



CIN : L74899DL1993PLC052787

SOM DISTILLERIES & BREWERIES LTD.

ISO 9001:2015 Certified Company

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05.09.2020

NSE/BSE/2020

The Manager, Listing Department, NATIONAL STOCK EXCHANGE OF INDIA LIMITED 'Exchange Plaza' C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051. cmist@nse.co.in Security ID: SDBL	Dy. General Manager, Department of Corporate Services, BSE LIMITED, First Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400001. corp.compliance@bseindia.com Security ID: 507514
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SUB: NOTICE OF THE 27TH ANNUAL GENERAL MEETING ALONG WITH ANNUAL REPORT OF THE COMPANY FOR THE F.Y. 2019-20.

Dear Sir/Madam,

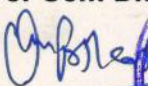
This is to inform that the 27th Annual General Meeting (AGM) of the Members of Som Distilleries and Breweries Limited will be held on Tuesday, the 29th day of September, 2020 at 12:30 pm through video conferencing / other audio visual means (VC / OAVM) in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Further, pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, we are submitting herewith the Annual Report for the financial year 2019- 20, comprising the Notice of the AGM and the standalone and consolidated financial statements for the financial year 2019-20, along with Board's Report, Auditors' Report and other documents required to be attached thereto, will be sent to all the members of the Company whose email addresses are registered with the Company / Depository Participant(s).

Kindly take the same on your record.

Thanking You,

For Som Distilleries & Breweries Limited


Om Prakash

Company Secretary & Compliance Officer

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

Phone: +91-11-26169909, 26169712 Fax: +91-11-26195897



27TH ANNUAL REPORT 2019-20

SOM DISTILLERIES AND BREWERIES LIMITED



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CMD's DESK

Dear Friends and Fellow Shareholders,

These are unprecedented times and I hope you are all keeping safe and healthy.

It is my pleasure to address you and update about the business performance for the year and various other initiatives undertaken by us.

During the year, we recorded total net income of Rs. 4,635 million, an increase of 16.8% compared to the same period last year. The revenue increase was driven by volume growth. Beer volume grew by 12.6% to 85.5 million cases and IMFL recorded a growth of 22.7% to 11.9 million cases.

Our results for the first nine months ended December 2019 were encouraging but the outbreak of pandemic severely impacted fourth quarter performance. The impact was predominantly felt in the month of March 2020, which is the start of the peak season for us. Due to COVID, retail was completely shut from March 23, 2020 with on-trade outlets being progressively closed in the weeks prior, causing a drop in sales for beer and spirits. The month of March accounts for increased primary dispatches due to start of the peak season, such dispatches became negligible due to lockdown.

EBITDA for the FY 19-20 was Rs. 479 million, a decline of 9.2% compared to FY2019 and PAT declined by 23.9% to 150 million. The impact on profitability was primarily attributable to loss on sales on account of pandemic outbreak coupled with inventory write-off to the tune of Rs. 80 million. As you are aware that beer has limited shelf life and given no sales during the lockdown, we had to take the hit.

It is expected that the initial months of the new financial year will remain very challenging. Demand is likely to recover and is negatively impacted due to increased taxation and other impediments. The pandemic has created short-term challenges for the broader market, but we are confident of restoring normalcy in the medium to long term.

To ensure profitable operations during FY2021, we have decided to primarily focus on profitable markets and not on relatively newer markets. In addition, we are also undertaking various other measures to ensure operational efficiencies across our operations.

We would also like to inform that despite the challenging environment, the initial response to our recently launched brand 'Woodpecker', which is India's first filtered wheat beer, has been very encouraging. In a very limited time, it has crossed sales volumes of 0.2 million cases. We plan to expand the reach of the product in the coming months.

I would like to express my deepest thanks to all the stakeholders who have been our partners in our journey. I would like to thank you all for your unending support and belief in us and in our potential to grow.

Keep Safe !

