedings involving our Directors

A. Criminal Matters filed by our Directors

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings by our Directors except as provided below:

- a) Proceedings under Crime No. DGGI/BhZU/12004/03/2020-21/SDPL has been challenged by Jagdish Kumar Arora, Managing Director & Promoter and Ajay Kumar Arora, Promoter vide Mics. Criminal Petition No. 38882 of 2020 under section 482 of the Code of Criminal Procedure, 1973, for quashing the said Crime No. DGGI/BhZU/12004/03/2020-21/SDPL. The said petition was clubbed with Writ Petition No. 11048 of 2020. The matter was last listed on September 11, 2023.

B. Criminal Matters filed against our Directors

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings against our Directors.

4. Litigation involving our Promoters

Criminal proceedings involving our Promoters

A. Criminal Matters filed by our Promoters

- a) A Writ Petition bearing number 11048 of 2020 was filed by our Company and our Promoter Company, Som Distilleries Private Limited before Hon'ble High Court, Madhya Pradesh, Principal Bench, Jabalpur against Directorate General of GST Intelligence and Ors (the "**Accused**") under the relevant provisions of Central Sales Tax Act 1956. The Petition has been filed against the imposition of GST liability of approximately ₹ 33,00,00,000 on the sister concern of our company Som Distilleries Private Ltd ("SDPL"). SDPL has deposited an amount of ₹ 8,00,00,000 in accordance with the initial claim of ₹7,96,00,000. Refund Application has been filed by the Company in January 2022 and Company has received the Refund of ₹ 7,60,00,000/- in March 2022. Presently the said petition is pending and was last listed for hearing on Sep 11, 2023.

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings by our Promoters except as stated above in point 'a' in section titled 'Criminal Matters filed by our Directors' and point 'h' in section titled 'Criminal Matters filed by our Company'.

B. Criminal Matters filed against our Promoters

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings against our Promoters.

- a) Criminal Complaint bearing number Crime No. DGGI/BhZU/12004/03/2020-21/SDPL has been filed against Som Distilleries Private Limited ("SDPL") for imposition of GST liability of approximately ₹ 33,00,00,000.

5. Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years

There have been no inquiries, inspections or investigations initiated or conducted against our Company or our Subsidiaries under the Companies Act, 1956 or the Companies Act in the last three years immediately preceding the year of issue of this Preliminary Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or our Subsidiaries.

6. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

There have been no material frauds committed against our Company in the last three years preceding the date of this Preliminary Placement Document.

7. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon

As on the date of this Preliminary Placement Document, our Company has no outstanding defaults in repayment of undisputed statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

8. Details of defaults in annual filing of our Company under the Companies Act and the rules made thereunder

As on the date of this Preliminary Placement Document, our Company has not made any default in filings of our Company under the Companies Act and the rules made thereunder

9. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operation

There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

10. Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Preliminary Placement Document and their impact on the financial statements and financial positions of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks

Except as mentioned in “*Management’s Discussion on Financial Condition and Results of Operations – Auditor’s Observations*” on page 80, there are no reservations, qualifications or adverse remarks of our auditors in their respective reports on our audited financial statements for the last five Fiscals preceding the date of this Preliminary Placement Document.

OUR STATUTORY AUDITORS

M/s. AKB Jain & Co., Chartered Accountants, are the current independent Statutory Auditors with respect to our Company as required by the Companies Act and in accordance with the guidelines prescribed by ICAI.

M/s. AKB Jain & Co., Chartered Accountants, have been re-appointed as the Statutory Auditors of our Company, pursuant to the approval of the Shareholders of our Company at the AGM held on September 27, 2022, for a term of 2 years commencing from the conclusion of the 29th AGM of the Company till the conclusion of the 3^{1st} AGM.

M/s. AKB Jain & Co., Chartered Accountants, have audited the Audited Consolidated Financial Statements for Fiscals 2023 and 2022, whereas our previous Statutory Auditors, M/s. R. N. Gupta have audited the Audited Consolidated Financial Statements for Fiscal 2021 and their audit reports on those financial statements are included in this Preliminary Placement Document in “*Financial Statements*” on page 187.

GENERAL INFORMATION

1. Our Company was originally incorporated as Som Distilleries and Breweries Limited, a public limited company under the Companies Act, 1956 with the Registrar of Companies, Delhi & Haryana at Delhi and was granted a certificate of incorporation on March 26, 1993.
2. Our registered office is located at 1A, Zee Plaza, Arjun Nagar, S.J. Enclave, Kamal Cinema Road, New Delhi – 110 029 and corporate office is located at 23, Zone-II, M.P. Nagar, Bhopal – 462 011, Madhya Pradesh, India. There has been no change in our registered office since Company's incorporation.
3. Name of our Company was changed from “*Som Distilleries and Breweries Limited*” to “*Som Distilleries Breweries & Wineries and Breweries Limited*” for better representation in the market, at its board meeting held on November 18, 2022. The same was approved by the Shareholders at their meeting held on December 27, 2022. Our Company has made necessary filings and intimations with the RoC and the Stock Exchanges. While the RoC has approved the name change but we still await approval for the change in name from the Stock Exchanges.
4. Our corporate identification number is L74899DL1993PLC052787. The website of our Company is www.somindia.com.
5. The Equity Shares are listed on BSE and NSE.
6. The Issue has been authorized by the Board of Directors pursuant to its resolution passed on September 5, 2023. Shareholders have authorized and approved the Issue by way of a special resolution passed at the AGM held on September 27, 2023.
7. Our Company has received in-principle approvals in terms of Regulation 28(1) of the SEBI Listing Regulations from each of BSE and NSE on October 5, 2023 to list the Equity Shares issued pursuant to the Issue on the Stock Exchanges. We will apply for final listing and trading approvals of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges after Allotment of the Equity Shares in the Issue.
8. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 10.00 am to 5.00 pm on all working days, (except Saturdays and public holidays) during the Bid/ Issue Period at our Registered and Corporate Office.
9. Except as disclosed in this Preliminary Placement Document, there has been no material adverse change in our financial or trading position since October 5, 2023.
10. Except as disclosed in this Preliminary Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see “**Legal Proceedings**” on page 176.
11. The Floor Price is ₹ 349.24 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations in accordance with the approval of the Shareholders accorded through their resolution passed at the AGM held on September 27, 2023.
12. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.
13. Our Company has obtained necessary consents, approvals and authorizations as may be required in connection with the Issue.
14. Our Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

15. Details of the Company Secretary and Compliance Officer of our Company:

Om Prakash Singh
Company Secretary and Compliance Officer

Som Distilleries and Breweries Limited

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

Bhopal - 462 011, India

Telephone: +91 755 4271 271

Email: omprakash@somindia.com

DETAILS OF PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue share capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%) ^{^*}
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]

[^] Based on beneficiary position as on [●], 2023 (adjusted for Equity Shares Allocated in the Issue).

^{*} The details of the proposed Allottees have been intentionally left blank and will be filled in before filing of the Placement Document with the Stock Exchanges and issuing of the Placement Document to such proposed Allottees.

FINANCIAL STATEMENTS

Sr. No.	Financial Information	Page Numbers
1.	Limited Reviewed Unaudited Consolidated Financial Results for the three months period ended June 30, 2023	F1 - F4
2.	Limited Reviewed Unaudited Consolidated Financial Results for the three months period ended June 30, 2022	F5 - F7
3.	Audited Consolidated Financial Statements as at and for the year ended March 31, 2023 along with audit report issued	F8 - F40
4.	Audited Consolidated Financial Statements as at and for the year ended March 31, 2022 along with audit report issued	F41 - F68
5.	Audited Consolidated Financial Statements as at and for the year ended March 31, 2021 along with audit report issued	F69 - F96

Independent Auditor's Review Report on the Quarterly unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Review Report to
The Board of Directors
Som Distilleries & Breweries Limited,

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **SOM DISTILLERIES & BREWERIES LIMITED** (the "Holding Company") and its subsidiaries (the holding company and its subsidiaries together referred to as "the group") for the quarter ended **30th June, 2023** (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of regulation 33 of the SEBI (the Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Holding company's management is responsible for the preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, ("Ind AS 34") "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with regulation 33 of the listing regulations. The statement has been approved by the holding company's board of directors. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review of the statement in accordance with Standard on Review Engagement ("SRE") 2410 "Review of Interim financial information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountant of India ("ICAI"). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of person responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing as issued by the ICAI and consequently does not enable us to obtain assurance that would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.



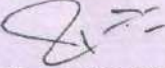
4. The statement includes the results of the holding company and its following wholly owned subsidiaries:

(i) WOODPECKER DISTILLERIES & BREWERIES PRIVATE LIMITED

(ii) SOM DISTILLERIES AND BREWERIES ODISHA PRIVATE LIMITED

5. Based on our review conducted as stated in Paragraph 3 above, nothing has come to our attention that cause us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard ("Ind AS") specified under Section 133 of Companies Act,2013, as amended , read with relevant rules issued there under and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of listing regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For AKB Jain & Co
Chartered Accountants
FRN: 003904C


RAHUL DEWANI
(Partner)
M.No:435066



UDIN: 23435066BGUVOS7158

Place: Bhopal
Date: 31.07.2023

SOM DISTILLERIES & BREWERIES LIMITED
23, Zone - II, M.P. Nagar, Bhopal - 462011 India
Ph. 0755-4271271, 4721369

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED 30th JUNE 2023

(Rs. in Lakh)

Particulars	3 Months ended	Preceding 3 Months ended	Corresponding 3 Months ended	Previous year ended
	30.06.2023	31.03.2023	30.06.2022	31.03.2023
	Unaudited	Audited	Unaudited	Audited
Income				
I Revenue from operations (Including State Excise Duties)	75,862.71	48,236.79	43,768.05	1,49,804.50
II Other Income	160.25	47.19	178.72	133.19
III Total Income	76,022.96	48,283.98	43,946.77	1,49,937.69
Expenses				
a Cost of Materials Consumed	24,532.93	15,824.64	12,973.27	50,325.62
b Purchases of stock-in-trade	-	-	-	-
c Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	163.19	711.74	1,473.66	(1,798.83)
d State Excise Duties	37,361.01	22,979.53	18,337.91	69,136.82
e Employee Benefits Expenses	818.36	767.55	584.91	2,676.55
f Finance Costs	316.84	405.98	352.41	1,596.77
g Depreciation and Amortisations	426.60	419.45	424.14	1,701.09
h Other Expenses	8,134.30	5,143.12	6,987.95	19,254.68
IV Total Expenses	71,753.23	46,252.01	41,134.25	1,42,892.70
V Profit/(Loss) before exceptional items and tax (III-IV)	4,269.73	2,031.97	2,812.52	7,044.99
VI Exceptional Items	-	-	-	-
VII Profit/(Loss) before tax (V-VI)	4,269.73	2,031.97	2,812.52	7,044.99
VIII Tax Expense	903.11	444.84	246.71	1,014.76
IX Profit/(Loss) for the Period (VII-VIII)	3,366.62	1,587.13	2,565.81	6,030.23
X Other Comprehensive Income	-	10.67	-	10.67
XI Total Comprehensive income for the Period (IX+X)	3,366.62	1,597.80	2,565.81	6,040.90
XII Earnings Per Equity Share (Face Value of Rs. 5/- each)				
1 Basic (in Rs.)	4.44	2.17	3.67	8.47
2 Diluted (in Rs.)	4.44	2.17	3.67	8.40

Date: 31.07.2023
Place: Bhopal



(Signature)

Nakul K Sethi
(Director)
DIN- 06512548

Notes:


1. Unaudited consolidated financial results for the quarter ended 30th June 2023 reviewed by the audit committee were taken on record at the board meeting held on 31st July 2023.
2. The Company is engaged in the business of manufacturing of alcoholic beverages. There are no reportable segments other than alcoholic beverages, which singly or in the aggregate qualify for separate disclosure as per provision of the relevant Ind AS 108 "Operating Segments".
3. Previous period figures have been regrouped and or reclassified wherever necessary.
4. Shareholders are requested to intimate change of address if any.



Date: 31.07.2023

Place: Bhopal




Nakul K Sethi
Executive Director

Independent Auditor's Review Report on the Quarterly unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Review Report to
The Board of Directors
Som Distilleries & Breweries Limited,

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **SOM DISTILLRIES & BREWERIES LIMITED** (the "Holding Company") and its subsidiaries (the holding company and its subsidiaries together referred to as "the group") for the quarter ended **30th June, 2022** (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of regulation 33 of the SEBI (the Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Holding company's management is responsible for the preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, ("Ind AS 34") "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with regulation 33 of the listing regulations. The statement has been approved by the holding company's board of directors. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review of the statement in accordance with Standard on Review Engagement ("SRE") 2410 "Review of Interim financial information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountant of India ("ICAI"). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of person responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing as issued by the ICAI and consequently does not enable us to obtain assurance that would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange



Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The statement includes the results of the holding company and its following wholly owned subsidiaries:
- (i) WOODPECKER DISTILLERIES & BREWERIES PRIVATE LIMITED
 - (ii) SOM DISTILLERIES AND BREWERIES ODISHA PRIVATE LIMITED
5. Based on our review conducted as stated in Paragraph 3 above, nothing has come to our attention that cause us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard ("Ind AS") specified under Section 133 of Companies Act ,2013, as amended , read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of listing regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For AKB Jain & Co
Chartered Accountants
FRN: 003904C



RAHUL DEWANI
(Partner)
M.No:435066



UDIN: 22435066ANHSRX3201

Place: Bhopal
Date: 20.07.2022

SOM DISTILLERIES AND BREWERIES LIMITED

23, Zone - II, M.P. Nagar, Bhopal - 462011 India.

Ph. 0755- 4271271, 4271369

STATEMENT OF UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED

30th JUNE, 2022

		(Rs. in Lacs)			
		Quarter ended			Year Ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		Unaudited	Audited	Unaudited	Audited
I	Revenue from operations (Incl State Excise Duties)	43,768.05	26,881.96	9,897.90	65,380.61
II	Other Income	178.72	9.37	54.47	269.73
III	Total Income (I+II)	43,946.78	26,891.33	9,952.37	65,650.34
2	Expenses				
a	Cost of Materials Consumed	12,973.27	9,932.44	2,643.74	21,331.83
b	Purchases of stock-in-trade	-	-	-	257.62
c	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	1,473.66	(1,041.45)	(62.07)	(851.81)
d	State Excise Duties	18,337.91	12,301.68	4,887.68	29,104.52
e	Employee Benefits Expenses	584.91	567.53	516.30	2,169.85
f	Finance Costs	352.41	388.15	400.02	1,535.45
g	Depreciation and Amortisations	424.14	412.83	419.36	1,677.77
h	Other Expenses	6,987.97	3,961.30	2,407.94	11,679.38
IV	Total Expenses	41,134.26	26,522.48	11,212.97	66,904.61
V	Profit/(Loss) before exceptional items and tax (III-IV)	2,812.52	368.85	(1,260.60)	(1,254.27)
VI	Exceptional Items	-	-	-	-
VII	Profit/(Loss) before tax (V-VI)	2,812.52	368.85	(1,260.60)	(1,254.27)
VIII	Tax Expense	246.71	(270.30)	-	(270.27)
IX	Profit/(Loss) for the Period (VII-VIII)	2,565.81	639.15	(1,260.60)	(984.00)
X	Other Comprehensive Income	-	11.02	-	11.02
XI	Total Comprehensive income for the Period (IX-X)	2,565.81	650.17	(1,260.60)	(972.98)
XII	Earnings Per Equity Share (Face Value of Rs. 5/- each)				
1	Basic (in Rs.)	3.67	0.97	(1.94)	(1.45)
2	Diluted (in Rs.)	3.67	0.97	(1.94)	(1.45)

NOTES :-

- 1 Unaudited financial results for the quarter ended 30th June, 2022 reviewed by the audit committee were taken on record at the board meeting held on 20th July, 2022.
- 2 The company is engaged in the business of manufacturing of alcoholic beverages. There are no reportable segments other than alcoholic beverages, which singly or in the aggregate qualify for separate disclosure as per provision of the relevant Ind AS 108 "Operating Segments".
- 3 Previous period figures have been regrouped and or reclassified, wherever necessary.
- 4 Shareholders are requested to intimate change of address, if any.

Dated: 20.07.2022

Place: Bhopal



(Handwritten Signature)

Nakul K Sethi
Executive Director

Regd. Office:- 1-A, Zee Plaza, Arjun Nagar, Safdarjung Enclave, Kamal Cinema Road, New Delhi (India)

Ph: +91-11-26169909, 26169712 Fax:- +91-11-26195897



INDEPENDENT AUDITOR'S REPORT

To
Members of
Som Distilleries & Breweries Limited,
New Delhi

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **M/S SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI** (hereinafter referred to as the "Holding Company") and its subsidiaries "**WOODPECKER DISTILLERIES & BREWERIES PRIVATE LIMITED**" and "**SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED**" (Holding Company and its subsidiaries together referred to as "the Group"), which comprises the consolidated balance sheet as at 31st March 2023, the consolidated statement of Profit and Loss (including other comprehensive), the consolidated cash flow statement and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("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 Group as at March 31, 2023, its consolidated **PROFIT** including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

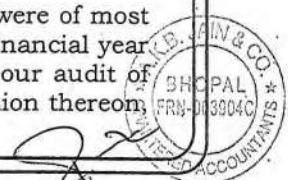
We draw attention to the following Notes to the accompanying consolidated financial statements:

- a) Note No. 45 regarding non availability of the necessary information of outstanding dues to Micro Enterprises and Small Enterprises.

Our opinion is not modified in respect of these matters.

Key audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon.



and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

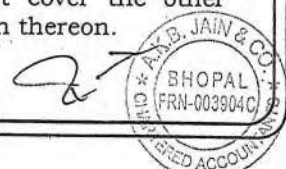
We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters.

Key audit matters	How our audit addressed the key audit matter
<p>Revenue from Operations</p>	
<p><i>(Refer Note No. 2.03 "Revenue Recognition" and Note No. 26 "Revenue from operations" of consolidated financial statements)</i></p>	
<p>Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services.</p> <p>Revenue is recognized to the extent it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being received. Revenue is measured at the fair value of the consideration received or receivable net off returns, discounts and breakage, and taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.</p> <p>Based on the Educational Material on Ind AS 115 issued by the Institute of Chartered Accountants of India ("ICAI"), the recovery of excise duty flows to the Group on its own account and hence is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the group on its own account, revenue includes excise duty. However, sales tax/value added tax (VAT), goods and services tax are not received by the group on its own account and are taxes collected on value added to the commodity by the seller on behalf of the government. Accordingly, these are excluded from revenue.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> - Assessed the Group's revenue recognition accounting policy for sale of products. - Understood, evaluated and tested on sample basis the design and operating effectiveness of key internal controls over recognition and measurement of revenue. - Performed test of details on a sample basis and inspected the underlying accounting documents relating to sales accrual. - Tested on a sample basis, sales transactions near year end date. - Performed analytical procedures on revenue. - Assessed the disclosures in the consolidated financial statements in respect of revenue for compliance with disclosure requirements.

Other information

The Holding company's management and Board of Directors is responsible for preparation of the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

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



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

Responsibility of Management and Those Charged with governance for the Consolidated Financial Statements

The Holding company's management and 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the group in accordance with the Accounting Principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

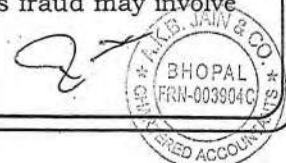
The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group companies.

Auditor's Responsibility for audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve



collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

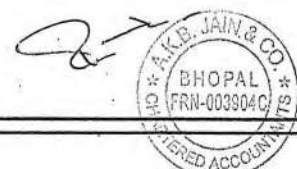
We communicate with those charged with governance of the holding company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we provide "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the said order, to the extent applicable.



