



# **28<sup>TH</sup> ANNUAL REPORT 2020-21**

**SOM DISTILLERIES AND BREWERIES LIMITED**





HIGH ON MALT | IMPORTED HOPS

STRONG...  
BUT REALLY SMOOTH

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr. Jagdish Kumar Arora**  
Chairman and Managing Director

**Mr. Nakul Kam Sethi**  
Whole Time Director

**Ms. Nishi Arora**  
Woman Director (Non-Executive & Independent)

**Mr. Deena Nath Singh**  
Director (Non-Executive & Independent)

**Mr. Satpal Kumar Arora**  
Director (Non-Executive & Independent)

**Mr. Uma Kant Samal**  
Director (Non-Executive & Independent)

## CHIEF FINANCIAL OFFICER

Mr. Rajesh Kumar Dubey

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Om Prakash

## BOARD COMMITTEES

### AUDIT COMMITTEE

Mr. Deena Nath Singh, Chairperson  
Mr. Nakul Kam Sethi  
Ms. Nishi Arora

### NOMINATION AND REMUNERATION COMMITTEE

Mr. Deena Nath Singh, Chairperson  
Ms. Nishi Arora  
Mr. Satpal Kumar Arora

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Deena Nath Singh, Chairperson  
Mr. Nakul Kam Sethi  
Ms. Nishi Arora  
Mr. Uma Kant Samal

### INVESTOR GRIEVANCES CUM STAKEHOLDER RELATIONSHIP COMMITTEE

Mr. Deena Nath Singh, Chairperson  
Mr. Nakul Kam Sethi  
Ms. Nishi Arora

### RISK MANAGEMENT COMMITTEE

Mr. Nakul Kam Sethi, Chairperson  
Mr. Deena Nath Singh  
Ms. Nishi Arora

## EXECUTIVE, LEGAL AND BORROWING COMMITTEE

Mr. Nakul Kam Sethi, Chairperson  
Mr. Deena Nath Singh  
Mr. Rajesh Kumar Dubey

## STATUTORY AUDITORS

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

## SECRETARIAL AUDITORS

M/s N.K. Jain & Associates  
Company Secretaries  
208, Akansha, Press Complex,  
Zone I, M.P. Nagar, Bhopal 462011

## REGISTRAR & SHARE TRANSFER AGENT

MAS Services Limited  
T-34, Okhla Industrial Area,  
Phase-II, Delhi 110020

## BANKERS

State Bank of India  
Punjab National Bank  
DBS Bank  
Bandhan Bank

## REGISTERED OFFICE

CIN: L74899DL1993PLC052787  
1-A Zee Plaza, Arjun Nagar, Safdarjang Enclave,  
Kamal Cinema Road, New Delhi-110029  
Tel.: 011 26169909, 26169712

## CORPORATE OFFICE

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

## STOCK EXCHANGE

BSE Limited  
BSE Security ID: 507514  
National Stock Exchange of India  
NSE Security ID: SDBL





## FROM THE DESK OF CHAIRMAN & MANAGING DIRECTOR

### Dear Friends and Fellow Shareholders,

As I look back at financial year 2020-21, it has been a year of lockdowns and lots of uncertainty all around us. As the pandemic raged across the world, it brought in disruption for each one of us, for our families, our communities, for organizations and even for countries. The year under review was a difficult period and tested our resilience.

We are proud to have managed a satisfactory performance during the year, despite loss of our peak season due to the pandemic induced nationwide lockdowns and various other restrictions that severely impacted our operations in the initial part of the year. The operations during the initial months even after the gradual opening of the economy was difficult for our business given limited opening of trade channels and various other state-wise restrictions.

Given the challenges, we adapted quickly to the situations and decided to primarily focus on profitable markets and not on relatively newer markets. In addition, we also undertook various other measures to ensure operational efficiencies across our operations. During the later part of the year, when the economic activity started to pick up and relaxations were being eased, our focus was on enhancing our volume sales. This is evident from the sequential improvement in sales volumes each quarter. Our key brands continued to gain market share in their respective markets.

During the year, our topline stood at Rs. 2,901 million compared to 4,635 million in FY2020. Due to the pandemic related challenges, we reported an EBITDA loss of Rs. 70 million during the year. However, the encouraging part during the year was our return to profitability in the last quarter of the year, which enabled us to partially offset the losses incurred especially during the first half of the year.

I am proud of our workforce for their relentless focus and commitment even in the most challenging times and as a result of which we returned to profitability. We expect to continue the growth momentum going forward. Due to the second wave of the pandemic, our operations were again impacted in first quarter of FY2022. However, unlike last year it was not completely shut, and we were better prepared to manage the situation. Also, with the gradual lifting of lockdowns by states we anticipate quicker recovery going forward. The second wave has led to short term uncertainties, but we are confident of strong recovery in the later part of the year barring any external challenges.

We remain fully committed to achieve near-term goals and our long term growth story remains intact. Strong brand recall coupled with quality of our brands will drive profitable growth going forward. We are confident that our products will continue to gain market share and delight our customers.

Before I conclude, I would also like to thank the members of the Board for their vision, and the experience and creative perspectives they bring to us.

I would like to place on record my great sense of appreciation to our employees, distributors, suppliers and bankers for the continued perseverance and commitment that they demonstrate.

And last, but not least, I would like to thank you, our shareholders, for continuing to support us, in good times, and in difficult ones. Let us hope that the pandemic will be behind us soon.

My best wishes to you all!

**J.K. Arora**

Chairman & Managing Director



Wheat from **Argentina** and **Chile** Hops from **Germany**



HAND CRAFTED IN **INDIA**  
**TRULY INTERNATIONALLY INDIAN**



ENJOY THE FINESSE OF  
SCOTTISH BLEND

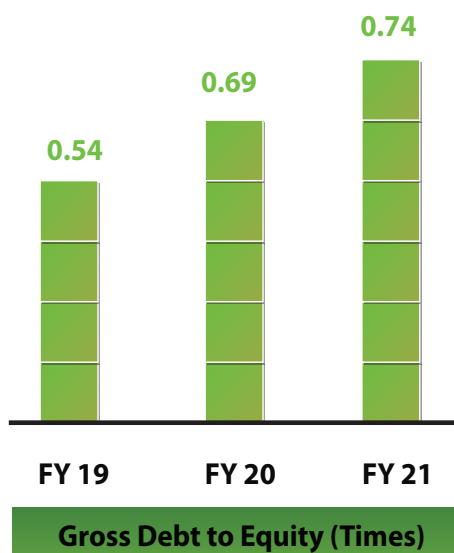
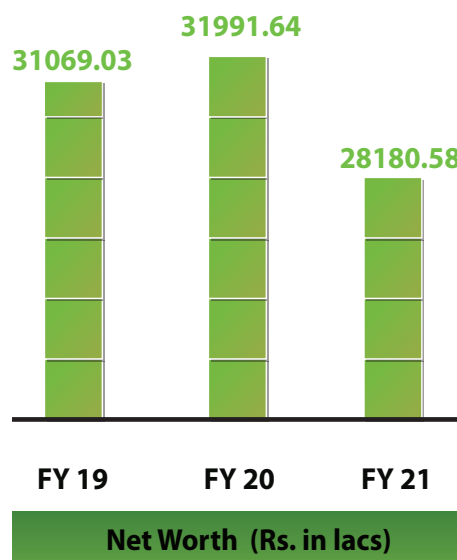
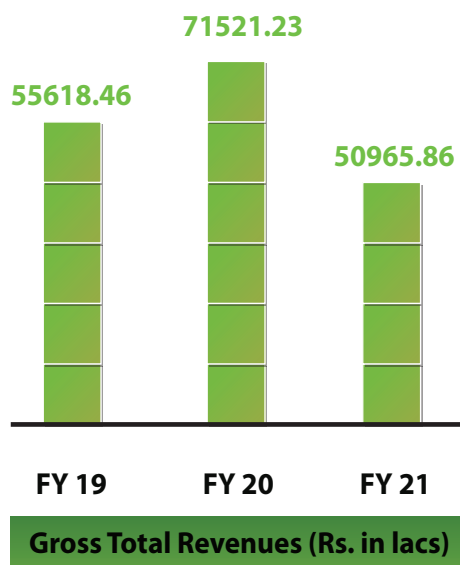


SAVOUR THE MOMENT

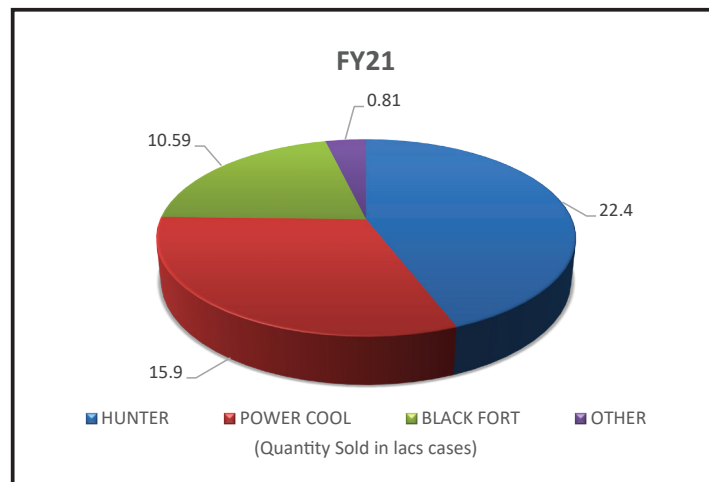
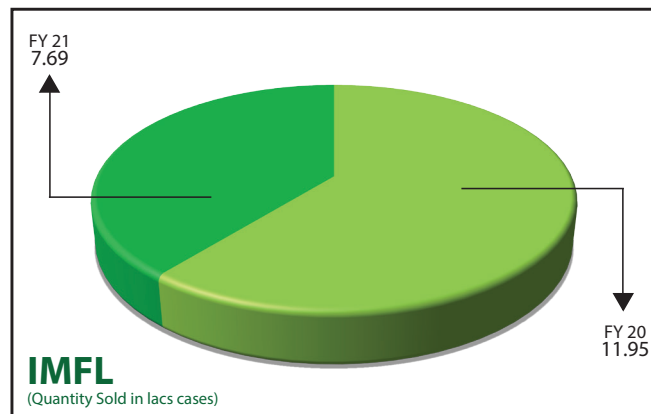
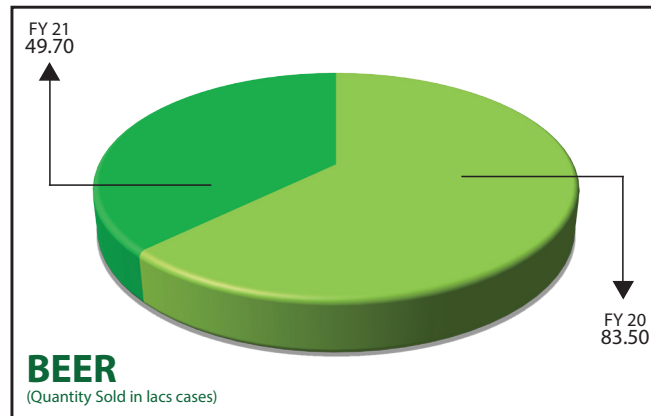
DRINK RESPONSIBLY | DON'T DRINK & DRIVE FOR LEGAL DRINKING AGE+



# FINANCIAL HIGHLIGHTS



# OPERATIONAL HIGHLIGHTS



# MANAGEMENT DISCUSSION & ANALYSIS

## 1. Economy and Outlook

The year was dominated by impact of the pandemic and related lockdowns to curtail the impact of the covid-19 virus. This was an unprecedented year globally, and will be remembered primarily for the terrible loss of lives and livelihoods. The continuously increasing death tolls across the globe and millions of jobs lost, resulting unemployment are clear indicators of severity of social and economic strain faced by global economy.

As per data released by the Indian Government, the Indian economy contracted by 7.3% in FY2021. The contraction recorded in the economy was the first full year contraction in the last four decades since 1979-80. The initial part of the fiscal year was severely impacted due to nation-wide lockdown, which resulted in complete halt of all economic activity across the country. However, as the country gradually started opening-up the economic activity started picking up resulting in growth in the later part of the year and helped in minimizing the contraction for the full year. The sectoral performance, particularly in Q4 FY2021 is very encouraging as it reveals there is recovery in manufacturing, construction and finance and real estate sectors.

The start of FY2022 was impacted by the second wave of the pandemic which severely impacted economic activities in majority of Q1 FY2022. However, the situation started improving from June and economy started experiencing some uptick in demand. The Government focus on enhancing the pace of vaccination across the country is anticipated to drive the demand for the year and provide much needed boost to the consumer sentiments.

As per World Bank's latest estimates, India's FY2022 GDP is expected to grow at 8.3%. The growth forecast has been lowered from prior estimates accounting for the impact of second wave of the pandemic during the year. The growth for the following fiscal year has been estimated at 7.5%. The growth forecast will be supported by various initiatives by the Government of India and Reserve Bank of India. The Government's focus on higher spending on infrastructure, rural development, and health, coupled with a stronger-than expected recovery in services and manufacturing will also contribute to the growth momentum.

## 2. Indian Alcobe Industry

India is the third largest spirits market by volume in the world, just behind China and Russia.

According to a study by the Indian Council for Indian council for Research on International Economic Relations (ICRIER) the global alcoholic beverages market was estimated to be at USD1.58 trillion in 2020 and is projected to grow at a CAGR of around 3.5 per cent between 2020 and 2023. India has an estimated market size of USD52.5 billion in 2020 and the market is expected to grow at a CAGR of 6.8 per cent between 2020 and 2023.

As per the report of ICRIER, production of alcoholic beverages in the country increased by about 23.8 per cent during the period between 2015-16 and 2018-19.

- Contributes to around 1.5 million jobs and generated around USD48.8 billion in sales revenue in 2019.
- The number of people consuming alcohol increased from approximately 219 million in 2005 to 293 million in 2018; it is projected to increase to 386 million in 2030
- By 2030, 50 per cent of consumers are expected to buy

more of the same category of alcoholic beverages that they were consuming, 26 per cent are estimated to move to higher brands, and 24 per cent are expected to spend on newer categories of alcoholic beverages.

- States with high prevalence of alcohol consumption (i.e., percentage of total population who consume alcohol) in 2018 were Chhattisgarh (35.6 per cent), Tripura (34.7 per cent), Punjab (28.5 per cent), and Arunachal Pradesh and Goa (28 per cent each).
- In terms of the absolute number of people who consume alcohol, the top-ranking states are Uttar Pradesh (4.2 crore), West Bengal (1.4 crore), and Madhya Pradesh (1.2 crore).

The Indian alcobe industry can broadly be classified into five categories, namely Indian Made Foreign Liquor (IMFL), India Made Indian Liquor (IMIL), foreign liquor Bottled in Origin (BIO), Beer and Wine. IMFL primarily comprises of brown spirits such as whisky, rum, and brandy whereas white spirits comprise of gin, vodka, and white rum. BIO forms a very small part of alcohol consumption in India. It is usually consumed by the rich and the upper middle class in metropolitan cities. It is also subject to customs duty which makes it much more expensive.

Beer can broadly be classified into two subcategories, strong beer with an alcohol content of around 6-8% and mild or lager beer which has an alcohol content of 4-6%. The recent trends in the alcoholic beverages segments includes launch of flavoured alcoholic drinks and ready to drink (RTD).

The alcobe segment was one of the most impacted sectors due to pandemic. Restaurants and hotels were shut or operated at very limited capacity which severely impacted sales of alcohol. Even if the restaurants were open customers were skeptical to visit restaurants / hotels and limited their outings, rather preferring home delivery.

As a result of the lockdown in India last year, total alcohol volume plummeted 30%, but the market is expected to rebound to more than 8% volume (CAGR 2021-2025). Spirits are predicted to rise by nearly 5% over the four-year period, while beer will increase by 13%. (IWSR Report)

Sales of Indian made foreign liquor (IMFL) declined by 12% year-on-year during FY2021 due to the pandemic-induced lockdown and increase in taxes, according to the Confederation of Indian Alcoholic Beverage Companies (CIABC). Recovery in demand for alcohol is some time away as consumers may not visit bars and pubs, affecting the out-of-home liquor consumption. This implies that out-of-home alcohol consumption, which contributes 15% to spirits and 25% to beer sales volumes, will take a big hit. Furthermore, permission for online sales in some of the states has resulted in shrinkage of retail outlets to the tune of 40-50% of the total strength due to lack of technology and delivery capabilities particularly in tier 2 and tier 3 cities. On the other hand, the current lockdown situation presents an opportunity for the alcobe industry to get authorization for online ordering and home delivery distribution route. If the new model of delivery is adopted, it can bring a positive structural change in the alcobe industry.

### Beer Industry

Indian beer industry is primarily dominated by strong beer which accounts for over 85% of the total beer volumes sold in India. The beer consumption in the country is driven by the demand from the southern states which accounts for more



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

Approximately, 30% of beer sales are in the summer months. Consumption stays low during the rainy seasons and picks after winter season. Moreover, 25% of beer consumptions happens out of home in places like bars, pubs and cafes. Additionally, alcoholic drinks are not consumed for refreshment or lifestyle as evident by popularity of hard liquor over beer and even in beer, strong beer is the preferred category. Despite low alcohol content as compared to IMFL, it is taxed similar to IMFL which makes beer relatively expensive. The Covid-19 pandemic has led to job losses and salary cuts; all of this will lead to lower disposable income of the consumers and in turn reduce the pace of shift to beers and premium beer category in particular in the short term. However, in the medium to long term the outlook for beer continues to remain promising and poised to grow.

#### IMFL Industry

Although India is the largest whisky market in the world in volume terms, there is still a fair amount of opportunity to expand it further in value terms. A large part of the consumption is still in categories such as country liquor. However, the Covid-19 pandemic will lead to less than expected growth for the IMFL Industry as: volumes will be lost because of less people visiting bars, pubs and restaurants where approximately 15% of IMFL is consumed; new Covid-cess has also reduced demand due to increase in prices, and as the economy is expected to shrink for the year and lower income levels will lead to slower rate of transition from country liquor to IMFL. All these factors are going to affect the consumption of IMFL in the near term.

### 3. Demand Drivers for the Alcobeve Industry

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

- **The New Normal:** Earlier alcohol and its consumption was not much favoured in India. However, with rising urbanisation and awareness now it is socially acceptable. Gradually, people are accepting it as a social drink and is acceptable in family gatherings and informal get togethers. The acceptability of social drinking by females and youngsters have also increased.
- **Improved Standard of Living:** The Indian population segmentation by income level has transitioned from pyramid shape to diamond shape, resulting in larger share of middle-class population. The Indian middle class has also been able to enhance their disposable income and resulting in increased consumer demand. In addition, the growing purchasing power and rising influence of the social media have enabled Indian consumers shift their preference towards more premium and lifestyle products. Furthermore, various measures undertaken by the government over last few years such as direct benefit transfer and various agricultural reforms are also anticipated to increase purchasing power of rural India

and drive consumption further. The Indian middle class is moving to an upper income group with changing lifestyles, luxury preferences and ability to pay more for premium products.

- **Favourable Demographics:** The mix of younger generation is high in India with over 55% of the population in the age group of 18-45 years. Additionally, around 19 million people get added to the legal age for drinking every year, which provides a significant opportunity for the alcobeve industry in India.
- **Urbanisation:** Huge population in India are migrating towards bigger cities, where they are exposed to a wider variety of alcoholic beverage products, including IMFL and significantly contributing to the market growth
- **Family Structure:** Indian families are shifting towards more nuclear structure as compared to traditional joint family structure. As a result, the decision makers in houses are younger generation who are more inclined towards affluent lifestyle.
- **Alcohol Availability:** Focus on premiumization coupled with entrance of international players in India has resulted in availability of a wide variety of choices for aspirational Indian population. Wider choice will cater to a broader target audience resulting in increased demand for the industry.
- **Low Penetration:** The current per capita consumption of beer in India is one of the lowest in the world. Also, alcohol is sold through a meagre 86,000 outlets, which is extremely low when compared to the rest of the world. Given the current low penetration level there is immense scope for enhancing the consumption which is expected to benefit the industry.
- **Online Sales:** Due to the ongoing pandemic, most of the states in India allowed online sale of liquor to ensure social distancing. Online sales were restricted earlier, and this allowance of online sales can emerge as new avenue to drive demand in medium to long term.

### 4. Business Overview

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

The Company's flagship brands include Hunter, Black Fort, Power Cool and Woodpecker in the Beer segment and Milestone 100 whisky and White Fox vodka in the IMFL segment. Other popular IMFL brands of SOM include Legend, Genius, Sunny, Gypsy and Blue Chip. With around 90% of the topline coming from beer, the Company has three key millionaire brands (with sales more than 1 million cases per annum) – Hunter, Black Fort and Power Cool. Hunter and Woodpecker brands are supplied as draught beer to all major hotels in Madhya Pradesh and Chhattisgarh. The Company has recently launched 'Woodpecker' Wheat Beer, India's first filtered wheat beer.

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

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

## 5. Threats and Concerns

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

- **Liquor Licensing and Sourcing:** When starting a new business or expanding existing operations, the biggest challenge faced by a company is liquor licensing and sourcing. There is legal requirement to obtain number of mandatory licenses and regulation related to hours of operation and consumers minimum age, which varies within states.
- **Additional Tax and Cess:** The economy was severely impacted by the pandemic, as a result revenue for state governments were also impacted. In order to reduce the deficit most of the states imposed higher taxes or new covid cess on alcohol. The price hikes were significant and severely impacted sales of alcohol registering a decline of ~80% in overall beer volume. Any such new taxes or cess can adversely impact the performance of the industry.
- **Limited Outings:** Given the current social distancing norms and pandemic related concerns people are avoiding going out. Also, restaurants and pubs are operating for limited hours. All these have severely impacted of the counter sale of alcohol.
- **Promotional Restrictions:** Direct promotion of alcohol product is banned in India. Typically, Indian manufacturers use surrogate advertising (like glasses, mineral water, music items having identical brand names). The advertisement can legally be undertaken only at the point of sale.
- **Stringent Regulations:** In India, every state has its set of regulations which govern the value chain of industry including manufacturing, retailing, pricing and levies thereby, hindering the economies of scale. Furthermore, regulations pertaining to licensing, setting up or expansion of new facilities, existing brewing or distilling and bottling capacities, manufacturing processes, marketing, sales & advertising and distribution poses additional challenge for the industry.
- **Minimum Legal Age:** All the states in India have legal ages varying between 18-25 years. If these states increase the drinking age or states with lower age bracket decides to increase the age, it could impact sales of alcohol.
- **Prohibition:** Some of the states have banned alcohol with the objective of improving public health and responsibility. In past, such bans have not been very successful and even the social objective is also defeated as it leads to illegal trading of liquor in states where it is banned. Such bans impact the volume in short term but in medium to long term the decline in volume is compensated by higher volumes in the neighbouring states.

- **Irregular and High Taxation:** The alcohol industry has been kept outside the purview of GST. However, the industry would be liable to pay GST on the input raw materials, which may impact the gross margins. Taxation by volume continues to adversely impact the beer segment. The tax structure for alcoholic drinks does not adjust for the level of alcohol in a particular drink. Considering the ratio of excise duty adjusted to alcohol content, IMFL appears to be more affordable than beer because it has a higher alcohol/price ratio. This makes beer an expensive drink compared with other spirits in terms of price per unit of alcohol. The excise and other taxes put together comprise over 50% of the final retail price. There is a complex multi-layer taxation structure and this makes the alcohol industry less affordable and also restricts the pricing power.