Warm Regards

J.K. Arora

Chairman & Managing Director



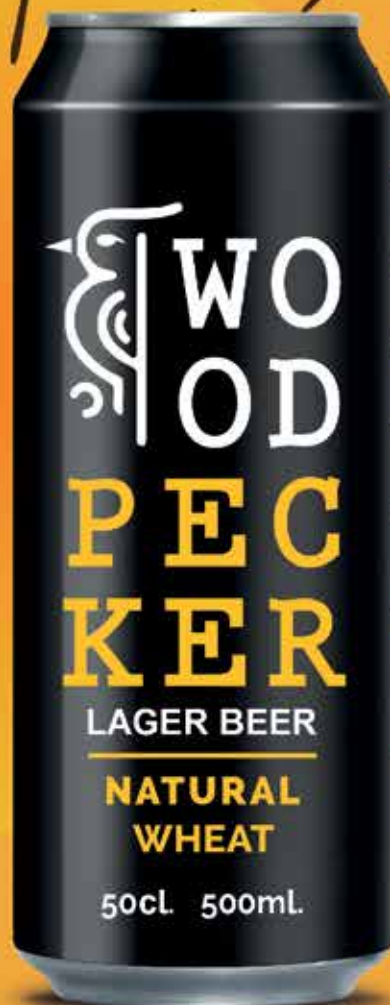
HIGH ON MALT | IMPORTED HOPS

STRONG...
BUT REALLY SMOOTH

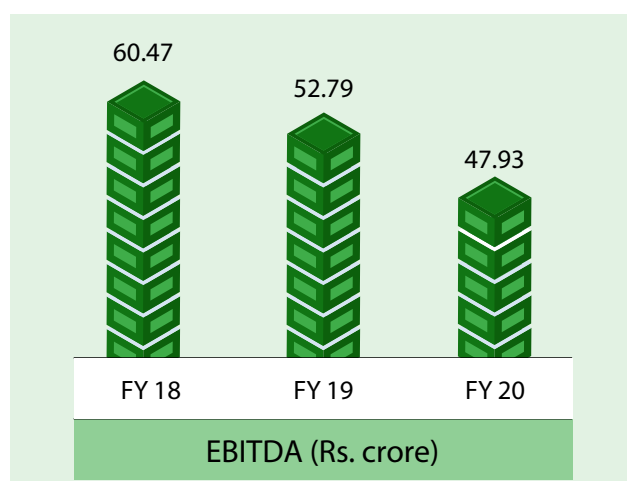
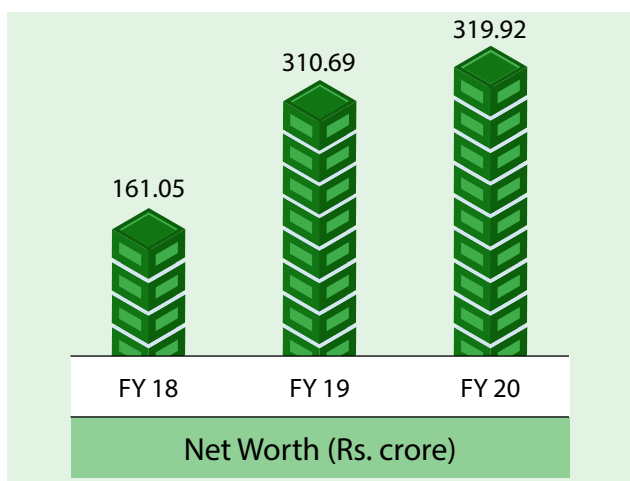
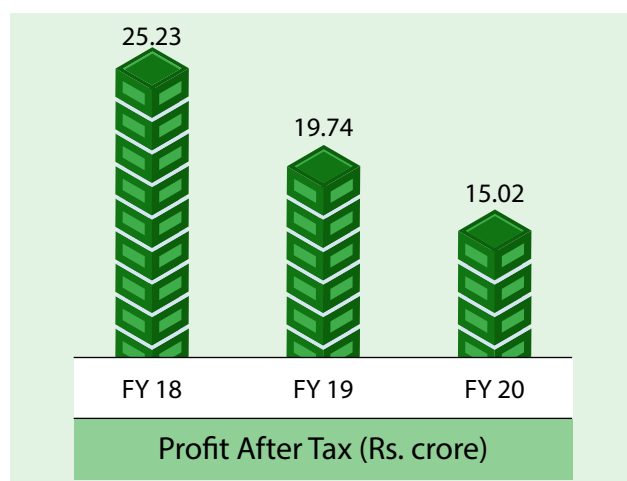
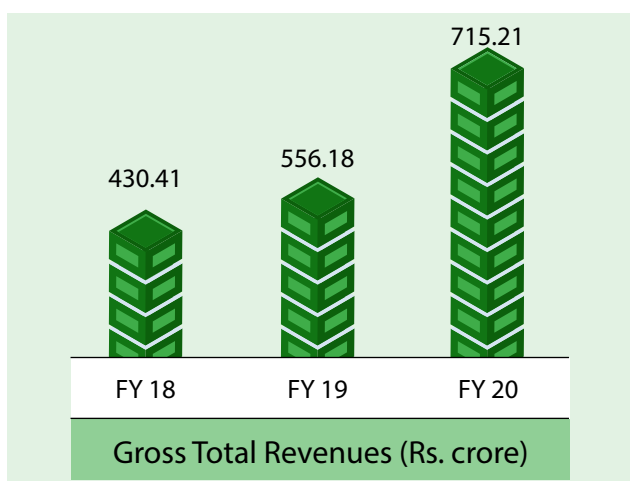
FIRST FILTERED
WHEAT BEER
IN INDIA*.