2. As required by section 143(3) 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 purpose of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet and Consolidated Statement of Profit and Loss (including other comprehensive), Consolidated Cash flow statement and Consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of written representations received from the directors of the holding company as on March 31, 2023, and taken on record by the Board of Directors of the holding company and the reports of the statutory auditors of the group companies, none of the directors of the group companies is disqualified as on March 31, 2023, from being appointed as a director in term of sub-section (2) of section 164 of the Companies Act, 2013.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the group with reference to these consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
 - g) With respect to the other matter to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, as amended, in our opinion and to the best of our information and according to explanation given to us:
 - (a) According to the information provided by the management, there is no pending litigation which may impact the financial position of the Company. As referred in Note No. 36 and Note No. 43 of the consolidated financial statements.
 - (b) The Group does not have long term contracts including derivative contracts for which there are any material foreseeable losses.
 - (c) There have no transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company or the other company included in the group.
 - (d) (i) The respective Management of the holding company and its subsidiaries has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts to the consolidated Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The respective Management of the holding company and its subsidiaries has represented to us that, to the best of its knowledge and belief, no funds (which are




material either individually or in the aggregate) have been received by the group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- (e) The interim dividend declared and paid by the holding company for the previous year is in accordance with the section 123 of the act to the extent it applies to the payment of dividend.
- (f) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the companies with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For AKB Jain & Co
Chartered Accountants
FRN: 003904C


RAHUL DEWANI
(Partner)
M.No:435066



UDIN: 23435066BGUVLD3907

Place: Bhopal
Date: 27.04.2023

ANNEXURE-A

REFERRED TO IN PARAGRAPH "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF M/S SOM DISTILLERIES & BREWERIES LIMITED

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S.No.	Name	CIN	Holding Company/Subsidiary Company	Clause number of the CARO report which is qualified or is adverse
1	Som Distilleries & Breweries Limited	L74899DL1993PLC052787	Holding Company	(ii)(b)

**For AKB Jain & Co
Chartered Accountants
FRN: 003904C**



**RAHUL DEWANI
(Partner)
M.No:435066**



UDIN: 23435066BGUVLD3907

**Place: Bhopal
Date: 27.04.2023**

ANNEXURE-B

(REFERRED IN OUR REPORT OF EVEN DATE)

Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the act")

(Referred to in Para 2(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

In conjunction with our audit of the consolidated financial statements of **M/s Som Distilleries & Breweries Limited, New Delhi** (hereinafter referred to as "the holding company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the holding company and its subsidiaries companies, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business; including adherence to the respective companies policies, safeguarding the assets of the company, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information's, as required under the Companies Act 2013 (hereinafter referred to as "the Act").

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the relevant Guidance Note (Audit of Internal Financial Controls Over Financial Controls) and the Standards on Auditing, both, issued by the ICAI and are deemed prescribed under sub-section (10) of the section 143 of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statement. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements, was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements, and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements, included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of 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.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A Company's internal financial control with reference to consolidated financial statements, is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that;



(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

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

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

OPINION

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have , in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

For AKB Jain & Co
Chartered Accountants
FRN: 003904C

RAHUL DEWANI
(Partner)
M.No:435066



UDIN: 23435066BGUVLD3907

Place: Bhopal
Date: 27.04.2023

SOM DISTILLERIES & BREWERIES LIMITED
CIN- L74899DL1993PLC052787
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS:			
(1) Non-current assets			
(a) Property, plant and equipment	3	39,069.68	40,522.79
(b) Capital work-in-progress	3	9,716.51	-
(c) Other intangible assets	4	38.52	61.87
(d) Financial assets			
(i) Investments	5	0.01	-
(iii) Other financial assets	6	1,507.62	1,541.14
(e) Other non-current assets	7	1,905.25	969.54
Total non-current assets		52,237.59	43,095.34
(2) Current assets			
(a) Inventories	8	13,527.58	8,451.84
(b) Financial assets			
(i) Trade receivables	9	14,214.80	11,579.40
(ii) Cash and cash equivalents	10	1,203.54	885.39
(iii) Other bank balances	11	60.14	63.44
(iv) Loans	12	-	143.90
(c) Current tax assets	13	253.88	181.62
(d) Other current assets	14	9,686.62	5,538.31
Total current assets		38,946.56	26,843.90
Total assets		91,184.15	69,939.24
EQUITY AND LIABILITIES:			
Equity			
Equity share capital	15	3,688.23	3,499.34
Other equity	16	33,848.71	25,457.93
Total equity		37,536.94	28,957.27
Liabilities			
(1) Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	15,966.45	11,119.15
(ii) Other	18	4,778.29	473.91
(b) Deferred tax liabilities	19	1,125.41	106.89
(c) Provisions		31.45	24.43
Total non current liabilities		21,901.60	11,724.38
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	8,253.04	8,612.69
(ii) Trade payables	22	11,021.55	6,933.05
(iii) Other financial liabilities	23	5,499.17	12,620.88
(b) Other current liabilities	24	6,883.31	1,013.60
(c) Provisions	25	88.54	77.37
Total current liabilities		31,745.61	29,257.59
Total equity and liabilities		91,184.15	69,939.24

The accompanying notes form an integral part of the consolidated financial statements.

SOM Distilleries & Breweries Limited

As per our Report of even date

For and on Behalf of the Board

For AKB Jain & Co.
Chartered Accountants
Firm Registration No: 003904C




Rahul Dewani
(Partner)
Membership No. 435066
Place: Bhopal
Date: 27.04.2023
UDIN: 23435066BGUULD3907


J.K. Arora
Chairman &
Managing Director
DIN- 00224633


Nakul K Sethi
(Director)
DIN- 06512548


Rajesh Dubey
(Chief Financial Officer)


Om Prakash
(Company Secretary)

SOM DISTILLERIES & BREWERIES LIMITED

CIN- L74899DL1993PLC052787

STATEMENT OF CONSOLIDATED PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED ON MARCH 31, 2023

Particulars	Note No.	(Rs. in Lakhs)	
		Year ended March 31, 2023	Year ended March 31, 2022
INCOME:			
Revenue from operations	26	1,49,804.50	65,620.82
Other income	27	133.19	29.52
Total income		1,49,937.69	65,650.34
EXPENSES:			
Cost of materials consumed	28	50,325.62	21,194.47
Purchase of stock-in-trade	29	-	394.98
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(1,798.83)	(851.81)
Excise duties		69,136.82	29,104.52
Employees remuneration & benefits	31	2,676.55	2,169.85
Finance costs	32	1,596.77	1,535.45
Depreciation & amortisations	33	1,701.09	1,677.77
Other expenses	34	19,254.68	11,679.38
Total expenses		1,42,892.70	66,904.61
Profit/(loss) before tax		7,044.99	(1,254.27)
Tax expenses:			
Current tax		659.34	-
Mat credit entitlement		(659.34)	-
Previous year taxes		-	307.85
Deferred tax		1,014.76	(578.12)
Total tax		1,014.76	(270.27)
Profit/(loss) for the year after tax		6,030.23	(984.00)
Other comprehensive income			
Items that will not be reclassified to profit or (loss)		14.42	14.92
Income tax on above		(3.75)	(3.90)
		10.67	11.02
Total comprehensive income		6,040.90	(972.98)
Earnings per equity share of face value of Rs.5/- each			
Basic	35	8.47	(1.45)
Diluted		8.40	(1.45)

The accompanying notes form an integral part of the consolidated financial statements.

SOM Distilleries & Breweries Limited

As per our Report of even date

For and on Behalf of the Board

For AKB Jain & Co.
Chartered Accountants
Firm Registration No: 003904C

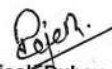

J.K. Arora
(Chairman &
Managing Director)
DIN- 00224633


Nakul K Sethi
(Director)
DIN- 06512548

Rahul Dewani
(Partner)
Membership No. 435066



Place: Bhopal
Date: 27.04.2023
UDIN: 23435066BGUVLD3907


Rajesh Dubey
(Chief Financial Officer)


Om Prakash
(Company Secretary)

SOM DISTILLERIES & BREWERIES LIMITED

CIN- L74899DL1993PLC052787

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2023

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash flow from operating activities:		
Net profit/ (loss) before tax	7,044.99	(1,254.27)
Adjustment for:		
Depreciation & amortisations	1,701.09	1,677.77
Interest expense	1,596.77	1,535.45
Profit on sale of fixed assets	-	(0.73)
Loss on sale of fixed assets	-	50.82
Operating profit before working capital changes	10,342.85	2,009.04
Movements in working capital:		
Decrease/(increase) in inventories	(5,075.74)	(1,607.64)
Decrease/(increase) in trade receivables	(2,635.41)	1,570.32
Decrease/(increase) in short term loans	143.90	3.24
Decrease/(increase) in other current assets	(4,329.53)	(747.61)
Decrease/(increase) in current tax assets (net)	(72.26)	369.09
Increase/(decrease) in trade payables	4,088.51	(1,997.42)
Increase/(decrease) in other current financial liabilities	(6,937.18)	1,263.39
Increase/(decrease) in other current liabilities	5,884.14	392.72
Increase/(decrease) in long term provisions	7.02	24.43
Increase/(decrease) in short term provisions	11.17	(46.58)
Cash generated from operating activity before taxes	1,427.47	1,232.98
Direct tax paid	-	(307.85)
Net cash flow from operating activities	1,427.47	925.13
B. Cash flow from investing activities:		
Purchase of property, plant and equipment	(9,941.13)	(680.49)
Proceeds from sale of property, plant and equipment	-	14.46
Decrease/(increase) in investment	(0.01)	-
Decrease/(increase) in non current assets	(935.71)	(5.94)
Decrease/(increase) in long term financial assets	33.52	69.52
Net cash flow from investing activities	(10,843.33)	(602.45)
C. Cash flow from financing activities:		
Borrowings (net)	4,487.65	(1,089.10)
Increase/(decrease) in other long term liabilities	4,304.37	127.75
Proceeds from right shares issue	-	1,749.67
Proceeds from preferential equity issue	2,720.00	-
Interest paid	(1,596.77)	(1,535.45)
Dividend paid	(184.53)	(10.88)
Dividend distribution tax	-	(62.64)
Net cash flow from financing activities	9,730.72	(820.65)
Net increase/(decrease) in cash and cash equivalents	314.86	(497.97)
Cash and cash equivalents at the beginning of the year	948.82	1,446.79
Cash and cash equivalents at the end of the year	1,263.68	948.82
Compenents of cash and cash equivalents		
Cash in hand	223.60	40.48
With Banks - in current account	180.64	237.02
With Banks - in deposit account	799.30	607.88
Other bank balances	60.14	63.44
Total Cash and cash equivalents	1,263.68	948.82

The accompanying notes form an integral part of the consolidated financial statements.

SOM Distilleries & Breweries Limited

As per our Report of even date

For and on Behalf of the Board

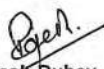
For AKB Jain & Co.
Chartered Accountants
Firm Registration No: 003904C

Rahul Dewani
(Partner)
Membership No. 435066
Place: Bhopal
Date: 27.04.2023
UDIN: 23435066BGUVLD3907




J.K. Arora
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Rajesh Dubey
(Chief Financial Officer)


Om Prakash
(Company Secretary)

SOM DISTILLERIES & BREWERIES LIMITED
CIN- L74899DL1993PLC052787
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2023

A. EQUITY SHARE CAPITAL

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at begning of the year	3,499.34	3,249.39
Changes in equity share capital	188.89	249.95
Balance at end of the year	3,688.23	3,499.34

B. OTHER EQUITY

(Rs. in Lakhs)

Particulars	Reserve and surplus			Other comprehensive income	Total
	Capital reserve	Securities premium	Retained earnings	Actuarial gain / (loss) on employee benefit plans through OCI	
Balance as at April 1, 2021	39.30	14,223.99	10,663.58	4.33	24,931.20
Premium on issue of equity shares	-	1,499.71	-	-	1,499.71
Profit / (loss) during the year	-	-	(984.00)	-	(984.00)
Re-measurement of defined benefit plant	-	-	-	11.02	11.02
Balance as at March 31, 2022	39.30	15,723.70	9,679.58	15.35	25,457.93
Balance as at April 1, 2022	39.30	15,723.70	9,679.58	15.35	25,457.93
Premium on issue of equity shares	-	2,531.11	-	-	2,531.11
Profit / (loss) during the year	-	-	6,030.23	-	6,030.23
Re-measurement of defined benefit plant	-	-	-	10.67	10.67
Dividends	-	-	(181.23)	-	(181.23)
Balance as at March 31, 2023	39.30	18,254.81	15,528.58	26.02	33,848.71

As per our Report of even date

SOM Distilleries & Breweries Limited

For and on Behalf of the Board.

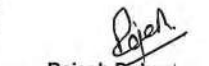
For AKB Jain & Co.
Chartered Accountants
Firm Registration No: 003904C




Rahul Dewani
(Partner)
Membership No. 435066
Place: Bhopal
Date: 27.04.2023
UDIN: 23435066BGUVLD3907



J.K. Arora
(Chairman &
Managing Director)
DIN- 00224633



Rajesh Dubey
(Chief Financial Officer)



Nakul K Sethi
(Director)
DIN- 06512548



Om Prakash
(Company Secretary)

SOM DISTILLERIES & BREWERIES LIMITED
CIN- L74899DL1993PLC052787

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2023

1 GROUP INFORMATION

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

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

- i) Woodpecker Distilleries & Breweries Private Limited
- ii) Som Distilleries and Breweries Odisha Private Limited

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

2 SIGNIFICANT ACCOUNTING POLICIES

2.01 Basis for preparation

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

All assets and liabilities have been classified as current or non-current as per the Group'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 Group has ascertained its operating cycle as 49 days for the purpose of current/ non-current classification of assets and liabilities.

2.02 Key accounting estimates and judgments

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

2.03 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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

Based on the Educational Material on Ind AS 115 issued by the Institute of Chartered Accountants of India ("ICAI"), the recovery of excise duty flows to the Company on its own account and hence is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. However, sales tax/value added tax (VAT), goods and services tax are not received by the Group on its own account and are taxes collected on value added to the commodity by the seller on behalf of the government. Accordingly, these are excluded from revenue.

2.04 Expenditure

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



2.05 Property, plant and equipment

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

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

Asset Class	Useful life (in years)
Building and Civil Work	
Roads	10
Labour Quarters	15
Factory Building	30
Computer Hardware	3
Electrical Installation	25
Furniture and Fixtures	10
Office Equipment	5
Plant & Equipment	25
Tubewell	5
Vehicles	8

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

2.06 Cash and cash equivalents

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

2.07 Impairment

i) Financial Assets (other than at fair value)

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

ii) Non-financial assets

Tangible and Intangible assets

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

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount of the asset (or CGU) is reduced to its recoverable amount. An important loss is recognized in the statement of profit and loss.

2.08 Inventories

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

- Raw materials, consumables, packing material, stores and spares on weighted average basis.
- 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.

2.09 Foreign Currency Transactions

The functional currency of the Group is the Indian rupee (INR). These financial statements are presented in INR.

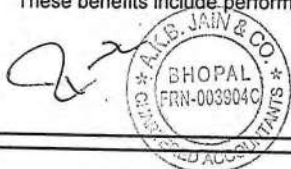
Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

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

2.10 Retirement and other employee benefits

Short Term Employee Benefits

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



Post-Employment Benefits

Defined Contribution Plans

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

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

Defined Benefit Plans

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation done as per projected unit credit method, carried out by an independent actuary at the end of the year.

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

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

2.11 Taxes on Income

Current income tax

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

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

Deferred tax

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

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

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

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

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

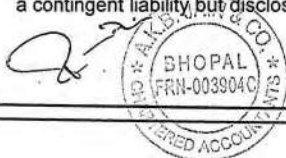
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.12 Provisions

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

2.13 Contingent liabilities

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



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2.14 Borrowing costs

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

2.15 Earnings per equity share ('EPS')

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

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

2.16 Financial Instruments

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

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

Financial assets at amortised cost

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

Financial asset at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Equity Instruments

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

SOM DISTILLERIES & BREWERIES LIMITED
CIN- L74899DL1993PLC052787

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

3 Property, plant and equipment

	Land freehold	Buildings & civil works	Plant & machinery	Furniture & fixtures	Office equipment	Vehicles	Total	Capital Work in Progress	Grand Total
Gross Block									
Balance as at April 1, 2021	2,013.06	10,158.49	35,825.76	95.24	239.23	1,091.51	49,423.29	217.69	49,640.98
Additions	133.62	193.49	564.50	0.20	4.02	-	895.83	(217.69)	678.14
Disposals & Adjustments	-	-	104.10	-	-	45.47	149.57	-	149.57
Balance as at March 31, 2022	2,146.68	10,351.98	36,286.16	95.44	243.25	1,046.04	50,169.55	-	50,169.55
Additions	124.86	6.74	79.12	-	13.90	-	224.62	-	224.62
Disposals & Adjustments	-	-	-	-	-	-	-	9,716.51	9,716.51
Balance as at March 31, 2023	2,271.54	10,358.72	36,365.28	95.44	257.15	1,046.04	50,394.17	9,716.51	60,110.68
Accumulated Depreciation									
Balance as at April 1, 2021	-	1,492.01	5,693.40	41.78	160.23	689.36	8,076.78	-	8,076.78
Additions	-	305.09	1,227.14	7.13	34.04	81.60	1,655.00	-	1,655.00
Disposals & Adjustments	-	-	41.83	-	-	43.19	85.02	-	85.02
Balance as at March 31, 2022	-	1,797.10	6,878.71	48.91	194.27	727.77	9,646.76	-	9,646.76
Additions	-	312.32	1,249.79	7.15	26.87	81.60	1,677.73	-	1,677.73
Disposals & Adjustments	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	-	2,109.42	8,128.50	56.06	221.14	809.37	11,324.49	-	11,324.49
Net Block									
Balance as at March 31, 2022	2,146.68	8,554.88	29,407.45	46.53	48.98	318.27	40,522.79	-	40,522.79
Balance as at March 31, 2023	2,271.54	8,249.30	28,236.78	39.38	36.01	236.67	39,069.68	9,716.51	48,786.19



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3.1 Ageing of Capital work in progress

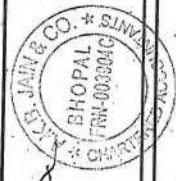
(Rs. in Lakhs)					
Particulars	< 1 year	1 - 2 year	2 - 3 year	> 3 year	Total
Cane line paint and machinery	9,716.51	-	-	-	9,716.51
Balance as at April 1, 2021					
Particulars	< 1 year	1 - 2 year	2 - 3 year	> 3 year	Total
Cane line paint and machinery	-	-	-	-	-

4 Intangible Assets

(Rs. in Lakhs)				
Particulars	ERP-Computer softwares	Intangible assets under development	Total	
Gross Block				
Balance as at April 1, 2021	142.58	-	142.58	
Additions	4.72	-	4.72	
Disposals & Adjustments	-	-	-	
Balance as at March 31, 2022	147.30	-	147.30	
Additions	-	-	-	
Disposals & Adjustments	-	-	-	
Balance as at March 31, 2023	147.30	-	147.30	
Accumulated Amortisation				
Balance as at April 1, 2021	62.66	-	62.66	
Additions	22.77	-	22.77	
Disposals & Adjustments	-	-	-	
Balance as at March 31, 2022	85.43	-	85.43	
Additions	23.35	-	23.35	
Disposals & Adjustments	-	-	-	
Balance as at March 31, 2023	108.78	-	108.78	
Net Block				
Balance as at March 31, 2022	61.87	-	61.87	
Balance as at March 31, 2023	38.52	-	38.52	