- **Barriers to Scale:** Every state government has its own rules and regulations in addition to the regulations set up by the central government. As a result, tax and duties are imposed on inter-state movement of alcohol which restricts consolidated of operations and synergy benefits are not fully realized.
- **Volatility in the Prices of Key Raw Material:** The beer and IMFL industry can be adversely impacted due to the volatility in key input raw material prices such as barley, ENA and glass bottles. Since the pricing power is limited, companies would not be able to fully pass on the higher costs to consumers thereby margins gets impacted.
- **Competition:** Over last few years, many international companies have entered the Indian market due to the immense potential prevailing in the country. These players could impact volumes primarily in the metros as their products are well known among affluent or lifestyle seeking consumers. Furthermore, increasing trend of the craft beer among urban population also increases the competition as beers can be manufactured with very limited investment in a smaller size brewery as compared to significant investment required in traditional breweries.

## 6. Performance Review

During FY2021, beer volumes sales stood at 49.7 lacs cases compared to 83.5 lacs cases last year. IMFL volumes stood at 7.7 lacs cases compared to 11.9 lacs cases in FY2020. The decline in volumes were primarily attributable to covid related restrictions.

Total income for the year stood at Rs. 2,901 million, declining by 37.4% compared to FY2020. Revenue from beer was Rs. 2,049 million and revenue from IMFL was Rs. 663 million. Of the total revenue 76% (FY2020: 83%) was contributed by beer and remaining 24% (FY2020: 17%) was contributed by IMFL. In FY2021, realization per case for beer and IMFL was Rs. 404 and Rs. 862, respectively.

EBITDA loss for the year was Rs. 70 million compared to Rs. 479 million last year. Due to pandemic related national lockdowns and other restrictions during the year, the company could not operate in its peak season which severely impacted the performance and profitability during the year. The company reported a net loss of Rs. 381 million during the year.

Ratios	FY2021	FY2020	Comments
Debtor Turnover (Days)	95	67	Overall operational and financial performance during the year was severely impacted due to pandemic and related restrictions during the year.
Inventory Turnover (Days)	151	156	
Interest Coverage (x)	nm	2.4x	
Current Ratio (x)	0.9x	1.2x	
Debt to Equity (x)	0.74x	0.69x	
Return on Equity (%)	nm	4.8%	Loss of key season sales during the year was primary reason for operating losses and deterioration of return ratios during the year.
EBIT Margin (%)	nm	7.8%	
EBITDA Margin (%)	nm	10.3%	
Net Profit Margin (%)	nm	3.2%	

## 7. Liquidity

As of 31<sup>st</sup> March 2021, total debt stood at Rs. 2,089 million and cash and cash equivalent was Rs. 145 million, resulting in a net debt of Rs. 1,944 mn. Gross Debt to Equity ratio was 0.74x. The total debt during the year included investments related to doubling of capacity at Bhopal facility.

## 8. Major Corporate Developments

- Footprint Expansion: The Company remains committed to its strategic objective of entering into new markets and further strengthen its foothold in existing markets. SOM will continue to evaluate markets based on its potential and profitability. It believes that this will enable the Company to enhance its market share in medium to long term.
- Contract Manufacturing: Considering our quality, expertise in brewing and the capacities we have the following companies are getting their beers manufactured at our plants.
  - White Owl Brewery Private Limited – Brands being manufactured White Owl Diablo, Spark, Ace, Spike and Boss.
  - 7 Ink Brews Private Limited – Brand manufactured Copter 7 Strong and Lager

## 9. Business Strategy

**Premiumisation of Portfolio:** The Company is focused on providing premium experience to its customers predominantly in the strong beer segment. 'Hunter' is marketed as a premium strong beer and its robust growth over past few years is a testament to SOM's capability to provide premium products in line with customer preferences. The Company recently launched 'Woodpecker' beer which is India's first filtered wheat beer. The product caters to premium customer segment and provides them unique experience. In addition, the Company launches new variant / limited editions of its existing brands on a ongoing basis to enhance its customer experience.

**Exports:** The Company is focused on expanding its exports portfolio. Recently, SOM signed a Memorandum of Understanding (MOU) with Indian Fashion FZE, based out of the UAE for export of Beer and IMFL for West and Central Africa. Initially, the Company plans to start supply of 'Blackfort' beer and based on the traction will gradually start supplying other brands over the period.

**Pan India Expansion:** The Company has a well-defined business strategy to expand its customer base and outreach. SOM's bottling agreement with two of the leading liquor manufacturers is aimed at enhancing the Company's supplies to the Canteen Store Departments as well as to some of the key markets in North India. The Company has a vision of becoming one of the top brewing companies in India. SOM's brand portfolio coupled with its understanding of evolving customers trends is a critical asset. This has helped the Company to continuously re-innovate their existing portfolio as well as launch new products to match the customer preferences.

## 10. Human Resources

We are motivated to go beyond for our people, customers, consumers, and communities through our core purpose to bring people together to be sociable and live well.

Going beyond means our people are empowered to challenge the status quo and push boundaries, seeking out new ideas and ways to do things differently.

We constantly challenge ourselves to do better, move faster and think bigger.

The way we achieve success is as important as the accomplishment itself and that's why we hold ourselves to higher standards of agility, experimentation and creativity. Our people are highly engaged and genuinely believe in our business vision and values.

The Company has always focused on hiring and retaining the best talent as it believes that human resources are critical to the Company's ability to drive growth, efficiency, and productivity. SOM's superior performance culture coupled with its employee centric policies has enabled it to build a reputation in the market, which serves as an advantage to attract and retain talents. Even during the pandemic, the Company was one of the early adopters of employee health and safety initiatives. It ensured that its workforce is comfortable to come to work and is following best-in-class protocols to keep them and their families safe. A detailed safety and workforce planning was undertaken as per Government guidelines.

The Company equips its employees with relevant resources to perform their responsibilities and provides them opportunity to gain new insights via participation in various industry forums. The Company believes that the empowering of employees is critical ingredient to unlock their full potential and enrich their working experience. Greater focus is laid on ensuring an adequate and ongoing training program to equip our personnel with evolving trends. In addition to training SOM also focuses on regular employee engagement. We are proud to say that our organization continues to listen to its employees and develop actionable insights for effective decision making.

We are a diverse organization where equal opportunities are provided to people across different races, religions, gender, and background. The diverse background of the Company enables collaboration through lateral thinking, different perspectives and experiences and fresh ideas. We take pride in our diversity. As on 31<sup>st</sup> March 2021, 360 employees are on our payroll and a well-diversified workforce structure at all levels.

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



## 11. Internal Control Systems & Their Adequacy

A comprehensive internal control system is important to ensure sustainability of any business. The Company remains committed to ensuring an effective internal control environment that provides assurance on orderly and efficient conduct of operations. Stringent and comprehensive controls are put in place to ensure the optimal and efficient utilization of resources and to ensure safety and protection of all assets. This ensures that the Company's assets and interests are carefully protected, and operations are conducted within a framework of appropriate checks and balances.

The system helps mitigate and reduce risks that may prevent the Company from achieving its business objectives and to provide reasonable assurance that all material misstatements, frauds or violations of laws and regulations will be prevented. The Statutory Auditors also conduct the limited review as part of the listing obligations and the reports are placed before the Audit Committee and forwarded to the regulatory authorities. The observations of the Audit Committee about the efficacy of audit report and the effective remedial measures that have been taken by the Company are placed before the Board for their consideration. The Company undertakes periodic review of its internal control practices and its adequacy and presents its findings to Audit committee with recommendations to enhance the control measures.

## 12. Corporate Social Responsibility

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

The annual report on Corporate Social Responsibility activities as required under Sections 134 and 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014 is provided in the Annexure forming part of this Report. As per the section 135 of the Companies Act, 2013, a CSR committee is in place. During the year, SOM spent Rs. 6.95 million on CSR activities through Asha Mohan Foundation as per the CSR policy of the Board.

Some of the CSR activities carried out during the financial year are as follows:

- a. Contributions to the Asha Mohan Foundation for construction of a full-fledged diagnostic centre for the lesser privileged patients at substantial lower charges for tests as compared to conventional centres. We expect the centre to be completed in the next 2-3 years.
- b. Contributions to the school being run for underprivileged children. This is especially pertinent when the pandemic had impacted schooling of the children and for ensuring continuity for the education of the children.
- c. Contributions to the hospital: Its role even became more important during the pandemic in view of the spread of Corona in the adjoining villages.

## 13. Information Technology (IT)

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

The spread of the pandemic and the strictest lockdown announced by the Government of India made Work from Home (WFH) as the new normal. We are proud that our systems were robust enough to oversee this transition and we successfully implemented WFH for all our employees. This is a testament that our IT systems are well prepared for any such challenges.

## 14. Supply Chain Management

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

Despite the rapid spread of Covid-19 and different lockdown measures announced both by the Central and State Governments to contain the rapid spread of the virus, our Supply Chain have been efficient and dynamic to overcome these challenges. This is evident from the fact that our production and distribution facilities are operating, and we continue to ensure that our product reaches our customers. There might be certain challenges in the short term, but we believe our supply chain is robust to meet medium to long term requirements.

## 15. Cautionary Statement

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

## Stakeholder Engagement Matrix

Stakeholder	Concerns	Channels of Engagement
Investors	Profitability, Governance, business strategy and market share	AGM and other relevant shareholders meeting, conference call, Investor's presentation and meeting and media release, shareholders compliance and grievance.
Customers	Quality of the product, value for money, business continuity, safety, and sustainability	Distributors' meet, customer's satisfaction and services, customer's compliance/grievance management, annual sales meet.
Suppliers	Timely payment, transparency in trade deals	Supplier meetings, online/offline information exchange, vendor compliance/grievance
Employees	Career growth, reward and recognition, safe and conducive workplace career growth, reward and recognition.	Performance reviews, new employee induction programme, trainings, seminars.
Community	Creating infrastructure, education, health and maintaining clean and safe environment	Quarterly review with implementing partners and site visit by members of the leadership team. Internal review and interaction with stakeholders.
Government and Regulatory body	Complying with all the provisions of the legal and regulatory authorities.	Periodic information submission engagement through industry bodies, Seminar other regular engagement with industry association.

## Material Matrix Impact Strategy

Managing these issues effectively helps us to remain competitive.

	ISSUES	MITIGATION
Managing Market Volatility	COVID -19 lockdown disrupted economic activity and led to unprecedented market volatility. This had an unprecedented impact on the beer industry.	We tried withstand market volatility through proactive inventory, production and supply management and revised our operational strategies.
Optimizing Portfolio	Strengthening our portfolio helps transform the earnings profile and diversity risks.	We relied upon our already established brands to consolidate our market share in the key markets.
Improving culture	There is a need to continuously strengthen the culture, with a focus on embedding the right behavior going from the top to the bottom.	We are implementing a cultural transformation towards a diverse, inclusive, resilient, and sustainable organization considering operations in multiple geographies.
Maximizing value from business segments	Slowdown in economic growth, increase in raw material and packaging prices and rising variable costs put pressure on the margins of the business.	We are focusing on maximizing cash flows to manage liquidity and ensure we remain well positioned to service business needs. We do not have any planned large capex in the medium term.

## RISK MANAGEMENT

RISKS	ISSUES	MITIGATION
Regulatory risk and Compliance with laws	Excise ban on sale of alcohol may lead to adverse impact on growth and profitability. Non-renewal of excise license.	Our endeavour is to keep track of emerging regulations, including environmental, social and governance risks and plan accordingly.
Climate change risk	Climate change can disrupt operations and/or reduce demand for products.	Geographic spread of business and a wide portfolio helps dampen the impact of climate related issues. We are using rain harvesting at all our factories to recharge the ground water level.
Supply chain management risk	Our supply chain network is exposed to potentially adverse events such as dependency on few vendors for key inputs, physical disruptions.	Our contingency plans are designed to secure alternative of key material supplies at short notice. Moreover, we are progressively strengthening our procurement process by diversifying our vendor base.
Environment risks	Our business involves processing of agricultural commodities and treatment thereof.	We have adopted globally accepted best manufacturing practices and installed treatment plants.
Talent Risk	A skilled workforce is essential for continued success of our business. Besides this, the loss of key personnel or inability to attract or retain talent can adversely affect operations and financial performance.	Our management development process includes regular performance reviews, backed by a common set of leadership behaviours, skills and competencies. We have development plans to upskill and reskill employees for future roles and targeted programmes to attract and retain talent.
Pandemic risk	The disruptions due to Covid -19 related lockdowns, loss of seasons, challenges in production, managing supply and distribution networks pose risks. These can disrupt supply chain and manufacturing processes and adversely impact business.	While the human impact of the virus takes precedence for all of us, we continue to monitor these developments closely and keep exploring alternative strategies to minimize its impact on the business.
Business Development and innovation risk	We operate in a highly competitive industry dominated by multinationals which have deep financial resources.	Our endeavour is to strengthen the distributor base and produce innovative as well as value for money products to widen reach and penetration in domestic markets.

## SOM DISTILLERIES & BREWERIES LIMITED

# NOTICE OF 28<sup>TH</sup> ANNUAL GENERAL MEETING

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NOTICE is hereby given that the 28<sup>th</sup> Annual General Meeting (AGM) of the Members of Som Distilleries and Breweries Limited will be held on Tuesday, the 28<sup>th</sup> day of September, 2021 at 12.30 p.m. through video conferencing / other audio visual means (VC / OAVM) to transact the following businesses:

### ORDINARY BUSINESS:

1. To consider and adopt:
  - (a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021, the reports of the Board of Directors and Auditor's thereon; and
  - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, the reports of the Board of Directors and Auditor's thereon.
2. To re-appoint Shri Nakul Kam Sethi (DIN:06512548), who retires by rotation and being eligible offers himself for reappointment.

Place: Bhopal  
Date: June 3, 2021

For and on behalf of the Board  
**For Som Distilleries and Breweries Limited**

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

Sd/-  
**Om Prakash**  
Company Secretary & Compliance Officer



## NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a

member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.somindia.com](http://www.somindia.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Saturday, 25.09.2021 at IST 9:00 A.M. and ends on Monday, 27.09.2021 at IST 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 21.09.2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 21.09.2021.

### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

#### Step 1: Access to NSDL e-Voting system

##### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider – NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/loginor">https://web.cdslindia.com/myeasi/home/loginor</a> <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [nkjaincs@gmail.com](mailto:nkjaincs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please send signed request with Folio No., Name of shareholder, scanned copy of any one share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [info@masserv.com](mailto:info@masserv.com).
2. In case shares are held in demat mode, please update your email id with your depository. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting (by 21.09.2021) mentioning their name, demat account number/folio number, email id, mobile number at [www.somindia.com](http://www.somindia.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [www.somindia.com](http://www.somindia.com). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
8. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**GENERAL INFORMATION:**

1. Transfer of Unclaimed Shares to the Investor Education and Protection Fund (IEPF):

The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed /unpaid for a period of seven years from the date they became due for payment, shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. No claim shall be entertained against the Company for the amounts so transferred.

As per Section 124(6) of the Act read with the IEPF Rules as amended, all the Shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to IEPF Account.

The Company is in process to send notice / reminders to the concerned members and to publish notice regarding the same in newspaper(s).

If the unclaimed shares and unclaimed dividends are not claimed by the time, the Company will initiate necessary steps to transfer the same, if required, to IEPF without further notice.

In the event of transfer of Shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

2. Members who have not encashed dividend warrants may approach the Registrar and Share Transfer Agent of the Company for obtaining payment thereof. The details of unpaid/unclaimed dividends for financial year 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19 & 2019-20 can be viewed on Company's website i.e. [www.somindia.com](http://www.somindia.com), which was uploaded in compliance with the provisions of the IEPF (Uploading of information regarding unpaid and unclaimed amount lying with Companies) Rules, 2012.



3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 22, 2021 to Tuesday, September 28, 2021 (both days inclusive) for the purpose of the AGM.
4. Members holding Shares in dematerialized mode are requested to intimate all changes pertaining to their name, address, email, nominations, power of attorney, bank details, NECS & ECS mandates to their depository participant only. The said changes will be automatically reflected in the Company's records. Members holding Shares in physical mode are requested to intimate all changes in their particulars or bank mandates to the company's Registrar and Share Transfer Agent. Members holding shares in physical mode and desirous of making nominations are requested to send their request in Form SH-13 under the Companies Act, 2013 to the Company's Registrar & Share Transfer Agent.
5. The Securities and Exchange Board of India (SEBI) has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to the Company / Registrar and Share Transfer Agent by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. The alternative Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.  
  
SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off date. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.
6. Non-Resident Indian Members are requested to inform Registrar and Share Transfer Agent and their relevant DP's immediately of:
  - Change in their residential status on return to India for permanent settlement.
  - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
7. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with the relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s). Further, to contribute towards greener environment and to receive all documents, notices, including Annual Reports and other communications of the Company, investors should register their e-mail address with the Registrar and Share Transfer Agent of the Company, if Shares are held in physical mode and with their DP's, if the holding is in electronic mode.
8. The documents, if any, referred to in the Notice and Explanatory Statement, unless otherwise specifically stated will be available for inspection by the Members on all working days between 14:00 - 16:00 hrs from September 6, 2021 to September 27, 2021 at the Registered Office of the Company & will also be available at the time of AGM.
9. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013, and all other documents referred to the Notice will be available for inspection for the Members at the Registered Office of the Company during business hours on all working days upto the date of this meeting.
10. In terms of Section 152 of the Act, Mr. Nakul Kam Sethi (DIN:06512548), Director, shall retire by rotation at the ensuing AGM. Mr. Nakul Kam Sethi being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends re-appointment of Mr. Nakul Kam Sethi. The Details of Mr. Nakul Kam Sethi, Director, proposed to be re-appointed at the ensuing AGM, as required by Regulation 26 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other disclosures are forming part of this Notice. Requisite declaration has been received from the Director for his re-appointment.
11. The Board of Directors has appointed Mr. Neelesh Jain as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.somindia.in](http://www.somindia.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within three days of the passing of the Resolutions at the 28<sup>th</sup> AGM of the Company and shall also be communicated to BSE Limited and NSE Limited where the shares of the Company are listed.

## DETAILS OF DIRECTOR SEEKING REAPPOINTMENT AT THE 28<sup>TH</sup> ANNUAL GENERAL MEETING

Name of the Director	Shri Nakul Kam Sethi
<b>Brief Resume &amp; Expertise in specific functional areas</b>	With an event full career and a total experience of close to 21 years with commercial, investment and corporates banking sector across geographies in India, Australia and the middle East, Mr. Nakul Sethi possess diverse skills set in-investor relation function, loan syndication, private equity mergers and acquisitions, structured finance, recapitalization, treasury, money markets etc. He has been an integral part of SOM Group for the last 10 years.
<b>Date of Birth / Age</b>	September 3, 1973/ 47 Years
<b>Date of first appointment on the Board</b>	June 1, 2018
<b>Details of shares held in the Company as on March 31, 2021</b>	37076
<b>Relationship with other Directors, Manager and other Key Managerial Personnel of the Company</b>	No relationship with other Directors, Manager and other Key Managerial Personnel of the Company
<b>Qualifications</b>	B.Com and MBA (Manchester, UK)
<b>Terms and Conditions of Appointment/Re-appointment</b>	He was appointed as whole time director for a terms of 5 years from 01.06.2018 to 31.05.2023
<b>Details of Remuneration sought to be paid</b>	Rs. 5,00,000 pm
<b>Last Remuneration drawn</b>	Rs. 5,00,000 pm
<b>Number of Board Meetings attended/ held during Financial Year 2020-21</b>	He attended all the board meeting held during the financial year 2020-21
<b>Listed entities in which the person also holds the Directorship and Membership/ Chairmanship of the Committees thereof as on March 31, 2021</b>	Nil
<b>Directorship held in other companies as on March 31, 2021</b>	Aaryavrat Realtors Private Limited
<b>Committee positions held in other Companies as on March 31, 2021</b>	Nil
<b>Audit Committee</b>	Nil
<b>Stakeholders' Relationship Committee</b>	Nil
<b>Others</b>	Nil

# BOARD'S REPORT

DEAR MEMBERS,

Your Directors have pleasure in presenting the Twenty Eighth Annual Report together with the Financial Statements of the Company for the Financial Year ended March 31, 2021.

## FINANCIAL HIGHLIGHTS

A brief overview on Consolidated and Stand-Alone Financial Performance for the Financial Year ended March 31, 2021 is as follows:

### A. STANDALONE FINANCIAL PERFORMANCE

(Rupees in Lacs)

Particulars	31.03.2021 (Audited)	31.03.2020 (Audited)
Revenue from operations	18094.43	32234.45
Other Income	145.52	189.25
Total Income	18239.95	32423.70
<b>Expenses</b>		
Operating Expenditure	10504.02	17200.92
Employee Benefit Expense	913.81	974.49
Depreciation and amortization expenses	572.44	475.98
Other Expenses	7157.37	10529.53
Total Expenses	19147.64	29180.92
Profit before finance cost and tax	(907.69)	3242.78
Finance Cost	1171.33	861.71
Profit before tax	(2079.02)	2381.07
Tax Expenses	(275.41)	684.59
Share of profit/(loss) in associates	-	-
Profit before comprehensive income	(1803.61)	1696.48
Other comprehensive incomes	(2.96)	8.10
Total Comprehensive Income for the year	(1806.57)	1704.58

### B. CONSOLIDATED FINANCIAL PERFORMANCE

(Rupees in Lacs)

Particulars	31.03.2021 (Audited)	31.03.2020 (Audited)
Revenue from operations	28757.21	45988.66
Other Income	257.53	360.20
Total Income	29014.74	46348.86
<b>Expenses</b>		
Operating Expenditure	16547.08	24297.44
Employee Benefit Expense	1678.80	1688.99
Depreciation and amortization expenses	1336.86	1167.45
Other Expenses	11488.87	15569.32
Total Expenses	31051.61	42723.2
Profit before finance cost and tax	(2036.87)	3625.66
Finance Cost	1865.90	1536.90
Profit before tax	(3902.77)	2088.77

Tax Expenses	95.49	586.71
Share of profit/(loss) in associates	-	-
Profit before comprehensive income	(3807.29)	1502.11
Other comprehensive incomes	(3.77)	8.10
Total Comprehensive Income for the year	(3811.06)	1510.21

## TRANSFER TO RESERVES

The Board of the Company has decided to carry entire amount of its losses to reserves and surplus.

## DIVIDEND EQUITY SHARES

For this FY 2020-21 your Board has not recommend any dividend on equity share on account of the losses in the Company.

## OPERATIONS

During the year under review, on consolidated basis, your Company registered Gross Revenue of Rs 50965.86 lacs, whereas the Profit/(Loss) before Tax and total comprehensive income for the year stood at Rs. (3902.77) lacs and Rs. (3811.06) lacs respectively. On a standalone basis, the Company registered Gross Revenue of Rs. 22815.32 lacs, whereas the Profit/(Loss) before Tax and total comprehensive income for the year stood at Rs. (2079.02) lacs and Rs. (1806.57) lacs, respectively.

## AUDIT COMMITTEE

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which forms part of this Annual Report.

## STATUTORY AUDITOR

M/s RN Gupta & Associates, Chartered Accountants (Firm Registration No. 001419C), was appointed by the Company as the Auditor in the Annual General Meeting held on 29<sup>th</sup> September, 2017 for a period of five years in terms of the provisions of Section 139(2) of the Companies Act, 2013 read with Rules made thereunder. Accordingly, the Auditors hold office until the conclusion of the Annual General Meeting to be held in the year 2022.