YOU NOW HAVE SOMETHING
UNIQUE IN YOUR LIFE.

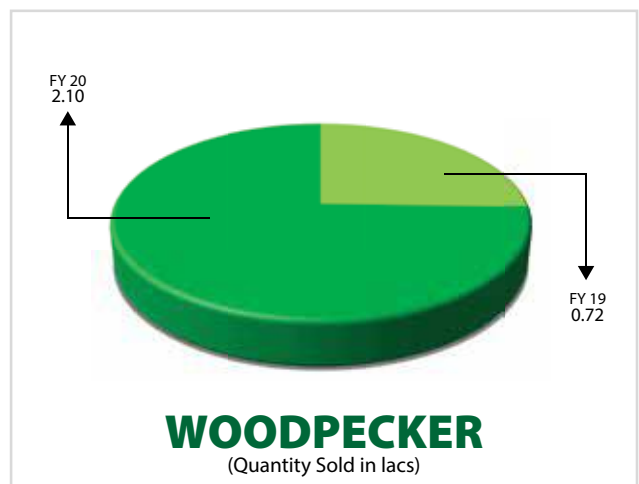
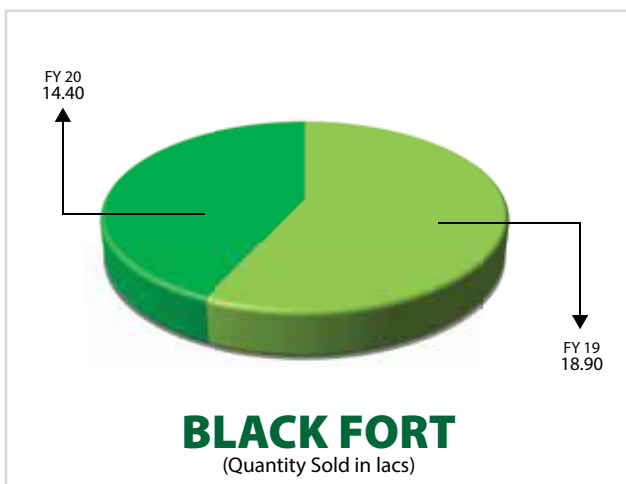
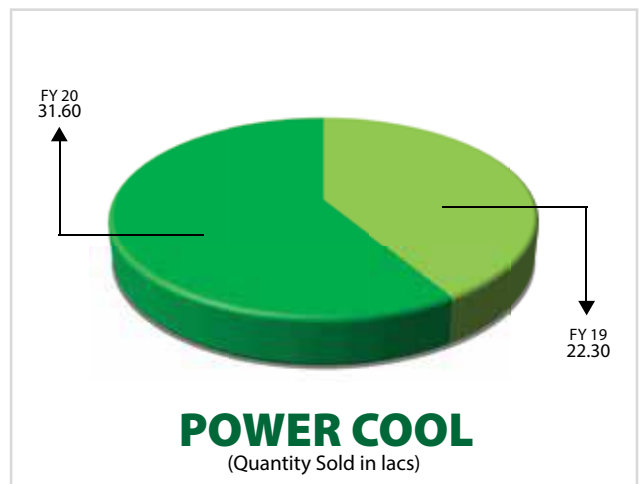
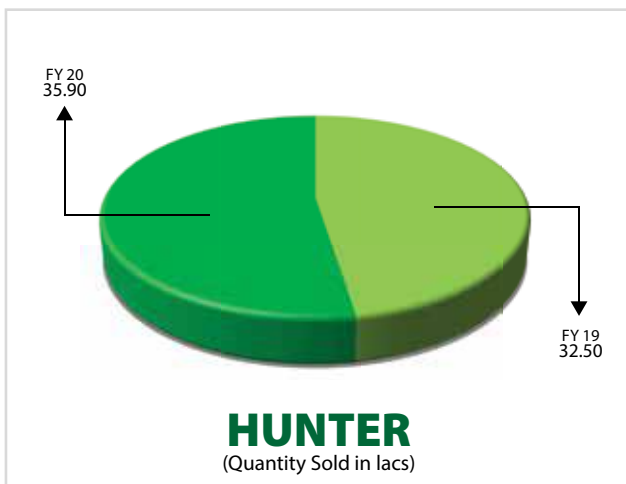
SEE THE
LIGHTER SIDE
OF THINGS.