4 Intangible Assets (Rs. in Lakhs)

Particulars	ERP-Computer softwares	Intangible assets under development	Total
Gross Block			
Balance as at April 1, 2021	142.58	-	142.58
Additions	4.72	-	4.72
Disposals & Adjustments	-	-	-
Balance as at March 31, 2022	147.30	-	147.30
Additions	-	-	-
Disposals & Adjustments	-	-	-
Balance as at March 31, 2023	147.30	-	147.30
Accumulated Amortisation			
Balance as at April 1, 2021	62.66	-	62.66
Additions	22.77	-	22.77
Disposals & Adjustments	-	-	-
Balance as at March 31, 2022	85.43	-	85.43
Additions	23.35	-	23.35
Disposals & Adjustments	-	-	-
Balance as at March 31, 2023	108.78	-	108.78
Net Block			
Balance as at March 31, 2022	61.87	-	61.87
Balance as at March 31, 2023	38.52	-	38.52



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SOM DISTILLERIES & BREWERIES LIMITED

CIN- L74899DL1993PLC052787

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note No.	Particulars	As at March 31, 2023	As at March 31, 2022
5	Investment		
	- Non current		
	Investment in Mutual Fund	0.01	-
	Total	0.01	-
6	Other financial assets		
	- Non current		
	Security deposits considered good - unsecured	1,507.62	1,541.14
	Total	1,507.62	1,541.14
7	Other non-current financial assets		
	Capital advances	1,905.25	969.54
	Total	1,905.25	969.54
8	Inventories		
	Raw materials	2,135.88	1,272.18
	Stores, consumables & packing materials	5,570.81	3,157.60
	Stock in process	1,505.57	1,446.20
	Finished goods	4,315.32	2,575.86
	Total	13,527.58	8,451.84
9	Trade receivables		
	Trade receivables considered good - Unsecured	14,214.80	11,579.40
	Total	14,214.80	11,579.40

Trade receivables ageing schedule As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 years	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	13,630.34	376.61	143.88	63.97	-	14,214.80

Trade receivables ageing schedule As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 years	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	11,196.14	312.64	70.62	-	-	11,579.40



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SOM DISTILLERIES & BREWERIES LIMITED

CIN- L74899DL1993PLC052787

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note No.	Particulars	As at March 31, 2023	As at March 31, 2022
10	<u>Cash and cash equivalents</u>		
	Cash in hand	223.60	40.48
	<u>Balance With Scheduled Banks</u>		
	Current Accounts	180.64	237.03
	Deposit Accounts	799.30	607.88
	Total	1,203.54	885.39
11	<u>Other bank balances</u>		
	Unpaid Dividend Accounts	60.14	63.44
	Total	60.14	63.44
12	<u>Loans</u>		
	- Current		
	Loans and advances to related parties - considered good	-	143.90
	Total	-	143.90
13	<u>Current tax assets</u>		
	Balances with revenue authority	253.88	181.62
	Total	253.88	181.62
14	<u>Other current assets</u>		
	Staff Advances	164.30	89.87
	Prepaid Expenses	2,600.97	1,596.09
	Advances to suppliers	5,892.09	3,364.17
	Advances to Related Parties	-	125.92
	MAT Credit Entitlement	707.84	48.50
	Other Assets	321.42	313.76
	Total	9,686.62	5,538.31

15 Equity share capital

Authorized		
8,00,00,000 Equity Shares of Rs. 5/- each	4,000.00	4,000.00
[Previous year-8,00,00,000 Equity Shares of Rs. 5/- each]		
Issued, Subscribed and Fully Paid		
7,37,64,573 Equity Shares of Rs.5/- each	3,688.23	3,499.34
[Previous year-6,99,86,796 Equity Shares of Rs.5/- each]		

Par Value Per Share:

The Company has only one class of equity shares having par value of Rs. 5/- each.

Reconciliation of No. of Shares:

Particulars	No. of shares As at March 31, 2023	No. of shares As at March 31, 2022
Equity share at the beginning of the year	6,99,86,796	6,49,87,738
Add : Issued during the year*	37,77,777	49,99,058
Less: Buyback during the year	-	-
Equity share at the end of the year	7,37,64,573	6,99,86,796



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SOM DISTILLERIES & BREWERIES LIMITED

CIN- L74899DL1993PLC052787

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note No.	Particulars	As at March 31, 2023	As at March 31, 2022
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***Note-**

For Period ending on 31.03.2023- "The company has allotted equity share pursuant to conversion of warrants on 18.11.2022 and 09.12.2022"

For Period ending on 31.03.2022- "The company has allotted equity share pursuant to right issue on 14.02.2022"

Terms/Rights attached to the shares

The Company has only one class of Equity Shares having par value of Rs.5/- per share. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the company after the distribution of all preferential amounts, in proportion to their shareholding.

Details of Shareholders holding more than 5% Shares in the Company.

Name of Shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Percentage	No. of Shares	Percentage
Sh. Jagdish Kumar Arora	1,36,12,809	18.45%	1,03,49,509	14.79%
Som Distilleries Private Limited	68,35,559	9.27%	68,35,559	9.77%

Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment : NIL

Aggregate number of Bonus Shares issued, Shares issued for consideration other than cash and shares bought back during the period from five years immediately preceding the reporting date - NIL

Terms of conversion of any securities into equity/preference shares:

The company has neither Convertible preference shares nor debentures as on date of financial statement.

Calls unpaid:

As on date there are no unpaid calls are pending for payment. All the issued Equity Shares are fully paid.

Forfeited shares:

No equity shares of the Company have been forfeited.

Shareholding of Promoters:

Changes in promoters holding during the year ended at March 31, 2023

Promoter name	As at March 31, 2023		As at March 31, 2022		% of Changes
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Jagdish Kumar Arora	1,36,12,809	18.45%	1,03,49,509	14.03%	31.53%
Som Distilleries Private Limited	68,35,559	9.27%	68,35,559	9.27%	0.00%
Ajay Kumar Arora	14,80,370	2.01%	14,80,370	2.01%	0.00%
Aalok Deep Finance Private Limited	11,02,200	1.49%	11,02,200	1.49%	0.00%
Deepak Arora	7,94,010	1.08%	1,36,270	0.18%	482.67%
Sunita Arora	3,07,046	0.42%	3,07,046	0.42%	0.00%
Natasha Arora	2,89,486	0.39%	2,89,486	0.39%	0.00%
Surjeet Lal	1,532	0.00%	1,532	0.00%	0.00%
Sweena Arora	88	0.00%	88	0.00%	0.00%
Total	2,44,23,100	33.11%	2,05,02,060	27.79%	19.13%

16 Other equity

Share application money pending allotment (non-refundable)

Capital reserve 39.30 39.30

Securities premium 18,254.81 15,723.70

Actuarial gain / (loss) on employee benefit plans through OCI:

Balance at the beginning of the year 15.35 4.33

Other comprehensive income for the year 10.67 11.02

Balance at the end of the year 26.02 15.35

Retained earnings:

Balance at the beginning of the year 9,679.58 10,663.58

Add: Profit/(loss) for the year after tax 6,030.23 (984.00)

Less: Final dividend paid (181.23)

Less: Dividend distribution tax

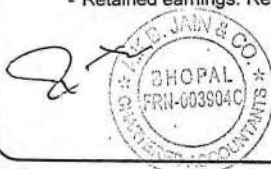
Balance at the end of the year 15,528.58 9,679.58

Total

33,848.71 25,457.93

Nature and description of reserve:

- Capital reserve: Amount forfeited against share warrants is recognised in Capital reserve
- Securities premium: The amount received in excess of face value of the equity shares is recognised in Securities premium.
- Retained earnings: Remaining portion of profits earned or accumulated losses by the Company till date after appropriations.



SOM DISTILLERIES & BREWERIES LIMITED

CIN- L74899DL1993PLC052787

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note No.	Particulars	As at March									
		31, 2023	31, 2022								
		<table border="1"> <thead> <tr> <th colspan="2">Non-current</th> <th colspan="2">Current maturities</th> </tr> <tr> <th>As at March 31, 2023</th> <th>As at March 31, 2022</th> <th>As at March 31, 2023</th> <th>As at March 31, 2022</th> </tr> </thead> </table>		Non-current		Current maturities		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Non-current		Current maturities									
As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022								
17	Non-current borrowings										
	Secured loans										
	Term loans from banks	5,049.90	5,312.15								
	Vehicle loans from banks	-	3.22								
	Unsecured loans										
	From related parties	4,473.18	1,765.30								
	From others	6,443.37	4,038.48								
	Total	15,966.45	11,119.15								
		2,236.73	1,936.79								

Notes:

- Term loans from banks are secured by way of pari passu charged on factory land & building and plant & machinery
- Interest on vehicle loans varies from 8.95% to 10.75% per annum. Tenor of these loans ranges from 3 to 5 years. Respective vehicles have been hypothecated to the lending institutions to secure their loans. Repayment of these loans is regular as per the fixed equated monthly installments.

18 Other financial liabilities

- Non current

Security Deposits and Retention considered as good - unsecured	4,778.29	473.91
Total	4,778.29	473.91

19 Deferred tax liabilities (net)

Deferred tax liabilities:

Difference between depreciation as per books of account and the Income Tax Act 1961.	4,089.32	4,150.45
Others		
	4,089.32	4,150.45

Deferred tax assets:

Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	433.77	21.64
Unabsorbed depreciation & carried forward losses	2,530.14	4,021.92
	2,963.91	4,043.56
Total	1,125.41	106.89

Notes:

- Deferred tax assets are recognized to the extent that it is probable that sufficient taxable profit will be available against which the carried forward losses and unabsorbed depreciation can be utilized.
- Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities.
- Deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

19.1 Tax expense recognised in the Statement of Profit and Loss and OCI

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax (net of MAT credit entitlement)		
Deferred tax:		
Origination and reversal of temporary difference through profit and loss	1,014.76	(578.12)
Origination and reversal of temporary difference through other comprehensive income	3.75	3.90
Total deferred tax expenses / (credit)	1,018.51	(574.22)
Tax relating to earlier year		307.85
Total tax expenses / (credit)	1,018.51	(266.37)

20 Provisions

- Non current

Employee Benefits

Gratuity	31.45	24.43
Total	31.45	24.43



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SOM DISTILLERIES & BREWERIES LIMITED

CIN- L74899DL1993PLC052787

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note No.	Particulars	As at March 31, 2023	As at March 31, 2022
21	Current borrowings		
	Secured		
	Cash Credit from Bank	6,016.31	6,675.90
	(Secured by way of hypothecation of entire current assets of the company)		
	Current maturities of long-term borrowing	2,236.73	1,936.79
	Total	8,253.04	8,612.69
22	Trade payables		
	MSME	-	-
	Other than MSME	11,021.55	6,933.05
	Total	11,021.55	6,933.05

Trade payables ageing schedule As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 years	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	9,084.27	771.40	710.65	227.85	227.38	11,021.55

Trade payables ageing schedule As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 years	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	5,080.67	683.57	891.51	79.13	198.17	6,933.05

23 Other financial liabilities

- Current

Unpaid dividend	60.14	63.45
Bank overdraft	644.31	386.00
Expenses & other payables	4,794.72	12,171.43
Total	5,499.17	12,620.88

24 Other current liabilities

Advances from customers	856.60	714.46
Statutory dues payable	6,026.71	299.14
Total	6,883.31	1,013.60

25 Provisions

- Current

Employee Benefits

Gratuity	11.13	9.79
Other Employee Benefits	77.41	67.58
Total	88.54	77.37



SOM DISTILLERIES & BREWERIES LIMITED

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NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note No.	Particulars	(Rs. in Lakhs)	
		Year ended March 31, 2023	Year ended March 31, 2022
26	<u>Revenue from operations</u>		
	Sale of Products (including Excise duty)	1,48,899.66	65,380.61
	Other Operational Income	904.84	240.21
	Total	1,49,804.50	65,620.82
27	<u>Other income</u>		
	Interest	39.40	24.79
	Rent Received	2.07	-
	Profit on Sale of Fixed Assets	-	0.73
	Other Revenues	91.72	4.00
	Total	133.19	29.52
28	<u>Cost of Materials consumed</u>		
	Opening Stocks	4,429.78	3,673.95
	Add: Purchases	53,602.53	21,950.30
	Less: Closing Stocks	(7,706.69)	(4,429.78)
	Total	50,325.62	21,194.47
29	<u>Purchase of stock in trade</u>	-	394.98
30	<u>Changes in inventories of finished goods, stock-in-trade and work-in-progress</u>		
	Opening stock:		
	Stock in process	1,446.20	944.04
	Finished goods	2,575.86	2,226.21
		<u>4,022.06</u>	<u>3,170.25</u>
	Closing stock:		
	Stock in process	1,505.57	1,446.20
	Finished goods	4,315.32	2,575.86
		<u>5,820.89</u>	<u>4,022.06</u>
	Increase / (Decrease) in inventories	(1,798.83)	(851.81)
31	<u>Employee remuneration & benefits</u>		
	Salaries, allowances & bonus	2,489.41	2,035.16
	Employer's contribution to Provident & Gratuity Fund	114.41	93.46
	Staff welfare expenses	72.73	41.23
	Total	2,676.55	2,169.85



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NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note No.	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
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31.1 Defined benefit plan

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

(i) In respect of Short Term Employee Benefits:

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

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

Table Showing Changes in Present Value of Obligations:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Present value of the obligation at the beginning of the period	100.13	89.91
Interest cost	7.26	6.52
Current service cost	21.45	19.41
Past Service Cost	-	-
Benefits paid (if any)	(2.39)	-
Actuarial (gain)/loss	(14.47)	(15.71)
Present value of the obligation at the end of the period	111.98	100.13

Key results:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Present value of the obligation at the end of the period	111.98	100.13
Fair value of plan assets at end of period	69.38	65.90
Net liability/(asset) recognized in Balance Sheet and related analysis	42.60	34.23
Funded Status - Surplus/ (Deficit)	(42.60)	(34.23)

Expense recognized in the statement of Profit and Loss:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest cost	7.26	6.52
Current service cost	21.45	19.41
Past Service Cost	-	-
Expected return on plan asset	(4.94)	(4.47)
Expenses to be recognized in P&L	23.77	21.46

Other comprehensive (income)/expenses (Re-measurement)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cumulative unrecognized actuarial (gain)/loss opening, B/F	(9.29)	5.63
Actuarial (gain)/loss - obligation	(14.47)	(15.71)
Actuarial (gain)/loss - plan assets	0.05	0.79
Total Actuarial (gain)/loss	(14.42)	(14.92)
Cumulative total actuarial (gain)/loss C/F	(23.71)	(9.29)

Table showing changes in the Fair Value of Planned Assets

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Fair value of plan assets at the beginning of the period	65.90	61.72
Expected return on plan assets	4.94	4.47
Contributions	0.98	0.50
Benefits paid	(2.39)	-
Actuarial gain/(loss) on plan assets	(0.05)	(0.79)
Fair value of plan assets at the end of the period	69.38	65.90

Table showing Fair Value of Planned Assets

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Fair value of plan assets at the beginning of the period	65.90	61.72
Actual return on plan assets	4.89	3.68
Contributions	0.98	0.50
Benefits paid	(2.39)	-
Fair value of plan assets at the end of the period	69.38	65.90



SOM DISTILLERIES & BREWERIES LIMITED
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NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note No.	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Actuarial Gain/(Loss) on Planned Assets			
	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Actual return on plan assets	4.89	3.68
	Expected return on plan assets	4.94	4.47
	Actuarial gain/(loss)	(0.05)	(0.79)

The assumptions employed for the calculations are tabulated

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7.50 % per annum	7.25 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14
Withdrawal rate (Per Annum)	5.00% p.a	5.00% p.a

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

Funding arrangements and funding policy

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

Expected contribution during the next annual reporting period

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
The Company's best estimate of Contribution during the next year	31.28	26.22

Sensitivity Analysis:

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

Particulars	As on March 31, 2023
Defined Benefit Obligation (Base)	79,18,543 @ Salary Increase Rate : 5%, and
Liability with x% increase in Discount Rate	74,77,326; x=1.00% [Change (6)%]
Liability with x% decrease in Discount Rate	84,12,718; x=1.00% [Change 6%]
Liability with x% increase in Salary Growth Rate	84,20,244; x=1.00% [Change 6%]
Liability with x% decrease in Salary Growth Rate	74,63,358; x=1.00% [Change (6)%]
Liability with x% increase in Withdrawal Rate	79,60,115; x=1.00% [Change 1%]
Liability with x% decrease in Withdrawal Rate	78,69,725; x=1.00% [Change (1)%]

32 Financial Costs

Interest to Bank & FIs	1,414.39	1,479.81
Interest to Others	36.02	55.64
Bank Charges	146.36	-
Total	1,596.77	1,535.45

33 Depreciation & amortisations

Depreciation on property, plant and equipment	1,677.74	1,655.00
Amortisation on intangible assets	23.35	22.77
Total	1,701.09	1,677.77



SOM DISTILLERIES & BREWERIES LIMITED

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NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note No.	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
34	Other Expenses		
	Power and fuel	3,399.10	1,619.65
	Labour	1,425.31	712.21
	Rent	92.44	144.31
	Repairs		
	Buildings	1.35	-
	Machinery	996.90	495.74
	Others	139.28	72.27
	Insurance	70.46	93.94
	Rates and taxes (Other than on income)	2,603.72	1,745.47
	Other Manufacturing Exp	177.95	100.41
	Auditors Remuneration		
	(a) Audit fees	4.35	3.46
	Donations	135.98	30.52
	Corporate Social Responsibility	-	23.50
	Travelling & Conveyance	478.50	290.00
	Legal & Professional	294.53	269.86
	Sales promotion	3,707.12	3,015.12
	Advertisement & Publicity	111.30	37.11
	Freight outward	4,718.26	2,248.89
	Other selling expenses	649.86	469.54
	General expenses	135.26	191.82
	Loss-Sale of Asset	-	50.82
	Postage, Telegrams & Telephones	31.34	24.65
	Vehicle Running & Maintenance	81.67	40.09
	Total other expenses	19,254.68	11,679.38

35 Basic and diluted shares used in computing earning per Share:

(a)	Basic Earning per share		
	Total Comprehensive Income for the year	6,040.90	(972.98)
	Weighted average number of equity shares outstanding	7,12,89,840	6,69,03,392
		8.47	(1.45)
(b)	Diluted Earning per Share		
	Total Comprehensive Income for the year	6,040.90	(972.98)
	Weighted average number of equity shares outstanding	7,19,34,724	6,69,03,392
		8.40	(1.45)

36 Contingent Liabilities

i)	Claims against the Company not acknowledged as debts/ disputed *		
	• Commercial Tax Department	60.71	60.71
	• Income Tax Department	2,279.77	1,989.82
ii)	Guarantees given by Bankers on behalf of the Company not provided for	1,738.90	1,178.67
iii)	Corporate guarantee given to banks on behalf of others	2,136.00	2,136.00

* The Group has reviewed its pending litigations and expects that the outcome of the proceedings will not have any material effect on its financial positions.