The Statutory Auditors have submitted a certificate confirming their eligibility under Section 139 of the Act and meet the criteria for appointment specified in Section 141 of the Act. Further, the Company has also received a copy of Peer Review Certificate as prescribed by the Institute of Chartered Accountant of India to the Auditors and declaration from the Auditors that they are not disqualified for such appointment/ reappointment under the said Act.

In terms of the provisions of Section 139(1) of the Companies Act, 2013 it was required to ratify the appointment of Statutory Auditor every year by the shareholders of the Company during the tenure of appointment. Further, due to notification of some of the provisions of the Companies (Amendment) Act, 2017 on May 7, 2018, the requirement of ratification of appointment of Statutory Auditors by members has been done away with.

Hence, it is no longer required to ratify the appointment of Statutory Auditors at every Annual General Meeting by the members of the Company.

## AUDITOR'S REPORT

The Notes on accounts and observations of the Auditors in their Report on the Accounts of the Company are self-explanatory.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Reports that may call for any explanation from the Directors.

#### SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Neelesh Jain & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the FY 2020-21. The remarks of Secretarial Auditors were self-explanatory and the same was mentioned in the Board's Report.

The comments of Board on observations of Secretarial Auditor of the Company in their Report for the FY 2020-21 are indicated below and the Report of the Secretarial Audit in Form MR-3 is annexed as Annexure I. In accordance with Regulation 24A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company carried out Secretarial Audit of its material unlisted subsidiaries i.e. (a) Woodpecker Distilleries & Breweries Private Limited and (b) Som Distilleries & Breweries Odisha Private Limited, through M/s MM Chawla & Associates, Company Secretaries in Practice. The reports of the secretarial auditor is annexed herewith as Annexure I (A) & Annexure I (B) respectively.

Comments by Board on observations of Secretarial Auditor:

As per Section 124(6) of the Act read with the IEPF Rules as amended, all the Shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to IEPF Account. The Company is in process to send notice / reminders to the concerned members and to publish notice regarding the same in newspaper(s).

#### INTERNAL AUDIT

The Board of Directors had appointed Mr. Sourabh Tandon as the Internal Auditors of the Company for the F.Y. 2021-22. Internal Financial Control & Systems of the Company has been devised through its extensive experience that ensures control over various functions of its business. The Company practices Quality Management System for Design, Planning, Construction and Marketing. Periodic audits conducted by Internal Auditors and Statutory Auditors provide means whereby any weakness, whether financial or otherwise, is identified and rectified in time.

#### SUBSIDIARY, JOINT VENTURE & ASSOCIATE COMPANIES

The Company has 2 Wholly Owned Subsidiary as on March 31, 2021. List of companies which have been consolidated at the year-end is given in the Notes to Accounts.

There has been no material change in the nature of the business of the Subsidiaries. A separate statement containing the report on the performance and financial position of each of subsidiaries is included in the consolidated financial statements of the Company forming part of this Annual Report.

#### ACCOUNTS OF SUBSIDIARY COMPANIES

Pursuant to applicable Accounting Standards on Consolidated Financial Statements and Financial Reporting issued by the ICAI and as prescribed by Securities and Exchange Board of India (SEBI), Consolidated Financial Statements, which includes the financial information of the subsidiaries, are enclosed and forms part of this Annual Report.

As per the provision of first proviso of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the balance sheets of the Subsidiary Companies have not been attached to the Annual Report. However, Company is required to attach along with its financial statements a separate statement containing the salient features of financial statements of its subsidiaries in Form AOC-1.

Further, the Annual Accounts of the Subsidiary Companies and the related detailed information will be made available to the shareholders of the Holding and Subsidiary Companies seeking such information at any point of time and the Annual Accounts of the subsidiary companies will also be kept for inspection by any member in the head office of the holding Company and of the subsidiary companies concerned. Further, the annual accounts for the FY 2020-21 of all the subsidiary companies are available on the website of the Company i.e., [www.somindia.com](http://www.somindia.com).

#### BUSINESS RESPONSIBILITY REPORT

As per Regulation 34 of the SEBI Listing Regulations, a Business Responsibility Report is annexed as Annexure II and forms part of this Annual Report.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board, upon the recommendation of the CSR Committee, adopted CSR Policy and initiated its implementation. The CSR Policy is available on the Company's website [www.somindia.com](http://www.somindia.com). During the period under consideration, the Company had to spend an overall amount of Rs. 69.50 lacs towards CSR activity.

The details pertaining to composition of CSR Committee are included in the Corporate Governance Report, which forms part of this Annual Report. The Annual Report on CSR activities is annexed as Annexure III.

#### POLICY ON SEXUAL HARASSMENT

The Company has Internal Complaints Committee (ICC) with Ms. Anamma Vasco as (Presiding Officer), Mr. Nakul Sethi (Member), Mr. Rajesh Dubey (Member), Ms. Madhuri Goel a member from an NGO, in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All female employees are covered under the Policy. There was no complaint received from any employee during the FY 2020-21 and hence no complaint is outstanding as on March 31, 2021 for redressal.

#### DIRECTORATE & KMP

During the period under Review, Mr. Uma Kant Samal was appointed as Additional Director (Non-Executive & Independent) w.e.f. April 20, 2020 on the Board of Directors

Further Mr. Rakesh Rath, Independent Director of the Company have resigned w.e.f. January 4, 2021 from the directorship. The Board appreciates his valuable contribution to the Board's functioning during his tenure.

Brief resume of the Director(s) recommended for approval of appointment/re-appointment at the 28<sup>th</sup> AGM of the Company and nature of expertise in specific functional areas and names of the Companies in which he/she holds Directorship and Membership/ Chairmanship of Committees of the Board, as stipulated under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 are provided in the Corporate Governance Report which forms part of the Annual Report.

#### BOARD AND ITS COMMITTEES

The Board, as on March 31, 2021 comprises 6 Members - 2 Executive Directors and 4 Non-executive Directors, of which 4 are Independent Directors. During the period under review, your Directors met five times. The maximum time-gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with General Circular No. 11/2020 and SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 respectively. Details of number of meetings of Board and various Committees attended during the year by each Director/ Member is disclosed in the Corporate Governance Report forming part of this Annual Report.



The Board, as on March 31, 2021 has six Committees namely, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholder Relationship Committee, Risk Management Committee and Executive Legal and Borrowing Committee.

A detailed note on the composition of the Board, Committees including meetings, attendance thereat is provided in the Corporate Governance Report which forms part of this Annual Report.

Mr. J.K. Arora, is the Chairman and Managing Director, Mr. Nakul Kam Sethi is the Wholtime Director, Mr. Rajesh Kumar Dubey is the Chief Financial Officer and Mr. Om Prakash is the Company Secretary & Compliance Officer of the Company.

#### **INDEPENDENT DIRECTORS' MEETING**

The Independent Directors met on 10<sup>th</sup> February, 2021, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of non-independent directors and the Board as a whole; the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **COMPLIANCE OF THE SECRETARIAL STANDARDS ISSUED BY ICSI**

The Board confirms that, during the period under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) as amended from time to time.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

As per the requirement of section 134(3)(d) of the Companies Act, 2013, the Company is required to attach the statement on declaration given by the Independent Directors under Section 149(6) with the Report. Your Company has received the said declaration from all the Independent Directors.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a. In the preparation of the annual accounts for the Financial Year ended March 31, 2021, the applicable Accounting Standards have been followed and there are no material departures;
- b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2021 and of the profit of the Company for the year ended on that date;
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. The Directors had prepared the financial statements of the Company for the Financial Year ended March 31, 2021 on a 'going concern' basis.
- e. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **PARTICULARS OF EMPLOYEES**

As required by the provisions of Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, details of the Employees are set out in Annexure IV.

#### **DISCLOSURE RELATING TO SOM EMPLOYEES STOCK OPTION PLAN SCHEME 2020**

During the year under review the Board of Directors and shareholders approved the introduction and implementation of "SOM Employees Stock Option Plan Scheme 2020" ("ESOP-2020"). ESOP 2020 was approved by the members of the Company at the Annual General Meeting held on September 29, 2020. Further, on the recommendation of NRC / Board of Directors on March 15, 2021, the members at their Meeting (EGM) held on April 8, 2021 approved and modified the scheme and extend the benefits of the SOM Employees Stock Option Plan Scheme 2020 for the benefit of permanent Employees and/or Directors of the Company and/or subsidiary company(ies), as may be permissible under the SEBI Regulations.

The Company did not issue/grant any options under "SOM Employees Stock Option Plan Scheme 2020" during the year under review.

Hence there are no outstanding options under ESOP-2020 as on March 31, 2021. Accordingly, no disclosures in terms of Companies (Share Capital and Debenture) Rules, 2014 and SEBI (Employee Share Based Employee Benefits) Regulations, 2014 are required.

#### **CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT/ TECHNOLOGY/ ABSORPTION/ FOREIGN EXCHANGE EARNING AND OUTGO**

The information required pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 pertaining to Conservation of Energy, Research & Development, Technology Absorption are not applicable to the Company.

The earning in foreign currency is Rs. 897.77 lacs during the current FY as against Rs. 488.99 lacs in previous year and expenditure in foreign currency is Rs. 1.59 lacs during the current year as compared to Rs. 0.88 lacs in the previous year.

#### **INVESTOR RELATIONS**

As per the Circular No. CIR/OIAE/2/2011 dated June 3, 2011 issued by the Securities and Exchange Board of India, Company is timely redressing the Investor Complaints through the SEBI complaints Redress System (SCORES). As a part of compliance, the Company has a Stakeholder Relationship Committee Investor Grievance Committee to redress the issues relating to investors. It consists of three Members namely Mr. D. N. Singh Chairperson, Mrs. Nishi Arora and Mr. Nakul Kam Sethi Members.

The details of this Committee are provided in the Corporate Governance Report forming part of the Annual Report.

#### **LISTING**

The equity shares continue to be listed on the BSE Ltd (Bombay Stock Exchange) and the National Stock Exchange of India Ltd. (NSE). Both these Stock Exchanges have nationwide terminals and therefore, shareholders/investors are not facing any difficulty in trading the shares of the Company from any part of the Country. The Company has paid annual listing fees for the FY 2021-22 to BSE and NSE and annual custody fees to National Securities Depository Limited and Central Depository Services (India) Limited.

#### **CORPORATE GOVERNANCE REPORT**

The Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. Secretarial compliances, reporting, intimations etc. Under the Companies Act, 2013, listing agreement(s) and other applicable laws, rules and regulations are noted in the Board/ Committee Meetings from time to time. The Company has implemented several best corporate governance practices as prevalent globally.

The Corporate Governance Report as stipulated under Regulation 34(3) and other applicable Regulations read with Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Report.

#### **CERTIFICATE ON CORPORATE GOVERNANCE FROM PRACTICING COMPANY SECRETARIES**

The requisite Certificate from the Company secretary in practice, M/s N. K. Jain & Associates, Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34(3) and 53(f) read with Part E of Schedule V of the aforesaid Regulations, forms part of this Report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report as required under Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Report.

#### **ANNUAL RETURN**

The Annual Return of the Company as on 31<sup>st</sup> March, 2021 is available on the Company's website and can be accessed at the Company's website under the weblink <https://www.somindia.com>.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES**

All contracts/arrangements/transaction entered into by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/ arrangement/transaction with the related parties which could be considered material in accordance with the Policy of the Company on materiality of related party transactions. The RPT Policy is available on the Company's website under the weblink <https://www.somindia.com>. Your Directors draw attention of the Members to Note no. 37 of the financial statements which set out related party disclosure.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT**

The company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans, investments and guarantees given by the Company during the year.

#### **CHANGES IN SHARE CAPITAL**

The authorized share capital of the company has increased from Rs.35,00,00,000/- (Rupees Thirty Five Crore Only) to Rs.40,00,00,000/- (Rupees Forty Crore Only). Further The company has sub-divided its equity share capital from one equity share of Rs.10/- each to two equity shares of Rs.5/- each w.e.f. the record date i.e. 16.10.2020.

#### **MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate till the date of this report.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

The details of the same are provided in Corporate Governance Report forming part of the Annual Report.

#### **PERFORMANCE EVALUATION**

SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of Directors on various parameters.

Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board on its own performance and that of its Committees, Chairman of the Board and Individual Directors.

Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent Directors shall be done by the entire Board of Directors, excluding the Directors being evaluated.

The Company has adopted adequate Policy for the evaluation of its Director including independent Director and for the evaluation of the performance of Board and its Committee; the above referred evaluation has been made in accordance with the stated Policy which is available on the website of the Company under the weblink <https://www.somindia.com>.

#### **DIRECTOR'S APPOINTMENT AND REMUNERATION POLICY**

Pursuant to the provision of Section 178 of the Companies Act 2013 and Regulation 19 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 the Board of Directors on the recommendation of Nomination and Remuneration Committee has framed a Policy for the appointment of Directors and Senior Management and their remuneration which is available on the website of the Company under the weblink <https://www.somindia.com>.

The details pertaining to composition of Nomination and Remuneration Committee are included in the Corporate Governance Report, which forms part of this Annual Report.

#### **RISK MANAGEMENT POLICY**

The Company has adopted the Risk Management Policy which is aimed at creating and protecting shareholders value by minimizing threats and losses and identifying and maximizing opportunities. Your Directors periodically review the risks associated with the business or threaten the prospect of the Company. The Risk Management Policy is available on the website of the Company under the weblink <https://www.somindia.com>.

#### **WHISTLE BLOWER POLICY**

The Company has a vigil mechanism named as Whistle Blower Policy of the Company, an avenue to raise concern and access in good faith the Chairman of the Audit Committee which provide for adequate safeguard against victimization of person. The Policy on Whistle Blower Policy is available on the website of the Company under the weblink <https://www.somindia.com>.

#### **COVID-19 PANDEMIC IMPACT ON BUSINESS OPERATIONS OF THE COMPANY**

In March 2020, the World Health Organisation 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.

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 2020-21, 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.

## ACKNOWLEDGMENT

Your Directors would like to express their sincere appreciation for assistance and co-operation received from the vendors and stakeholders including financial institutions, banks, Central & State Government Authorities, other business associates, who have extended their valuable sustained support and encouragement during the year under review.

The relationship with the employees remained cordial during the year. Your Directors are thankful to the shareholders and customers for their continued patronage. Your Directors wish to place on record their appreciation for solidarity, cooperation and support of employees and all stakeholders.

Place: Bhopal  
Date: June 3, 2021

## CAUTIONARY STATEMENT

Statement made in the Annual Report, including those stated under the caption "Management Discussion and Analysis" describing the Company's plans, executions, achievements, projections and expectations may include approximations and may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

For and on behalf of the Board  
FOR SOM DISTILLERIES AND BREWERIES LIMITED  
Sd/-  
**J.K. ARORA**  
CHAIRMAN AND MANAGING DIRECTOR  
(DIN: 00224633)

# ANNEXURE I

## FORM NO. MR-3 (SECRETARIAL AUDIT REPORT)

### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021

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

To,  
The Members,  
Som Distilleries and Breweries Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by ("The Company") for the financial year ended on March 31, 2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of

Equity Shares) Regulations, 2009; and

- (h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018;
- (vi) The other laws, as informed and certified by the management of the company which are specifically applicable to the company based on the sectors/industry are
  - i. Various State Excise Laws relating to brewing/alcohol industry;
  - ii. Legal Metrology Act, 2009 and Rules thereunder;
  - iii. Food Safety and Standards Act, 2006 and applicable Rules and Regulations made thereunder;
  - iv. The Environment (Protection) Act, 1986 and Rules thereunder;
  - v. The Water (Prevention & Control of Pollution) Act, 1974;
  - vi. The Air (Prevention & Control of Pollution) Act, 1981;
  - vii. All other Labour, Employee and Industrial Laws to the extent applicable to the Company

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that the company has not transferred the share to Investor Education and Protection Fund ("IEPF") in respect of which dividend was unpaid/unclaimed for more than seven consecutive years, under section 124 of the Act read with applicable rules thereunder.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and/or SEBI (LODR) 2015.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the



company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were following specific actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above

- i. The company has sub-divided its equity share capital from one equity share of Rs.10/- each to two equity shares of Rs.5/- each w.e.f. the record date 16.10.2020 and consequently the ISIN has been changed from INE480C01012 (old ISIN) to INE480C01020 (new ISIN).

Place: Bhopal  
Dated: 03.06.2021  
UDIN : F006436C000416725

**For N.K. Jain & Associates**  
Company Secretaries  
Sd/-  
**NEELESH JAIN**  
Proprietor  
FCS-6436, CP-6912

Note : This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

## Annexure A

# SECRETARIAL AUDIT REPORT

---

To,  
The Members,  
Som Distilleries and Breweries Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Bhopal  
Dated: 03.06.2021  
UDIN : F006436C000416725

**For N.K. Jain & Associates**  
Company Secretaries  
Sd/-  
**NEELESH JAIN**  
Proprietor  
FCS-6436, CP-6912

## ANNEXURE I(A)

### FORM NO. MR-3 (SECRETARIAL AUDIT REPORT)

#### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021

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

To,

The Members

Woodpecker Distilleries and Breweries Private Limited  
Bhopal.

Sir,

1. I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Woodpecker Distilleries and Breweries Private Limited (hereinafter called the company), an unlisted company which is a wholly owned subsidiary of a listed company namely Som Distilleries and Breweries Limited (SDBL). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my/our opinion thereon.

2. Based on my verification of the Woodpecker Distilleries and Breweries Private Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that subject to what is stated in the Financial Statement for 2020-21 read with the Auditors and Directors reports, the company has, during the audit period covering the financial year ended on 31.03.2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

3. I have examined the books, papers, minute books, forms and returns filed and other records maintained by Woodpecker Distilleries and Breweries Private Limited for the financial year ended on 31.03.2021 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - (a) The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

4. Departmental Heads of the company have reported compliance with following laws applicable to the company during the financial year 2020-21. These reports were duly taken on record by the Board of Directors.

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

#### I further report that

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. There are adequate systems and processes in the Company commensurate with the size and operations in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Bhopal  
Date: 03.06.2021

For M.M. Chawla and Associates  
Sd/-  
M.M. Chawla  
FCS 67, C P 716  
PR: 552/2017

## ANNEXURE I(B)

### FORM NO. MR-3 (SECRETARIAL AUDIT REPORT)

#### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021

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

To,

The Members,  
Som Distilleries and Breweries Odisha Private Limited  
Bhopal.

Sir,

1. I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Som Distilleries and Breweries Odisha Private Limited(hereinafter called the company) an unlisted company which is a wholly owned subsidiary of a listed company namely Som Distilleries and Breweries Limited (SDBL). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my/our opinion thereon.
2. Based on my verification of the Som Distilleries and Breweries Odisha Private Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that subject to what is stated in the Financial Statement for 2020-21 read with the Auditors and Directors reports, the company has, during the audit period covering the financial year ended on 31.03.2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. I have examined the books, papers, minute books, forms and returns filed, report of Company Secretary to the Board of Directors and other records maintained by Som Distilleries and Breweries Odisha Private Limited for the financial year ended on 31.03.2021 according to the applicable provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
  - (v) The following regulations and guidelines, to the extent applicable, prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act') :-
    - (a) The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

4. Departmental Heads of the company have reported compliance with following laws applicable to the company during the financial year 2020-21. These reports were duly taken on record by the Board of Directors.

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

#### I further report that

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. There are adequate systems and processes in the Company commensurate with the size and operations in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Bhopal  
Date: 03.06.2021

For M.M. Chawla and Associates  
Sd/-  
M.M. Chawla  
FCS 67, C P 716  
PR: 552/2017



# ANNEXURE II

## BUSINESS RESPONSIBILITY REPORT

The Directors present the Business Responsibility Report of the Company for the Financial year ended on 31<sup>st</sup> March, 2021, pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number of the Company: L74899DL1993PLC052787
- Name of the Company: Som Distilleries and Breweries Limited
- Registered address: 1-A, Zee Plaza, Arjun Nagar, Safdarjung Enclave, Kamal Cinema Road, New Delhi - 110029
- Website: www.somindia.com
- E-mail id: compliance@somindia.com  
(Mr. Nakul Kam Sethi, Wholetime Director)
- Financial Year reported: April 01, 2020 – March 31, 2021
- Sector(s) that the Company is engaged in (industrial activity code-wise):  
  
The Company is primarily engaged in the business of production/ manufacturing of beer and blending and bottling of IMFL and the industrial activity codes are 2203.00 & 2208.30
- List three key products/services that the Company manufactures/ provides (as in balance sheet):  
  
The Company is primarily engaged in the business of production/ manufacturing of beer and blending and bottling of IMFL.  
  
**The key products are :-**  
**BEER**
  - Hunter Refreshing Premium Beer
  - Black Fort Super Strong Beer
  - Power Cool Beer
  - Woodpecker Refreshing**WHISKY**
  - Pentagon Gold Edition Whisky
  - Milestone Blue 100
  - Legend Premium Whisky**VODKA**
  - White Fox Vodka**RUM**
  - Black Fort Rum**BRANDY**
  - Legend Brandy**READY TO DRINK (RTD)**
  - Naughty Orange
  - Cosmo Cranberry
  - Tangy Lemon
- Total number of locations where business activity is undertaken by the Company:
  - Number of International Locations: The Business activities are undertaken in India only, however our products are exported to countries such as Angola, Australia,

Cambodia, Congo, Finland, Germany, Haiti, Japan, Kenya, Malaysia, Mozambique, New Zealand, Nigeria, Norway, Oman, Panama, Republic of Dominica, Singapore, South Korea, Sudan, Sweden, Tanzania, Uganda, the United Arab Emirates, the United Kingdom, the United States of America, Vietnam and Zambia.

- Number of National Locations: 9 states i.e. Madhya Pradesh, Uttar Pradesh, Chhattisgarh, Kerala, Karnataka, Maharashtra, Odisha, Jharkhand and West Bengal and 2 union territories i.e. Delhi and Andaman & Nicobar.
- Markets served by the Company – Local/State/National/ International

The Company has a wide geographical presence across northern, central, south-west and east India operating in 9 states 2 union territories. The Company has launched various products and the Company has entered an exciting phase of growth with starting of two new facilities in the states of Karnataka and Odisha in FY2019 and FY2020, respectively. These expansions have enabled us to cater to new markets as well as further strengthen our foothold in existing markets. Our beer brands have also been approved by the FDA for supplying to the United States of America.

The Business activities/ manufacturing/ production units are undertaken in India only, however our products are exported to various countries.

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Equity Capital (INR): Rs. 3249.39 lacs
- Total Turnover (INR): Rs. 22815.32 lacs (Standalone); Rs. 50965.86 lacs (Consolidated)
- Total profit/(loss) after taxes (INR): Rs (1806.57) lacs (Standalone); Rs. (3811.06) lacs (Consolidated)
- Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax: Rs. 69.50 lacs i.e. 2.00%.

The Company had to spend Rs 68.83 lacs towards CSR activity in terms of Section 135 of the Companies Act, 2013 read with Rules made thereunder. The Company has spent Rs. 69.50 lacs.

- List of activities in which expenditure in 4 above has been incurred:-

### SOCIAL WELFARE AND ACTIVITIES -

As a corporate, we have certain obligations toward the society and its people. As a part of social responsibility towards the betterment of society, the SOM Group set up Asha Mohan Foundation Society in the early 1995. It undertakes various welfare projects from time to time. The Society ensures that villagers and people in the neighboring areas are equipped with the basic amenities of education, health facilities, drinking water and so on.