FINANCIAL HIGHLIGHTS



OPERATIONAL HIGHLIGHTS



SOM DISTILLERIES & BREWERIES LIMITED

Quest to soar higher

SOM is one of India's foremost companies with an exceptional portfolio of brands across all alcoholic beverage categories. SOM's mission has been to deliver value added high quality products. And it will continue to do so in the years to come.





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. Rakesh Rathi
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
Mr. Nishi Arora

NOMINATION AND REMUNERATION COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

INVESTOR GRIEVANCES CUM STAKEHOLDER RELATIONSHIP COMMITTEE

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

BANKS/FINANCIAL INSTITUTIONS

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

MANAGEMENT DISCUSSION & ANALYSIS

1. Economy and Outlook

Fiscal year 2019-20 was challenging due to weak business environment, sluggish GDP growth, slowing private investment and overall global economic slowdown. The unfortunate outbreak of Covid-19 pandemic in later part of the year has further aggravated the situation impacting all businesses and industries. The novel coronavirus is affecting not just human health but also impacting the economy. Amidst the crisis, the businesses are facing several challenges such as lower business activity, liquidity crunch and transportation challenges. In view of these market conditions, the Government has announced number of measures to boost the economy including direct benefit transfer, increase in allocation to key sectors, medium and small businesses. The Reserve Bank of India has cut repo rate by 185 basis points cumulatively in FY 2020 to provide liquidity to support demand and private investments. The reduction in Corporate Tax was a big boost to industries and to make India more competitive globally.

In FY2020, the Indian economy grew at 4.2%, lowest in last 11 years. The manufacturing sector has grown merely by 0.03% compared to 5.7% in the previous year. Gross capital formation has also remained low, while the growth of deposits in banks declined to 7.9%, compared to 10% in the previous fiscal year, hinting at low-level savings. Bank credit growth declined to 6.1%, compared to 13.3% in previous fiscal, that shows people's consumption too will be lower. At the same time, lower tax revenues of the Central Government have weakened the fiscal capacity required to counter these challenges.

As per IMF, the Indian economy is expected to contract in line with the global economy following stricter and extended periods of lockdown. Similarly, India has been downgraded by Moody's to Baa3 with a negative outlook on the pretext of slower growth, rising debt, weakening of debt affordability and stress in financial system. In the current situation in India both the key interest rate and GDP are expected to fall further. The economy is expected to contract sharply in the first half with humungous losses in the first quarter.

In order to overcome through this economic downturn, the Government has unveiled a Rs. 20 Lac Crore package to provide liquidity in the economy through loans and guarantees for both businesses and farmers and equity infusion in the financial markets. All these measures should lead to a 6% growth in the economy in 2021 (As per IMF World Economic Outlook, June 2020). All these measures should help economy to navigate successfully through these unprecedented times.

2. Indian Alcobeve Industry

India is the third largest spirits market by volume in the world, just behind China and Russia. The Indian alcobeve 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 comprises of gin, vodka and white rum. The alcoholic strength of IMFL generally does not exceeds 42.8%. IMIL is also referred as country liquor. It is produced in licensed distilleries and made of cheaper raw material, primarily rectified spirits of grains or molasses. IMIL generally has an alcohol content of around 30%. BIO forms a very small part of alcohol consumption in India. It is usually consumed by the rich and the upper middle class in metropolitan cities. It is also 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%. Wine is an alcoholic drink made from fermented grapes. The major variants of wine are red, white and sparkling. The recent trends in the alcoholic beverages segments includes launch of flavoured alcoholic drinks and ready to drink (RTD).

The Covid-19 pandemic is impacting and changing the dynamics of the industry. The nationwide lockdown has impacted both manufacturing and availability of alcohol resulting in lower rate of consumption at customer end. The pandemic-induced lockdown was first announced, the Centre excluded liquor shops in the category of establishments that would stay open. It was not deemed to be "essential". States backed the Centre's stance. But as the days under the lockdown accumulated and as the economy and tax collections slumped, states started clamoring with the Centre to allow liquor vendors to reopen. 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 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 alcobeve industry to get authorisation 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 alcobeve industry. According to associations, the liquor industry contributes Rs 2.5 lakh crore revenue to the state governments.