SOM DISTILLERIES & BREWERIES LIMITED

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NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

37 Financial Instruments

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

A. Financial assets and liabilities

The break-up of financial assets and liabilities carried at amortized cost are as follows: (Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial Assets:		
Cash and cash equivalents	1,263.68	948.83
Other bank balances	60.14	63.44
Trade receivables	14,214.80	11,579.40
Loans	-	143.90
Investments	0.01	-
Other Financial Assets	1,507.62	1,541.14
Total	17,046.25	14,276.71
Financial Liabilities:		
Trade and other payables	11,021.55	6,933.05
Borrowings	24,219.49	19,731.84
Other Financial Liabilities	10,277.46	13,094.79
Total	45,518.50	39,759.68

B. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

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

i) Market risk

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

(a) Interest rate risk

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

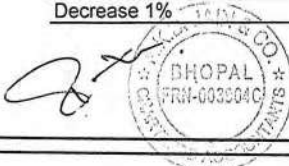
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected, with all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Impact on profit before tax		
Increase 0.25%	(33.26)	(34.82)
Decrease 0.25%	33.26	34.82

(b) Commodity price risk

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

Particulars	As at March 31, 2023	As at March 31, 2022
Impact on profit before tax		
Increase 1%	(12.91)	(7.49)
Decrease 1%	12.91	7.49



P36

SOM DISTILLERIES & BREWERIES LIMITED

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NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ii) Credit risk

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

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

ii) Liquidity risk

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

(Rs. in Lakhs)

As at March 31, 2023	Maturities			Total Carrying
	Upto 1 year	1-2 year	> 2 year	Value
Financial Liabilities:				
Non Current Borrowings	8,253.04	2,284.81	13,681.64	24,219.49
Trade and other payables	11,021.55	-	-	11,021.55
Other Financial Liabilities	5,499.17	-	4,778.29	10,277.46
Total	24,773.76	2,284.81	18,459.93	45,518.50

As at March 31, 2022	Maturities			Total Carrying
	Upto 1 year	1-2 year	> 2 year	Value
Financial Liabilities:				
Non Current Borrowings	8,612.69	2,184.29	8,934.86	19,731.84
Trade and other payables	6,933.05	-	-	6,933.05
Other Financial Liabilities	12,620.88	-	473.91	13,094.79
Total	28,166.62	2,184.29	9,408.77	39,759.68

- 38 The Group has borrowing from banks on the basis of security of current assets, and the statements of current assets filed by the Company with the banks are in agreement with books of accounts.
- 39 As per the information available with the Group, the companies has no outstanding balances in respect of payables, receivables, investments, share held by the company or any other outstanding balances with struck off companies.
- 40 The Group 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 IndAS 108 on "Operating Segments" issued by the Institute of Chartered Accountants of India. In view of the above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in IndAS - 108 are not applicable to the Group.

41 Corporate Social Responsibility (CSR)

(Rs. in Lakhs)

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
a) Amount required to be sent by the company during the year	-	23.35
b) Amount of expenditure incurred	-	23.50
c) Shortfall at the end of the year	Nil	Nil
d) Total previous years shortfall	Nil	Nil
e) Reason for shortfall	NA	NA
f) Nature of CSR activities for the purpose of:	NA	Childern education and medical aid
g) Details of related party transactions	Nil	Nil



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SOM DISTILLERIES & BREWERIES LIMITED

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NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

(Rs. in Lakhs)

Sr. No.	Name of the Company	Nature	As at March 31, 2023	As at March 31, 2022
(i)	Aryavrat Projects and Developers Private Limited	Corporate guarantee given for business purposes	2,136.00	2,136.00

43 The disclosures in respect of Related Parties as required under Ind AS 24 'Related Party Disclosures' is stated herein below.

A. Details of related parties:

	Name of related parties	Description of relationship
a.	Directors, Key management personal and their relatives	
i)	Jagdish Kumar Arora	Chairman & Managing Director
ii)	Nakul Kam Sethi	Whole time Director
iii)	Deepak Arora	Director
iv)	Alok Arora	Director
v)	Rajat Batra	Director
vi)	Deena Nath Singh	Director
vii)	Navin Duseja	Director
viii)	S. Lal	Director (upto 31.03.2023)
ix)	Satpal Kumar Arora	Independent Director
x)	Deena Nath Singh	Independent Director
xi)	Nishi Arora	Independent Director
xii)	Uma Kant Samal	Independent Director
xiii)	Rajesh Kumar Dubey	Chief Finance Officer
xiv)	Om Prakash Singh	Company Secretary
b.	Enterprises over which key management personnel are able to exercise significant influence.	
i)	Som Distilleries Private Limited	
ii)	Aryavrat Projects and Developers Private Limited	

B. Transactions with related parties:

(Rs. in Lakhs)

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Som Distilleries Private Limited		
Purchases	1,823.44	574.39
Sales	203.90	44.76
Loan taken during the year	3,918.71	-
Loan re-paid during the year	1,210.83	-
Other transactions	5,221.29 Dr	1,236.81 Cr
- Trade receivables (refer note no. 9)	113.43 Dr	-
- Advances to related parties (refer note no. 14)	-	125.92 Dr
- Loan from related parties (refer note no. 17)	4,473.18 Cr	1,765.30 Cr
- Trade payables (refer note no. 22)	-	181.23 Cr
- Other payables (refer note no. 23)	2,317.01 Cr	5,750.02 Cr
Net Closing Balance	6,676.76 Cr	7,570.63 Cr
Key managerial personnel		
Remuneration	412.19	188.67
Independent director		
Sitting fees	7.20	6.60
Aryavrat Projects and Developers Private Limited		
Corporate guarantee given	2,136.00	2,136.00



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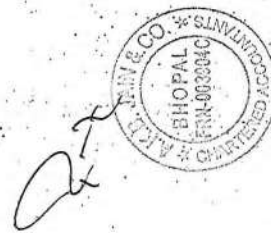
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SOM DISTILLERIES & BREWERIES LIMITED
CIN- L74899DL1993PLC052787

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

44 Financial Ratios-

Particulars	Terms	Numerator	Denominator	Year ended	
				March 31, 2023	Year ended March 31, 2022
(a) Current Ratio,	in times	Current assets	Current liabilities	1.23	0.92
(b) Debt-Equity Ratio,	in times	Total Debt	Shareholder's Equity	0.65	0.68
(c) Debt Service Coverage Ratio,	in times	Earnings available for debt service i.e Net profit after tax plus Depreciation and Finance Costs	Debt Service	2.64	0.08
(d) Return on Equity Ratio,	%	Net Profits after taxes	Average Shareholder's Equity	18.17	(3.41)
(e) Inventory turnover ratio,	in times	Revenue from Operations	Average Inventory	13.63	7.76
(f) Trade Receivables turnover ratio,	in times	Revenue from Operations	Average Trade Receivable	11.62	5.31
(g) Trade payables turnover ratio,	in times	Cost of Materials Consumed + Purchase of Stock in - Trader+Other Expenses	Average Trade Payables	8.12	4.29
(h) Net capital turnover ratio,	in times	Revenue from Operations	Working Capital	20.80	(27.19)
(i) Net profit ratio,	%	Net Profit	Revenue from Operations	4.03	(1.48)
(j) Return on Capital employed,	%	Earning before interest and taxes	Capital Employed = Shareholder's fund + Current & Non-Current Borrowing	13.99	0.58
(k) Return on investment,	%	Increase in Shareholder's fund	Shareholder's Fund at the start of period	29.63	2.76



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SOM DISTILLERIES & BREWERIES LIMITED

CIN- L74899DL1993PLC052787

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- 45 The Group's pending litigations pertain to claim and cases occurring in the normal course of business. The Group has reviewed its pending litigations and expects that the outcome of the proceedings will not have any material effect on its financial positions.
- 46 Balances standing at the debit or credit in the accounts of various parties are subject to confirmation and reconciliation.
- 47 The company has sought information and certification from its vendors as to their being a micro, small or medium enterprise unit under the Micro, Small and Medium Enterprises Development Act, 2006, to comply with the requirements of law. However, till date replies have been received from very few vendors. Hence, amount due to micro, small scale enterprises outstanding as on March 31st, 2023 is not ascertainable. The process of collecting the information from the vendors is currently ongoing.
- 48 Previous year's figures have been regrouped/ restated wherever considered necessary to make them comparable to those of the current year.
- 49 All figures in the Balance Sheet, Profit & Loss Account and Schedules have been rounded off to the nearest rupee in lakhs.

SOM Distilleries & Breweries Limited

As per our Report of even date

For and on Behalf of the Board

For AKB Jain & Co.
Chartered Accountants
Firm Registration No: 003904C




Rahul Dewani
(Partner)
Membership No. 435066
Place: Bhopal
Date: 27.04.2023
UDIN: 23435066BGUVLD3907




J.K. Arora
(Chairman & Managing Director)
DIN- 00224633


Nakul K Sethi
(Director)
DIN- 06512548


Rajesh Dubey
(Chief Financial Officer)


Om Prakash
(Company Secretary)



INDEPENDENT AUDITOR'S REPORT

To
Members of
Som Distilleries & Breweries Limited,
New Delhi

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **M/S SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI** (hereinafter referred to as the "Holding Company") and its subsidiaries "**WOODPECKER DISTILLERIES & BREWERIES PRIVATE LIMITED**" and "**SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED**" (Holding Company and its subsidiaries together referred to as "the Group"), which comprises the consolidated balance sheet as at 31st March 2022, the consolidated statement of Profit and Loss (including other comprehensive), the consolidated cash flow statement and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("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 Group as at March 31, 2022, its consolidated **LOSS** including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to the following Notes to the accompanying consolidated financial statements:

- Note 37 regarding management's assessment of the impact of COVID-19 pandemic of the Group's operations for the period ending on 31st March, 2022.
- Note No. 49 regarding non availability of the necessary information of outstanding dues to Micro Enterprises and Small Enterprises.

Our opinion is not modified in respect of these matters.

Key audit Matters



Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters.

Key audit matters	How our audit addressed the key audit matter
<p>Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services.</p> <p>Revenue is recognized to the extent it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.</p> <p>Based on the Educational Material on Ind AS 115 issued by the Institute of Chartered Accountants of India ("ICAI"), the recovery of excise duty flows to the Group on its own account and hence is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the group on its own account, revenue includes excise duty. However, sales tax/value added tax (VAT), goods and services tax are not received by the group on its own account and are taxes collected on value added to the commodity by the seller on behalf of the government. Accordingly, these are excluded from revenue.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> - Assessed the Group's revenue recognition accounting policy for sale of products. - Understood, evaluated and tested on sample basis the design and operating effectiveness of key internal controls over recognition and measurement of revenue. - Performed test of details on a sample basis and inspected the underlying accounting documents relating to sales accrual. - Tested on a sample basis, sales transactions near year end date. - Performed analytical procedures on revenue. - Assessed the disclosures in the consolidated financial statements in respect of revenue for compliance with disclosure requirements.

Other information

The Holding company's management and Board of Directors is responsible for preparation of the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

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



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

Responsibility of Management and Those Charged with governance for the Consolidated Financial Statements

The Holding company's management and 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the group in accordance with the Accounting Principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve



collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we provide "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the said order, to the extent applicable.



2. As required by section 143(3) 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 purpose of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet and Consolidated Statement of Profit and Loss (including other comprehensive), Consolidated Cash flow statement and Consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of written representations received from the directors of the holding company as on March 31, 2022, and taken on record by the Board of Directors of the holding company and the reports of the statutory auditors of the group companies, none of the directors of the group companies is disqualified as on March 31, 2022, from being appointed as a director in term of sub-section (2) of section 164 of the Companies Act, 2013.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the group with reference to these consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
 - g) With respect to the other matter to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, as amended, in our opinion and to the best of our information and according to explanation given to us:
 - (a) There is no pending litigation according to the information provided which impacts the financial position of the group except those specified in Note No. 30 of the consolidated financial statements.
 - (b) The Group does not have long term contracts including derivative contracts for which there are any material foreseeable losses.
 - (c) There have no transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company or the other company included in the group.
 - (d) (i)& (ii) As per the management representation provided to us, which is to their best knowledge and belief, they represented that, other than as disclosed in the consolidated notes to the accounts-

"No funds have been advanced or loaned or invested by the holding company or its subsidiary companies to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the holding company or its subsidiary companies (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries."; and

"No funds have been received by the holding company or its subsidiary companies from any person(s) or entities including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the holding company or its subsidiary companies



shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries"

(iii) Based on the audit procedures performed by us, and on the basis of audit evidences obtained, we have considered reasonable and appropriate in the circumstances, that nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contains any material misstatement.

(e) The Group has not declared or paid dividend during the year.

For AKB Jain & Co
Chartered Accountants
FRN: 003904C



RAHUL DEWANI
(Partner)
M.No:435066



UDIN: 22435066AIPHH2975

Place: Bhopal
Date: 26.04.2022

ANNEXURE-A

REFERRED TO IN PARAGRAPH "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF M/S SOM DISTILLERIES & BREWERIES LIMITED

(xxi) In our opinion and according to the information and explanations given to us, and on the basis of the individual CARO report of the companies included in the consolidated financial statement, no such qualification or adverse remarks were reported by the respective auditors of the companies.

**For AKB Jain & Co
Chartered Accountants
FRN: 003904C**

**RAHUL DEWANI
(Partner)
M.No:435066**



UDIN: 22435066AIPHH2975

**Place: Bhopal
Date: 26.04.2022**

ANNEXURE-B

(REFERRED IN OUR REPORT OF EVEN DATE)

Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the act")

(Referred to in Para 2(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

In conjunction with our audit of the consolidated financial statements of **M/s Som Distilleries & Breweries Limited, New Delhi** (hereinafter referred to as "the holding company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the holding company and its subsidiaries companies, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective companies policies, safeguarding the assets of the company, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information's, as required under the Companies Act 2013 (hereinafter referred to as "the Act").

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the relevant Guidance Note (Audit of Internal Financial Controls Over Financial Controls) and the Standards on Auditing, both, issued by the ICAI and are deemed prescribed under sub-section (10) of the section 143 of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statement. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements, was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements, and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements, included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of 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.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A Company's internal financial control with reference to consolidated financial statements, is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that;



- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

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

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

OPINION

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have , in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

For AKB Jain & Co
Chartered Accountants
FRN: 003904C

RAHUL DEWANI
(Partner)
M.No:435066



UDIN: 22435066AIIPIH2975

Place: Bhopal
Date: 26.04.2022

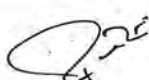
SOM DISTILLERIES & BREWERIES LIMITED CONSOLIDATED
CIN- L74899DL1993PLC052787
BALANCE SHEET AS AT 31.03.2022

(Rs. in Lakhs)

PARTICULARS	Note	As at 31.03.2022	As at 31.03.2021
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	3	40,522.79	41,346.51
(b) Capital Work-in-progress		-	217.69
(c) Other Intangible Assets	4	61.87	79.92
(d) Intangible Assets under development		-	2.36
(e) Security Deposits	5	1,541.14	1,610.66
(f) Other Non- Current Assets	6	969.54	963.60
(2) Current Assets			
(a) Inventories	7	8,451.84	6,844.21
(b) Financial Assets			
(i) Trade Receivables	8	11,579.40	13,149.72
(ii) Cash and cash equivalents	9	948.83	1,446.79
(iii) Loans	10	143.90	147.15
(c) Current Tax Assets	11	230.11	550.71
(d) Other Current Assets	12	5,489.81	4,790.70
Total Assets		69,939.23	71,150.02
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	3,499.34	3,249.39
(b) Other Equity	14	25,457.93	24,931.20
Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	11,119.15	12,311.07
(ii) Other	16	473.91	346.16
(b) Deferred Tax Liabilities	17	106.89	681.11
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	8,612.69	8,509.87
(ii) Trade Payables	19	6,933.05	8,930.47
(iii) Other Financial Liabilities	20	12,620.88	11,368.37
(b) Other Current Liabilities	21	1,013.60	698.44
(c) Provisions	22	101.80	123.95
Total Equity and Liabilities		69,939.23	71,150.02

The accompanying notes are an integral part of the Consolidated Ind AS financial statements.

As per our Report of even date
For AKB Jain & Co.
Chartered Accountants
Firm Registration No: 003904C

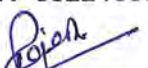

Rahul Dewani
(Partner)
Membership No. 435066

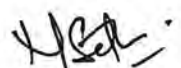


Place: Bhopal
Dated: 26.04.2022
UDIN: 22435066AIPHH2975

SOM Distilleries & Breweries Limited
For and on Behalf of the Board


J.K. Arora
(Chairman &
Managing Director)
DIN- 00224633


Rajesh Dubey
(Chief Financial Officer)


Nakul K Sethi
(Director)

DIN- 06512548

Om Prakash
(Company Secretary)

SOM DISTILLERIES & BREWERIES LIMITED CONSOLIDATED
CIN- L74899DL1993PLC052787
STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

Particulars		Note	Year Ended 31.03.2022	Year Ended 31.03.2021
			(Rs.)	(Rs.)
I	Revenue from operations	23	65,380.61	50,708.33
II	Other Income	24	269.73	257.53
III	Total Income		65,650.34	50,965.86
Expenses:				
	Cost of Materials Consumed	25	21,331.83	16,418.19
	Purchase of stock-in-trade		257.62	-
	Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		(851.81)	128.89
	Excise Duties		29,104.52	21,951.12
	Employees Remuneration & Benefits	26	2,169.85	1,678.80
	Finance Costs	27	1,535.45	1,865.90
	Depreciation & Amortisations		1,677.77	1,336.86
	Other Expenses	28	11,679.38	11,488.87
IV	Total Expenses		66,904.61	54,868.63
V	Profit Before Tax		(1,254.27)	(3,902.77)
VI	Tax Expenses:			
	Current tax		-	-
	Previous Year Taxes		307.86	256.55
	Deferred Tax		(578.12)	(352.03)
VII	Profit/(Loss) for the year		(984.00)	(3,807.28)
Other Comprehensive Income (OCI)				
Items that will not be reclassified to profit or loss in subsequent periods				
	Re-measurement of defined benefit plans		14.92	(5.45)
	Income Tax effect on above		(3.90)	1.68
	Total Comprehensive Income for the year		(972.98)	(3,811.05)
VII	Earning Per Equity Share:			
	(1) Basic		(1.45)	(5.79)
	(2) Diluted		(1.45)	(5.79)
Significant Accounting Policies		[2]		

The accompanying notes are an integral part of the Consolidated Ind AS financial statements.

As per our Report of even date
For AKB Jain & Co.
Chartered Accountants
Firm Registration No: 003904C

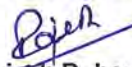
Rahul Dewani
(Partner)
Membership No. 435066

Place: Bhopal
Dated: 26.04.2022
UDIN: 22435066AIP11H2975

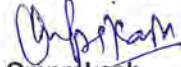


SOM Distilleries & Breweries Limited
For and on Behalf of the Board


J.K. Arora
(Chairman &
Managing Director)
DIN- 00224633


Rajesh Dubey
(Chief Financial Officer)


Nakul K Sethi
(Director)
DIN- 06512548


Omprakash
(Company Secretary)

SOM DISTILLERIES & BREWERIES LIMITED CONSOLIDATED
CIN- L74899DL1993PLC052787
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2022

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Cash flow from operating activities		
Profit before Tax	(1,254.27)	(3,902.77)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation on continuing operations	1,677.77	1,336.86
Interest Expense	1,535.45	1,865.90
Profit on sale of Fixed Assets	(0.73)	-
Loss on sale of Fixed Assets	50.82	-
Operating profit before working capital changes	2,009.04	(700.02)
Movements in working capital:		
Decrease/(increase) in inventories	(1,607.64)	3,547.77
Decrease/(increase) in trade receivables	1,570.32	(145.44)
Decrease/(increase) in short term loans	3,137.11	272.17
Decrease/(increase) in current tax assets (net)	320.60	(550.71)
Decrease/(increase) in other current assets	(699.12)	(478.96)
Increase/(decrease) in trade payables	(1,997.42)	248.01
Increase/(decrease) in other current financial liabilities	(1,767.66)	1,692.76
Increase/(decrease) in other current liabilities	955.92	(1,329.46)
Increase/(decrease) in short term provisions	(585.35)	55.78
Cash generated from/(used in) operations	1,335.81	2,611.91
Direct Taxes Paid (net of refunds)	(307.85)	(270.48)
Net Cash flow from/ (used in) operating activities (A)	1,027.96	2,341.42
Cash flow from Investing activities		
Purchase of fixed assets	(680.49)	(1,603.36)
Proceeds from sale of fixed assets	14.46	-
Decrease/(increase) in long term financial assets	69.52	314.03
Net Cash flow from/ (used in) Investing activities (B)	(596.51)	(1,289.33)
Cash flow from Financing activities		
Borrowings	(1,191.91)	(1,360.76)
Increase/(decrease) in other long term liabilities	127.75	237.16
Proceeds from right shares issue	1,749.67	-
Decrease/(increase) in non current assets	(5.94)	1,080.54
Interest paid	(1,535.45)	(1,865.90)
Dividend paid	(10.88)	9.43
Dividend distribution tax	(62.64)	100.19
Net Cash flow from/ (used in) Financing activities (C)	(929.40)	(1,799.34)
Net increase/(decrease) in cash and cash equivalents	(497.95)	(747.25)
Cash and cash equivalents at the beginning of the year	1,446.79	2,194.04
Cash and cash equivalents at the end of the year	948.83	1,446.79
Compenents of cash and cash equivalents		
Cash in hand	40.48	578.58
With Banks - in current account	237.02	205.13
With Banks - in deposit account	671.33	663.08
Total Cash and cash equivalents	948.83	1,446.79

The accompanying notes are an integral part of the Consolidated Ind AS financial statements.