SOM School In December 1995 – Asha Mohan Foundation established a school for providing free education to children in the surrounding rural areas. Started as the SOM Prarthmik Vidyalaya (Primary Education), it has now grown over the years into SOM High School i.e., from First standard till 10th. There are over 300 students taking advantage of this golden opportunity and 10 well qualified Faculty along with Guest Faculties are contributing to the cause. Students are provided with free textbooks, stationery, uniforms and all other

necessities. The students made us proud by achieving 100% pass rate in both the primary (5<sup>th</sup> std.) and middle (8<sup>th</sup> std.) level State Board exams and also ranking fifth in the district. This is especially pertinent when the pandemic had impacted schooling of the children and for ensuring continuity for the education of the children.

Temple Someshwara Dham Mandir was built in the year 1994 along the Raisen Road, Madhya Pradesh. Devotees from surrounding villages also go there. The temple comprises of the idols of Lord Krishna, Lord Hanuman, Goddess Durga and Lord Ganesha. All the funds collected from this temple are being utilized for running the SOM Madhyamik Vidhyalaya.

Hospital Asha Mohan Hospital is one of the charitable institutions established by the SOM Group, which provides free medical, and health facilities not only to its factory workers but also to the inhabitants of the Sehatganj village and other neighbouring areas. Its role even became more important during the pandemic in view of the spread of Corona in the adjoining villages.

SOM Encouragement to Youth With an aim to boost up the morale of the youth SOM sponsors merit based Scholarship award in few reputed schools of Bhopal. This award in the shape of financial support to meritorious students helps them to pursue their studies more seriously.

#### SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/Companies?

**Yes, the Company has 2 Subsidiary Companies as on 31<sup>st</sup> March, 2021. (a) Woodpecker Distilleries & Breweries Private Limited and (b) Som Distilleries & Breweries Odisha Private Limited.**

- Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s) - No
- Do any other entity/entities (e.g. suppliers, distributors etc.) That the Company does business with, participate in the BR initiatives of the Company? [Less than 30%, 30-60%, More than 60%]

**The Company does not mandate its suppliers/ distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of being a responsible business.**

#### SECTION D: BR INFORMATION

- Details of Director/Directors responsible for BR**

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

- DIN Number - 06512548
- Name - Mr. Nakul K Sethi
- Designation - Wholtime Director

(b) **Details of the BR head**

No.	Particulars	Details
1	DIN Number (if applicable)	06512548
2	Name	Mr. Nakul K Sethi
3	Designation	Wholtime Director
4	Telephone number	+91-755-4278827
5	e-mail id	nksethi@somindia.in

- Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N):**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

Principle-wise index :	
P-1	Business should conduct and govern themselves with ethics, transparency and accountability
P-2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P-3	Businesses should promote the wellbeing of all employees
P-4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P-5	Businesses should respect and promote human rights
P-6	Business should respect, protect, and make efforts to restore the environment
P-7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P-8	Businesses should support inclusive growth and equitable development
P-9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	The Company has formulated the policies after taking into account the stakeholders' expectations and adopted Industry best practices.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, the policy/practice broadly conforms to the National Voluntary Guidelines (NVGs) issued by the Ministry of Corporate Affairs, Government of India, July, 2011.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner/ CEO/ appropriate Board Director?	Yes								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes The Board has framed various Committees whose role includes formulation and implementation of Policies within their terms of reference though a specified Committee to oversee the implementation of Policies is not constituted. Certain Internal Committees, are in place, to look after the respective responsibility area.								
6	Indicate the link for the policy to be viewed online?	Investors section on <a href="http://www.somindia.com">www.somindia.com</a>								

7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Internal & external stakeholders are communicated / made aware about the policies to the extent possible. Also the same is available on the corporate website
8	Does the company have in-house structure to implement the policy/ policies.	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	All the policies have been formulated taking into account the stakeholders' expectations and the Company periodically reviews policies.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2. Options) : Not Applicable

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

### 3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year : The Board of Directors assesses the Company's performance once in three years.
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report?

How frequently it is published? :- The Company's BR Report along with policy are available in investors section on corporate website [www.somindia.com](http://www.somindia.com).

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### Principle 1

- Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

The policy relating to ethics, bribery and corruption is applicable only to the Company. However, the Code of Conduct and Whistle Blower Policy of the Company cover other stakeholders as well.

The Company's policies relating to Governance rest on adhering to ethics, transparency in dealing with stakeholders, adequate and timely disclosure etc. These policies are similar across all the entities in the Group. All stakeholders of the Company- internal as well as external are expected to work within the framework of the aforesaid policies/principles. In the selection of its vendors and contractors, the Company ensures to identify and deal with those who can maintain and follow ethical standards. The Company further on a regular basis endeavours to reiterate awareness and also impart training on these values to its employees. The relevant stakeholders of the Company are also made aware of the said values from time to time

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has Investor Grievance Cum Stakeholder Relationship Committee which reviews and resolves the stakeholders' complaints. During the year ended March 31, 2021 opening balance of the complaints was 0 and 3 complaints were received from the shareholders, all of which were satisfactorily attended and resolved.

#### Principle 2

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.-
  - The Company is primarily engaged in the business of production/manufacturing of beer and
  - blending and bottling of IMFL.

We recognize that we are operating in a world where many natural resources that our business relies on, such as fossil fuels and water, are limited. We are committed to minimizing our environmental impact across the full range of our operations, and we are working to extend environmental standards further through our supply chain. The Company has strong focus on managing and reducing its energy, water and waste footprint, and is in constant lookout for improvement opportunities.

- We are also increasingly engaging employees across our offices through our PARTNERGREEN

program. PARTNERGREEN enlists employees as environmental champions and then supports them through awards program.

- (b) Our business is reliant on the sustainable growth and development of our local communities.
- (c) We always encourage and strive to reduce the carbon footprint by recycling the beer and IMFL bottles used for production.

2. For each such product, provide the details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): No Comments

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, Sustainable practices have always been an integral part of our business strategy. The Company all its efforts to ensure that inputs are sustainably sourced. Further, the Company gives preference in selection of vendors for procurement of raw material, who comply with the various principles of sustainability. Majority of suppliers of raw material are in proximity of the factory sites of the Company which helps minimize transportation and reduces carbon footprint.

The Company's vendors have to ensure compliance with its environment, health and safety measures. It covers various issues like health of their workers deployed, safety measures (helmet, rope, safety belt etc.) adopted, discharge from equipment, hygiene norms, safe vehicles hired, age of vehicles used etc. Vendors are sensitized about the Company's Code of Conduct for every contract awarded, in order to ensure ethical practices are followed throughout the entire supply chain.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company sources its factory related raw material and other consumables from local and small vendors, as far as possible. The Company's vendors who supply labour services at the factory sites employ workmen from nearby communities.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company disposes some of the factory waste as scrap to get it recycled and re-use the same in production works. The Company has initiated waste management by re-cycling waste into compost used for agriculture. The Company has deployed sewage treatment plants at its projects and factory sites which treat and re-cycle wastewater for reusing in watering plants, toilets etc.

#### Principle 3

1. Please indicate the total number of employees - 170
2. Please indicate the total number of employees hired on temporary/contractual/casual basis - ...100
3. Please indicate the number of permanent women employees - 02

4. Please indicate the Number of permanent employees with disabilities - Not Applicable

5. Do you have an employee association that is recognized by management.

No such employee association is recognized by the Management

6. What percentage of your permanent employees are members of this recognized employee association? - Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up -gradation training in the last year?

- (a) Permanent Employees - 15%
- (b) Permanent Women Employees - 1%
- (c) Casual/Temporary/Contractual Employees - Nil
- (d) Employees with Disabilities - Not Applicable

#### Principle 4

1. Has the company mapped its internal and external stakeholders? - Yes.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, The Company identifies underprivileged communities around its business locations as disadvantaged, vulnerable and marginalised stakeholders and continuously engages with all such stakeholders identifying their needs and priorities so as to serve these needs accordingly. The systems and processes are in place to systematically identify stakeholders and for understanding their concerns and for engaging with them is reviewed from time to time.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company on a periodical basis undertakes dedicated activities as a part of its CSR initiatives for the disadvantaged, vulnerable and marginalised stakeholders in and around the Company's factories/ plants. Education, sports and health aids are provided to schools in rural/under-developed areas and to schools supporting differently abled children or children from the weaker economic classes.

#### Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?



The Company's policy and practices relating to protection of human rights viz., non-engagement of child labour, assuring safety measures etc. is applicable to the Company and its subsidiaries as well as to the contractors engaged by the Company. The Company and its subsidiaries respects the rights and dignity of all individuals whether employees, contractors or suppliers and upholds the principles of human rights. The Company's commitment to human rights and fair treatment is properly defined. This provides for conduct of operations with honesty, integrity and openness with respect for human rights and interests of employees. The Company believes that a sustainable organisation rests on a foundation of ethics and respect for human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints of this nature were received in this financial year.

#### Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/others.

The policy and practices relating to Principle 6 primarily cover only the Company and its group companies. However, there is an endeavor to do business with such entities which have adopted this principle.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

As a manufacturing company, necessary mechanisms have been set up for ensuring compliance with the laws on environment mechanisms in place to ensure compliance with the applicable environmental laws. The Company is committed to be an environment friendly organisation and has a dedicated Environmental Policy across all its business units. The Company is an active player in practising initiatives to address environmental issues and ensuring sustainable development. All factories of the Company have a green belt around the plant. Other than these, the Company does not have any initiative to address global environmental issues.

3. Does the company identify and assess potential environmental risks? Y/N - Yes
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No the Company has not undertaken any specific project related to the Clean Development Mechanism as per the Kyoto Protocol.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. -

The Company utilises its resources in an optimal and responsible manner ensuring sustainability through reduction, re-use, re-cycling and managing waste. Continuous efforts are on to improve energy efficiency in every sphere of Company's operations. Appropriate measures to check and prevent pollution are undertaken. The Company seeks to improve its environmental performance by adopting cleaner production methods, promotion of energy efficient and environmental friendly technologies. Suitable processes and systems are developed with contingency plans and processes that help in preventing, mitigating and controlling environmental damages caused due to the Company's operations.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

All businesses of the Company are engaged in manufacturing activity. Accordingly, it is being ensured that the emissions/ wastes being generated through such activities are in compliance with the applicable environmental laws.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. – NIL

#### Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: -

Yes, All India Brewers Association (AIBA)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, While the Company is not actively involved in lobbying, as a responsible corporate citizen, The Company as a part of major industry associations/ chambers makes recommendations/ representations before regulators and associations for advancement and improvement of industrial climate in India. The Company also represents its views/opinions on governance, industry standards etc.

#### Principle 8

1. Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, such details are forming part of CSR Report.

2. Are the programmes/ projects undertaken through in- house team/own foundation/external NGO/government structures/ any other organization?

Depending on the various aspects, programmes/ projects are undertaken either in-house or through trusts or in collaboration with other external organizations/ NGOs.

3. Have you done any impact assessment of your initiative?

The Company routinely monitors the effectiveness of its CSR initiatives.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

Such details are forming part of CSR Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Wherever a factory plant setup, we strive to engage local communities through employment opportunities and community welfare measures. We lay emphasis on skill development and employment generation to improve the skillset and in turn, their standard of living. Initiatives are identified based on the requirement of the community such that the benefits out of them are of an enduring nature.

#### Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

**Around 1% percent of customer complaints/ consumer cases received during the FY are pending. . Proactive steps are being taken to resolve the same at the earliest**

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A./Remarks (additional information).

**Information of the product is displayed on the product label as per the extant excise laws and other relevant documents as per the requirement of relevant laws. In addition, wherever and appropriate for of the product/goods by the customer, additional information about the products/goods, the use and the mode of handling thereof are also provided.**

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

**There is no anti-competitive, abuse of dominant position or unfair trade practices cases pending against the Company.**

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

**Yes. Conduct of periodical consumer surveys and mapping of customer satisfaction trends are considered and utilised by the Company on a regular basis as effective tools of business strategy to understand the customers and their needs better. In addition, through the Company's website ([www.somindia.com/som-contact](http://www.somindia.com/som-contact)) tab, customer's views are invited to understand the satisfaction level and trend.**

**ANNEXURE III****ANNUAL REPORT ON CORPORATE SOCIAL BUSINESS RESPONSIBILITY (CSR) ACTIVITIES****ANNUAL REPORT ON CORPORATE SOCIAL BUSINESS RESPONSIBILITY (CSR) ACTIVITIES**

(Pursuant to section 135 of the Companies act, 2013) for the financial year 2020-21

1. A brief Outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs:

**CSR Policy is stated herein below:**

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

2. The Composition of CSR Committee:
- Mr. Deena Nath Singh, Chairman of Committee
  - Mr. Nakul Kam Sethi, Member of Committee
  - Ms. Nishi Arora, Member of Committee
  - Mr. Uma Kant Samal, Member of Committee
3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. - <https://www.somindia.com/som-sebi-regulation.php>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable
6. Average net profit of the company as per section 135(5) for last three financial years: 3441.57 Lacs
7. Financial Details
- Two percent of average net profit of the company as per section 135(5): Rs.68.83 Lacs
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: 0.12 lacs
  - Amount required to be set off for the financial year, if any: Nil
  - Total CSR obligation for the financial year 2020-21 (7a+7b-7c): Rs.68.95 Lacs

8. A. CSR amount spent or unspent for the financial year 2020-21:

(Rs. in Lacs)

Total Amount Spent for Financial Year	Amount unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
69.50	-	-	-	-	-

- B. Details of CSR amount spent against ongoing projects for the financial year 2020-21: Not Applicable

- C. Details of CSR amount spent against other than ongoing projects for the financial year 2020-21:

(Rs. in Lacs)

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Children education and medical Aid	Children education and medical Aid	Yes	Madhya Pradesh	Raisen	69.50	No	Asha Mohan Foundation	CSR00013836

- D. Amount spent in Administrative Overheads: Nil
- E. Amount spent on Impact Assessment, if applicable: Nil
- F. Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 69.50 Lacs
- G. Excess amount for set off, if any

(Rs. in Lacs)

Sr. No.	Particulars	Amount
i	Two percentage of average net profit of the company as per section 135(5)	68.83
ii	Total amount spent for the Financial Year	69.50
iii	Excess amount spent for the financial year [(ii)-(i)]	0.67
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.12
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.55

9. A. Details of Unspent CSR amount for the preceding three financial years :

(Rs. in Lacs)

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule-VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
1	2019-20	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2	2018-19	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3	2017-18	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	TOTAL	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

- B. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details):

(Rs. in Lacs)

Sr. No.	Particulars	Amount
i	Date of creation or acquisition of the capital asset(s)	Not Applicable
ii	Amount of CSR spent for creation or acquisition of capital asset	Not Applicable
iii	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
iv	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5) – Not Applicable:

The CSR Committee has formulated proper implementation and monitoring system which, is in compliance with CSR objectives and Policy of the Company.

#### For Som Distilleries and Breweries Limited

Sd/-  
Nakul Kam Sethi  
Wholetime Director

Sd/-  
Deena Nath Singh  
Chairperson, CSR Committee



## ANNEXURE IV

### PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration) Rules, 2014 are given below:

1. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21:-

Name of Directors	Ratio of remuneration of Director to median remuneration of Employees
Mr. Jagdish Kumar Arora	32.67
Mr. Nakul Kam Sethi	16.67
Mr. Deena Nath Singh	0.17
Ms. Nishi Arora	0.17
Mr. Satpal Kumar Arora	0.42
Mr. Uma Kant Samal	0.42

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, in the financial year 2020-21:-

Name of Directors	Designation	% age increase
Mr. Nakul Kam Sethi	Whole Time Director	-
Mr. Rajesh Kumar Dubey	Chief Financial Officer	-
Mr. Om Prakash	Company Secretary	-

\*Non-Executive Directors and Independent Directors were paid same sitting fees in FY 2020-21 as for FY 2019-20.

3. The percentage increase in the median remuneration of employees in the financial year:- Nil
4. The number of permanent employees on the roll of the Company during the financial year:- 170
5. Average percentile increase in salaries of employees other than managerial personnel and its comparison with percentile increase in the remuneration of Managerial personnel: the average salary of employees other than managerial personnel has been increased by Nil % whereas, remuneration to managerial personnels has been increased by Nil %.
6. Key parameter of any variable component of remuneration availed by the director: Not Applicable.
7. Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms remuneration as per the Remuneration Policy of the Company.

# CORPORATE GOVERNANCE REPORT

Corporate Governance is the system of rules, practices and processes through which objectives of a corporate entity are set and pursued in the context of the social, regulatory and market environment. It essentially involves balancing the interests of various stakeholders, such as shareholders, Management, customers, suppliers, financiers, Government and the community. Fundamentals of Corporate Governance includes transparency, accountability and independence.

Your Directors present the Company's Report on Corporate Governance in compliance with Regulation 34(3) read with part C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At SOM, we consider stakeholders as partners in our journey forward and we are committed to ensure their wellbeing, despite business challenges and economic volatilities.

As a Company with a strong sense of values and commitment, we believe that profitability must go hand in hand with a sense of responsibility towards all stakeholders. This translates into the philosophy of Corporate Governance. The cardinal principles such as independence, accountability, responsibility, transparency, trusteeship and disclosure serve as means for implementing the philosophy of Corporate Governance.

The Company is focused on enhancement of long-term value creation for all stakeholders without compromising on integrity, societal obligations, environment and regulatory compliances.

## 2. BOARD OF DIRECTORS

The "Board", being the trustee of the Company, responsible for the establishment of cultural, ethical and accountable growth of the Company, is constituted with a high level of integrated, knowledgeable and committed professionals. The Board provides strategic guidance and independent views to the

Company's senior management while discharging its fiduciary responsibilities.

### a) Composition

The Company has a balanced board with optimum combination of Executive and Non-Executive Directors, including independent professionals, which plays a crucial role in Board processes and provides independent judgment on issues of strategy and performance. The Board currently comprises Six Directors, out of which two are Executive Directors viz. Shri Jagdish Kumar Arora and Shri Nakul Kam Sethi. The other Four Directors are Non-Executive-Independent Directors viz. Shri Deena Nath Singh, Shri Satpal Kumar Arora, Smt. Nishi Arora and Shri Uma Kant Samal.

During FY 2020-21, Shri Uma Kant Samal was appointed as Additional Director (Non-Executive & Independent) w.e.f. April 20, 2020 on the Board of Directors

Shri Rakesh Rathi, Independent Director of the Company has resigned w.e.f January 4, 2021 from the directorship.

### b) Board Meetings

During the FY 2020-21, five meetings of the Board of Directors were held on June 27, 2020, September 5, 2020, November 13, 2020, February 10, 2021 and March 15, 2021. The necessary quorum was present for all the meetings. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2021 are given herein below:

Name of Director	Category	F.Y. 2020-21 Attendance at		No. of Directorship of Companies (Including SDBL) as on March 31, 2021		No. of Committees (Including SDBL)		Directorship in other listed Entity (Category of Others Member Chairman Directorship)
				Others		Member	Chairman	
		Board Meeting	Last AGM	Public	Private			
Jagdish Kumar Arora	Executive Director, Chairperson, MD	4	No	3	5	-	-	-
Nakul Kam Sethi	Executive Director	5	Yes	1	1	2	-	-
Deena Nath Singh	Non-Executive - Independent Director	4	Yes	1	2	-	2	-
Nishi Arora	Non-Executive - Independent Director	4	Yes	1	-	2	-	-
Satpal Kumar Arora	Non-Executive - Independent Director	5	Yes	5	2	-	-	2
Rakesh Rathi*	Non-Executive - Independent Director	3	Yes	-	-	-	-	-
Uma Kant Samal#	Non-Executive - Independent Director	5	Yes	1	-	-	-	-

### Notes:

- The Directorship/Committee membership is based on the disclosures received from the Directors and excludes foreign Companies. Further, chairmanship/ membership of only Audit and Shareholder's/Investors' Grievance Committees are indicated.

2. None of the Directors is a Director in more than 10 public companies in terms of section 165 of the Companies Act, 2013 nor a Member of more than 10 Committees and Chairman of more than 5 committees pursuant to Regulation 26 of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015.
3. None of the Directors are related to each other

Details of name of other listed entities where Directors of the Company are Directors and the category of Directorship as on 31<sup>st</sup> March, 2021 are as under:

Name of Director	Name of other Listed entities in which the concerned Director is a Director	Category of Directorship
Jagdish Kumar Arora	-	-
Nakul Kam Sethi	-	-
Deena Nath Singh	-	-
Nishi Arora	-	-
Satpal Kumar Arora	Shree Pushkar Chemicals & Fertilisers Limited	Non-Executive - Independent Director
	Dhampur Sugar Mills Limited	Non-Executive - Independent Director
Rakesh Rathi*	-	-
Uma Kant Samal#	-	-

\*Shri Rakesh Rathi resigned from the Directorship w.e.f. January 4, 2021 due to some personal reasons and unavoidable circumstances, he was unable to discharge the duties of the independent Director of the Company. He confirmed that there are no material reasons for his resignation other than that specified.

# Shri Uma Kant Samal appointed as Additional & Independent Director with effect from April 20, 2020.

The profiles of Directors are available at the official website of the Company i.e. [www.somindia.com](http://www.somindia.com) and brief profiles of Directors proposed to be appointed/re-appointed is appended in the Notice of Annual General Meeting.

- c) **Matrix setting out the Skills/Expertise/Competence of Board of Directors, pursuant to Regulation C(2)(h)(i) of Schedule V of SEBI (LODR) Regulations, 2015, as on March 31, 2021**

Skills/Expertise/ Competence Required	Jagdish Kumar Arora	Nakul Kam Sethi	Deena Nath Singh	Nishi Arora	Satpal Kumar Arora	Uma Kant Samal
	Chairman & Managing Director	Whole Time Director	Non-Executive & Independent Director	Non-Executive & Independent Director	Non-Executive & Independent Director	Non-Executive & Independent Director
Sector Knowledge	Yes	Yes	Yes	Yes	Yes	Yes
Manufacturing Management	Yes	-	-	-	-	-
Operations Management	Yes	Yes	Yes	Yes	-	Yes
Strategic Planning	Yes	Yes	-	Yes	Yes	Yes
Sales & Marketing	Yes	-	-	-	-	-
Financial Planning & Analysis	Yes	Yes	Yes	-	Yes	-
Legal Knowledge	Yes	Yes	-	-	Yes	Yes
Planning & Allocation	Yes	Yes	-	-	-	Yes
Risk Management	Yes	Yes	Yes	-	Yes	-
Digital Technology	Yes	Yes	-	-	-	-
Leadership Development	Yes	Yes	-	-	Yes	Yes
Change Management	-	Yes	-	-	-	-
Corporate Governance	Yes	Yes	Yes	Yes	Yes	-
Investor Relations	Yes	Yes	-	-	Yes	-

### 3. INDEPENDENT DIRECTORS

The Company has received disclosures from all the Independent Directors that they fulfilled conditions specified under Section 149(6) of Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015 and were Independent of the Management. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

#### i. SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on February 10, 2021 inter alia, to:

- a. Review & assess the ethical or governance issues;
- b. Review & assess the insider trading issues and
- c. To critical whistleblower incident.

All the Independent Directors were present at the meeting.

## ii. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Familiarization Program for Independent Directors of Som Distilleries and Breweries Limited has been adopted by the Board of Directors pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the requirement of Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through this programs.