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. Due to two months of lockdown and gradual lifting up of restrictions in India, this has coincided with that time period of the year where beer consumption is the highest. Moreover, less people are likely to go to cafes, pubs, restaurants and bars in the near term as they adopt social distancing norm as a new normal. These factors pose a serious threat to beer consumption in the near term. 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.

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

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 83% 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, Chhattisgarh and Karnataka.

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

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

#Post completion of expansion

5. Threats and Concerns

The alcobeve 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.

- **Covid Cess:** After the drastic price hike in some states, the industry has registered about 80% decline in overall beer volume in May - a peak season for beer - versus last year. The hike in duty is also having knock-on effects on the ancillary segments as well, especially farmers, the entire supply chain ecosystem including barley malt suppliers and logistics partners. In case the states decide to continue such cess for longer period it can have an adverse impact on the sales volume.
- **Out of home alcohol consumption:** With social distancing being the new norm and people avoiding going out to bars, pubs, restaurants due to fear of coronavirus, the out-of-home alcohol consumption which contributes 15% to spirits and 25% to beer sales volumes is impacted to be severely impacted.
- **Restriction on direct promotion:** Advertising by alcohol manufacturers in India is banned, as a result the companies have to depend on surrogate advertising (like glasses, mineral water, music items having identical brand names). The advertisement can legally be undertaken only at the point of sale.
- **Stringent Regulations:** In India, every state has its set of regulations which govern the value chain of industry including manufacturing, retailing, pricing and levies thereby, hindering the economies of scale. Furthermore, regulations pertaining to licensing, setting up or expansion of new facilities, existing brewing and distilling and bottling capacities, manufacturing processes, marketing, sales & advertising and distribution poses additional challenge for the industry.
- **Minimum Legal Age:** All the states in India have legal ages varying between 18-25 years. If these states increase the drinking age or states with lower age bracket decides to increase the age, it could impact sales of alcohol.
- **Low Penetration:** The current per capita consumption of beer in India is one of the lowest in the world. Also, alcohol is sold through a meagre 86,000 outlets, which is extremely low when compared to the rest of the world. One of the reasons for a low per capita consumption of liquor in India is the low affordability levels due to high taxation.
- **Limited Pricing Power:** In many states, where the government is also the biggest distributor, it fixes the prices at which it buys products from the alcoholic beverage companies and the prices at which they will sell to the end consumers. The state governments decide the end consumer price, leaving manufacturers with no say in determining their selling price. On the other hand, the recent increases in duties and taxes has led to an increase in the end consumer price which has adversely impacted the purchasing power.
- **Prohibition:** Some of the states have banned alcohol with the objective of improving public health and responsibility. In past, such bans have not been very successful and even the social objective is also defeated as it 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 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 FY2020, beer volumes grew by 12.6% y-o-y to reach 8.55 million cases. IMFL volumes stood at 1.19 million cases, registering a growth of 22.7% compared to FY2019. The increase in IMFL volumes was primarily on account of increased supply from the Karnataka plant. In FY2020, beer accounted for 88% (vs. 89% in FY2019) and IMFL 12% (vs. 11% in FY2019) of the total volumes sold during the year.

Driven by the volume growth, total income for the year stood at Rs. 4,635 million, recording a growth of 16.8% compared to FY2019. Revenue from beer increased by 17.0% to Rs. 3,807 million and revenue from IMFL increased by 26.7% to 788 million. Of the total revenue 83% (FY2019: 84%) was contributed by beer and remaining 17% (FY2019: 16%) was contributed by IMFL. This revenue growth was achieved despite the industry challenges such as prolonged monsoon and the outbreak of the pandemic in the last quarter. The impact of pandemic was predominantly felt in the month of March which is the start of the peak season for the beer industry. Both Karnataka and Odisha facility recorded operating profit during the year despite the challenging business environment.

EBITDA for the year declined by 9.2% to Rs. 479 million. EBITDA margins for the year was 10.3% compared to 13.3% in FY2019. As the Company is in a growth phase, higher costs pertaining to new glass bottles, employee and freight costs to target new markets impacted the margins during the period. In addition, the pandemic has impacted our topline growth as well as resulted in higher COGS due to exceptional write-off Rs. 80 million resulting in lower profitability. Our consolidated PAT was Rs. 150 million in FY2020 with margin of 3.2%.