As per our Report of even date
For AKB Jain & Co.
Chartered Accountants
Firm Registration No: 003904C

Rahul Dewani
(Partner)
Membership No. 435066

Bhopal
Dated: 26.04.2022
UDIN: 22435066AIP11H2975



SOM Distilleries & Breweries Limited
For and on Behalf of the Board

J.K. Arora
(Chairman &
Managing Director)
DIN- 00224633

Rajesh Dubey
(Chief Financial Officer)

Nakul K Sethi
(Director)

DIN- 06512548

Omprakash
(Company Secretary)

SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI

CIN- L74899DL1993PLC052787

YEAR ENDED 31.03.2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GROUP INFORMATION

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

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

- i) Woodpecker Distilleries & Breweries Private Limited
- ii) Som Distilleries and Breweries Odisha Private Limited

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

2. BASIS OF PREPARATION, CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for preparation and consolidation

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

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

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

The Consolidated financial statements are presented in INR, the functional currency of the Group. Items included in the consolidated financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency').

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



The Consolidated Financial statements of the Company for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 26th Apr 2022.

(b) **Basis of measurement**

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

2.2 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

2.3 SIGNIFICANT ACCOUNTING POLICIES

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

(b) Other Accounting Policies applicable to Group

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SOM DISTILLERIES & BREWERIES LIMITED CONSOLIDATED
CIN- L74899DL1993PLC052787
FOR THE YEAR ENDED 31.03.2022

STATEMENT OF CHANGES IN EQUITY
Equity Share Capital & Other Equity

(1) Current reporting year ended 31st March, 2022

(Rs. in Lakhs)

Particulars	Equity Share Capital	Reserves and Surplus			Other items of Other Comprehensive	Total
		Capital Reserve	Securities Premium	Retained Earnings		
Balance at the beginning of the current reporting period	3,249.39	39.30	14,223.99	10,663.58	4.33	28,180.58
Right Shares Issued	249.95	-	1,499.72	-	-	1,749.67
Profit and Loss during the year	-	-	-	(984.00)	-	(984.00)
Re-measurement of defined benefits Plan	-	-	-	-	11.02	11.02
Total Comprehensive Income for the	-	-	-	(984.00)	11.02	(972.99)
Balance at the end of the current reporting period	3,499.34	39.30	15,723.70	9,679.58	15.35	28,957.27

(2) Previous reporting year ended 31st March, 2021

(Rs. in Lakhs)

Particulars	Equity Share Capital	Reserves and Surplus			Other items of Other Comprehensive Income (specify nature)	Total
		Capital Reserve	Securities Premium	Retained Earnings		
Balance at the beginning of the current reporting period	3,249.39	39.30	14,223.99	14,470.87	8.10	31,991.64
Profit and Loss during the year	-	-	-	(3,807.29)	-	(3,807.29)
Re-measurement of defined benefits Plan	-	-	-	-	(3.77)	(3.77)
Total Comprehensive Income for the current year	-	-	-	(3,807.29)	(3.77)	(3,811.06)
Balance at the end of the current reporting period	3,249.39	39.30	14,223.99	10,663.58	4.33	28,180.58

As per our Report of even date
For AKB Jain & Co.
Chartered Accountants
Firm Registration No: 003904C

SOM Distilleries & Breweries Limited
For and on Behalf of the Board

Rahul Dewani
(Partner)
Membership No. 435066



Place: Bhopal
Dated: 26.04.2022

J.K. Arora
(Chairman &
Managing
DIN- 00224633

Rajesh Dubey
(Chief Financial
Officer)

Nakul K Sethi
(Director)
DIN- 06512548

Om Prakash
(Company
Secretary)

SOM DISTILLERIES & BREWERIES LIMITED CONSOLIDATED
CIN- L74899DL1993PLC052787

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING ON 31.03.2022

[3] Property, Plant and Equipment (Rs. in Lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS AT 01.04.2021	ADDITION DURING 2021-2022	(DISPOSAL) DURING 2021-22	AS AT 31.03.2022	Upto 31.03.2021	Depreciation written back	FOR THE YEAR 2021-22	AS AT 31.03.2022	AS AT 31.03.2021
LAND (FREEHOLD) & SITE DEVELOPMENT	2,013.07	133.62	-	2,146.68	-	-	-	2,146.68	2,013.07
BUILDINGS & CIVIL WORKS	10,156.49	193.49	-	10,351.98	1,492.01	-	305.09	8,554.88	8,666.47
PLANT & MACHINERY	35,825.76	564.50	104.10	36,286.15	5,693.40	41.83	1,227.14	29,407.45	30,132.36
FURNITURE & FIXTURES	95.25	0.20	-	95.45	41.78	-	7.13	46.53	53.47
OFFICE EQUIPMENTS	239.23	4.02	-	243.25	160.23	-	34.04	48.98	79.00
VEHICLES	1,091.51	-	45.47	1,046.04	689.36	43.19	81.60	318.27	402.14
TOTAL	49,423.30	895.82	149.57	50,169.55	8,076.79	85.02	1,655.00	40,522.79	41,346.51
CAPITAL WOK IN PROGRESS	217.69	-	217.69	-	-	-	-	-	217.69
GRAND TOTAL								40,522.79	41,564.20

[4] Intangible Assets

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK		
	AS AT 01.04.2021	ADDITION DURING 2021-2022	(DISPOSAL) DURING 2021-22	AS AT 31.03.2022	Upto 31.03.2021	Amortisation written back	FOR THE YEAR 2021-22	AS AT 31.03.2022	AS AT 31.03.2021
ERP-COMPUTER SOFTWARES	142.59	4.72	-	147.31	62.66	-	22.77	61.87	79.92
TOTAL	142.59	4.72	-	147.31	62.66	-	22.77	61.87	79.92
INTANGIBLE ASSETS UNDER DEVELOPMENT	2.36	-	2.36	-	-	-	-	-	2.36
GRAND TOTAL								61.87	82.28



SOM DISTILLERIES & BREWERIES LIMITED CONSOLIDATED
CIN- L74899DL1993PLC052787
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING ON 31.03.2022

(Rs. in Lakhs)

Note No	Particulars	As At 31.03.2022	As At 31.03.2021
[5]	<u>Other Financial Assets</u>		
	<u>Security Deposits</u>		
	Security Deposits	1,541.14	1,610.66
	Total	1,541.14	1,610.66
	Note: All the above amounts are unsecured and considered good.		
[6]	<u>Other Non- Current Assets</u>		
	Capital Advances	969.54	963.60
	Total	969.54	963.60
[7]	<u>Inventories</u>		
	(as taken, valued and certified by the Management)		
	Raw Materials	1,272.18	922.19
	Stores, Consumables & Packing Materials	3,157.60	2,751.76
	Stock In Process	1,446.20	944.04
	Finished Goods	2,575.86	2,226.22
	Total	8,451.84	6,844.21
[8]	<u>Trade Receivables</u>		
	Trade Receivables - considered good	11,579.40	13,149.72
	Total	11,579.40	13,149.72
	Trade Recivables ageing - "Disclosed in 8(i), annexed"		
[9]	<u>Cash and Cash Equivalents</u>		
	Cash in hand	40.48	578.58
	<u>Balance With Scheduled Banks</u>		
	Current Accounts	237.02	205.13
	Deposit Accounts	607.88	588.75
	<u>Other Bank Balances</u>		
	Unpaid Dividend Accounts	63.45	74.32
	Total	948.83	1,446.79
[10]	<u>Current Loans</u>		
	Advances to Others	143.90	147.15
	Total	143.90	147.15
	Note: All the above amounts are unsecured and considered good.		
[11]	<u>Current Tax Assets</u>		
	Balances with Revenue Authorities	230.11	550.71
	Total	230.11	550.71
[12]	<u>Other Current Assets</u>		
	Staff Advances	89.87	107.76
	Prepaid Expenses	1,596.09	1,266.03
	Advances to suppliers	3,490.09	3,416.91
	Other Assets	313.76	-
	Total	5,489.81	4,790.70



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SOM DISTILLERIES & BREWERIES LIMITED CONSOLIDATED
CIN- L74899DL1993PLC052787
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING ON 31.03.2022

Schedule 8 (i)

(Rs. in Lakhs)

Trade receivables ageing schedule for the year ended as on March 31, 2022

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 year	
Undisputed trade Receivables considered good	11,196.14	312.64	70.62	-	-	11,579.40
	Trade Receivables					11,579.40

Trade receivables ageing schedule for the year ended as on March 31, 2021

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 year	
Undisputed trade Receivables considered good	12,781.80	300.26	67.66	-	-	13,149.72
	Trade Receivables					13,149.72




 A.K.B. Jain


SOM DISTILLERIES & BREWERIES LIMITED CONSOLIDATED
CIN- L74899DL1993PLC052787
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING ON 31.03.2022

(Rs. in Lakhs)

Note No	Particulars	As At 31.03.2022	As At 31.03.2021
[13]	Equity Share Capital		
	Authorized		
	8,00,00,000 Equity Shares of Rs. 5/- each	4,000.00	4,000.00
	[Prev Year 3,50,00,000 Equity Shares of Rs.10/- each]		
	Issued, Subscribed and Fully Paid		
	6,99,86,796 Equity Shares of Rs.5/- each	3,499.34	3,249.39
	[Prev Year 6,49,87,738 Equity Shares of Rs.5/- each]		

Terms/Rights attached to the shares

(a) The Company has only one class of Equity Shares having par value of Rs.5/- per share. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the company after the distribution of all preferential amounts, in proportion to their shareholding.

(b) **Details of Shareholders holding more than 5% Shares in the Company.**

Name of Shareholders	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	%	No. of Shares	%
Sh. Jagdish Kumar Arora	1,03,49,509	14.79%	62,43,322	9.61%
Som Distilleries Private Limited	68,35,559	9.77%	63,46,066	9.77%

[14] **Other Equity**

Capital Reserve	39.30	39.30
(Amount forfeited against share warrants)		
Securities Premium Reserve	15,723.70	14,223.99
Surplus - In Statement of Profit & Loss		
Balance as per last Financial Statement	10,667.91	14,478.97
Add: Comprehensive Income during the year	(972.99)	(3,811.06)
Balance at the end of the year	9,694.92	10,667.91
Total Reserves & Surplus	25,457.93	24,931.20





SOM DISTILLERIES & BREWERIES LIMITED CONSOLIDATED
CIN- L74899DL1993PLC052787
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING ON 31.03.2022

(Rs. in Lakhs)

Note No	Particulars	Non Current		Current Maturities	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
[15]	Borrowings				
	Long Term Borrowings				
	(i) Secured Loans				
	(a) Bandhan Bank Ltd	1,474.09	2,038.66	519.46	828.09
	(b) SBI Term Loan	3,475.09	3,983.33	1,258.99	1,774.23
	(c) PNB Term Loan	362.97	459.53	152.68	197.82
	(d) Vehicle Loans (Secured by hypothecation of respective vehicles)				
	From Banks	3.22	8.76	5.66	9.32
	From Others	-	-	-	102.83
	(ii) Unsecured Loans				
	(a) IFCI Venture Capital Funds Ltd.				118.77
	(b) Others	5,803.78	5,820.78	-	-
	Grand Total	11,119.15	12,311.07	1,936.79	3,031.04

Notes:

- (a) Loan from Bandhan Banks is secured by way of pari passu charge on factory land & building and plant & machinery.
- (b) Loan from SBI is secured by way of pari passu charge on factory land & building and plant & machinery.
- (c) Loan from SBI in subsidiary "Woodpeckers Distilleries & Breweries Pvt Ltd" is secured by way of mortgage of Factory Land and Building, personal Guarantees of the Directors of the Company and corporate guarantee of the Holding Company.
- (d) Loan from PNB in subsidiary "Som Distilleries and Breweries Odisha Pvt Ltd" is secured by way of corporate guarantee of the Holding Company and personal guarantee of Directors and a promotor of holding company and by Collectral Security of Company's additional land at Orissa.
- (e) Vehicle Loans are secured by Hypothecation of respective vehicles.

Note No	Particulars	As At	As At	As At	As At
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
[16]	Other Long Term Financial Liabilities				
	Security Deposits (Unsecured)			473.91	346.16
	Total			473.91	346.16
[17]	Deferred Tax Liability (Net)				
	Difference between depreciation as per books of account and the Income Tax Act 1961.			4,150.45	3,597.32
	Others			-	19.22
	Gross Deferred Tax Liability			4,150.45	3,616.54
	Deferred Tax Assets				
	Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis.			21.64	94.03
	Carried Forward Losses			4,021.92	2,841.40
	Gross Deferred Tax Assets			4,043.56	2,935.43
	Deferred Tax Liability (Net)			106.89	681.11

Notes:

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



SOM DISTILLERIES & BREWERIES LIMITED CONSOLIDATED
CIN- L74899DL1993PLC052787
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING ON 31.03.2022

(Rs. in Lakhs)

Note No	Particulars	As at 31.03.2022	As at 31.03.2021
[18]	Borrowings		
	Short Term Borrowings		
	Cash Credit from Bank (Secured by way of hypothecation of entire current assets of the company)	6,675.89	5,478.83
	Current maturities of long-term borrowing	1,936.79	3,031.04
	Total	8,612.69	8,509.87

[19] **Trade Payables**

MSME	-	-
Other than MSME	6,933.05	8,930.47
Total	6,933.05	8,930.47

For Current reporting period

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	4,643.70	1,205.20	635.23	250.75	198.17	6,933.05
Total	4,643.70	1,205.20	635.23	250.75	198.17	6,933.05

For Pervious reporting period

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	3,694.13	2,642.39	2,277.61	90.53	225.80	8,930.47
Total	3,694.13	2,642.39	2,277.61	90.53	225.80	8,930.47

[20] **Other Financial Liabilities**

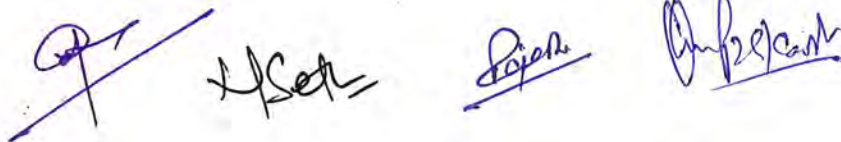
Bank Overdrafts (Book)	386.00	147.64
Un paid Dividend	63.45	74.32
Expenses & Other Payables	12,171.43	11,146.41
Total	12,620.88	11,368.37

[21] **Other Current Liabilities**

Advances from customers	714.46	387.25
Statutory dues payable	299.14	311.19
Total	1,013.60	698.44

[22] **Short Term Provisions**

Employee Benefits	101.80	123.95
Total	101.80	123.95





SOM DISTILLERIES & BREWERIES LIMITED CONSOLIDATED

CIN- L74899DL1993PLC052787

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING ON 31.03.2022

(Rs. in Lakhs)

Note No	Particulars	As at 31.03.2022	As at 31.03.2021
[23]	Revenue from operations	65,380.61	50,708.33
		65,380.61	50,708.33
[24]	Other Income		
	Interest	24.79	46.18
	Profit on Sale of Fixed Assets	0.73	-
	Other Revenues	244.21	211.35
	Total	269.73	257.53
[25]	Cost of Materials consumed		
	Opening Stocks	3,673.95	7,092.84
	Add: Purchases	22,087.65	12,999.31
	Less: Closing Stocks	4,429.78	3,673.95
	Total	21,331.83	16,418.19
[26]	Employee Remuneration & Benefits		
	Salaries, allowances & bonus	2,035.16	1,550.50
	Employer's contribution to Provident & Gratuity Fund	93.46	75.84
	Staff welfare expenses	41.23	52.47
	Total	2,169.85	1,678.80
[27]	Financial Costs		
	Interest to Bank & FIs	1,479.81	1,801.90
	Interest to Others	55.64	64.00
	Total	1,535.45	1,865.90
[28]	Other Expenses		
	Power and fuel	1,619.65	1,020.34
	Labour	712.21	471.03
	Rent	144.31	201.57
	Buildings	-	5.98
	Machinery	495.74	411.77
	Others	72.27	43.83
	Insurance	93.94	95.63
	Rates and taxes (Other than on income)	1,745.47	1,884.27
	Other Manufacturing Exp	100.41	129.50
	(a) Audit fees	3.46	2.59
	(b) Other Services	-	2.54
	Donations	30.52	13.70
	Corporate Social Responsibility	23.50	69.50
	Travelling & Conveyance	290.00	204.47
	Legal & Professional	269.86	157.38
	Sales promotion	3,015.12	3,138.95
	Advertisement & Publicity	37.11	86.35
	Freight outward	2,248.89	1,903.95
	Other selling expenses	469.54	1,349.94
	General expenses	191.82	178.80
	Postage, Telegrams & Telephones	24.65	49.39
	Vehicle Running & Maintenance	90.91	67.41
	Total	11,679.38	11,488.87



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SOM DISTILLERIES & BREWERIES LIMITED CONSOLIDATED
CIN- L74899DL1993PLC052787
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING ON 31.03.2022

(Rs. in Lakhs)

Note No	Particulars	As at 31.03.2022	As at 31.03.2021
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[29] Employees Benefits:

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

(i) In respect of Short Term Employee Benefits:

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

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

Table Showing Changes in Present Value of Obligations:

Period	From 01.04.2021 To 31.03.2022	From 01.04.2020 To 31.03.2021
Present value of the obligation at the beginning of the period	89.91	82.71
Interest cost	6.52	5.79
Current service cost	19.41	14.42
Past Service Cost	-	-
Benefits paid (if any)	-	(7.64)
Actuarial (gain)/loss	(15.71)	(5.38)
Present value of the obligation at the end of the period	100.13	89.91

Key results:

Period	From 01.04.2021 To 31.03.2022	From 01.04.2020 To 31.03.2021
Present value of the obligation at the end of the period	100.13	89.91
Fair value of plan assets at end of period	65.90	61.72
Net liability/(asset) recognized in Balance Sheet and related analysis	34.22	28.19
Funded Status - Surplus/ (Deficit)	(34.22)	(28.19)

Expense recognized in the statement of Profit and Loss:

Period	From 01.04.2021 To 31.03.2022	From 01.04.2020 To 31.03.2021
Interest cost	6.52	5.79
Current service cost	19.41	14.42
Past Service Cost	-	-
Expected return on plan asset	(4.47)	(4.58)
Expenses to be recognized in P&L	21.45	15.63

Other comprehensive (income)/expenses (Re-measurement)