The Familiarization Programme for Independent Directors and details of Familiarization Programme imparted to Independent Directors is available on the website of the Company under the weblink: <https://www.somindia.com>.

## 4. COMMITTEES OF THE BOARD

The Company has following Committees of the Board of Directors of the Company:

- A. Audit Committee (AC)
- B. Nomination & Remuneration Committee (NRC)
- C. Corporate Social Responsibility Committee (CSRC)
- D. Stakeholder Relationship Committee (SRC)
- E. Risk Management Committee (RMC)
- F. Executive Legal and Borrowing Committee (ELBC)

The Company Secretary acts as Secretary of all the above mentioned Committees. The details of Committees are indicated below:

### A. AUDIT COMMITTEE

#### i. Composition

The Committee was last reconstituted on May 27, 2019 and comprises of one Executive Director and Two Non-Executive (Independent Directors) as on March 31, 2021, viz.

a.	Shri Deena Nath Singh (Non-Executive & Independent Director)	Chairperson
b.	Smt. Nishi Arora (Non-Executive & Independent Director)	Member
c.	Shri Nakul Kam Sethi (Whole Time Director)	Member

The constitution meets the criteria prescribed under Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

#### ii. Powers

- a) To investigate any activity within its terms of reference;
- b) To seek any information from any employee;
- c) To obtain outside legal and other professional advise;
- d) To secure the attendance of outsider(s) with relevant expertise, if required;

#### iii. Terms of reference

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Review, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause(c) of sub-section (3) of Section 134 of the Act;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Modified opinion(s) in the draft audit report.
- Review, with the management, the quarterly financial statements before submission to the Board for approval.
- Review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditors' independence and performance, and effectiveness of audit process.
- Review and monitor the auditors' independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments. Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Monitor the end use of funds raised through public offers and related matter.
- Review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discuss with internal auditors of any significant findings and follow up there on.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discuss with statutory auditors before the audit



commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- Look into reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Review the functioning of the whistle blower mechanism.
- Review the utilization of loans and/or advances from/ investment by the holding company in the subsidiary exceeding Rs.100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date or such other limit as may be prescribed.
- Review the management discussion and analysis of financial condition and results of operations.
- Review the statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- Review the management letters/letters of internal control weaknesses issued by the statutory auditors.
- Review the internal audit reports relating to internal control weaknesses.
- Review the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee. Review the statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of SEBI Listing Regulations.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Examination of the financial statement and the auditors' report thereon; Review the financial statements, in particular, the investments made by the unlisted subsidiary/ ies.

The Audit Committee charter with exhaustive terms of reference is available on website of the Company at <https://www.somindia.com/som-sebi-regulation.php>

#### iv. Meeting and Attendance during the year

During the FY 2020-21, four meetings of the Committee were held i.e. on June 27, 2020, September 5, 2020, November 13, 2020 and February 10, 2021.

### B. NOMINATION AND REMUNERATION COMMITTEE

#### i. Composition

The Committee was last reconstituted on May 27, 2019 and comprises of Three Non-Executive & Independent Directors as on March 31, 2021, viz.

a.	Shri Deena Nath Singh (Non-Executive & Independent Director)	Chairperson
b.	Smt. Nishi Arora (Non-Executive & Independent Director)	Member
c.	Shri Nakul Kam Sethi (Whole Time Director)	Member

The constitution meets the requirement of the provision of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

#### ii. Terms of reference

- Recommend to the Board the setup and composition of the Board and its committees, including the "formulation of the criteria for determining qualifications, positive attributes and independence of a director." The committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the Board the appointment or reappointment of directors.
- Devise a policy on Board diversity.
- Recommend to the Board appointment of Key Managerial Personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this Committee).
- Carry out evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors. This shall include "Formulation of criteria for evaluation of Independent Directors and the Board". Additionally the Committee may also oversee the performance review process of the KMP and executive team of the Company.
- Recommend to the Board the Remuneration Policy for directors, executive team or Key Managerial Personnel as well as the rest of the employees.
- On an annual basis, recommend to the Board the remuneration payable to the directors and oversee the remuneration to executive team or Key Managerial Personnel of the Company.
- Oversee familiarisation programmes for directors.
- Oversee the Human Resource philosophy, Human Resource and People strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, KMP and executive team).
- Provide guidelines for remuneration of directors on material subsidiaries.
- Recommend to the Board on voting pattern for appointment and remuneration of directors on the Boards of its material subsidiary companies.

The Nomination & Remuneration Committee charter with exhaustive terms of reference is available on website of the Company at <https://www.somindia.com/som-sebi-regulation.php>.

#### iii. Meeting and attendance during the year

During the F.Y. ended on March 31, 2021, three meetings of the Committee were held on June 27, 2020, September 5, 2020 and February 10, 2021.

#### iv. Remuneration Policy for Directors

The Remuneration Policy of the Company is directed towards rewarding performance, based on review of achievements on periodical basis. The Remuneration Policy is in consonance with the existing Industry norms. The tenure of office of the Managing Director, and Whole Time Director is for certain period from their respective dates of appointments and can be terminated by either party by giving proper notice in writing.

The Policy on Appointment and Remuneration of Directors is available on the website of the Company under the web link <https://www.somindia.com/som-sebi-regulation.php>

#### v. Performance Evaluation

Pursuant to the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees, Corporate Social Responsibility Committee and Investor Grievances cum Stakeholder Relationship Committee. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committee, Board Culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board and who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguard the interest of the Company and minority shareholders etc. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. Further, the performance evaluation of the Independent Directors was carried out by the Non-Independent Directors who also reviewed the performance of Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

#### vi. Details of Remuneration of Directors (For the F.Y. ended on March 31, 2021)

The remuneration of the Executive Directors is recommended by the Nomination and Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/ track record, macroeconomic review on remuneration packages of heads of other organisations and is decided by the Board of Directors.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/ or commission (variable components) to its Executive Directors within the limits prescribed under the Companies Act, 2013 and approved by the shareholders.

None of the Non Executive Directors of the Company are drawing any remuneration from the Company.

There is no separate provision for payment of severance fees under the resolutions governing the appointment of Chairman and Whole-time Director.

The Company has not granted stock options to the Executive Directors or Employees of the Company.

The Executive Directors, so long as they function as such shall not be entitled to any sitting fees for attending any meetings of Board or Committees thereof.

(Rs. in lacs)

Name of the Director	Salary and Allowances	Sitting Fees	Com-mission	Total
Jagdish Kumar Arora	51.61	-	-	51.61
Nakul Kam Sethi	36.49	-	-	36.49
Deena Nath Singh	-	1.20	-	1.20
Nishi Arora	-	1.20	-	1.20
Satpal Kumar Arora	-	1.50	-	1.50
Rakesh Rathi	-	0.90	-	0.90
Uma Kant Samal	-	1.50	-	1.50

#### Criteria of making payments to Non-Executive Directors

The Non-Executive Directors are paid sitting fee within the permissible limit as per Companies Act, 2013 and rules made there under. Presently the sitting fee for Independent Director is Rs.30,000/- each for Board meeting.

#### Service Contract, Severance Fee and Notice Period

Directors of the Company are ultimately appointed by the Shareholders upon recommendation of the Board of Directors within the framework of the Companies Act, 2013 as well as the Articles of Association of the Company and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Resolutions passed by these two governing bodies together with the service rules of the Company covers the terms, conditions and remuneration of such appointment. There is no service contract separately entered into by the Company with the Directors. Further, the resolutions appointing these Directors do not prescribe for the payment of any separate Severance Fee to them. However, the requirement of notice period is as per the service rules of the Company.

#### Shareholding of non-executive Directors in the Company

As per the declarations received from the Non-Executive Directors, none of them hold any shares in the Company except Shri Satpal Kumar Arora who hold 10500 shares in the Company.

### C. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

#### i. Composition

The Committee was last reconstituted on February 10, 2021 and comprises of one Executive Director and three Independent Non- Executive Directors as on March 31, 2021 viz.

a.	Shri Deena Nath Singh (Non-Executive & Independent Director)	Chairperson
b.	Smt. Nishi Arora (Non-Executive & Independent Director)	Member
c.	Shri Nakul Kam Sethi (Whole Time Director)	Member
d.	Shri Uma Kant Samal (Non-Executive & Independent Director)	Member

#### ii. Terms of reference

- Formulate and recommend to the Board, a CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- Recommend the amount of expenditure to be incurred on the activities referred to above;
- Monitor the CSR Policy of the Company from time to time.
- Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- Do such other acts, deeds, things and matters as are necessary or expedient in complying with the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Corporate Social Responsibility Committee charter with exhaustive terms of reference is available on website of the Company at <https://www.somindia.com/som-sebi-regulation.php>.

#### iii. Meeting and attendance during the year

During the FY ended March 31, 2021 Two meeting of the Committee was held on June 27, 2020 and February 10, 2021.

#### D. STAKEHOLDER RELATIONSHIP COMMITTEE

##### i. Composition

The Committee was last reconstituted on May 27, 2019 and comprises of one Independent Non-Executive Director and one Executive Director as on March 31, 2021 viz.

a.	Shri Deena Nath Singh (Non-Executive & Independent Director)	Chairperson
b.	Smt. Nishi Arora (Non-Executive & Independent Director)	Member
c.	Shri Nakul Kam Sethi (Whole Time Director)	Member

The Company Secretary is the Compliance Officer of the Company as per the requirements of the SEBI Listing Regulations.

##### ii. Terms of reference

- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend/notice/annual reports, transfer/transmission of shares, issue of new/duplicate certificates, general meetings etc., and all other securities-holders related matters.
- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
- Authorize any person to take such actions as necessary or deemed fit by the Committee for any matter.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Review the policies, processes and systems periodically and recommend measures for improvements from time to time.
- Look into various aspects of interest of shareholders, debenture holders and security holders.
- Such other matters as may be required to be carried out by the Stakeholders' Relationship Committee pursuant to amendments under any law, from time to time.

The Investor Grievances & Stakeholder Relationship Committee charter with exhaustive terms of reference is available on website of the Company at <https://www.somindia.com/som-sebi-regulation.php>

##### iii. Meeting and attendance during the year

During the F.Y. ended March 31, 2021, four meeting was held on June 27, 2020, September 5, 2020, November 13, 2020 and February 10, 2021.

##### Shareholders' Complaints received

During the FY 2020-21, opening balance of the complaints was nil and 3 complaints were received from the shareholders, all of which were satisfactorily attended. Further, no valid transfer/transmission of shares was pending as on March 31, 2021.

#### E. RISK MANAGEMENT COMMITTEE

##### i. Composition

The Committee was re-constituted on February 7, 2020 and comprises of following members as on March 31, 2021 viz.

a.	Shri Nakul Kam Sethi (Whole Time Director)	Chairperson
b.	Shri Deena Nath Singh (Non-Executive & Independent Director)	Member
c.	Smt. Nishi Arora (Non-Executive & Independent Director)	Member

##### ii. Meeting and attendance during the year

During the F.Y. ended March 31, 2021, one meeting was held on February 10, 2021.

##### iii. Terms of reference

- Formulate, monitor and review risk management policy and plan, inter-alia, covering investment of surplus funds, management of foreign exchange risks, cyber security risks.
- Approve addition/deletion of banks and other financial intermediaries and recognised exchanges from time to time for carrying out Treasury transactions and delegate the said power to such person as may be deemed fit.
- Carry out any other function as is referred by the Board from time to time or required under the relevant provisions of the applicable laws, regulations and various circulars issued by the regulatory authorities, from time to time.

The details of all the Committee meetings attended by the Directors are indicated below:

Name of Directors	No. of Committee Meetings attended				
	AC	NRC	CSRC	SRC	RMC
Jagdish Kumar Arora	NA	NA	NA	NA	NA
Nakul Kam Sethi	4	NA	2	4	1
Deena Nath Singh	4	3	2	4	1
Nishi Arora	4	3	2	4	1
Satpal Kumar Arora	NA	3	NA	NA	NA
Rakesh Rathi*	NA	NA	NA	NA	NA
Uma Kant Samal#	NA	NA	0	NA	NA

\* Mr. Rakesh Rathi resigned from the Directorship w.e.f. January 4, 2021.

# Mr. Uma Kant Samal appointed as Member of CSRC with effect from February 10, 2021.

#### F. NON MANDATORY COMMITTEES OF THE BOARD

The Company has following other Committees to speed up routine matters and to comply with other statutory formalities. They meet as and when required. The Company Secretary acts as Secretary of the Committees.

##### i. Executive Legal and Borrowing Committee

a.	Shri Nakul Kam Sethi (Whole Time Director)	Chairperson
b.	Shri Deena Nath Singh (Director)	Member
c.	Mr. Rajesh Kumar Dubey (CFO)	Member

## 5. GENERAL BODY MEETINGS:

- i) Location, day, date and time of Annual General Meetings (AGMs) and Special Resolutions passed there at:

Year	Venue	Date, Day & Time	Special Resolution Passed
2019-20	Video conferencing / other audio visual means (VC / OAVM)	September 29, 2020 (Tuesday) At 12:30 PM	Alteration of Memorandum of Association as per the provisions of the Companies Act, 2013.  Adoption of Articles of Association as per the provisions of the Companies Act, 2013.  Approval SOM ESOP Scheme, 2020 as per the provisions of the Companies Act, 2013 and applicable SEBI Regulations.  Approve sub-division of shares as per the provisions of the Companies Act, 2013 and applicable SEBI Regulations
2018-19	Executive Club, Dolly Farms and Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-30	September 27, 2019 (Friday) At 10:00AM	Re-Appointment of Mr. Deena Nath Singh as an Independent Director  Re-Appointment of Ms. Nishi Arora as an Independent Director
2017-18	Executive Club, Dolly Farms and Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-30	September 28, 2018 (Friday) At 10:00AM	Not Applicable

No Extra Ordinary General Meeting was held during the FY 2020-21.

- ii) Whether Special Resolutions were put through postal ballot last year, details of voting pattern:

There were no special resolutions passed through postal ballot process during FY 2020-21.

- iii) Whether any resolutions are proposed to be conducted through postal ballot:

No Resolution is proposed to be passed by way of Postal Ballot at the ensuing Annual General Meeting.

## 6. DISCLOSURES

- a) List of related parties and materially significant related-party transactions have been given in Note no. 37. of Significant Accounting Policies and Notes on Financial statements. However, there is no related party transaction which has potential conflict with the interests of Company at large. The Company has formulated a policy on Related Party Transactions available on

the website of the Company under the weblink <https://www.somindia.com/pdf/sebi/SOM-Related-Party-Transactions.pdf>.

- b) The Company has complied with various Rules and Regulations prescribed by the Stock Exchanges, SEBI or other statutory authorities relating to the capital markets as and when and to the extent it becomes applicable to the Company. No penalties or strictures have been imposed by them on the Company in the last three years except the following:-

- By Stock Exchanges (BSE & NSE) for non-compliance of Regulation 17 of SEBI (LODR) Regulations, 2015;
- By National Stock Exchange for non-compliance of regulation 13(3) for one day with National Stock Exchange;
- By Stock Exchanges (BSE & NSE) for non-compliance of Regulation 18 and 19 of SEBI (LODR), Regulations, 2015 and
- For Delay in filing listing application for listing of 1288906 equity shares allotted on 2.03.2019 in terms of schedule XIX of SEBI ICDR Regulation, 2018.

- c) As per the Whistle Blower Policy of the Company every employee of the Company has an open access to the respective Functional Heads, Head- HRD, Managing Director as well as Executive Chairman so as to ensure ethical and fair conduct of the business of the Company. Further no person has been denied access to the Audit Committee during the FY 2020-21.

- d) During the FY 2020-21, the Company has complied with all the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 7. MEANS OF COMMUNICATION

The quarterly and annual Financial Results of the Company are normally published in the leading newspapers like Business Standard (Hindi & English). The Financial Results are also furnished to stock exchange(s). The results are also posted on the Company's website [www.somindia.com](http://www.somindia.com) from time to time. Further, the Company also displays the official news releases and presentations made to the Institutional Investors and to the Analysts on its website.

## 8. SEBI COMPLAINTS REDRESSAL SYSTEM (SCORES)

The investor complaints are processed in centralized web based complaints redress system. The salient features of this system are Centralized database of all complaints, online uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaints and its current status.

## 9. GENERAL INFORMATION FOR SHAREHOLDERS

- a. Annual General Meeting

The Annual General Meeting of the Company is scheduled to be held on 28<sup>th</sup> day of September, 2021 at 12:30 P.M. through video conferencing / other audio visual means (VC / OAVM).

- b. Financial calendar 2021-22 (tentative and subject to change)

First Quarterly Results	on or before August 14, 2021
Second Quarterly Results	on or before November 14, 2021
Third Quarterly Results	on or before February 14, 2022
Annual results	on or before May 30, 2022

- c. Date of Book Closure

Wednesday, September 22, 2021 to Tuesday, September 28, 2021 (Both days inclusive) for the purpose of AGM.

- d. Dividend Payment Date, if declared

Not Applicable



e. Listing on Stock Exchange

Equity Shares of the Company are listed on:

- BSE Limited (Bombay Stock Exchange) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
- National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai-400051

Annual Listing Fees for the F.Y. 2020-21 has been paid to the above Stock Exchanges. The Company has also paid annual custodian fees for F.Y. 2020-21 to National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL).

f. Equity Code:

BSE LIMITED	507514
National Stock Exchange of India Limited	SDBL
International Securities Identification Number (ISIN) of Equity Shares	INE480C01020

g. Market Price Data:

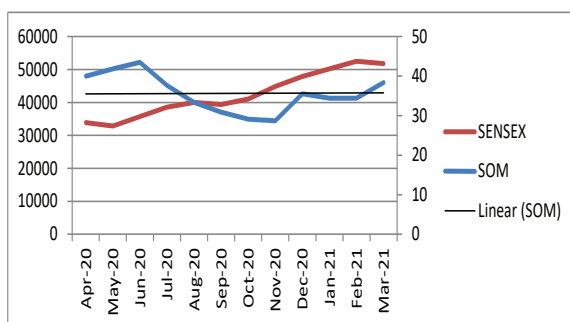
Monthly high and low market price data of Equity Shares traded on Stock Exchange(s):

Monthly high and low market price data of Equity Shares traded on Stock Exchange(s):

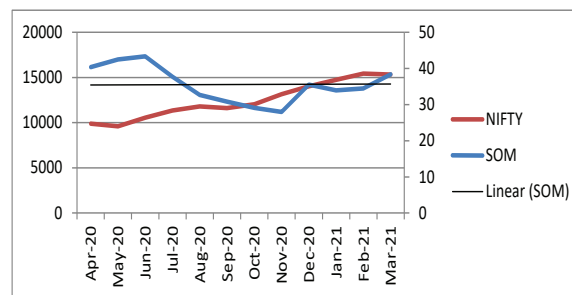
	NSE		BSE	
Month	High Price (Rs.)	Low Price (Rs.)	High Price (Rs.)	Low Price (Rs.)
APR-20	40.38	29.55	39.98	30.08
MAY-20	42.48	31.00	41.80	31.28
JUN-20	43.35	31.00	43.48	31.68
JUL-20	37.73	24.03	37.65	23.80
AUG-20	32.70	22.45	33.35	22.50
SEP-20	30.85	24.58	30.88	24.63
OCT-20	29.10	24.25	29.13	23.45
NOV-20	27.95	22.50	28.70	22.80
DEC-20	35.50	25.60	35.55	25.30
JAN-21	33.95	28.00	34.40	28.10
FEB-21	34.50	26.65	34.40	26.55
MAR-21	38.35	31.55	38.35	30.20

h. Performance of the Company's Share price as compared to BSE Sensex and S & P CNX Nifty

i. Company's share price as compared to BSE Sensex



ii. Company's share price as compared to Nifty



i. Unclaimed Dividend

- The Company has transferred an amount of Rs.11,81,660 in respect of unclaimed dividend for the FY 2012-13 to Investor Education and Protection Fund (IEPF).
- The Dividend for the under noted year remaining unclaimed for 7 years will be transferred in the Investors Education and Protection Fund (IEPF) by the Company in accordance with the schedule given below. Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

F.Y.	Date of declaration of Dividend	Due date for transfer to IEPF
2013-14	September 30, 2014	October 30, 2021
2014-15	September 30, 2015	October 30, 2022
2015-16	September 30, 2016	October 30, 2023
2016-17	September 29, 2017	October 29, 2024
2017-18	September 28, 2018	October 28, 2025
2018-19	September 27, 2019	October 27, 2026
2019-20	Not declared	N.A.

Shareholders who have not so far encashed their dividend warrant(s) or have not received the same are requested to seek issue of Demand Draft by writing to the Company or to the Registrar & Share Transfer Agent of the Company confirming non-encashment/ non- receipt of dividend warrant(s).

j. Transfer of Unclaimed Shares to the Investor Education and Protection Fund (IEPF):

As per Section 124(6) of the Act read with the IEPF Rules as amended, all the Shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to IEPF Account.

The Company is in process of sending notices / reminders to the concerned members and to publish notice regarding the same in newspaper(s).

If the unclaimed shares and unclaimed dividends are not claimed by the time, the Company will initiate necessary steps to transfer the same, if required, to IEPF without further notice.

In the event of transfer of Shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

k. Address for Correspondence by investors:

i. Registrar & share transfer agent

M/s Mas Services Limited is the Registrar and Transfer Agent (RTA) of the Company in respect of the Equity shares held

in Demat and Physical mode. All work related to Shares Registry, both in physical and electronic form, is handled by the Company's Registrar & Share Transfer Agent. Its address is as follows:-

M/s Mas Services Limited  
T-34, Okhla Industrial, Area, Phase-II, Delhi - 110020  
Telephone No. 01126387281-83  
E-mail: info@masserv.com  
Website: www.masserv.com

- ii. Mr. Om Prakash, Company Secretary is the Compliance Officer as per Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Investors' complaint may also be addressed to him at the following address:

Company Secretary,  
Som Distilleries and Breweries Limited  
Corporate Office: 23, Zone II,  
M.P. Nagar, Bhopal, Madhya Pradesh - 462011  
Telephone No. 0755-4271271  
Email: compliance@somindia.com

#### i. Share Transfer System

M/s Mas Services Limited processes the share transfer/ transmission requests received in physical form and the same are approved by Share/ Debenture Transfer Committee constituted by Board of Directors within the statutory timeline.

SEBI has notified that, securities of listed companies can be transferred only in dematerialised form.

#### m. Nomination Facility

Members are allowed to nominate any person to whom they desire to have the shares transmitted in the event of death. Members desirous of availing this facility may submit the prescribed documents to the RTA.

#### n. Distribution of Shareholding by size as on March 31, 2021

Range of Equity Shares	No. of Shareholders	%age	No. of Shares	%age
1 to 5000	18489	89.014	4657707	7.167
5001 to 10000	1060	5.103	1693372	2.606
10001 to 20000	566	2.725	1681220	2.587
20001 to 30000	224	1.078	1144186	1.761
30001 to 40000	82	0.395	588733	0.906
40001 to 50000	86	0.414	817499	1.258
50001 to 100000	113	0.544	1735356	2.670
100001 & Above	151	0.727	52669665	81.046
Total	20771	100	64987738	100

#### o. Shareholding Pattern as on March 31, 2021

Code	Category of Shareholders	Number of shares	% of Shares
A	Shareholding of Promoter and Promoter Group		
	Indian	15906374	24.48
	Sub Total	15906374	24.48
B	Public Shareholding		
1	Institutions		
	Alternate Investment Funds	1400000	2.15
	Foreign Portfolio Investor	-	-
	Financial Institutions / Banks	-	-

2	Central Government/ State Government(s)/ President of India	-	-
3	Non-Institutions		
	Individuals		
	Individual shareholders holding nominal share capital upto Rs.2 Lakhs	12995584	20.00
	Individual shareholders holding nominal share capital in excess of Rs.2 lakhs.	31882250	49.06
	Any Other (Specify)	2803530	4.31
	<b>Sub Total</b>	<b>49081364</b>	<b>75.52</b>
	<b>GRAND TOTAL (A)+(B)</b>	<b>64987738</b>	<b>100.00</b>

#### p. Dematerialisation of shares and liquidity

The shares of the Company are tradable compulsorily in demat form and are available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL). As on March 31, 2021, 96.84% of the Company's total share capital was held in dematerialized form.