Ratios	FY2020	FY2019	Comments
Debtor Turnover (Days)	67	79	Total receivables increased by 9%.
Inventory Turnover (Days)	156	175	Inventory increased by 9% due to lockdown implemented in the last week of March
Interest Coverage (x)	2.4x	3.5x	Interest expense increased by over 24% due to increase in debt related to expansion activity undertaken during the year and decline in operating profit pre-dominantly due to the pandemic
Current Ratio (x)	1.2x	1.2x	-
Debt to Equity (x)	0.69x	0.54x	Gross debt increased by 32% which was used for expansion at Madhya Pradesh facility
Return on Equity (%)	4.8%	8.4%	Net profit declined by 24% due to sales loss on account of lockdown and inventory write down
EBIT Margin(%)	7.8%	11.1%	Higher costs pertaining to new glass bottles, employee and freight costs to target new markets
EBITDA Margin (%)	10.3%	13.3%	
Net Profit Margin (%)	3.2%	5.0%	Sales loss on account of lockdown and inventory write down

7. Liquidity

As of 31st March 2020, total debt stood at Rs. 2,202 million and cash and cash equivalent was Rs. 219 million, resulting in a net debt of Rs. 1,983 mn. Gross Debt to Equity ratio was 0.69x and Gross Debt to EBITDA ratio was 4.59x. The increase in debt was majorly attributable to term loans for Bhopal expansion.

8. Major Corporate Developments

- Brand Visibility:** Hunter is one of the sponsors for the IIFA 2020 Awards. We believe that this association is in line with our objective of enhancing our brand visibility and acceptability across India.
- Orissa Plant:** In July 2018, the Company acquired a brewery in Odisha which started commercial production in March 2019. The performance of the subsidiary was encouraging from the first quarter of its operation. The performance was impacted in Q4 FY2020 due lockdown, despite this the plant generated positive operating profit during the year. The Company also added canning line to ensure better SKU mix and enhance margins in medium to long term.
- 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.
- Started supply of Woodpecker Beer:** In October 2019, the Company started supply of Woodpecker draught beer – filter wheat beer in Bangalore. The Company also launched the brand in select markets. The Initial response of the brand has been very encouraging and crossed sales of 0.2 million cases in a very limited period.

9. Milestones, Awards and Accreditations

During the year, the company won the following prestigious awards:

- **Hunter Beer - Silver Award - Spiritz Packaging of the Year 2019**

10. Business Strategy

Premiumisation of Portfolio: The Company predominantly caters to the strong beer market and emphasizes majorly on providing premium experience to its customers. SOM's mainline brand 'Hunter' which has been growing at an annualised rate of 21% for last five years. '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 has also launched Blackfort Lager Beer which is a premium version of Blackfort brand recently. The initial response of the brand has been very encouraging. The Company plans to continue its effort for product innovation to match customers tastes and preferences. Such initiatives are anticipated to help the Company to enhance its visibility and gain additional market share.

Brands: The Company recently launched Woodpecker wheat beer in select markets in Northern India, which is India's first filtered wheat beer. The initial response has been very encouraging and has crossed sales volumes of 0.2 million cases in a very limited period. SOM plans to expand the reach of the product in the near to medium term. The brand's taste and packaging has been crafted to appeal to the younger and trendy generation.

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.

Covid-19 Response: As our peak season has been impacted by prolonged lockdown and other restrictions, for FY2021 we plan to focus only on the profitable markets. Management has also undertaken various other initiatives to streamline operational costs with focus on sustaining margins. The company has also taken a moratorium of six months from all banks on its debts to manage cash flows and ensure short-term liquidity.

11. Human Resources

SOM believes that employees are most important asset and they drive the organisation to excellence. The health and safety of employees is our utmost priority. Amid the ongoing Covid-19 crisis, all our manufacturing facilities and corporate office have implemented employee health and safety measures. We have been transparent across our communication with our employees. Protocols have been laid out for sanitization of workplaces and ensuring social distancing is practiced across our offices and manufacturing facilities. We have also laid out a detailed plan for our workforce to return to office in a phased plan.

The Company continues to adopt systems and process that is conducive to attract and retain the best talents. SOM also ensures that all its corporate policies are employee centric as it is critical for fostering continuous improvement and development. We firmly believe that by empowering employees we will be able to encourage them to bring their best at work and unlock their potentials. 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. We take pride in our diversity. As on 31st March 2020, 170 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. Our employees take pride in their workplace.