Period	From 01.04.2021 To 31.03.2022	From 01.04.2020 To 31.03.2021
Cumulative unrecognized actuarial (gain)/loss opening. B/F	5.63	11.08
Actuarial (gain)/loss - obligation	(15.71)	(5.38)
Actuarial (gain)/loss - plan assets	0.79	(0.07)
Total Actuarial (gain)/loss	(14.92)	(5.45)
Cumulative total actuarial (gain)/loss C/F	(9.29)	5.63

Table showing changes in the Fair Value of Planned Assets

Period	From 01.04.2021 To 31.03.2022	From 01.04.2020 To 31.03.2021
Fair value of plan assets at the beginning of the period	61.72	65.41
Expected return on plan assets	4.47	4.58
Contributions	0.50	(0.70)
Benefits paid	-	(7.64)
Actuarial gain/(loss) on plan assets	(0.79)	0.07
Fair value of plan assets at the end of the period	65.90	61.72

Table showing Fair Value of Planned Assets

Period	From 01.04.2021 To 31.03.2022	From 01.04.2020 To 31.03.2021
Fair value of plan assets at the beginning of the period	61.72	65.41
Actual return on plan assets	3.69	4.65
Contributions	0.50	(0.70)
Benefits paid	-	(7.64)
Fair value of plan assets at the end of the period	65.90	61.72



Actuarial Gain/(Loss) on Planned Assets

Period	From 01.04.2021 To 31.03.2022	From 01.04.2020 To 31.03.2021
Actual return on plan assets	3.69	4.65
Expected return on plan assets	4.47	4.58
Actuarial gain/(loss)	(0.79)	0.07

The assumptions employed for the calculations are tabulated

Period	From 01.04.2021 To 31.03.2022	From 01.04.2020 To 31.03.2021
Discount rate	7.25 % per annum	7.00 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14
Withdrawal rate (Per Annum)	5.00% p.a	5.00% p.a

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

Funding arrangements and funding policy

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

Expected contribution during the next annual reporting period

The Company's best estimate of Contribution during the next year	26.22	18.18
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Sensitivity Analysis:

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

Period	As on 31.03.2022
Defined Benefit Obligation (Base)	100.13 @ Salary Increase Rate : 5%, and discount rate :7.25%
Liability with x% increase in Discount Rate	93.75; x=1.00%
Liability with x% decrease in Discount Rate	107.40; x=1.00%
Liability with x% increase in Salary Growth Rate	107.49; x=1.00%
Liability with x% decrease in Salary Growth Rate	93.56; x=1.00%
Liability with x% increase in Withdrawal Rate	100.38; x=1.00%
Liability with x% decrease in Withdrawal Rate	99.74; x=1.00%



SOM DISTILLERIES & BREWERIES LIMITED CONSOLIDATED
CIN- L74899DL1993PLC052787
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING ON 31.03.2022

(Rs. in Lakhs)

Note No	Particulars	As at 31.03.2022	As at 31.03.2021
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[30] Contingent Liabilities

	2021-22	2020-21
i) Claims against the Company not acknowledged as debts/ disputed		
• Commercial Tax Department	60.71	60.71
• Income Tax Department	1,985.58	1,118.14
ii) Guarantees given by Bankers on behalf of the Company not provided for	1,178.67	939.99
iii) Corporate guarantee given to banks on behalf of others	11,306.00	11,306.00

[31] Financial Instruments

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

A. Financial assets and liabilities

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

Particulars	March 31, 2022	March 31, 2021
Financial Assets:		
Cash and cash equivalents	948.83	1,446.79
Trade receivables	11,579.40	13,149.72
Loans	143.90	147.15
Other Financial Assets	1,541.14	1,610.66
Total	14,213.27	16,354.31
Financial Liabilities:		
Trade and other payables	6,933.05	8,930.47
Borrowings	19,731.84	20,820.93
Other Financial Liabilities	13,094.79	11,714.53
Total	39,759.67	41,465.93

B. Financial risk management objectives and policies

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

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

i) Market risk

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

(a) Interest rate risk

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

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

Particulars	As at 31.03.2022		As at 31.03.2021	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
Impact on profit before tax	(22 lacs)	22 lacs	(22 lacs)	22 lacs

(b) Commodity price risk

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

Particulars	As at 31.03.2022		As at 31.03.2021	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax	(30 lacs)	30 lacs	(28 lacs)	28 lacs

ii) Credit risk

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

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

ii) Liquidity risk

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

As At March 31, 2022	Maturities			Total Carrying Value
	Upto 1 year	1-2 year	> 2 year	
Financial Liabilities:				
Non Current Borrowings	1,936.79	1,348.67	9,770.48	13,055.94
Current Borrowings	6,675.89	-	-	6,675.89
Trade and other payables	5,848.90	635.23	448.92	6,933.05
Other Financial Liabilities	12,620.88	-	473.91	13,094.79
Total	27,082.46	1,983.90	10,693.31	39,759.67

As At March 31, 2021	Maturities			Total Carrying Value
	Upto 1 year	1-2 year	> 2 year	
Financial Liabilities:				
Non Current Borrowings	3,031.04	1,934.86	10,376.21	15,342.11
Current Borrowings	5,478.83	-	-	5,478.83
Trade and other payables	6,336.51	2,277.61	316.34	8,930.47
Other Financial Liabilities	11,368.37	-	346.16	11,714.53
Total	26,214.75	4,212.47	11,038.71	41,465.93

[32] Information as per Ind AS 24: "Related Party Disclosures" is:

(a) Related Party

Group Companies	Directors	Others
Woodpecker Distilleries & Breweries Private Limited, Mumbai	J.K. Arora Nakul K.Sethi	Som Distilleries Private Limited
Som Distilleries and Breweries Odisha Private Limited		

(b) Transactions with Related Parties

Particulars	
Som Distilleries Private Limited	
Purchases	599.39
Sales	19.76
Other transactions	1,236.81
Closing Balance	7,570.63 Cr.
Executive Director (s)	
Remuneration	188.67
Non Executive Director (s)	
Sitting Fees	6.60

[33] 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 IndAS 108 on "Operating Segments" issued by the Institute of Chartered Accountants of India. In view of the above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in IndAS - 108 are not applicable to the Company.

[34] Earning per share in accordance with Ind AS-33 on "Earnings per Share" are as given below:

Particulars	31.03.2022	31.03.2021
a) Numerator Profit/(Loss) after tax Rs. In lakhs	(972.99)	(3,811.06)
b) Weighted average number of equity shares Nos.	6,99,86,796	6,49,87,738
c) Basic & Diluted earnings per shares (Rs.)	(1.45)	(5.79)
d) Nominal value of shares (Rs.)	5.00	5.00

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



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[36] Corporate Social Responsibility (CSR)

Particulars	2021-22	2020-21
a) Amount required to be spent by the company during the year	23.35	68.83
b) Amount of expenditure incurred	23.50	69.50
c) Shortfall at the end of the year	Nil	Nil
d) Total of previous years shortfall	Nil	Nil
e) Reason for shortfall	NA	NA
f) Nature of CSR activities for the purpose of	children education and medical aid.	
g) Details of related party transactions	Nil	Nil

[37] **Global Health Pandemic on Covid-19**

During the first quarter of the current financial year there was a surge in the spread of COVID-19 in India and various state governments imposed restrictions ranging from curfew / lockdown to contain the spread of COVID19. The impact of COVID 19 has now affected the operations of the company for two consecutive seasons.

The business operations of the Company and its two subsidiaries have been significantly impacted by way of interruption of production, supply chain, since the start of the pandemic.

The impact of COVID-19 pandemic on the overall economic environment continues to be uncertain though there has been a revival in the volumes in this quarter.

The Company will continue to closely monitor the situation and any material changes to future economic conditions.

The outlook for the industry is positive yet remains volatile depending amongst others on the future trajectory of the pandemic as well as the state of the economy. The company continues to actively review costs and focus on working capital management. We remain optimistic about the long-term growth drivers of the industry.

[38] Financial Ratio - "Disclosed in 38(i), annexed"


[39] The Group has sought information and certification from its vendors as to their being a micro, small or medium enterprise unit under the Micro, Small and Medium Enterprises Development Act, 2006, to comply with the requirements of law. However, till date replies have been received from very few vendors. Hence, amount due to micro, small scale enterprises outstanding as on March 31st, 2022 is not ascertainable. The process of collecting the information from the vendors is currently ongoing.

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

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

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

As per our Report of even date
For AKB Jain & Co
Chartered Accountants
Firm Registration No: 003904C



Rahul Dewani
(Partner)
Membership No. 435066



Bhopal
Dated: 26.04.2022


SOM Distilleries & Breweries Limited
For and on Behalf of the Board


J.K. Arora
(Chairman &
Managing Director)
DIN- 00224633


Rajesh Dubey
(Chief Financial
Officer)


Naku K Sethi
(Director)

DIN- 06512548


Om Prakash
(Company
Secretary)

SOM DISTILLERIES & BREWERIES LIMITED CONSOLIDATED
CIN- L74899DL1993PLC052787

[38(i)] Ratios

Particulars	Numerator	Denominator	Year Ended 31.03.2022	Year Ended 31.03.2021
(a) Current Ratio,	Current assets	Current liabilities	0.92	0.91
(b) Debt-Equity Ratio,	Total Debt (represents lease liabilities)	Shareholder's Equity	0.68	0.74
(c) Debt Service Coverage Ratio,	Earnings available for debt service	Debt Service	0.08	(1.09)
(d) Return on Equity Ratio,	Net Profits after taxes	Average Shareholder's Equity	(0.03)	(0.13)
(e) Inventory turnover ratio,	Turnover	Inventory	7.74	7.41
(f) Trade Receivables turnover ratio,	Revenue	Average Trade Receivable	5.29	3.88
(g) Trade payables turnover ratio,	Purchases of services and other expenses	Average Trade Payables	1.47	1.30
(h) Net capital turnover ratio,	Revenue	Working Capital	(26.82)	(18.77)
(i) Net profit ratio,	Net Profit	Revenue	(0.01)	(0.08)
(j) Return on Capital employed,	Earning before interest and taxes	Capital Employed	0.01	(0.05)
(k) Return on investment.	Increase in Shareholder's fund	Shareholder's Fund at the start of period	(0.09)	(0.12)



Air

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1/5/22

Rajesh

Dr. Rajesh

R.N. GUPTA & ASSOCIATES

CHARTERED ACCOUNTANTS

66, NEW MARKET, (1ST FLOOR), T.T. NAGAR, BHOPAL-462003

Tel. 0755-4251871

E-mail: rn_gupta_ca@yahoo.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOM DISTILLERIES & BREWERIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI** (hereinafter referred to as the 'Holding Company') and its subsidiaries "**WOODPECKER DISTILLERIES & BREWERIES PRIVATE LIMITED**" and "**SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED**" (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Cash Flows Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2021, of consolidated profit, other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.



- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the group companies, none of the directors of the Group companies is/are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- I. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group companies – Refer Note 30 to the consolidated financial statements.
 - II. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and Group Companies.

For R. N. GUPTA & ASSOCIATES
Chartered Accountants
Firm Registration No. 001419C
UDIN-21070590AAAABU3379

6, New Market (1st Floor),
T.T. Nagar,
BHOPAL 462 003
Dated: 03.06.2021



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

Annexure A

To the Independent Auditors' Report on the consolidated financial statements of SOM Distilleries & Breweries Limited for the year ended March 31, 2021.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

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

In conjunction with our audit of the consolidated financial statements of **SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI** (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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



- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the group companies, none of the directors of the Group companies is/are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- I. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group companies – Refer Note 30 to the consolidated financial statements.
 - II. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and Group Companies.

For R. N. GUPTA & ASSOCIATES
Chartered Accountants
Firm Registration No. 001419C
UDIN:21070590AAAABU3379

6, New Market (1st Floor),
T.T. Nagar,
BHOPAL 462 003
Dated: 03.06.2021

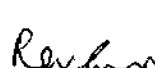



R.N. Gupta
R.N. Gupta
Proprietor
Membership No. 070590

SOM DISTILLERIES & BREWERIES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31.03.2021


PARTICULARS	Note	As at 31.03.2021	As at 31.03.2020
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	3	4,13,46,51,012	2,70,69,71,337
(b) Capital Work-in-progress		2,17,69,359	1,42,07,75,964
(c) Other Intangible Assets	4	79,92,102	1,02,50,761
(d) Intangible Assets under development		2,36,000	-
(e) Financial Assets	5	16,10,65,987	19,24,68,813
(2) Current Assets			
(a) Inventories	6	68,44,20,714	1,03,91,97,976
(b) Financial Assets			
(i) Trade Receivables	7	1,31,49,71,939	1,30,04,28,355
(ii) Cash and cash equivalents	8	14,46,78,614	21,94,03,742
(iii) Loans	9	1,47,14,607	4,19,31,207
(c) Other Current Assets	10	63,05,00,846	63,55,88,240
TOTAL ASSETS		7,11,50,01,180	7,56,70,16,395
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11	32,49,38,690	32,49,38,690
(b) Other Equity	12	2,49,31,19,530	2,87,42,25,383
Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	1,23,11,06,561	1,44,57,60,403
(ii) Other	14	3,46,16,279	1,09,00,279
(b) Deferred Tax Liabilities	15	6,81,11,162	10,34,82,643
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	54,78,82,636	54,30,63,978
(ii) Trade Payables		89,30,46,509	86,82,45,736
(iii) Other Financial Liabilities	17	1,43,99,40,934	1,19,59,62,674
(b) Other Current Liabilities	18	6,98,44,263	19,22,26,123
(c) Provisions	19	1,23,94,616	68,17,013
(d) Current Tax Liabilities (Net)		-	13,93,473
TOTAL EQUITY AND LIABILITIES		7,11,50,01,180	7,56,70,16,395


As per our Report of even date
For **R. N. Gupta & Associates**
Chartered Accountants
Firm Registration No: 001419C



R.N. Gupta
(Proprietor)
Membership No. 070590
Bhopal
Dated: 03.06.2021

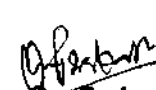


For and on Behalf of the Board


J.K. Arora
(Chairman & Managing Director)


Nakul K Sethi
(Director)


Rajesh Dubey
(Chief Financial Officer)


Om Prakash
(Company Secretary)

SOM DISTILLERIES & BREWERIES LIMITED
YEAR ENDED 31.03.2021

STATEMENT OF CONSOLIDATED PROFIT AND LOSS
AND OTHER COMPREHENSIVE INCOME

Particulars	Note	Year Ended 31.03.2021 (Rs.)	Year Ended 31.03.2020 (Rs.)
Revenue from operations		5,07,08,32,885	7,11,61,03,224
Other Income	20	2,57,53,062	3,60,19,889
Total Revenue		5,09,65,85,947	7,15,21,23,113
Expenses:			
Cost of Materials Consumed	21	1,64,18,19,219	2,47,22,29,521
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		1,28,88,869	(4,24,85,795)
Excise Duties		2,19,51,12,252	2,51,72,37,029
Employees Remuneration & Benefits	22	16,78,80,328	16,88,98,537
Finance Costs	23	18,65,90,014	15,36,90,019
Depreciation & Amortisations		13,36,85,664	11,67,44,858
Other Expenses	24	1,14,88,87,132	1,55,69,31,689
Total Expenses		5,48,68,63,478	6,94,32,45,858
Profit Before Tax		(39,02,77,531)	20,88,77,264
Tax Expenses:			
Current tax		-	7,32,27,252
Previous Year Taxes		2,56,54,946	49,17,537
Deferred Tax		(3,52,03,489)	(1,94,78,412)
Profit/(Loss) for the year		(38,07,28,888)	15,02,10,877
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement of defined benefit plans		(5,44,855)	11,42,533
Income Tax effect on above		1,67,993	(3,32,706)
Total Comprehensive Income for the year		(38,11,06,850)	15,10,20,705
Earning Per Equity Share:			
(1) Basic		(5.86)	3.02
(2) Diluted		(5.86)	3.02
Significant Accounting Policies	[2]		

As per our Report of even date

For **R. N. Gupta & Associates**
Chartered Accountants
Firm Registration No: 004119C

R.N. Gupta
R.N. Gupta
(Proprietor)
Membership No. 070898



Bhopal
Dated: 03.06.2021

For and on Behalf of the Board

J.K. Arora
J.K. Arora
(Chairman &
Managing Director)

Rajesh Dubey
Rajesh Dubey
(Chief Financial Officer)

Nakul K Sethi
Nakul K Sethi
(Director)

Omprakash
Omprakash
(Company Secretary)

SOM DISTILLERIES & BREWERIES LIMITED**YEAR ENDED 31.03.2021****Consolidated Cash Flow Statement**

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Profit before Tax	(39,02,77,532)	20,88,77,254
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation on continuing operations	13,36,85,664	11,67,44,858
Interest Expense	18,65,90,014	15,36,90,019
Profit on sale of Fixed Assets	-	(7,34,778)
Operating profit before working capital changes	(7,00,01,854)	47,85,77,354
Movements in working capital:		
Decrease/(increase) in inventories	35,47,77,262	(8,57,07,748)
Decrease/(increase) in trade receivables	(1,45,43,584)	(11,08,57,246)
Decrease/(increase) in short term loans	2,72,16,600	(3,86,07,744)
Decrease/(increase) in other current assets	50,87,394	9,31,80,397
Increase/(decrease) in trade payables	2,48,00,773	23,29,65,356
Increase/(decrease) in other current financial liabilities	17,11,62,030	7,74,86,996
Increase/(decrease) in other current liabilities	(11,29,07,900)	50,55,652
Increase/(decrease) in short term provisions	55,77,603	9,64,215
Cash generated from/(used in) operations	39,11,68,324	65,30,57,233
Direct Taxes Paid (net of refunds)	(2,70,48,419)	(24,15,58,674)
Net Cash flow from/ (used in) operating activities (A)	36,41,19,905	41,14,98,559
Purchase of fixed assets	(16,03,36,076)	(66,69,94,656)
Proceeds from sale of fixed assets	-	10,24,376
Decrease/(increase) in long term financial assets	3,14,02,826	(3,68,29,791)
Net Cash flow from/ (used in) Investing activities (B)	(12,89,33,250)	(70,28,00,071)
Borrowings	(13,60,76,090)	50,11,80,352
Increase/(decrease) in other long term liabilities	2,37,16,000	(2,33,22,565)
Interest paid	(18,65,90,014)	(15,36,90,019)
Dividend paid	(9,42,864)	(4,85,45,310)
Dividend distribution tax	(1,00,18,816)	(1,15,51,667)
Net Cash flow from/ (used in) Financing activities (C)	(30,99,11,783)	26,40,70,791
Net increase/(decrease) in cash and cash equivalents	(7,47,25,128)	(2,72,30,721)
Cash and cash equivalents at the beginning of the year	21,94,03,742	24,66,34,463
Cash and cash equivalents at the end of the year	14,46,78,614	21,94,03,742
Cash in hand	5,78,57,753	2,20,52,692
With Banks - in current account	2,05,13,341	11,37,07,034
With Banks - in deposit account	6,63,07,520	8,36,44,016
Total Cash and cash equivalents	14,46,78,614	21,94,03,742

As per our Report of even date

For R. N. Gupta & Associates

Chartered Accountants

Firm Registration No: 001419C

R.N. Gupta

(Proprietor)

Membership No. 070589

Bhopal

Dated: 03.06.2021



For and on Behalf of the Board


J.K. Arora
 (Chairman &
 Managing Director)


Nakul K Sethi
 (Director)


Rajesh Dubey
 (Chief Financial
 Officer)


Om Prakash
 (Company
 Secretary)

SOM DISTILLERIES & BREWERIES LIMITED

Year ended 31.03.2021

Consolidated Statement of Changes in Equity

A. Equity Share Capital			
Balance as at 31.03.2020			32,49,38,690
Changes during the year			-
Balance as at 31.03.2021			32,49,38,690
B. Other Equity			
Balance as at 31.03.2020	39,30,000	1,42,23,98,757	2,87,42,25,383
Total Comprehensive Income for the year	-	-	(38,11,05,853)
Balance as at 31.03.2021	39,30,000	1,42,23,98,757	2,49,31,19,530

As per our Report of even date

For R. N. Gupta & Associates

Chartered Accountants

Firm Registration No. 004419C

R.N. Gupta
(Proprietor)

Membership No. 070590

Bhopal

Dated: 03.06.2021

For and on Behalf of the Board

J.K. Arora
(Chairman &
Managing Director)

Nakul Sethi
(Director)

Rajesh Dubey
(Chief Financial Officer)

Om Prakash
(Company Secretary)



SOM DISTILLEREIS & BREWERIES LIMITED, NEW DELHI

YEAR ENDED 31.03.2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GROUP INFORMATION

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

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

- i) Woodpecker Distilleries & Breweries Private Limited
- ii) Som Distilleries and Breweries Odisha Private Limited

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

2. BASIS OF PREPARATION, CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for preparation and consolidation

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

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

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

The Consolidated financial statements are presented in INR, the functional currency of the Group. Items included in the consolidated financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency').