The International Security Identification Number (ISIN) allotted to the Company's Equity Shares is INE480C01020. The Company's shares are actively traded on both the exchanges i.e. BSE and NSE. [The company has sub-divided its equity share capital w.e.f. the record date 16.10.2020 and consequently the ISIN has been changed from INE480C01012 (old ISIN) to INE480C01020 (new ISIN)]

#### q. Outstanding GDRs /ADRs /warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued any ADRs, GDRs or any other convertible instruments.

#### r. Commodity Price Risk/Foreign Exchange Risk and Hedging:

In the ordinary course of business, the Company is exposed to risks resulting from exchange rate fluctuation and interest rate movements. It manages its exposure to these risks through derivative financial instruments. The Company's risk management activities are subject to the management, direction and control of Treasury Team of the Company under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Company. The Company's Treasury Team ensures appropriate financial risk governance framework for the Company through 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 decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored.

#### s. Plant Locations

The Company's Plant is located at village Rojra Chak, District Raisen, M.P.

#### t. Credit Rating (Loan Rating) : BBB -

The Company has not issued any debt instruments or fixed deposit programme or any scheme or proposal involving mobilization of funds.

- u. In case the securities are suspended from trading, the directors report shall explain the reason thereof;

The securities of the Company are not suspended from trading.

- v. The Registered Office of the Company is located at:

1-A, Zee Plaza, Arjun Nagar, Safdarjung Enclave, Kamal Cinema Road, New Delhi - 110029

## 11. WTD/CFO CERTIFICATION

In terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Wholtime Director and the Chief Financial Officer of the Company have given compliance certificate, stating therein the matter prescribed under Part B of Schedule II of the said regulations. Copy of the Certificate is enclosed with the report.

In terms of Regulation 33(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Wholtime Director and CFO certified the quarterly financial results while placing the final results before the board.

## 12. PROMOTERS AND CONTROLLING GROUP

The promoters/ promoter group(s) of the Company are as follows:

S. No.	Name
1	Surjeet Lal
2	Ajay Kumar Arora
3	Sunita Arora
4	Natasha Arora
5	Jagdish Kumar Arora
6	Sweena Arora
7	Deepak Arora
8	Aalok Deep Finance Private Limited
9	Som Distilleries Private Limited

## 13. OTHER REQUIREMENTS UNDER SEBI (LODR) REGULATIONS, 2015

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the Stock Exchange(s). Further, compliance of other requirements of the said Regulation is provided below:

- i. Non-Executive Chairman's office:

The Chairman of the Company is an Executive Chairman and hence this provision is not applicable.

All Independent Directors are appointed/ re-appointed in accordance with guidelines determined by the Board from time to time. Further, all the Independent Directors of the Company possess good qualifications and experience which is very useful to the Company and they contribute effectively to the Company in their capacity as Independent Directors of the Company.

- ii. Nomination and Remuneration Committee:

The Company has formed a Nomination and Remuneration Committee. The details of Nomination and Remuneration Committee as to scope and composition are detailed out earlier in this report.

- iii. Posts of Chairman & Managing Director;

Mr. J.K. Arora is the Chairman & Managing Director.

- iv. Shareholders' Rights:

The Quarterly, Half-yearly and Annual financial results of the Company are duly published in English language in newspapers having nation- wide circulation and also in regional language newspapers of the registered office of the Company. Further, these results are also posted on the website of the Company [www.somindia.com](http://www.somindia.com). Annual Report containing the detailed Balance Sheet and Profit & Loss Account is also sent to every shareholder of the Company.

- v. Audit Qualifications/ remarks

As explained in Directors' Report.

- vi. Mechanism of evaluation of non-executive Directors

The Board of Directors including Non-Executive Directors is cast with the responsibility of strategic supervision of the Company. In view of the same, the Board evaluates its Non-Executive Directors on the basis of individual contribution towards fulfillment of this responsibility.

- vii. Reporting of Internal Auditor

The Internal Auditor directly reports to Audit Committee.

- viii. Disclosure of commodity price risks and commodity hedging activities – as explained in Management Discussion & Analysis Report

- ix. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – Not Applicable

- x. The board had accepted all recommendations made by any committee of the board which is mandatorily required, in the relevant financial year.

- xi. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, the Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

- xii. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI Listing Regulations. It has obtained a certificate affirming the compliances from Practising Company Secretary and the same is attached to this Report.

- xiii. Details of Demat/Unclaimed Suspense Account

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

- xiv. Fees paid to Auditors

The total fees for all services paid by your Company and its Subsidiaries to M/s. R.N. Gupta and Associates, Chartered Accountants, Statutory Auditors and all the entities in the network firm/ network entity of which Statutory Auditors is a part during the financial year 2020-21 is Rs. 2.59 Lacs and estimated fees to be paid for the financial year 2021-22 shall be Rs. 2.90 Lacs.

## 14. POLICY ON SUBSIDIARY

The Company has formulated a policy on Subsidiary and is available on website of the Company at <https://www.somindia.com/som-sebi-regulation.php>.

**15. AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

Certificate from M/s N. K. Jain & Associates, Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated in 34(3) and 53(f) read with part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to the Directors' Report forming part of the Annual Report.

**16. CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE**

M/s N. K. Jain & Associates, Practicing Company Secretary, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is annexed to the Directors' Report forming part of the Annual Report.

**17. WHISTLE BLOWER POLICY**

This policy is formulated to establish a vigil mechanism and to provide an opportunity to Director(s)/employee(s) and an avenue to raise concerns and to access in good faith the Chairman of the Audit Committee, to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication, in case they observe unethical and improper practices, actual or suspected fraud or violation of the Code of Conduct of the Company or any other wrongful conduct in the Company, to provide necessary safeguards for protection

of Director(s) or Employee(s) from reprisals or victimization and to prohibit managerial personnel from taking any adverse personnel action against those Director(s) or Employee(s).

**18. COMPLIANCE OF CODE OF CONDUCT**

Your Company has laid down a Code of Conduct for all the Board Members, Senior Management personnel and designated personnel of the Company. The Code of Conduct has been posted on the website of the Company i.e. <https://www.somindia.com/som-sebi-regulation.php>. All Board Members, Senior Management personnel and designated personnel have affirmed their compliance with the said Code of Conduct for the FY 2020-21.

**For Som Distilleries and Breweries Limited**  
Sd/-

**J.K. Arora**  
Chairman and Managing Director  
Place: Bhopal  
Date: June 03, 2021



## CERTIFICATE ON CORPORATE GOVERNANCE

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To,  
The Members,  
Som Distilleries and Breweries Limited

We have examined the compliance of conditions of Corporate Governance by Som Distilleries and Breweries Limited ("the Company"), for the purpose of certifying of the Corporate Governance under Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the period April 01, 2020 to March 31, 2021. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Place: Bhopal  
Dated: 03.06.2021  
UDIN: F006436C000416769

**For N.K. Jain & Associates**  
Company Secretaries  
Sd/-  
**NEELESH JAIN**  
Proprietor  
FCS-6436, CP-6912

## SOM DISTILLERIES & BREWERIES LIMITED

# NO DISQUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

To,  
The Members,  
Som Distilleries and Breweries Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Som Distilleries and Breweries Limited having CIN L74899DL1993PLC052787 and having registered office at 1A, Zee Plaza, Arjun Nagar, S.J.Enclave, Kamal Cinma Road, New Delhi 110029 India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2021, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Jagdish Kumar Arora	00224633	04.02.2017
2.	Deena Nath Singh	00281542	30.03.2006
3.	Nishi Arora	07021730	14.11.2014
4.	Nakul Kam Sethi	06512548	01.06.2018
5.	Satpal Kumar Arora	00061420	13.10.2018
6.	Uma Kant Samal	08669929	20.04.2020

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

Place: Bhopal  
Dated: 03.06.2021  
UDIN : F006436C000416714

For N.K. Jain & Associates  
Company Secretaries  
Sd/-  
**NEELESH JAIN**  
Proprietor  
FCS-6436, CP-6912

# SOM DISTILLERIES & BREWERIES LIMITED

## WTD/ CFO CERTIFICATE

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To,

The Board of Directors

Som Distilleries and Breweries Limited

Dear Sir,

We hereby certify the following that:

1. We have reviewed financial statements and the cash flow statement of Som Distilleries and Breweries Limited for the year ended March 31, 2021 and to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee that:
  - i. There are no significant changes in internal control over financial reporting during the year;
  - ii. There are no significant changes in accounting policies during the year; and
  - iii. There are no instances of significant fraud of which we have become aware.

**For Som Distilleries and Breweries Limited**

Sd/-  
**Nakul Kam Sethi**  
Wholetime Director  
June 3, 2021  
Bhopal

Sd/-  
**Rajesh Kumar Dubey**  
Chief Financial Officer

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF SOM DISTILLERIES & BREWERIES LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the Standalone Financial Statements of SOM DISTILLERIES & BREWERIES LIMITED ('the Company'), which comprise the Standalone Balance Sheet as at March 31, 2021, Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity, and Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its Loss, Changes in Equity and its Cash Flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

#### Other Information

The Company's Board of Directors is responsible for the preparation of the Other Information. The Other Information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our Auditor's Report thereon.

Our opinion on the Standalone Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

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

### Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

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

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

made by management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### Report on Other Legal and Regulatory Requirements

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

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the Directors as on March 31, 2021 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2021 from being appointed as a Director in terms of subsection 2 of Section 164 of the Act.
  - f) According to the information and explanations given by the management and audit procedures performed by us, the managerial remuneration has been paid /provided to whole-time directors in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act. Remuneration amounting to Rs.4.50 Lacs for the non-executive directors has been provided as per limits under Schedule V of the Act
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 33 to the Standalone Financial Statements;
    - ii. As per the information given to us, the Company does not foresee any losses on any long-term contracts and has therefore not made any provision. We have been informed that the Company has not entered into any derivative contracts;
    - iii. As at 31.03.2021 as per its record, there were no amounts required to be transferred by the company to the Investor Education and Protection Fund.

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

Sd/-  
6, New Market (1<sup>st</sup> Floor),  
T.T. Nagar,  
BHOPAL 462 003  
Dated: 03.06.2021

Sd/-  
**R.N. Gupta**  
Proprietor  
Membership No. 070590  
UDIN : 21070590AAAABR7022



# ANNEXURE A

## INDEPENDENT AUDITOR'S REPORT

### TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SOM DISTILLERIES & BREWERIES LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

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

- i. (a) As per the information given to us, the Company is reported to have maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) We have been informed that the fixed assets have been physically verified by the Management at the close of the financial year and no discrepancies are reported have been noticed on such verification.
- (c) As per the records and information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- ii. As per the information given to us the inventory has been physically verified, at reasonable intervals, during the year, by the Management and no material discrepancies are stated to have been noticed.
- iii. As per the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act other than to wholly owned subsidiaries. Accordingly, the provisions of paragraph 3(iii) are not applicable.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of the loans and guarantees and security provided by it, to the extent applicable.
- v. According to the information given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. As per the explanations given to us, the Central Government has not specified maintenance of cost records in respect of the Company's products.
- vii. (a) According to the records of the Company, it is regular in depositing the undisputed statutory dues with the appropriate authorities including Provident Fund, Sales Tax, State Excise duty, Value Added Tax and Cess etc.
- (b) As per the information and explanations given to us, the statutory dues which have not been deposited on account of disputes are as follows:

Name of Statute	Nature of dues	Amount (Rupees in lacs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
M P Entry Tax Act, 1976	Entry Tax	37.42	2007-08	Madhya Pradesh High Court, Jabalpur

M P Entry Tax Act, 1976	Entry Tax	13.95	2012-13	Appeal Board Commercial Tax, Bhopal
M P Entry Tax Act, 1976	Entry Tax	9.33	2016-17	Additional Commissioner Appeal, Bhopal
Income Tax Act, 1961	Tax after assessment	4.26	2010-11	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Tax after assessment	53.48	2012-13	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Tax after assessment	465.04	2013-14	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Tax after assessment	15.98	2015-16	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Tax after assessment	565.41	2016-17	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Demand	13.97	2019-20	Commissioner of Income Tax Appeals

- viii. As per the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayments of loans or borrowings to any financial institutions or bank or Government, as applicable, as at Balance Sheet date. The company has not issued any debentures.
- ix. According to the information and explanations given to us the moneys raised by way of term loans have been applied, on an overall basis, for the purpose for which they were obtained. The Company has not raised any moneys by way of initial public offer or any other further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted accounting practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. According to the information and explanations given to us and based on our examination of the records, the Company has paid and provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. As it is not a Nidhi company and the Nidhi Rules 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

- xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act where applicable. The details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- xiv. Based on our examination of its records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us by the Management, the Company has not entered into any non cash transactions with its Directors or persons connected with them. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

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

6, New Market (1<sup>st</sup> Floor),  
T.T. Nagar,  
BHOPAL 462 003  
Dated: 03.06.2021

Sd/-  
**R.N. Gupta**  
Proprietor  
Membership No. 070590  
UDIN : 21070590AAAABR7022

## ANNEXURE B

# INDEPENDENT AUDITOR'S REPORT

### TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 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 Para 2 (f) under 'Report on other Legal and Regulatory Requirements' section of our Report of even date}

We have audited the internal financial controls over financial reporting of **SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI** ('the Company'), as of March 31, 2021, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### Management Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

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

3. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

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

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

6, New Market (1<sup>st</sup> Floor),  
T.T. Nagar,  
BHOPAL 462 003  
Dated: 03.06.2021

Sd/-  
**R.N. Gupta**  
Proprietor  
Membership No. 070590  
UDIN : 21070590AAAABR7022

# SOM DISTILLERIES & BREWERIES LIMITED

## STANDALONE BALANCE SHEET

AS AT 31<sup>ST</sup> MARCH 2021

PARTICULARS	NOTE	AS AT 31.03.2021	AS AT 31.03.2020
<b>ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Property, Plant and Equipment	3	2,056,939,595	617,737,729
(b) Capital Work-in-progress		-	1,420,775,964
(c) Other Intangible Assets	4	7,992,103	10,250,761
(d) Intangible Assets under development		236,000	-
(e) Investments	5	760,100,000	760,100,000
(f) Financial Assets			
(i) Loans	6	719,192,131	335,922,131
(ii) Other Financial Assets	7	143,444,528	148,676,892
<b>(2) Current Assets</b>			
(a) Inventories	8	404,648,590	651,283,679
(b) Financial Assets			
(i) Trade Receivables	9	828,837,638	861,551,001
(ii) Cash and cash equivalents	10	83,566,994	185,096,408
(iii) Loans	11	235,431,211	421,802,621
(c) Other Current Assets	12	481,642,890	418,906,396
<b>TOTAL ASSETS</b>		<b>5,722,031,680</b>	<b>5,832,103,582</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	13	324,938,690	324,938,690
(b) Other Equity	14	2,716,941,543	2,897,598,393
<b>Liabilities</b>			
<b>(1) Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	828,339,768	758,509,573
(ii) Other	16	29,316,000	7,100,000
(b) Deferred Tax Liabilities	17	61,039,408	113,397,376
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	292,877,081	300,501,086
(ii) Trade Payables		531,043,936	480,517,994
(iii) Other Financial Liabilities	19	878,930,328	785,790,361
(b) Other Current Liabilities	20	51,960,212	157,003,868
(c) Provisions	21	6,644,714	5,352,768
(d) Current Tax Liabilities (Net)		-	1,393,473
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,722,031,680</b>	<b>5,832,103,582</b>

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

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

Place: Bhopal  
Dated: 03.06.2021

For and on Behalf of the Board

Sd/-  
**J.K. Arora**  
(Chairman & Managing Director)

Sd/-  
**Rajesh Dubey**  
(Chief Financial Officer)

Sd/-  
**Nakul K Sethi**  
(Director)  
  
Sd/-  
**Om Prakash**  
(Company Secretary)



## SOM DISTILLERIES &amp; BREWERIES LIMITED

# STATEMENT OF STANDALONE PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME

## YEAR ENDED 31<sup>ST</sup> MARCH 2021

PARTICULARS	NOTE	YEAR ENDED 31.03.2021 (RS.)	YEAR ENDED 31.03.2020 (RS.)
Revenue from operations		2,266,979,875	4,033,054,457
Other Income	22	14,551,871	18,925,367
<b>Total Revenue</b>		<b>2,281,531,746</b>	<b>4,051,979,824</b>
<b>Expenses:</b>			
Cost of Materials Consumed	23	1,054,716,705	1,718,175,816
Purchase of stock-in-trade		13,600,663	4,082,400
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		(17,915,420)	(2,165,526)
Excise Duties		457,536,939	809,608,502
Employees Remuneration & Benefits	24	91,381,334	97,448,562
Finance Costs	25	117,132,636	86,171,367
Depreciation & Amortisations		57,244,247	47,598,456
Other Expenses	26	715,736,563	1,052,953,027
<b>Total Expenses</b>		<b>2,489,433,667</b>	<b>3,813,872,604</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>(207,901,921)</b>	<b>238,107,220</b>
Exceptional items		-	-
<b>Profit Before Tax</b>		<b>(207,901,921)</b>	<b>238,107,220</b>
<b>Tax Expenses</b>			
Current tax		-	73,227,252
Previous Year Taxes		24,682,623	4,795,794
Deferred Tax		(52,223,722)	(9,563,679)
<b>Profit/(Loss) for the year</b>		<b>(180,360,822)</b>	<b>169,647,853</b>
<b>Other Comprehensive Income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>			
Re-measurement of defined benefit plans		(430,273)	1,142,533
Income Tax effect on above		134,245	(332,706)
<b>Total Comprehensive Income for the year</b>		<b>(180,656,850)</b>	<b>170,457,680</b>
Earning Per Equity Share:			
(1) Basic		(2.78)	2.62
(2) Diluted		(2.78)	2.62
Significant Accounting Policies	[2]		

As per our Report of even date  
For **R. N. GUPTA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 001419C  
Sd/-  
**R.N. Gupta**  
(Proprietor)  
Membership No. 070590  
Place: Bhopal  
Dated: 03.06.2021

For and on Behalf of the Board

Sd/-  
**J.K. Arora**  
(Chairman & Managing Director)

Sd/-  
**Rajesh Dubey**  
(Chief Financial Officer)

Sd/-  
**Nakul K Sethi**  
(Director)  
  
Sd/-  
**Om Prakash**  
(Company Secretary)

**STANDALONE CASH FLOW STATEMENT****YEAR ENDED 31<sup>ST</sup> MARCH 2021**

PARTICULARS	YEAR ENDED 31 MARCH, 2021	YEAR ENDED 31 MARCH, 2020
<b>Cash flow from operating activities</b>		
Profit before Tax	(207,901,921)	238,107,220
<b>Non-cash adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation on continuing operations	57,244,247	47,598,456
Interest Expense	117,132,636	86,171,367
Profit on sale of Fixed Assets	-	(734,778)
<b>Operating profit before working capital changes</b>	<b>(33,525,039)</b>	<b>371,142,265</b>
<b>Movements in working capital:</b>		
Decrease/(increase) in inventories	246,635,089	(10,265,541)
Decrease/(increase) in trade receivables	32,713,363	(24,199,835)
Decrease/(increase) in short term loans	186,371,410	(173,369,633)
Decrease/(increase) in other current assets	(62,736,494)	111,010,824
Increase/(decrease) in trade payables	50,525,941	15,924,002
Increase/(decrease) in other current financial liabilities	100,517,126	9,600,795
Increase/(decrease) in other current liabilities	(95,455,113)	(19,157,279)
Increase/(decrease) in short term provisions	1,291,946	(500,030)
<b>Cash generated from/(used in) operations</b>	<b>426,338,230</b>	<b>280,185,568</b>
Direct Taxes Paid (net of refunds)	(26,076,096)	(241,436,931)
<b>Net Cash flow from/ (used in) operating activities (A)</b>	<b>400,262,134</b>	<b>38,748,637</b>
<b>Cash flow from Investing activities</b>		
Purchase of fixed assets	(73,647,490)	(427,146,214)
Proceeds from sale of fixed assets	-	1,024,376
Decrease/(increase) in long term loans	(383,270,000)	134,823,059
Decrease/(increase) in other financial assets	5,232,364	(8,187,974)
<b>Net Cash flow from/ (used in) Investing activities (B)</b>	<b>(451,685,126)</b>	<b>(299,486,753)</b>
<b>Cash flow from Financing activities</b>		
Borrowings	55,771,895	394,828,368
Increase/(decrease) in other long term liabilities	22,216,000	(23,322,565)
Interest paid	(117,132,636)	(86,171,367)
Dividend paid	(942,864)	(48,545,310)
Dividend distribution tax	(10,018,816)	(11,551,667)
<b>Net Cash flow from/ (used in) Financing activities (C)</b>	<b>(50,106,421)</b>	<b>225,237,459</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(101,529,413)</b>	<b>(35,500,657)</b>
Cash and cash equivalents at the beginning of the year	185,096,408	220,597,065
<b>Cash and cash equivalents at the end of the year</b>	<b>83,566,994</b>	<b>185,096,408</b>
<b>Compenents of cash and cash equivalents</b>		
Cash in hand	25,572,059	7,899,132
With Banks - in current account	8,882,228	105,703,930
With Banks - in deposit account	49,112,707	71,493,346
<b>Total Cash and cash equivalents</b>	<b>83,566,994</b>	<b>185,096,408</b>

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

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

Place: Bhopal  
Dated: 03.06.2021

For and on Behalf of the Board

Sd/-  
**J.K. Arora**  
(Chairman & Managing Director)

Sd/-  
**Rajesh Dubey**  
(Chief Financial Officer)

Sd/-  
**Nakul K Sethi**  
(Director)

Sd/-  
**Om Prakash**  
(Company Secretary)

**STATEMENT OF CHANGES IN EQUITY****YEAR ENDED 31<sup>ST</sup> MARCH 2021**

<b>A. Equity Share Capital</b>	
Balance as at 31.0.3.2020	324,938,690
Changes during the year	-
Balance as at 31.03.2021	324,938,690

<b>B. Other Equity</b>				
Particulars	Capital Reserve	Securities Premium Reserve	Retained Earnings	Total
Balance as at 31.03.2020	3,930,000	1,422,398,757	1,471,269,635	2,897,598,392
Total Comprehensive Income for the year	-	-	(180,656,850)	(180,656,850)
Balance as at 31.03.2021	3,930,000	1,422,398,757	1,290,612,785	2,716,941,542

As per our Report of even date  
For **R. N. GUPTA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 001419C  
Sd/-  
**R.N. Gupta**  
(Proprietor)  
Membership No. 070590  
Place: Bhopal  
Dated: 03.06.2021

**For and on Behalf of the Board**

Sd/-  
**J.K. Arora**  
(Chairman & Managing Director)

Sd/-  
**Rajesh Dubey**  
(Chief Financial Officer)

Sd/-  
**Nakul K Sethi**  
(Director)  
  
Sd/-  
**Om Prakash**  
(Company Secretary)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

YEAR ENDED 31<sup>ST</sup> MARCH 2021

## 1. COMPANY INFORMATION

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

## 2. SIGNIFICANT ACCOUNTING POLICIES

## 2.1 Basis for preparation

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

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

## 2.2 Revenue recognition

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

Based on the Educational Material on Ind AS 18 issued by the Institute of Chartered Accountants of India ('ICAI'), the Company has assumed that recovery of State excise duty flows to the Company on its own account and hence is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, sales tax/ value added tax (VAT) is not received by the Company on its own account and is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from revenue.