12. Internal Control Systems & Their Adequacy

SOM believes that sustainable growth can only be achieved by ensuring strong governance framework. The Company remains committed to ensuring an effective internal control environment that provides assurance on orderly and efficient conduct of operations. This ensures that the Company's assets and interests are carefully protected, and operations are conducted within a framework of appropriate checks and balances. The system helps mitigate and reduce risks that may prevent the Company from achieving its business objectives and to provide reasonable assurance that all material misstatements, frauds or violations of laws and regulations will be prevented. The existing Internal Control Systems are commensurate with the nature, size and complexity of the business. 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 with regard to 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.

13. Corporate Social Responsibility

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

The annual report on Corporate Social Responsibility activities as required under Sections 134 and 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014 is provided in the Annexure forming part of this Report. During the year, SOM spent Rs. 0.78 crore in CSR activities as per the CSR policy of the Board.

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

Eye Camp:

The Asha Mohan Foundation Society in association with Bansal Hospital Bhopal organized free eye check-up camp in September 2019 at the premises of SOM High School, Sehatganj for the students of all classes. The Eye specialists from the hospital examined around 300 students with state-of-the-art equipments. The objective of the general eye check-up was to detect early deficiency among the children and provide tips on caring for and protecting their eyes.

SOM Group of Companies along with ASG Eye Care Hospital also held a free eye check-up camp for employees of SDBL Factory in December 2019 at Rojrachak, Bhopal. The intention of carrying out the free eye check-up camp was to take preventive care as well as identify the eye complications which the employees might be facing.

Environment Day:

Environment Day is celebrated every year by the SOM Group. To mark the importance of this day, the employees of SOM, planted more than 2,000 plants in the factory area. Keeping in mind the theme of this year's environment day "Beat the plastic pollution" the employees of SOM worked together with the Asha Mohan foundation to spread awareness about how people can reduce the use of plastic in their day to day lives. The students of the Asha Mohan Foundation were educated about the 3 R's for protecting the environment - Reduce, Reuse and Recycle. The employees pledged to protect the environment by minimizing the use

of plastic products, conserving water and energy.

14. 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 is also in the process of implementing ERP system across the manufacturing units and depots. Once implemented this will enable in further strengthening of the supply chain efficiencies, with increased qualitative control. Processes have been standardised across the Company to ensure stream lining 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.

15. 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 centers 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 over come 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.

16. 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.

NOTICE OF 27TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 27th Annual General Meeting (AGM) of the Members of Som Distilleries and Breweries Limited will be held on Tuesday, the 29th day of September, 2020 at 12:30 pm 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, 2020, the reports of the Board of Directors' and Auditors' thereon; and
 - (b) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, the reports of the Board of Directors' and Auditors' thereon.
2. To re-appoint Shri Nakul Kam Sethi (DIN: 06512548), who retires by rotation and being eligible offers herself for reappointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) and any other applicable Regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Mr. Rakesh Rathi (DIN 08664667), who was appointed as an Additional Director of the Company by the Board of Directors with effect from January 21, 2020 in terms of Section 161(1) of the Act and whose term of office expires at the Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, be and is hereby appointed as a Director (Independent & Non-Executive) of the Company to hold office for a term of five consecutive years with effect from January 21, 2020 to January 20, 2025."

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) and any other applicable Regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Mr. Uma Kant Samal (DIN 08669929), who was appointed as an Additional Director of the Company by the Board of Directors with effect from April 20, 2020 in terms of Section 161(1) of the Act and whose term of office expires at the Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, be and is hereby appointed as a Director (Independent & Non-Executive) of the Company to hold office for a term of five consecutive years with effect from April 20, 2020 to April 19, 2025."

5. Alteration of Memorandum of Association as per the provisions of the Companies Act, 2013 and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 13, 15 and other applicable

provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force, and Rules made thereunder and subject to necessary statutory approvals and modifications if any, consent of the members be and is hereby accorded to merge Clause III (C) i.e. "Other Objects" with Clause III (B) i.e. "Objects Incidental or Ancillary to the attainment of the Main Objects" and Clause III (B) shall be renamed as "Matters which are necessary for furtherance of the objects specified in Clause III (A) are" in accordance with Table A of the Companies Act, 2013.

RESOLVED FURTHER THAT the sub-clause no. 1 to 23 of Clause III (C) be renumbered as sub-clause no. 36 to 58 of Clause III (B).

RESOLVED FURTHER THAT the sections and references of the previous Companies Act, 1956 be and are hereby replaced with the relevant sections and references of the new Companies Act, 2013 under sub-clause no. 15 & 33 of Clause III (B).

RESOLVED FURTHER THAT the Memorandum of Association of the Company duly modified as aforesaid or as suggested by any appropriate authority and accepted by the Board, be adopted as the Memorandum of Association of the Company.