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

The Consolidated Financial statements of the Company for the year ended 31st March, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 3rd June, 2021.

(b) **Basis of measurement**

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

2.2 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

2.3 SIGNIFICANT ACCOUNTING POLICIES

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

(b) Other Accounting Policies applicable to Group

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SOM DISTILLERIES & BREWERIES LIMITED




NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

[3] Property, Plant and Equipment

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 31.03.2020	ADDITION/ (DISPOSAL) DURING 2020-21	AS AT 31.03.2021	Upto 31.03.2020	FOR THE YEAR 2020-21	Upto 31.03.2021	AS AT 31.03.2021	AS AT 31.03.2020
LAND & SITE DEVELOPMENT	19,80,49,853	32,56,728	20,13,06,581	-	-	-	20,13,06,581	19,80,49,853
BUILDINGS & CIVIL WORKS	73,31,82,532	28,26,66,195	1,01,58,48,728	12,16,37,243	2,75,64,240	14,92,01,482	86,66,47,246	61,15,45,290
PLANT & MACHINERY	2,31,36,76,671	1,26,88,99,072	3,58,25,75,743	47,99,26,189	8,94,13,313	56,93,39,502	3,01,32,36,241	1,83,37,50,481
FURNITURE & FIXTURES	94,57,310	67,468	95,24,778	34,43,669	7,34,360	41,78,029	53,46,749	60,13,641
OFFICE EQUIPMENTS	1,97,05,654	42,17,217	2,39,22,871	1,17,26,976	42,96,076	1,60,23,053	76,99,616	79,78,678
VEHICLES	10,91,50,841	-	10,91,50,841	5,95,17,447	94,19,017	6,89,36,464	4,02,14,377	4,96,33,394
TOTAL	3,38,32,22,861	1,55,91,06,680	4,94,23,29,542	67,62,51,524	13,14,27,005	80,76,78,530	4,13,46,51,012	2,70,69,71,337
Capital work in Progress	1,42,07,75,964	(1,39,90,06,605)	2,17,69,359	-	-	-	2,17,69,359	1,42,07,75,964
GRAND TOTAL							4,15,64,20,371	

[4] Intangible Assets

PARTICULARS	GROSS BLOCK		AMORTISATION		NET BLOCK	
	AS AT 31.03.2020	ADDITION DURING 2020-21	Upto 31.03.2020	FOR THE YEAR 2020-21	AS AT 31.03.2021	AS AT 31.03.2020
ERP-Computer Softwares	1,42,58,585	-	40,07,824	22,58,659	79,92,102	1,02,50,761
TOTAL	1,42,58,585	-	40,07,824	22,58,659	79,92,102	1,02,50,761
Capital work in Progress	-	2,36,000	-	-	2,36,000	



SOM DISTILLERIES & BREWERIES LIMITED
YEAR ENDED 31.03.2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	<u>As At</u> <u>31.03.2021</u>	<u>As At 31.03.2020</u>
[5] <u>Financial Assets</u>		
<u>Security Deposits</u>		
Security Deposit	16,10,65,987	19,24,68,813
Total	16,10,65,987	19,24,68,813

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

[6] <u>Inventories</u>		
(as taken, valued and certified by the Management)		
Raw Materials	9,22,19,238	18,17,50,454
Stores, Consumables & Packing Materials	27,51,76,253	52,75,33,431
Stock In Process	9,44,03,647	9,56,49,760
Finished Goods	22,26,21,575	23,42,64,331
Total	68,44,20,714	1,03,91,97,976

[7] <u>Trade Receivables</u>		
(Unsecured, considered good)		
Outstanding for a period exceeding six months	3,67,92,137	5,13,62,168
Other Debts	1,27,81,79,802	1,24,90,66,187
Total	1,31,49,71,939	1,30,04,28,355

[8] <u>Cash and Cash Equivalents</u>		
Cash in hand	5,78,57,753	2,20,52,692
<u>Balance With Scheduled Banks</u>		
Current Accounts	2,05,13,341	11,37,07,034
Deposit Accounts	5,88,75,118	7,52,68,751
<u>Other Bank Balances</u>		
Unpaid Dividend Accounts	74,32,402	83,75,266
Total	14,46,78,614	21,94,03,742

[9] <u>Current Loans</u>		
Advances to Others	1,47,14,607	4,19,31,207
Total	1,47,14,607	4,19,31,207

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

[10] <u>Other Current Assets</u>		
Capital Advances	9,63,59,964	20,43,14,359
Staff Advances	1,07,76,102	1,03,26,118
Prepaid Expenses	12,66,02,900	12,63,69,963
Advances to suppliers	34,16,90,817	29,45,77,800
Other Assets	5,50,71,064	-
Total	63,05,00,846	63,55,88,240

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SOM DISTILLERIES & BREWERIES LIMITED
YEAR ENDED 31.03.2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As At 31.03.2021	As At 31.03.2020
[11] Equity Share Capital		
Authorized		
8,00,00,000 Equity Shares of Rs. 5/- each [Prev Year 3,50,00,000 Equity Shares of Rs. 10/- each]	40,00,00,000	35,00,00,000
Issued, Subscribed and Fully Paid		
6,49,87,738 Equity Shares of Rs.5/- each [Prev Year 3,24,93,869 Equity Shares of Rs.10/- each]	32,49,38,690	32,49,38,690

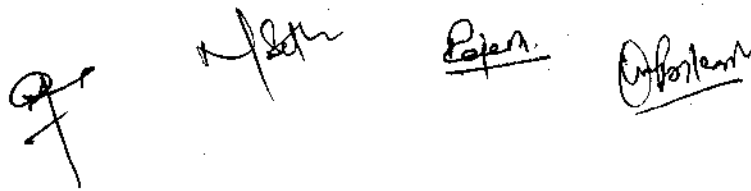
Terms/Rights attached to the shares

(a) The Company has only one class of Equity Shares having par value of Rs.5 per share. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the company after the distribution of all preferential amounts, in proportion to their shareholding.

(b) **Details of Shareholders holding more than 5% Shares in the Company.**

Name of Shareholders	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	%	No. of Shares	%
Sh. Jagdish Kumar Arora	6243322	9.61%	3121661	9.61%
Som Distilleries Private Limited	6346066	9.77%	3163613	9.74%
Karst Peak Asia Master Fund	-	-	2455042	7.56%

	As At 31.03.2021	As At 31.03.2020
[12] Other Equity		
Capital Reserve (Amount forfeited against share warrants)	39,30,000	39,30,000
Securities Premium Reserve	1,42,23,98,757	1,42,23,98,757
Surplus - In Statement of Profit & Loss		
Balance as per last Financial Statement	1,44,78,96,626	1,35,56,35,541
Add: Comprehensive Income during the year	(38,11,05,853)	15,10,20,705
Amount available for appropriation	1,06,67,90,773	1,50,66,56,246
Less:		
Final Dividend Paid		4,87,40,804
Dividend Distribution Tax		1,00,18,816
Balance at the end of the year	1,06,67,90,773	1,44,78,96,626
Total Reserves & Surplus	2,49,31,19,530	2,87,42,25,383





SOM DISTILLERIES & BREWERIES LIMITED
YEAR ENDED 31.03.2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	Non Current		Current Maturities	
	As At 31.03.2021	As At 31.03.2020	As At 31.03.2021	As At 31.03.2020
[13] Borrowings				
Long Term Borrowings				
(i) Secured Loans				
(a) Bandhan Bank Ltd	29,39,66,000	24,36,86,286	8,29,08,572	9,45,80,000
(b) SBI Term Loan	38,88,33,340	41,30,00,000	17,71,00,200	9,25,72,548
(c) PNB Term Loan	4,59,52,909	5,99,80,829	1,97,81,567	91,39,580
(d) Vehicle Loans				
From Banks	8,76,483	21,62,943	7,23,273	12,22,991
From Others		1,29,02,883	-	65,59,264
(ii) Unsecured Loans				
(a) IFCI Venture Capital Funds Ltd.				2,52,70,784
(b) Others	58,20,77,829	71,40,27,862		
Grand Total	1,23,11,06,661	1,44,37,66,403	28,04,13,612	22,93,45,167

Notes:


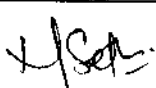
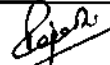
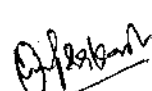
- Loan from Bandhan Bank is secured by way of pari passu charge on factory land & building and plant & machinery.
- Loan from SBI is secured by way of pari passu charge on factory land & building and plant & machinery.
- Loan from SBI in a subsidiary 'Woodpeckers Distilleries & Breweries Pvt Ltd' is secured by way of mortgage of Factory Land and Buildings, personal guarantees of the Directors of the Company and corporate guarantee of the Holding Company
- Loan from PNB in subsidiary 'Som Distilleries and Breweries Odisha Pvt Ltd' is secured by way of corporate guarantee of the Holding Company and personal guarantee of Directors and a Promoter of Holding company and by Collateral Security of Company's additional land at Orissa.
- Vehicle Loans are secured by hypothecation of respective vehicles.
- Loan from IFCI Venture Capital Funds Ltd. is secured by personal guarantees of promoters and collaterals given by related party.

	As At 31.03.2021	As At 31.03.2020
[14] Other Long Term Financial Liabilities		
Security Deposits (Unsecured)	3,46,16,279	1,09,00,279
Total	3,46,16,279	1,09,00,279

	As At 31.03.2021	As At 31.03.2020
[15] Deferred Tax Liability (Net)		
Difference between depreciation as per books of account and the Income Tax Act 1961.	35,97,32,384	23,84,51,984
Others	10,21,805	22,80,272
Gross Deferred Tax Liability	36,16,53,989	24,07,32,256
Deferred Tax Assets		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	84,02,993	35,04,921
Carried Forward Losses	28,41,39,834	13,37,44,692
Gross Deferred Tax Assets	29,35,42,827	13,72,49,613
Deferred Tax Liability (Net)	6,81,11,162	10,34,82,643

Notes:

- Deferred tax assets and Deferred tax liabilities have been offset.
- Deferred tax assets and Deferred tax liabilities relates to income taxes levied by the taxation authorities of respective companies.


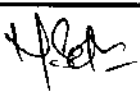
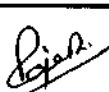
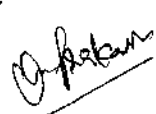







SOM DISTILLERIES & BREWERIES LIMITED
YEAR ENDED 31.03.2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	<u>As At</u> <u>31.03.2021</u>	<u>As At</u> <u>31.03.2020</u>
[16] Borrowings		
<u>Short Term Borrowings</u>		
Cash Credit from Bank	54,78,82,636	54,30,63,978
Total	<u>54,78,82,636</u>	<u>54,30,63,978</u>
<hr/>		
[17] Other Financial Liabilities		
Current maturities of long-term borrowing	30,31,04,261	22,93,45,167
Bank Overdrafts (Book)	1,47,63,698	1,82,96,451
Un paid Dividend	74,32,402	83,75,266
Expenses & Other Payable	1,11,46,40,573	93,99,45,790
Total	<u>1,43,99,40,934</u>	<u>1,19,59,62,674</u>
<hr/>		
[18] Other Current Liabilities		
Advances from customers	3,87,25,462	8,14,59,030
Statutory dues payable	2,48,55,223	9,44,84,699
Dividend tax	62,63,578	1,62,82,394
Total	<u>6,98,44,263</u>	<u>19,22,26,123</u>
<hr/>		
[19] Short Term Provisions		
Employee Benefits	1,23,94,616	68,17,013
Total	<u>1,23,94,616</u>	<u>68,17,013</u>



SOM DISTILLERIES & BREWERIES LIMITED
YEAR ENDED 31.03.2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	<u>Year Ended</u> <u>31.03.2021</u>	<u>Year Ended</u> <u>31.03.2020</u>
[20] <u>Other Income</u>		
Interest	46,17,666	56,15,995
Profit on Sale of Fixed Assets	-	7,34,778
Other Revenues	2,11,35,396	2,96,69,116
Total	<u>2,57,53,062</u>	<u>3,60,19,889</u>

[21] Cost of Materials consumed

Opening Stocks	70,92,83,886	62,89,68,918
Add: Purchases	1,29,99,30,826	2,55,25,44,489
Less: Closing Stocks	36,73,95,491	70,92,83,886
Total	<u>1,64,18,19,219</u>	<u>2,47,22,29,522</u>

[22] Employee Remuneration & Benefits

Salaries, allowances & bonus	15,50,49,690	15,34,05,079
Employer's contribution to Provident & Gratuity Fund	75,83,606	79,10,317
Staff welfare expenses	52,47,032	75,83,141
Total	<u>16,78,80,328</u>	<u>16,88,98,537</u>

[23] Financial Costs

Interest to Bank & FIs	18,01,89,940	14,07,74,831
Interest to Others	64,00,074	1,29,15,188
Total	<u>18,65,90,014</u>	<u>15,36,90,019</u>

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SOM DISTILLERIES & BREWERIES LIMITED
YEAR ENDED 31.03.2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	Year Ended 31.03.2021	Year Ended 31.03.2020
[24] Other Expenses		
Power and fuel	10,20,33,502	16,12,16,609
Labour	4,71,03,298	4,96,64,878
Rent	2,01,56,684	1,71,01,045
Repairs		
Buildings	5,97,782	7,63,356
Machinery	4,11,77,055	9,75,40,342
Others	43,82,719	73,93,434
Insurance	95,62,913	60,20,589
Rates and taxes (Other than on income)	18,84,26,976	18,08,11,042
Other Manufacturing Exp	1,29,49,906	1,31,98,733
Auditors Remuneration		
(a) Audit fees	2,58,700	2,58,700
(b) Other Services	2,53,700	2,53,700
Donations	13,69,900	5,46,911
Corporate Social Responsibility	69,50,000	68,65,000
Travelling & Conveyance	2,04,47,420	2,19,80,006
Legal & Professional	1,57,37,856	2,51,77,636
Sales promotion	31,38,95,340	50,78,73,978
Advertisement & Publicity	86,35,050	2,60,72,550
Freight outward	19,03,95,288	32,05,74,227
Other selling expenses	13,49,93,830	5,83,11,231
General expenses	1,78,79,852	1,52,42,338
Postage, Telegrams & Telephones	49,38,797	1,87,10,718
Vehicle Running & Maintenance	67,40,563	2,13,54,665
Total	1,14,88,87,133	1,55,69,31,689

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Other Notes

25) The Group had sought information and certification from its vendors as to their being a Micro, Small or Medium Enterprise unit under the Micro, Small and Medium Enterprises Development Act, 2006, to comply with the requirements of Law. However, till date replies have been received from very few vendors. Hence, amounts due to Micro, Small Scale Enterprises outstanding as on 31st March, 2021 is not ascertainable. The process of collecting the information from the vendors is currently ongoing.

26) **Employees Benefits:**

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

(i) **In respect of Short Term Employee Benefits:**

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

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

Table Showing Changes in Present Value of Obligations:

Period	From 01.04.2020 to 31.03.2021	From 01.04.2019 to 31.03.2020
Present value of the obligation at the beginning of the period	75,38,695	70,97,590
Interest cost	5,27,709	4,96,831
Current service cost	9,83,641	10,64,822
Past Service Cost	-	-
Benefits paid (if any)	(7,64,193)	-
Actuarial (gain)/loss	(4,23,034)	(11,20,548)
Present value of the obligation at the end of the period	78,62,818	75,38,695


Key results:

Period	From 01.04.2020 to 31.03.2021	From 01.04.2019 to 31.03.2020
Present value of the obligation at the end of the period	78,62,818	75,38,695
Fair value of plan assets at end of period	61,71,781	65,40,746
Net liability/(asset) recognized in Balance Sheet and related analysis	16,91,037	9,97,949
Funded Status - Surplus/ (Deficit)	(16,91,037)	(9,97,949)

Expense recognized in the statement of Profit and Loss:

Period	From 01.04.2020 to 31.03.2021	From 01.04.2019 to 31.03.2020
Interest cost	5,27,709	4,96,831
Current service cost	9,83,641	10,64,822
Past Service Cost	-	-
Expected return on plan asset	(4,57,852)	(4,26,461)
Expenses to be recognized in P&L	10,53,498	11,35,192

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Other comprehensive (income)/expenses (Re-measurement)

Period	From 01.04.2020 to 31.03.2021	From 01.04.2019 to 31.03.2020
Cumulative unrecognized actuarial (gain)/loss opening. B/F	11,08,935	22,51,468
Actuarial (gain)/loss - obligation	(4,23,034)	(11,20,548)
Actuarial (gain)/loss - plan assets	(7,239)	(21,985)
Total Actuarial (gain)/loss	(4,30,273)	(11,42,533)
Cumulative total actuarial (gain)/loss C/F	6,78,662	11,08,935

Table showing changes in the Fair Value of Planned Assets:

Period	From 01.04.2020 to 31.03.2021	From 01.04.2019 to 31.03.2020
Fair value of plan assets at the beginning of the period	65,40,746	60,92,300
Expected return on plan assets	4,57,852	4,26,461
Contributions	(69,863)	0
Benefits paid	(7,64,193)	0
Actuarial gain/(loss) on plan assets	7,239	21,985
Fair Value of Plan Asset at the end of the Period	61,71,781	65,40,746

Table showing Fair Value of Planned Assets:






Period	From 01.04.2020 to 31.03.2021	From 01.04.2019 to 31.03.2020
Fair value of plan assets at the beginning of the period	65,40,746	60,92,300
Actual return on plan assets	4,65,091	4,48,446
Contributions	(69,863)	-
Benefits paid	(7,64,193)	-
Fair value of plan assets at the end of the period	61,71,781	65,40,746

Actuarial (Gain)/Loss on Planned Assets:

Period	From 01.04.2020 to 31.03.2021	From 01.04.2019 to 31.03.2020
Actual return on plan assets	4,65,091	4,48,446
Expected return on plan assets	4,57,852	4,26,461
Actuarial gain/ (Loss)	7,239	21,985

The assumptions employed for the calculations are tabulated:

Discount rate	7.00 % per annum	7.00 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.