## 2.3 Expenditure

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

## 2.4 Property, plant and equipment

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

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

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

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

## 2.5 Inventories

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

- Raw materials, components, packing material, stores and spares on first in first out 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.

## 2.6 Foreign Currency Transactions

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

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

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

## 2.7 Retirement and other employee benefits

### Short Term Employee Benefits

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

### Post-Employment Benefits

#### Defined Contribution Plans

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

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

#### Defined Benefit Plans

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

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

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

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

## 2.8 Taxes on Income

### Current income tax

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

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

## Deferred tax

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

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

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

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

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

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

## 2.9 Financial Instruments

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

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

### Financial assets at amortised cost

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

### Financial asset at fair value through other comprehensive income

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



## Financial assets at fair value through profit or loss

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

## Financial liabilities

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

## Equity Instruments

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

## 2.10 Impairment

### i) Financial assets (other than at fair value)

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

### ii) Non financial assets

#### Tangible and Intangible assets

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

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

## 2.11 Provisions

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

## 2.12 Contingent liabilities

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

## 2.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. These exchange 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.

## 2.14 Earnings per equity share ('EPS')

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

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

## 2.15 Cash and cash equivalents

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

## YEAR ENDED 31<sup>ST</sup> MARCH 2021

### 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 (Freehold) & Site Development	14,362,806	3,256,728	17,619,534	-	-	-	17,619,534	14,362,806
Buildings & Civil Works	171,338,387	244,410,365	415,748,752	91,226,567	8,304,228	99,530,794	316,217,958	80,111,820
Plant & Machinery	874,567,742	1,242,356,926	2,116,924,668	403,752,190	34,681,387	438,433,577	1,678,491,091	470,815,552
Furniture & Fixtures	5,797,565	53,898	5,851,463	2,811,867	381,263	3,193,130	2,658,333	2,985,698
Office Equipments	14,184,735	4,109,538	18,294,273	10,037,355	2,815,152	12,852,507	5,441,766	4,147,380
Vehicles	103,968,301	-	103,968,301	58,653,829	8,803,559	67,457,388	36,510,913	45,314,472
Total	1,184,219,536	1,494,187,455	2,678,406,991	566,481,808	54,985,588	621,467,396	2,056,939,595	617,737,729
Capital Work In Progress	1,420,775,964	(1,420,775,964)	-	-	-	-	-	1,420,775,964
Grand Total							2,056,939,595	2,038,513,693

### 4. Intangible Assets

Particulars	Gross Block			Amortisation			Net Block	
	As at 31.03.2020	Addition 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
ERP-Computer Softwares	14,258,585	-	14,258,585	4,007,824	2,258,659	6,266,482	7,992,103	10,250,761
Total	14,258,585	-	14,258,585	4,007,824	2,258,659	6,266,482	7,992,103	10,250,761
Intangible Assets Under Development	-	236,000	236,000				236,000	-
Grand Total							8,228,103	10,250,761

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

## YEAR ENDED 31<sup>ST</sup> MARCH 2021

		As At 31.03.2021	As At 31.03.2020
5.	<b>Investment</b>		
	Investment in Subsidiaries - (Unquoted)		
	5,10,00,000 Equity Shares of Rs.10 each in Woodpecker Distilleries & Breweries Private Ltd.	510,000,000	510,000,000
	2,50,10,000 Equity Shares of Rs.10 each in Som Distilleries & Breweries Odisha Private Limited	250,100,000	250,100,000
	<b>Total</b>	<b>760,100,000</b>	<b>760,100,000</b>
6.	<b>Loans</b>		
	Advances to Subsidiary	719,192,131	335,922,131
	<b>Total</b>	<b>719,192,131</b>	<b>335,922,131</b>
7.	<b>Other Financial Assets</b>		
	<b>Security Deposits</b>		
	Security Deposit	143,444,528	148,676,892
	<b>Total</b>	<b>143,444,528</b>	<b>148,676,892</b>
	<b>Note: All the above amounts are unsecured and considered good.</b>		
8.	<b>Inventories</b>		
	(as taken, valued and certified by the Management)		
	Raw Materials	49,651,478	123,426,115
	Stores, Consumables & Packing Materials	160,822,706	351,598,577
	Stock In Process	51,563,125	45,974,195
	Finished Goods	142,611,281	130,284,791
	<b>Total</b>	<b>404,648,590</b>	<b>651,283,679</b>
9.	<b>Trade Receivables</b>		
	(Unsecured, considered good)		
	Outstanding for a period exceeding six months	35,520,636	33,801,229
	Other Debts	793,317,002	827,749,772
	<b>Total</b>	<b>828,837,638</b>	<b>861,551,001</b>
10.	<b>Cash and Cash Equivalents</b>		
	Cash in hand	25,572,059	7,899,132
	Balance With Scheduled Banks		
	Current Accounts	8,882,228	105,703,930
	Deposit Accounts	41,680,305	63,118,080
	Other Bank Balances		
	Unpaid Dividend Accounts	7,432,402	8,375,266
	<b>Total</b>	<b>83,566,994</b>	<b>185,096,408</b>
11.	<b>Current Loans</b>		
	Advances to Related Parties	235,431,211	394,568,321
	Advances to Others	-	27,234,300
	<b>Total</b>	<b>235,431,211</b>	<b>421,802,621</b>
	<b>Note: All the above amounts are unsecured and considered good.</b>		

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

## YEAR ENDED 31<sup>ST</sup> MARCH 2021

		As At 31.03.2021	As At 31.03.2020
12.	<b>Other Current Assets</b>		
	Capital Advances	84,385,649	132,136,090
	Staff Advances	8,841,819	8,861,472
	Prepaid Expenses	69,637,098	59,225,773
	Advances to suppliers	269,613,559	218,683,061
	Other Assets	49,164,765	-
	<b>Total</b>	<b>481,642,890</b>	<b>418,906,396</b>

		As At 31.03.2021	As At 31.03.2020		
13.	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]	400,000,000	350,000,000		
	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]	324,938,690	324,938,690		
	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	%
Mr. 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
14.	<b>Other Equity</b>		
	<b>Capital Reserve</b> (Amount forfeited against share warrants)	3,930,000	3,930,000
	<b>Securities Premium Reserve</b>	1,422,398,757	1,422,398,757
	<b>Surplus - In Statement of Profit &amp; Loss</b>		
	Balance as per last Financial Statement	1,471,269,635	1,359,571,575
	Add: Comprehensive Income during the year	(180,656,850)	170,457,680
	Amount available for appropriation	1,290,612,785	1,530,029,255
	<b>Less:</b>		
	Final Dividend Paid	-	48,740,804
	Dividend Distribution Tax	-	10,018,816
	<b>Balance at the end of the year</b>	<b>1,290,612,785</b>	<b>1,471,269,635</b>
	<b>Total Reserves &amp; Surplus</b>	<b>2,716,941,543</b>	<b>2,897,598,393</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

## YEAR ENDED 31<sup>ST</sup> MARCH 2021

		Non Current		Current Maturities	
		As At 31.03.2021	As At 31.03.2020	As At 31.03.2021	As At 31.03.2020
15.	<b>Borrowings</b>				
	<b>Long Term Borrowings</b>				
	<b>(i) Secured Loans</b>				
	(a) Bandhan Bank Ltd	203,866,000	243,686,286	82,808,572	94,580,000
	(b) SBI Term Loan	218,300,000	257,000,000	53,623,167	38,927,480
	(c) Vehicle Loans (Secured by hypothecation of respective vehicles)				
	From Banks	625,992	1,227,795	531,296	219,155
	From Others	-	12,902,883	10,282,780	6,559,264
	<b>(ii) Unsecured Loans</b>				
	(a) IFCI Venture Capital Funds Ltd.	-	-	11,876,573	25,270,784
	(b) Others	405,547,776	243,692,609	-	-
	<b>Grand Total</b>	<b>828,339,768</b>	<b>758,509,573</b>	<b>159,122,388</b>	<b>165,556,683</b>

### 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.
- 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.
- 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
16.	<b>Other Long Term Financial Liabilities</b>		
	Security Deposits (Unsecured)	29,316,000	7,100,000
	<b>Total</b>	<b>29,316,000</b>	<b>7,100,000</b>

		As At 31.03.2021	As At 31.03.2020
17.	<b>Deferred Tax Liability (Net)</b>		
	Difference between depreciation as per books of account and the Income Tax Act 1961.	187,149,393	114,914,240
	Others	1,407,398	1,764,848
	<b>Gross Deferred Tax Liability</b>	<b>188,556,791</b>	<b>116,679,088</b>
	<b>Deferred Tax Assets</b>		
	Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	8,457,471	3,281,713
	Carried Forward Losses	119,059,912	-
	<b>Gross Deferred Tax Assets</b>	<b>127,517,383</b>	<b>3,281,713</b>
	<b>Deferred Tax Liability (Net)</b>	<b>61,039,408</b>	<b>113,397,376</b>

### Notes:

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



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

## YEAR ENDED 31<sup>ST</sup> MARCH 2021

		As At 31.03.2021	As At 31.03.2020
18.	<b>Borrowings</b>		
	<b>Short Term Borrowings</b>		
	Cash Credit from Bank (Secured by way of hypothecation of entire current assets of the company)	292,877,081	300,501,086
	<b>Total</b>	<b>292,877,081</b>	<b>300,501,086</b>
19.	<b>Other Financial Liabilities</b>		
	Current maturities of long-term borrowing	159,122,388	165,556,683
	Bank Overdrafts (Book)	7,400,084	9,400,203
	Un paid Dividend	7,432,402	8,375,266
	Expenses & Other Payable	704,975,454	602,458,209
	<b>Total</b>	<b>878,930,328</b>	<b>785,790,361</b>
20.	<b>Other Current Liabilities</b>		
	Advances from customers	26,768,623	53,142,334
	Statutory dues payable	18,928,011	87,579,140
	Dividend tax	6,263,578	16,282,394
	<b>Total</b>	<b>51,960,212</b>	<b>157,003,868</b>
21.	<b>Short Term Provisions</b>		
	Employee Benefits	6,644,714	5,352,768
	<b>Total</b>	<b>6,644,714</b>	<b>5,352,768</b>
22.	<b>Other Income</b>		
	Interest	3,769,205	4,564,933
	Profit on Sale of Fixed Assets	-	734,778
	Other Revenues	10,782,666	13,625,656
	<b>Total</b>	<b>14,551,871</b>	<b>18,925,367</b>
23.	<b>Cost of Materials consumed</b>		
	Opening Stocks	475,024,692	439,537,196
	Add: Purchases	790,166,197	1,753,663,312
	Less: Closing Stocks	210,474,184	475,024,692
	<b>Material consumed</b>	<b>1,054,716,705</b>	<b>1,718,175,816</b>
24.	<b>Employee Remuneration &amp; Benefits</b>		
	Salaries, allowances & bonus	85,023,380	89,446,894
	Employer's contribution to Provident & Gratuity Fund	3,571,948	4,383,617
	Staff welfare expenses	2,786,006	3,618,051
	<b>Total</b>	<b>91,381,334</b>	<b>97,448,562</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

## YEAR ENDED 31<sup>ST</sup> MARCH 2021

		Year Ended 31.03.2021	Year Ended 31.03.2020
25.	<b>Financial Costs</b>		
	Interest to Bank & FIs	110,909,780	73,256,179
	Interest to Others	6,222,856	12,915,188
	<b>Total</b>	<b>117,132,636</b>	<b>86,171,367</b>
26.	<b>Other Expenses</b>		
	Power and fuel	63,642,704	105,104,474
	Labour	19,867,455	17,130,217
	Rent	10,398,102	11,845,942
	Repairs		
	Buildings	547,782	606,986
	Machinery	19,821,934	54,768,890
	Others	2,898,138	5,067,585
	Insurance	5,689,697	3,526,688
	Rates and taxes (Other than on income)	123,320,051	122,041,776
	Other Manufacturing Exp	5,946,924	4,797,108
	Auditor's Remuneration		
	(a) Audit fees	253,700	253,700
	(b) Other Services	253,700	253,700
	Donations	1,269,900	515,300
	Corporate Social Responsibility	6,950,000	6,865,000
	Travelling & Conveyance	9,986,538	15,495,047
	Legal & Professional	12,672,309	21,344,465
	Sales promotion	201,049,731	360,247,147
	Advertisement & Publicity	8,615,580	25,618,329
	Freight outward	127,095,228	219,753,822
	Other selling expenses	74,660,720	40,215,090
	General expenses	11,799,591	8,181,865
	Postage, Telegrams & Telephones	4,682,880	15,185,933
	Vehicle Running & Maintenance	4,313,899	14,133,963
	<b>Total</b>	<b>715,736,563</b>	<b>1,052,953,027</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

### YEAR ENDED 31<sup>ST</sup> MARCH 2021

		Year Ended 31.03.2021	Year Ended 31.03.2020
27.	<b>Taxation</b>		
	<b>Components of Income Tax Expense</b>		
	Current Tax	-	73,227,252
	Deferred Tax	(52,223,722)	(9,563,679)
	<b>Total</b>	<b>(52,223,722)</b>	<b>63,663,573</b>
	<b>Reconciliation of Income Tax with Accounting Profits</b>		
	Profit Before Tax	(207,901,921)	238,107,220
	Applicable Tax Rate	31.20%	29.12%
	Computed Tax Expense	(64,865,399)	69,336,822
	CSR	2,168,400	1,999,088
	Change in Tax Rate & Others	10,473,276	(7,672,337)
	<b>Income Tax Exp</b>	<b>(52,223,723)</b>	<b>63,663,573</b>

## OTHER NOTES

28) The Company 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 31<sup>st</sup> March, 2021 is not ascertainable. The process of collecting the information from the vendors is currently ongoing.

**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 01.04.2020 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
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

**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)	-
Benefits paid	(7,64,193)	-
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:

Period	2020-21	2019-20
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)% ]

#### 30) Imports

Period	2020-21	2019-20
a) Value of Imports Calculated on CIF Basis (As certified by the Management)		
i) Raw & Packing Materials	6,46,41,065	12,85,95,976
ii) Components and Spare Parts	1,19,485	1,17,07,882
b) Expenditure in Foreign Currency		
Bank Charges	1,58,785	88,620

#### 31) 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
<b>Imported</b>				
Percentage	6.10%	8.37%	0.59%	21.14%
Value (Rs)	6,43,03,227	14,37,52,208	1,19,485	1,17,07,882
<b>Indigenous</b>				
Percentage	93.90%	91.63%	99.41%	78.86%
Value (Rs)	99,04,13,478	1,57,44,23,607	2,02,50,231	4,36,67,993
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Total</b>	<b>1,05,47,16,705</b>	<b>1,71,81,75,815</b>	<b>2,03,69,716</b>	<b>5,53,75,875</b>

#### 32) Earnings in Foreign Exchange

Period	2020-21	2019-20
Exports of Goods calculated on FOB Basis	8,97,77,214	4,88,99,082



### 33) Contingent Liabilities

		2020-21	2019-20
i.	Claims against the Company not acknowledged as debts/ disputed - Commercial Tax Department - Income Tax Department	60,70,636 11,18,14,414	51,37,183 11,06,86,800
ii.	- Guarantees given by Bankers on behalf of the company not provided for	7,90,46,231	17,51,95,570
iii.	- Corporate guarantee given to a bank on behalf of subsidiaries	1,13,06,00,000	80,00,00,000

### 34) Financial Instruments

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

#### A. Financial assets and liabilities

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

	March 31, 2021	March 31, 2020
<b>Financial Assets:</b>		
Cash and cash equivalents	8,35,66,994	18,50,96,408
Trade receivables	82,88,37,687	86,15,51,001
Loans	95,46,23,342	75,77,24,752
Investments	76,01,00,000	76,01,00,000
Other Financial Assets	14,34,44,528	14,86,76,892
<b>Total</b>	<b>2,77,05,72,552</b>	<b>2,71,31,49,053</b>
<b>Financial Liabilities:</b>		
Trade and other payables	53,10,43,936	48,05,17,994
Borrowings	1,12,12,16,849	1,05,90,10,659
Other financial liabilities	90,82,46,328	79,28,90,361
<b>Total</b>	<b>2,56,05,07,113</b>	<b>2,33,24,19,014</b>

#### 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:

	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	(12 Lacs)	12 Lacs	(14 Lacs)	14 Lacs

##### (b) Commodity price risk

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

	As at 31.03.2021		As at 31.03.2020	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax	(5 Lacs)	5 Lacs	(20 Lacs)	20 Lacs

#### ii) Credit risk

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

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

#### iii) Liquidity risk

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

As At March 31, 2021	Maturities			Total Carrying value
	Upto 1 year	1-2 years	> 2 years	
Financial Liabilities:				
Non Current Borrowings	15,91,22,388	10,42,56,854	72,40,82,914	98,74,62,156
Current Borrowings	29,28,77,081	-	-	29,28,77,081
Trade and other payables	53,10,43,936	-	-	53,10,43,936
Other financial liabilities	71,98,07,940	-	2,93,16,000	74,91,23,940
Total	1,70,28,51,345	10,42,56,854	75,33,98,914	2,56,05,07,113

As At March 31, 2020	Maturities			Total Carrying value
	Upto 1 year	1-2 years	> 2 years	
Financial Liabilities:				
Non Current Borrowings	16,55,56,683	11,52,11,576	64,32,97,997	92,40,66,256
Current Borrowings	30,05,01,086	-	-	30,05,01,086
Trade and other payables	48,05,17,994	-	-	48,05,17,994
Other financial liabilities	62,02,33,678	-	71,00,000	62,73,33,678
Total	1,56,68,09,441	11,52,11,576	65,03,97,997	2,33,24,19,014

35) The company is engaged in the business of manufacture and sale of Alcoholic beverages (Beer and IMFL) which constitutes a single business segment. The company's exports outside India did not exceed the threshold limits for disclosure as envisaged in Ind AS 108 on "Operating Segments" issued by the Institute of Chartered Accountants of India. In view of the above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in IndAS – 108 are not applicable to the Company.

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

	2020-21	2019-20
<b>Loans and advances to the subsidiary Woodpecker Distilleries &amp; Breweries Private Limited, Mumbai</b>		
Balances as at the year end	47,91,92,131	33,59,22,131
Maximum amount outstanding at any time during the year	67,66,27,994	69,40,26,904

	2020-21	2019-20
<b>Loans and advances to the subsidiary Som Distilleries &amp; Breweries Odisha Private Limited</b>		
Balances as at the year end	47,54,31,211	39,45,68,321
Maximum amount outstanding at any time during the year	52,00,82,080	46,77,03,704

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

**a) Related Party**

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

**b) Transactions with Related Parties**

(In Rupees)

Subsidiaries	
Sale of assets	3,18,77,189
Purchase of Goods	1,38,04,441
Other transactions	20,60,60,141
Closing Balance	95,46,23,342 Dr
<b>Som Distilleries Private Limited</b>	
Purchase	9,83,25,000
Sales / Services	53,86,281
Other transactions	4,59,91,726
Closing Balance	17,15,33,913 Cr
<b>Whole Time Director(s)</b>	
Remuneration	88,09,842
<b>Independent Director(s)</b>	
Sitting Fees	4,50,000

38) 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.)	(18,03,60,861)	16,96,47,853
b)	Weighted average number of equity shares (Nos.)	6,49,87,738	3,24,93,869
c)	Basic & Diluted earnings per shares (Rs.)	(2.78)	5.22
d)	Nominal value of shares (Rs.)	5.00	10.00

- 39) The company's pending litigations pertain to claims and cases occurring in the normal course of business. The company has reviewed its pending litigations and expects that the outcome of the proceedings will not have any material effect on its financial position.
- 40) During the financial year 2020-21, the Company has spent an amount of Rs.69.50 lacs (previous year Rs. 68.65 lacs) on Corporate Social Responsibility for the purpose of children education and medical aid.

**41) Global Health Pandemic on Covid-19**

In March 2020, the World Health Organisation 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.

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.

- 42) Balances standing at the debit or credit in the accounts of various parties are subject to confirmation and reconciliation.
- 43) Previous year's figures have been regrouped/ restated wherever considered necessary to make them comparable to those of the current year.
- 44) 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  
Sd/-  
**R.N. Gupta**  
(Proprietor)  
Membership No. 070590  
Place: Bhopal  
Dated: 03.06.2021

**For and on Behalf of the Board**

Sd/-  
**J.K. Arora**  
(Chairman & Managing Director)

Sd/-  
**Rajesh Dubey**  
(Chief Financial Officer)

Sd/-  
**Nakul K Sethi**  
(Director)

Sd/-  
**Om Prakash**  
(Company Secretary)

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF SOM DISTILLERIES & BREWERIES LIMITED REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying consolidated financial statements of **SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI** (hereinafter referred to as the "Holding Company") and its subsidiaries "**WOODPECKER DISTILLERIES & BREWERIES PRIVATE LIMITED**" and "**SOM DISTILLERIES & BREWERIES ODISHA PRIVATE LIMITED**" (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 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 (1<sup>st</sup> Floor),  
T.T. Nagar,  
BHOPAL 462 003  
Dated: 03.06.2021

Sd/-  
**R.N. Gupta**  
Proprietor  
Membership No. 070590



## ANNEXURE A

### TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SOM DISTILLERIES & BREWERIES LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 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.