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

Funding arrangements and funding policy

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

Expected contribution during the next annual reporting period

Period	From 01.04.2020 To 31.03.2021	From 01.04.2019 To 31.03.2020
The Company's best estimate of Contribution during the next year	12,46,119	13,42,577

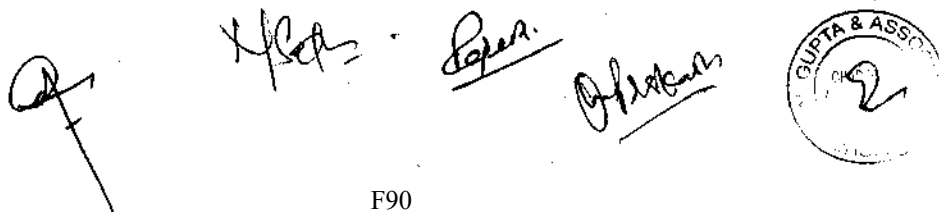
Sensitivity Analysis:

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

Period	As on: 31.03.2021
Defined Benefit Obligation (Base)	78,62,818 @ Salary Increase Rate : 5%, and discount rate :7%
Liability with x% increase in Discount Rate	73,69,250; x=1.00% [Change (6)%]
Liability with x% decrease in Discount Rate	84,17,937; x=1.00% [Change 7%]
Liability with x% increase in Salary Growth Rate	84,23,589; x=1.00% [Change 7%]
Liability with x% decrease in Salary Growth Rate	73,55,803; x=1.00% [Change (6)%]
Liability with x% increase in Withdrawal Rate	78,98,249; x=1.00% [Change 0%]
Liability with x% decrease in Withdrawal Rate	78,21,348; x=1.00% [Change (1)%]

27) Imports

a) Value of Imports Calculated on CIF Basis (As certified by the Management)	2020-21	2019-20
i) Raw & Packing Materials	7,00,87,455	14,39,73,939
ii) Components and Spare Parts	17,47,839	1,24,29,679
iii) Capital Goods	30,99,035	-
b) Expenditure in Foreign Currency		
Bank Charges	1,58,785	1,24,816



28) **Consumption of raw material, packing materials, stores, spares consumed.**
(As certified by the Management)

Particulars	Raw Materials & Packing Materials		Stores & Spares	
	2020-21	2019-20	2020-21	2019-20
Imported				
Percentage	4.44%	6.62%	4.19%	12.64%
Value (Rs)	7,28,24,159	16,35,59,462	17,47,839	1,24,29,679
Local				
Percentage	95.33%	93.38%	95.81%	87.36%
Value (Rs)	1,56,89,95,060	2,30,86,70,059	3,99,99,998	8,58,74,020
Total	100.00%	100%	100%	100%
Total	1,64,18,19,219	2,47,22,29,521	4,17,74,837	9,83,03,699

29) **Earnings in Foreign Exchange**

	2020-21	2019-20
Exports of Goods calculated on FOB Basis	8,97,77,214	4,88,99,082

30) **Contingent Liabilities**

	2020-21	2019-20
i) Claims against the Group not acknowledged as debts/ disputed		
- Commercial Tax Department	60,70,636	51,37,183
- Income Tax Department	11,18,14,414	11,06,86,800
ii) Guarantees given by Bankers on behalf of the Group not provided for	9,39,99,451	18,58,60,480
iii) Corporate guarantee given to a bank on behalf of subsidiaries	119,06,00,000	80,00,00,000

31) **Financial Instruments**

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

A. Financial assets and liabilities

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

	March 31, 2021	March 31, 2020
Financial Assets:		
Cash and cash equivalents	14,46,78,814	21,94,03,743
Trade receivables	1,31,49,71,988	1,30,04,28,354
Loans	1,47,14,607	4,19,31,207
Other Financial Assets	16,10,65,987	19,24,68,813
Total	1,63,54,31,396	1,75,42,32,117
Financial Liabilities:		
Trade and other payables	89,30,46,510	86,82,45,736
Borrowings	1,77,89,89,197	1,98,88,24,380
Other financial liabilities	1,47,45,57,213	1,20,68,62,953
Total	4,14,65,92,920	4,06,39,33,069

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B. Financial risk management objectives and policies

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

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

i) Market risk

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

(a) Interest rate risk

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

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

	As at 31.03.2021		As at 31.03.2020	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
Impact on profit before tax	(20 Lacs)	20 Lacs	(20 Lacs)	20 Lacs

(b) Commodity price risk

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

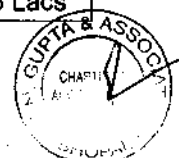
	As at 31.03.2021		As at 31.03.2020	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax	(10 Lacs)	10 Lacs	(28 Lacs)	28 Lacs

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ii) Credit risk

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

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

iii) Liquidity risk

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

As At March 31, 2021	Maturities			Total Carrying value
	Upto 1 year	1-2 years	> 2 Years	
Financial Liabilities:				
Non Current Borrowings	30,31,04,260	19,34,85,520	1,03,76,21,041	1,53,42,10,821
Current Borrowings	54,78,82,636	-	-	54,78,82,636
Trade and other payables	89,30,46,511	-	-	89,30,46,511
Other financial liabilities	1,13,68,36,673	-	3,46,16,279	1,17,14,52,952
Total	2,88,08,70,080	19,34,85,520	1,07,22,37,320	4,14,65,92,920

As At March 31, 2020	Maturities			Total Carrying value
	Upto 1 year	1-2 years	> 2 Years	
Financial Liabilities:				
Non Current Borrowings	22,93,45,167	17,24,96,233	1,27,32,64,170	1,67,51,05,570
Current Borrowings	54,30,63,978	-	-	54,30,63,978
Trade and other payables	86,82,45,736	-	-	86,82,45,736
Other financial liabilities	96,66,17,507	-	1,09,00,279	97,75,17,786
Total	2,60,72,72,388	17,24,96,233	1,28,41,64,449	4,06,39,33,070

- 32) The Group is engaged in the business of manufacture and sale of Alcoholic beverages (Beer and IMFL) which constitutes a single business segment. The Group's exports outside India did not exceed the threshold limits for disclosure as envisaged in Ind AS 108 on "Operating Segments" issued by the Institute of Chartered Accountants of India. In view of the above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in Ind AS - 108 are not applicable to the Group.



33) Information as per Ind AS 24: "Related Party Disclosures" is:

a) **Related Party**

Group Companies	Key Management Personnel	Others
- Woodpecker Distilleries and Breweries Private Limited	J.K. Arora Nakul.K. Sethi	Som Distilleries Private Limited
- Som Distilleries and Breweries Odisha Private Limited		

b) **Transactions with Related Parties**

(In Rupees)

Som Distilleries Private Limited	
Purchases	9,86,65,345
Sales	48,98,039
Job Work Charges	4,88,241
Other transactions	29,41,04,726
Closing Balance	57,54,19,389 Cr
Executive Directors	
Remuneration	88,09,842
Non Executive Directors	
Sitting Fees	4,50,000

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

Sl. No.	Particulars	31.03.2021	31.03.2020
a)	Numerator Profit/(Loss) after tax Rs.	(38,11,05,850)	15,10,20,705
b)	Weighted average number of equity shares Nos.	6,49,87,738	3,24,93,869
c)	Basic & Diluted earnings per shares (Rs.)	(5.86)	4.65
d)	Nominal value of shares (Rs.)	5.00	10.00

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

36) During the financial year 2020-21, the Group has spent an amount of Rs.69.50 lakhs (previous year Rs. 68.65 lakhs) on Corporate Social Responsibility for the purpose of children education and medical aid.

37) **Global Health Pandemic on Covid-19**

In March 2020, the World Health Organization had declared Corona virus (COVID-19) to be a pandemic and on March 24, 2020, the Government of India ordered a nationwide lockdown, which got extended in phases across the country.

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Due to COVID 19 there was a significant reduction in the economic activity in the country. From May 2020, we resumed our business activities in a phased manner in line with directives issued by the central and state governments. The business operations of the company were severely impacted in particular by the loss of peak season in FY 20-21, interruption of production, disruptions in the supply chain, loss on materials etc.


The industry outlook remains positive yet remains volatile depending amongst others on the future trajectory of the pandemic as well as the state of the economy. The company continues to actively review costs and focus on working capital management. We remain optimistic about the long-term growth drivers of the industry.

Recently, India has seen a surge in the spread of COVID-19 in India and various state governments have imposed restrictions ranging from lock downs to night/weekend curfews to contain the spread of COVID-19. The impact of COVID-19 pandemic on the overall economic environment continues to be uncertain. The Company will continue to closely monitor the situation and any material changes to future economic conditions.

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

As per our Report of even date

For R. N. Gupta & Associates
Chartered Accountants
Firm Registration No: 001419C


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



For and on Behalf of the Board


J.K. Arora
(Chairman &
Managing Director)


Nakul K Sethi
(Director)


Rajesh Dubey
(Chief Financial Officer)


Om Prakash
(Company Secretary)

Bhopal


Dated: 03.06.2021

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries


S. No.	1	2
Name of the Subsidiary	Woodpecker Distilleries & Breweries Pvt Ltd	Som Distilleries & Breweries Odisha Pvt Ltd
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2020 to 31.03.2021	01.04.2020 to 31.03.2021
Reporting currency and Exchange rate as on the last date of relevant Financial year in the case of foreign subsidiaries.	INR	INR
Share Capital	51,00,00,000	25,01,00,000
Reserves & Surplus	(13,57,47,579)	(8,80,74,431)
Total Assets	1,96,58,14,533	1,19,10,72,284
Total Liabilities	1,59,15,62,112	1,02,90,46,715
Investments	-	-
Turnover	1,89,75,85,686	94,68,62,554
Profit/(Loss) Before Tax	(12,18,35,323)	(6,05,40,287)
Provision for Tax (including adjustments)	(3,21,06,396)	5,00,98,954
Profit/(Loss) After Tax	(8,97,28,927)	(11,06,39,241)
Proposed Dividend	-	-
% of Shareholding of Holding Company	100%	100%

For and on Behalf of the Board


J.K. Arora
(Chairman & Managing Director)


Nakul K Sethi
(Executive Director)


Rajesh Dubey
(Chief Financial Officer)


Om Prakash
(Company Secretary)



DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all material approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

SIGNED ON BEHALF OF BOARD OF DIRECTORS:

Jagdish Kumar Arora

Managing Director and Chairman

Date: October 5, 2023

Place: Bhopal

DECLARATION

We, the Board of Directors of the Company certify that:

- I. the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;
- II. the compliance with the Companies Act, 2013 and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and
- III. the monies received under the Issue shall be used only for the purposes and objects indicated in the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

Jagdish Kumar Arora
Managing Director and Chairman

Date: October 5, 2023

Place: Bhopal

I am authorized by the Fund Raising Committee of the Company, *vide* resolution dated October 5, 2023, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

Jagdish Kumar Arora
Managing Director and Chairman

Date: October 5, 2023

Place: Bhopal

ISSUER

SOM DISTILLERIES AND BREWERIES LIMITED

Registered Office

1A, Zee Plaza, Arjun Nagar, S.J. Enclave,
Kamal Cinema Road, New Delhi,
Delhi – 110 029, India.

Corporate Office

23, Zone-II,
M.P. Nagar, Bhopal – 462 011,
Madhya Pradesh, India.

Telephone No.: +91 755 4271 271 / + 91 755 4278 827

CIN: L74899DL1993PLC052787

Website: www.somindia.com

Contact Person:

Om Prakash Singh, Company Secretary and Compliance Officer

Details of Compliance Officer

Om Prakash Singh

23, Zone-II, M.P. Nagar,
Bhopal - 462 011, India

Email: omprakash@somindia.com

Telephone No.: +91 755 4271 271

BOOK RUNNING LEAD MANAGER

Elara Capital (India) Private Limited

One International Center,
Tower 3, 21st Floor,
Senapati Bapat Marg, Elphinstone Road
Mumbai - 400 013, Maharashtra, India

DOMESTIC LEGAL COUNSEL TO THE COMPANY

M/s. Crawford Bayley & Co.

State Bank Buildings, 4th Floor
N.G.N. Vaidya Marg, Fort
Mumbai - 400 023, Maharashtra, India

INTERNATIONAL LEGAL COUNSEL TO THE BRM AS AS TO INTERNATIONAL SELLING RESTRICTIONS

Dentons US LLP

2000 McKinney Avenue
Suite 1900, Dallas
TX 75201-1858
United States

AUDITORS TO OUR COMPANY

M/s. AKB Jain & Co.

Chartered Accountants
E-2/316 Arera Colony,
Bhopal 462 016, Madhya Pradesh, India.

SAMPLE APPLICATION FORM

An indicative format of the Application Form is set forth below:

(Note: The format of the Application Form included herein below is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. Our Company, in consultation with the Book Running Lead Manager, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)



APPLICATION FORM

Form No.:

Date:

SOM DISTILLERIES AND BREWERIES LIMITED

(Som Distilleries and Breweries Limited (“Company” or “Issuer”) was incorporated as Som Distilleries and Breweries Limited, a public limited company under the Companies Act, 1956 with the Registrar of Companies, Delhi & Haryana at Delhi and was granted a certificate of incorporation on March 26, 1993. For further details, please see the section entitled “General Information” on page 184.)

Registered Office: 1A, Zee Plaza, Arjun Nagar, S.J. Enclave, Kamal Cinema Road, New Delhi – 110 029, India;
Corporate Office: 23, Zone-II, M.P. Nagar, Bhopal – 462 011, Madhya Pradesh, India;
Telephone: +91 755 4271 271 / + 91 755 4278 827; **Contact Person:** Om Prakash Singh, Company Secretary and Compliance Officer; **Email:** compliance@somindia.com; **Website:** www.somindia.com;
Corporate Identification Number: L74899DL1993PLC052787

Name of the Bidder:

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 5 EACH (THE “EQUITY SHARES”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (“ISSUE PRICE”) INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO APPROXIMATELY ₹ [●] LAKHS UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”) AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE “COMPANIES ACT”), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE “PAS RULES”), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY SOM DISTILLERIES AND BREWERIES LIMITED (THE “COMPANY”) (HEREINAFTER REFERRED TO AS THE “ISSUE”). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 349.24 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers (“QIBs”) as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; and (c) hold a valid and existing registration under the applicable laws in India (as applicable), and (d) are eligible to invest in the Issue and submit this Application Form. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (“FEMA Non-Debt Rules”), can submit this Application Form. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in ‘offshore transactions’ as defined in, and in reliance on, Regulation S under the U.S. Securities Act (“Regulation S”) and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdictions. You should note and observe the solicitation and distribution restrictions contained in the sections titled “Selling Restrictions” and “Transfer Restrictions” in the accompanying preliminary placement document dated October 5, 2023 (“PPD”).

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA NON-DEBT RULES IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA NON-DEBT RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

STATUS (Please tick for applicable category)			
FI	Scheduled Commercial Bank	IC	Insurance Companies

To,

The Board of Directors

Som Distilleries and Breweries Limited

1A, Zee Plaza, Arjun Nagar, S.J. Enclave, Kamal Cinema Road, New Delhi – 110 029, India

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non-Debt Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are not an FVCI. We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allotted to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").

We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Application Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with Elara Capital (India) Private Limited (the "**BRLM**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allotted to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Application Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Application Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Application Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allotted to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Application Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Application Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allotted to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; and; (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws.

By signing and/or submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "**Notice to Investors**", "**Representations by Investors**", "**Issue Procedure**", "**Selling Restrictions**" and "**Transfer Restrictions**" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Book Running Lead Manager, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "**Risk Factors**" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Book Running Lead Manager or from any other source, including publicly available information; (2) we will abide by the Preliminary Placement Document and the Placement Document, this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and

	and Financial Institutions		
MF	Mutual Funds	VCF	Venture Capital Funds**
NIF	National Investment Fund	FPI	Foreign Portfolio Investor*
IF	Insurance Funds	AIF	Alternative Investment Funds
SI-NBFC	Systematically Important Non – Banking Financial Companies	OTH	Others (Please specify)
*Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue. ** Sponsor and Manager should be Indian owned and controlled.			

trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the Book Running Lead Manager, and the submission of this Application Form and payment of the corresponding Application Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the Book Running Lead Manager. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the Preliminary Placement Document and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Accounts (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Application Amount to the Escrow Accounts, on behalf of the Eligible QIB.

We confirm that we are eligible to invest and hold the Equity Shares of the Company in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent that we are located outside the United States (as defined under Regulation S) and are purchasing Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. We confirm that we have read and agree with the representations, warranties and agreements contained in the sections entitled "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" of the PPD.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		FAX NO.	
MOBILE NO.			
EMAIL ID			
FOR ELIGIBLE FPIs**		SEBI FPI REGISTRATION NO.	
FOR MF		SEBI MF REGISTRATION NO.	
FOR AIFs***		SEBI AIF REGISTRATION NO.	
FOR VCFs***		SEBI VCF REGISTRATION NO.	
FOR SI-NBFC		RBI REGISTRATION DETAILS	
FOR INSURANCE COMPANIES		IRDAI REGISTRATION DETAILS.	
<p><i>*Name should exactly match with the name in which the beneficiary account is held. Application Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the Book Running Lead Manager.</i></p> <p><i>** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.</i></p> <p><i>*** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.</i></p>			

We are aware that the number of Equity Shares held by us in the Company, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the Book Running Lead Manager has relied on the information provided by the RoC for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

NO. OF EQUITY SHARES BID FOR		PRICE PER EQUITY SHARE (RUPEES)		APPLICATION AMOUNT (RUPEES)	
(In Figures)	(In Words)	(In Figures)	(In Words)	(In Figures)	(In Words)

DEPOSITORY ACCOUNT DETAILS					
Depository Name (Please ✓)		National Security Depository Limited		Central Depository Services (India) Limited	
Depository Participant Name					
DP – ID	I	N			
Beneficiary Account Number					(16-digit beneficiary account. No. to be mentioned above)

PAYMENT DETAILS REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 03:00 PM (IST), October 10, 2023 (“ISSUE CLOSING DATE”)

BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT THROUGH ELECTRONIC FUND TRANSFER					
Name of the Account I	SDBL QIP ESCROW ACCOUNT R 2023	Account No.	000405148365	Account Type	Current Account – Escrow Account
Name of the Account II	SDBL QIP ESCROW ACCOUNT NR 2023	Account No.	000405148357		
Name of Bank	ICICI Bank Limited		Address of the Branch of the Bank	ICICI Bank Limited, Capital Market Division, 163, 5th Floor, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai-400 020, India.	
IFSC	ICIC0000004				
Legal Identifier No.	25490008EQVWG1FRIB67				

The demographic details like address, bank account details, etc. will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Application Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

The Application Amount should be transferred pursuant to this Application Form only by way of electronic fund transfers, towards the Escrow Account. Payment of the entire Application Amount should be made along with this Application Form on or before the closure of the Issue Period i.e., prior to or on the Bid/Issue Closing Date. All payments must be made in favour of the Escrow Accounts mentioned above. The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in this Application Form.

You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by you. The Company and the Book Running Lead Manager shall not be liable in any manner for refunds that are not processed due to incorrect bank details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Address	Branch

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Mobile No.	Email: _____		

OTHER DETAILS	
PAN	
Date of Application	
Signature of Authorised Signatory (may be signed either physically or digitally)	

ENCLOSURES ATTACHED	
<input type="checkbox"/>	Copy of PAN Card or PAN allotment letter**
<input type="checkbox"/>	FIRC
<input type="checkbox"/>	Copy of the SEBI registration certificate as a Mutual Fund
<input type="checkbox"/>	Copy of the SEBI registration certificate as an Eligible FPI
<input type="checkbox"/>	Copy of the SEBI registration certificate as an AIF
<input type="checkbox"/>	Copy of the SEBI registration certificate as a VCF
<input type="checkbox"/>	Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
<input type="checkbox"/>	Copy of the IRDA registration certificate

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<input type="checkbox"/> Copy of notification as a public financial institution
<input type="checkbox"/> Certified true copy of the power of attorney
<input type="checkbox"/> Other, please specify _____

**A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.*

***It is to be specifically noted that the Bidder should not submit the GIR number or any other identification number instead of the PAN, as the applications are liable to be rejected on this ground, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein. This Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.

Note 2: This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Company in consultation with the Book Running Lead Manager.