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

#### Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial controls with reference to consolidated

financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

#### 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 March 31, 2021, 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 R. N. GUPTA & ASSOCIATES**

Chartered Accountants

Firm Registration No. 001419C

UDIN:21070590AAAABU3379

6, New Market (1<sup>st</sup> Floor),

T.T. Nagar,

BHOPAL 462 003

Dated: 03.06.2021

**R.N. Gupta**

Proprietor

Membership No. 070590

## SOM DISTILLERIES &amp; BREWERIES LIMITED

**CONSOLIDATED BALANCE SHEET****AS AT 31<sup>ST</sup> MARCH 2021**

PARTICULARS	Note	As at 31.03.2021	As at 31.03.2020
<b>ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Property, Plant and Equipment	3	4,134,651,012	2,706,971,337
(b) Capital Work-in-progress		21,769,359	1,420,775,964
(c) Other Intangible Assets	4	7,992,102	10,250,761
(d) Intangible Assets under development		236,000	-
(e) Financial Assets	5	161,065,987	192,468,813
<b>(2) Current Assets</b>			
(a) Inventories	6	684,420,714	1,039,197,976
(b) Financial Assets			
(i) Trade Receivables	7	1,314,971,939	1,300,428,355
(ii) Cash and cash equivalents	8	144,678,614	219,403,742
(iii) Loans	9	14,714,607	41,931,207
(c) Other Current Assets	10	630,500,846	635,588,240
<b>TOTAL ASSETS</b>		<b>7,115,001,180</b>	<b>7,567,016,395</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	11	324,938,690	324,938,690
(b) Other Equity	12	2,493,119,530	2,874,225,383
<b>Liabilities</b>			
<b>(1) Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	1,231,106,561	1,445,760,403
(ii) Other	14	34,616,279	10,900,279
(b) Deferred Tax Liabilities	15	68,111,162	103,482,643
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	547,882,636	543,063,978
(ii) Trade Payables		893,046,509	868,245,736
(iii) Other Financial Liabilities	17	1,439,940,934	1,195,962,674
(b) Other Current Liabilities	18	69,844,263	192,226,123
(c) Provisions	19	12,394,616	6,817,013
(d) Current Tax Liabilities (Net)		-	1,393,473
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,115,001,180</b>	<b>7,567,016,395</b>

As per our Report of even date  
For **R. N. GUPTA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 001419C  
Sd/-  
**R.N. Gupta**  
(Proprietor)  
Membership No. 070590  
Place: Bhopal  
Dated: 03.06.2021

For and on Behalf of the Board

Sd/-  
**J.K. Arora**  
(Chairman & Managing Director)

Sd/-  
**Rajesh Dubey**  
(Chief Financial Officer)

Sd/-  
**Nakul K Sethi**  
(Director)  
  
Sd/-  
**Om Prakash**  
(Company Secretary)

# STATEMENT OF CONSOLIDATED PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME

## YEAR ENDED 31<sup>ST</sup> MARCH 2021

PARTICULARS	Note	Year Ended 31.03.2021 (Rs.)	Year Ended 31.03.2020 (Rs.)
Revenue from operations		5,070,832,885	7,116,103,224
Other Income	20	25,753,062	36,019,889
<b>Total Revenue</b>		<b>5,096,585,947</b>	<b>7,152,123,113</b>
<b>Expenses:</b>			
Cost of Materials Consumed	21	1,641,819,219	2,472,229,521
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		12,888,869	(42,485,795)
Excise Duties		2,195,112,252	2,517,237,029
Employees Remuneration & Benefits	22	167,880,328	168,898,537
Finance Costs	23	186,590,014	153,690,019
Depreciation & Amortisations		133,685,664	116,744,858
Other Expenses	24	1,148,887,133	1,556,931,689
<b>Total Expenses</b>		<b>5,486,863,478</b>	<b>6,943,245,858</b>
<b>Profit Before Tax</b>		<b>(390,277,531)</b>	<b>208,877,254</b>
<b>Tax Expenses:</b>			
Current tax		-	73,227,252
Previous Year Taxes		25,654,946	4,917,537
Deferred Tax		(35,203,489)	(19,478,412)
<b>Profit/(Loss) for the year</b>		<b>(380,728,988)</b>	<b>150,210,877</b>
<b>Other Comprehensive Income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>			
Re-measurement of defined benefit plans		(544,855)	1,142,533
Income Tax effect on above		167,993	(332,706)
<b>Total Comprehensive Income for the year</b>		<b>(381,105,850)</b>	<b>151,020,705</b>
<b>Earning Per Equity Share:</b>			
(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. 001419C  
Sd/-  
**R.N. Gupta**  
(Proprietor)  
Membership No. 070590  
Place: Bhopal  
Dated: 03.06.2021

For and on Behalf of the Board

Sd/-  
**J.K. Arora**  
(Chairman & Managing Director)

Sd/-  
**Rajesh Dubey**  
(Chief Financial Officer)

Sd/-  
**Nakul K Sethi**  
(Director)  
  
Sd/-  
**Om Prakash**  
(Company Secretary)

**CONSOLIDATED CASH FLOW STATEMENT****YEAR ENDED 31<sup>ST</sup> MARCH 2021**

PARTICULARS	YEAR ENDED 31 MARCH, 2021	YEAR ENDED 31 MARCH, 2020
<b>Cash flow from operating activities</b>		
Profit before Tax	(390,277,532)	208,877,254
<b>Non-cash adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation on continuing operations	133,685,664	116,744,858
Interest Expense	186,590,014	153,690,019
Profit on sale of Fixed Assets	-	(734,778)
<b>Operating profit before working capital changes</b>	<b>(70,001,854)</b>	<b>478,577,354</b>
<b>Movements in working capital:</b>		
Decrease/(increase) in inventories	354,777,262	(85,707,748)
Decrease/(increase) in trade receivables	(14,543,584)	(110,857,246)
Decrease/(increase) in short term loans	27,216,600	(38,607,744)
Decrease/(increase) in other current assets	5,087,394	93,180,397
Increase/(decrease) in trade payables	24,800,773	232,965,356
Increase/(decrease) in other current financial liabilities	171,162,030	77,486,996
Increase/(decrease) in other current liabilities	(112,907,900)	5,055,652
Increase/(decrease) in short term provisions	5,577,603	964,215
<b>Cash generated from/(used in) operations</b>	<b>391,168,324</b>	<b>653,057,233</b>
Direct Taxes Paid (net of refunds)	(27,048,419)	(241,558,674)
<b>Net Cash flow from/ (used in) operating activities (A)</b>	<b>364,119,905</b>	<b>411,498,559</b>
<b>Cash flow from Investing activities</b>		
Purchase of fixed assets	(160,336,076)	(666,994,656)
Proceeds from sale of fixed assets	-	1,024,376
Decrease/(increase) in long term financial assets	31,402,826	(36,829,791)
<b>Net Cash flow from/ (used in) Investing activities (B)</b>	<b>(128,933,250)</b>	<b>(702,800,071)</b>
<b>Cash flow from Financing activities</b>		
Borrowings	(136,076,090)	501,180,352
Increase/(decrease) in other long term liabilities	23,716,000	(23,322,565)
Interest paid	(186,590,014)	(153,690,019)
Dividend paid	(942,864)	(48,545,310)
Dividend distribution tax	(10,018,816)	(11,551,667)
<b>Net Cash flow from/ (used in) Financing activities (C)</b>	<b>(309,911,783)</b>	<b>264,070,791</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(74,725,128)</b>	<b>(27,230,721)</b>
Cash and cash equivalents at the beginning of the year	219,403,742	246,634,463
<b>Cash and cash equivalents at the end of the year</b>	<b>144,678,614</b>	<b>219,403,742</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	57,857,753	22,052,692
With Banks - in current account	20,513,341	113,707,034
With Banks - in deposit account	66,307,520	83,644,016
<b>Total Cash and cash equivalents</b>	<b>144,678,614</b>	<b>219,403,742</b>

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

Sd/-  
**R.N. Gupta**  
(Proprietor)  
Membership No. 070590  
Place: Bhopal  
Dated: 03.06.2021

For and on Behalf of the Board

Sd/-  
**J.K. Arora**  
(Chairman & Managing Director)

Sd/-  
**Rajesh Dubey**  
(Chief Financial Officer)

Sd/-  
**Nakul K Sethi**  
(Director)  
  
Sd/-  
**Om Prakash**  
(Company Secretary)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****YEAR ENDED 31<sup>ST</sup> MARCH 2021**

<b>A. Equity Share Capital</b>	
Balance as at 31.03.2020	324,938,690
Changes during the year	-
Balance as at 31.03.2021	324,938,690

<b>B. Other Equity</b>				
Particulars	Capital Reserve	Securities Premium Reserve	Retained Earnings	Total
Balance as at 31.03.2020	3,930,000	1,422,398,757	1,447,896,626	2,874,225,383
Total Comprehensive Income for the year	-	-	(381,105,853)	(381,105,853)
Balance as at 31.03.2021	3,930,000	1,422,398,757	1,066,790,773	2,493,119,530

As per our Report of even date  
For **R. N. GUPTA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 001419C  
Sd/-  
**R.N. Gupta**  
(Proprietor)  
Membership No. 070590  
Place: Bhopal  
Dated: 03.06.2021

For and on Behalf of the Board

Sd/-  
**J.K. Arora**  
(Chairman & Managing Director)

Sd/-  
**Rajesh Dubey**  
(Chief Financial Officer)

Sd/-  
**Nakul K Sethi**  
(Director)  
  
Sd/-  
**Om Prakash**  
(Company Secretary)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31<sup>ST</sup> MARCH 2021

## 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 noncurrent 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 31<sup>st</sup> 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 JUDGMENTS

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

## YEAR ENDED 31<sup>ST</sup> MARCH 2021

### 3. Property, Plant and Equipment

Particulars	Gross Block			Depreciation			Net Block	
	As at 31.03.2020	Addition/ (Disposal) During	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	198,049,853	3,256,728	201,306,581	-	-	-	201,306,581	198,049,853
Buildings & Civil Works	733,182,532	282,666,195	1,015,848,728	121,637,243	27,564,240	149,201,482	866,647,246	611,545,290
Plant & Machinery	2,313,676,671	1,268,899,072	3,582,575,743	479,926,189	89,413,313	569,339,502	3,013,236,241	1,833,750,481
Furniture & Fixtures	9,457,310	67,468	9,524,778	3,443,669	734,360	4,178,029	5,346,749	6,013,641
Office Equipments	19,705,654	4,217,217	23,922,871	11,726,976	4,296,076	16,023,053	7,899,818	7,978,678
Vehicles	109,150,841	-	109,150,841	59,517,447	9,419,017	68,936,464	40,214,377	49,633,394
<b>Total</b>	<b>3,383,222,861</b>	<b>1,559,106,680</b>	<b>4,942,329,542</b>	<b>676,251,524</b>	<b>131,427,005</b>	<b>807,678,530</b>	<b>4,134,651,012</b>	<b>2,706,971,337</b>
Capital Work In Progress	1,420,775,964	(1,399,006,605)	21,769,359				21,769,359	1,420,775,964
<b>Grand Total</b>							<b>4,156,420,371</b>	<b>4,127,747,301</b>

### 4. Intangible Assets

Particulars	Gross Block			Amortisation			Net Block	
	As at 31.03.2020	Addition 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
ERP-Computer Softwares	14,258,585	-	14,258,585	4,007,824	2,258,659	6,266,482	7,992,102	10,250,761
<b>Total</b>	<b>14,258,585</b>	<b>-</b>	<b>14,258,585</b>	<b>4,007,824</b>	<b>2,258,659</b>	<b>6,266,482</b>	<b>7,992,102</b>	<b>10,250,761</b>
Intangible Assets Under Development	-	236,000	236,000				236,000	-
<b>Grand Total</b>							<b>8,228,103</b>	<b>10,250,761</b>

As per our Report of even date  
For **R. N. GUPTA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 001419C  
Sd/-  
**R.N. Gupta**  
(Proprietor)  
Membership No. 070590  
Place: Bhopal  
Dated: 03.06.2021

For and on Behalf of the Board

Sd/-  
**J.K. Arora**  
(Chairman & Managing Director)

Sd/-  
**Rajesh Dubey**  
(Chief Financial Officer)

Sd/-  
**Nakul K Sethi**  
(Director)  
  
Sd/-  
**Om Prakash**  
(Company Secretary)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

## YEAR ENDED 31<sup>ST</sup> MARCH 2021

		As At 31.03.2021	As At 31.03.2020
5.	<b>Financial Assets</b>		
	<b>Security Deposits</b>		
	Security Deposit	161,065,987	192,468,813
	<b>Total</b>	<b>161,065,987</b>	<b>192,468,813</b>
	<b>Note:</b> All the above amounts are unsecured and considered good.		
6.	<b>Inventories</b> (as taken, valued and certified by the Management)		
	Raw Materials	92,219,238	181,750,454
	Stores, Consumables & Packing Materials	275,176,253	527,533,431
	Stock In Process	94,403,647	95,649,760
	Finished Goods	222,621,575	234,264,331
	<b>Total</b>	<b>684,420,714</b>	<b>1,039,197,976</b>
7.	<b>Trade Receivables</b> (Unsecured, considered good)		
	Outstanding for a period exceeding six months	36,792,137	51,362,168
	Other Debts	1,278,179,802	1,249,066,187
	<b>Total</b>	<b>1,314,971,939</b>	<b>1,300,428,355</b>
8.	<b>Cash and Cash Equivalents</b>		
	Cash in hand	57,857,753	22,052,692
	Balance With Scheduled Banks		
	Current Accounts	20,513,341	113,707,034
	Deposit Accounts	58,875,118	75,268,751
	Other Bank Balances		
	Unpaid Dividend Accounts	7,432,402	8,375,266
	<b>Total</b>	<b>144,678,614</b>	<b>219,403,742</b>
9.	<b>Current Loans</b>		
	Advances to Others	14,714,607	41,931,207
	<b>Total</b>	<b>14,714,607</b>	<b>41,931,207</b>
	<b>Note:</b> All the above amounts are unsecured and considered good.		
10.	<b>Other Current Assets</b>		
	Capital Advances	96,359,964	204,314,359
	Staff Advances	10,776,102	10,326,118
	Prepaid Expenses	126,602,900	126,369,963
	Advances to suppliers	341,690,817	294,577,800
	Other Assets	55,071,064	-
	<b>Total</b>	<b>630,500,846</b>	<b>635,588,240</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

## YEAR ENDED 31<sup>ST</sup> MARCH 2021

		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]	400,000,000	350,000,000		
	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]	324,938,690	324,938,690		
	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.	<b>Other Equity</b>		
	<b>Capital Reserve</b> (Amount forfeited against share warrants)	3,930,000	3,930,000
	<b>Securities Premium Reserve</b>	1,422,398,757	1,422,398,757
	<b>Surplus - In Statement of Profit &amp; Loss</b>		
	Balance as per last Financial Statement	1,447,896,626	1,355,635,541
	Add: Comprehensive Income during the year	(381,105,853)	151,020,705
	<b>Amount available for appropriation</b>	<b>1,066,790,773</b>	<b>1,506,656,246</b>
	<b>Less:</b>		
	Final Dividend Paid	-	48,740,804
	Dividend Distribution Tax	-	10,018,816
	<b>Balance at the end of the year</b>	<b>1,066,790,773</b>	<b>1,447,896,626</b>
	<b>Total Reserves &amp; Surplus</b>	<b>2,493,119,530</b>	<b>2,874,225,383</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

## YEAR ENDED 31<sup>ST</sup> MARCH 2021

		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.	<b>Borrowings</b>				
	<b>Long Term Borrowings</b>				
	(i) Secured Loans				
	(a) Bandhan Bank Ltd	203,866,000	243,686,286	82,808,572	94,580,000
	(b) SBI Term Loan	398,333,340	413,000,000	177,100,200	92,572,548
	(c) PNB Term Loan	45,952,909	59,980,629	19,781,567	9,139,580
	(d) Vehicle Loans				
	From Banks	876,483	2,162,943	723,273	1,222,991
	From Others	-	12,902,883	-	6,559,264
	(ii) Unsecured Loans				
	(a) IFCI Venture Capital Funds Ltd.	-	-	-	25,270,784
	(b) Others	582,077,829	714,027,662	-	-
	<b>Grand Total</b>	<b>1,231,106,561</b>	<b>1,445,760,403</b>	<b>280,413,612</b>	<b>229,345,167</b>

### 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.	<b>Other Long Term Financial Liabilities</b>		
	Security Deposits (Unsecured)	34,616,279	10,900,279
	<b>Total</b>	<b>34,616,279</b>	<b>10,900,279</b>

		As At 31.03.2021	As At 31.03.2020
15.	<b>Deferred Tax Liability (Net)</b>		
	Difference between depreciation as per books of account and the Income Tax Act 1961.	359,732,384	238,451,984
	Others	1,921,605	2,280,272
	<b>Gross Deferred Tax Liability</b>	<b>361,653,989</b>	<b>240,732,256</b>
	<b>Deferred Tax Assets</b>		
	Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	9,402,993	3,504,921
	Carried Forward Losses	284,139,834	133,744,692
	<b>Gross Deferred Tax Assets</b>	<b>293,542,827</b>	<b>137,249,613</b>
	<b>Deferred Tax Liability (Net)</b>	<b>68,111,162</b>	<b>103,482,643</b>

### Notes:

- Deferred tax assets and Deferred tax liabilities have been offset.
- Deferred tax assets and Deferred tax liabilities relate to income taxes levied by the taxation authorities of respective companies.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

## YEAR ENDED 31<sup>ST</sup> MARCH 2021

		As At 31.03.2021	As At 31.03.2020
16.	<b>Borrowings</b>		
	Short Term Borrowings		
	Cash Credit from Bank	547,882,636	543,063,978
	<b>Total</b>	<b>547,882,636</b>	<b>543,063,978</b>
17.	<b>Other Financial Liabilities</b>		
	Current maturities of long-term borrowing	303,104,261	229,345,167
	Bank Overdrafts (Book)	14,763,698	18,296,451
	Un paid Dividend	7,432,402	8,375,266
	Expenses & Other Payable	1,114,640,573	939,945,790
	<b>Total</b>	<b>1,439,940,934</b>	<b>1,195,962,674</b>
18.	<b>Other Current Liabilities</b>		
	Advances from customers	38,725,462	81,459,030
	Statutory dues payable	24,855,223	94,484,699
	Dividend tax	6,263,578	16,282,394
	<b>Total</b>	<b>69,844,263</b>	<b>192,226,123</b>
19.	<b>Short Term Provisions</b>		
	Employee Benefits	12,394,616	6,817,013
	<b>Total</b>	<b>12,394,616</b>	<b>6,817,013</b>
20.	<b>Other Income</b>		
	Interest	4,617,666	5,615,995
	Profit on Sale of Fixed Assets	-	734,778
	Other Revenues	21,135,396	29,669,116
	<b>Total</b>	<b>25,753,062</b>	<b>36,019,889</b>
21.	<b>Cost of Materials consumed</b>		
	Opening Stocks	709,283,886	628,968,918
	Add: Purchases	1,299,930,826	2,552,544,489
	Less: Closing Stocks	367,395,491	709,283,886
	<b>Materials consumed</b>	<b>1,641,819,219</b>	<b>2,472,229,522</b>
22.	<b>Employee Remuneration &amp; Benefits</b>		
	Salaries, allowances & bonus	155,049,690	153,405,079
	Employer's contribution to Provident & Gratuity Fund	7,583,606	7,910,317
	Staff welfare expenses	5,247,032	7,583,141
	<b>Total</b>	<b>167,880,328</b>	<b>168,898,537</b>
23.	<b>Financial Costs</b>		
	Interest to Bank & FIs	180,189,940	140,774,831
	Interest to Others	6,400,074	12,915,188
	<b>Total</b>	<b>186,590,014</b>	<b>153,690,019</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### YEAR ENDED 31<sup>ST</sup> MARCH 2021

		Year Ended 31.03.2021	Year Ended 31.03.2020
24.	<b>Other Expenses</b>		
	Power and fuel	102,033,502	161,216,609
	Labour	47,103,298	49,664,878
	Rent	20,156,684	17,101,045
	Repairs		
	Buildings	597,782	763,356
	Machinery	41,177,055	97,540,342
	Others	4,382,719	7,393,434
	Insurance	9,562,913	6,020,589
	Rates and taxes (Other than on income)	188,426,976	180,811,042
	Other Manufacturing Exp	12,949,906	13,198,733
	Auditor's Remuneration		
	(a) Audit fees	258,700	258,700
	(b) Other Services	253,700	253,700
	Donations	1,369,900	546,911
	Corporate Social Responsibility	6,950,000	6,865,000
	Travelling & Conveyance	20,447,420	21,980,006
	Legal & Professional	15,737,856	25,177,636
	Sales promotion	313,895,340	507,873,978
	Advertisement & Publicity	8,635,050	26,072,550
	Freight outward	190,395,288	320,574,227
	Other selling expenses	134,993,830	58,311,231
	General expenses	17,879,852	15,242,338
	Postage, Telegrams & Telephones	4,938,797	18,710,718
	Vehicle Running & Maintenance	6,740,563	21,354,665
	<b>Total</b>	<b>1,148,887,133</b>	<b>1,556,931,689</b>

## 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 31<sup>st</sup> 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

**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:

Period	2020-21	2019-20
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

Period	2020-21	2019-20
a) Value of Imports Calculated on CIF Basis (As certified by the Management)		
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
<b>Imported</b>				
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
<b>Indigenous</b>				
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
<b>Total (%)</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Total (Rs.)</b>	<b>1,64,18,19,219</b>	<b>2,47,22,29,521</b>	<b>4,17,74,837</b>	<b>9,83,03,699</b>

#### 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 Company not acknowledged as debts/ disputed - Commercial Tax Department - Income Tax Department	60,70,636 11,18,14,414	51,37,183 11,06,86,800
ii.	- Guarantees given by Bankers on behalf of the company not provided for	9,39,99,451	18,58,60,480
iii.	- Corporate guarantee given to a bank on behalf of subsidiaries	1,13,06,00,000	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
<b>Financial Assets:</b>		
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
<b>Total</b>	<b>1,63,54,31,396</b>	<b>1,75,42,32,117</b>
<b>Financial Liabilities:</b>		
Trade and other payables	89,30,46,511	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
<b>Total</b>	<b>4,14,65,92,921</b>	<b>4,06,39,33,069</b>

## 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

### 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	4,78,82,636	-	-	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**

Subsidiary	Key Management Personnel	Others
- Woodpecker Distilleries & Breweries Private Limited, Mumbai - Som Distilleries and Breweries Odisha Private Limited	J.K. Arora Nakul K Sethi	Som Distilleries 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
<b>Executive Director(s)</b>	
Remuneration	88,09,842
<b>Non Executive Director(s)</b>	
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

As per our Report of even date  
For **R. N. GUPTA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 001419C  
Sd/-  
**R.N. Gupta**  
(Proprietor)  
Membership No. 070590  
Place: Bhopal  
Dated: 03.06.2021

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.

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.

**For and on Behalf of the Board**

Sd/-  
**J.K. Arora**  
(Chairman & Managing Director)

Sd/-  
**Rajesh Dubey**  
(Chief Financial Officer)

Sd/-  
**Nakul K Sethi**  
(Director)

Sd/-  
**Om Prakash**  
(Company Secretary)

# SOM DISTILLERIES & BREWERIES LIMITED

## FORM AOC-1

### (PURSUANT TO FIRST PROVISIO 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/associate companies  
Companies Act, 2013 ('the Act')

#### PART A : 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	510,000,000	250,100,000
Reserves & Surplus	(135,747,579)	(88,074,431)
Total Assets	1,965,814,533	1,191,072,284
Total Liabilities	1,591,562,112	1,029,046,715
Investments	-	-
Turnover	1,897,585,686	946,862,554
Profit/(Loss) Before Tax	(121,835,323)	(60,540,287)
Provision for Tax (including adjustments)	(32,106,396)	50,098,954
Profit/(Loss) After Tax	(89,728,927)	(110,639,241)
Proposed Dividend	-	-
% of Shareholding of Holding Company	100%	100%

#### PART B : Associates

S. No.	1	2
N.A.	N.A.	N.A.

For and on Behalf of the Board

Sd/-  
**J.K. Arora**  
(Chairman & Managing Director)

Sd/-  
**Nakul K Sethi**  
(Director)

Place: Bhopal  
Dated: 03.06.2021

Sd/-  
**Rajesh Dubey**  
(Chief Financial Officer)

Sd/-  
**Om Prakash**  
(Company Secretary)



## NOTES

[illegible]

FOR THE NIGHTS  
YOU WANT TO LAST FOREVER



PARTY. ON.



DRINK RESPONSIBLY | DON'T DRINK & DRIVE

FOR LEGAL DRINKING AGE+



#### **SOM GROUP OF COMPANIES**

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Tel: 011 26169909, 26169712

**Mumbai Office:**

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**Bengaluru Office:**

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