RESOLVED FURTHER THAT consent of shareholders of the Company be and is hereby accorded to approve and adopt the aforesaid changes in the Memorandum of Association of the Company and that Shri Jagdish Kumar Arora, Managing Director, Shri Nakul Kam Sethi, Wholtime Director and/or Shri Om Prakash, Company Secretary be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

6. Adoption of Articles of Association as per the provisions of the Companies Act, 2013 and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 14, 15 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to adopt the new set of Articles of Association containing, inter-alia, Article no. 1 to Article no. 157 in place of existing Articles of Association containing Article No. 1 to Article no. 151.

RESOLVED FURTHER THAT the Articles of Association of the Company duly modified as aforesaid or as suggested by any appropriate authority and accepted by the Board, be adopted as the Articles of Association of the Company.

RESOLVED FURTHER THAT Shri Jagdish Kumar Arora, Managing Director, Shri Nakul Kam Sethi, Wholtime Director and/or Shri Om Prakash, Company Secretary be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

7. To approve payment of Remuneration to Mr. Jagdish Kumar Arora, Chairman & Managing Director as per the provisions of the Companies Act, 2013, applicable SEBI Regulations and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") and the Rules framed there under, (including any statutory modifications or re-enactment thereof, for the time being in force) and the Articles of Association of the Company approval of Members be and is hereby accorded to pay the following remuneration to Shri Jagdish Kumar Arora (DIN:00224633), as Managing Director, for the remaining term of his appointment effective from September 1, 2020 to February 3, 2022:-

- I. **SALARY:** Rs.9.80 lakh per month with authority to the Board of Directors of the Company to grant such increments within the limit as it may determine from time to time.

II. PERQUISITIES

- i) Contribution to provident fund or superannuation fund or annuity fund to the extent not taxable under the Income Tax Act, 1961.
- ii) Gratuity at the rate of half a month's salary for each completed year of service.
- iii) Leave as per Company's Rules as specified from time to time.
- iv) Leave Travel Concession: For self and his family, once a year, incurred in accordance with rules of the Company.
- v) Premium paid on personal accident policy.
- vi) Leave encashment at the end of the tenure in accordance with the rules of the company.
- vii) Re-imbursement of medical expenses either directly or through insurance for self and family to the extent allowed under Income Tax Act.
- viii) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

RESOLVED FURTHER THAT in case the profit for any particular year is inadequate, Shri J.K. Arora shall be allowed to retain the minimum remuneration calculated as per section 198 and schedule V of the Companies Act 2013, and shall pay back the balance amount unless the requisite approval of shareholders is arranged as per section 197 of the Companies Act, 2013."

RESOLVED FURTHER THAT Shri Nakul Kam Sethi, and/or Mr. Om Prakash, Company Secretary & Compliance Office of the Company, be and are hereby severally authorized to do all the acts, deeds and things which are necessary to file form MR-1 and other requisite forms with the Registrar of Companies in respect of Shri Jagdish Kumar Arora."

8. To approval SOM ESOP Scheme 2020 as per the provisions of the Companies Act, 2013, applicable SEBI Regulations and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 42, 62(1)(b) of the Companies Act, 2013 ("the Act") and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto ("the SEBI ESOS Regulations"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

("the SEBI LODR Regulations"), the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed, any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee), consent of the Shareholders be and is hereby accorded to introduce and implement the SOM Employees Stock Option Plan Scheme 2020 ("ESOP Scheme 2020") the salient features of which are detailed in the Explanatory Statement to this Notice and to create, grant, offer, issue and allot at any time in one or more tranches to or for the benefit of such person(s) who are in the permanent employment of the Company, whether working in India or outside India, including Director of the Company, whether Whole-time director or not, but excluding Promoter, Promoter group and independent Directors and such other persons as may from time to time, be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as "Employees") selected on the basis of criteria decided by the Board under the ESOP Scheme 2020, such number of stock options convertible into Equity Shares of the Company ("Options"), in one or more tranches, not exceeding 5,00,000 equity shares of face value of Rs. 10/- each, at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the ESOP Scheme 2020, and all provisions of applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares to the eligible Employees upon exercise of Options from time to time in accordance with the ESOP Scheme 2020 and such equity shares shall rank pari-passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organisation of capital structure of the Company, as applicable from time to time, if any additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Stock Options granted earlier, the above ceiling shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued and allotted on exercise of Options granted under the ESOP Scheme 2020 and the exercise price of Options granted under the ESOP Scheme 2020 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- per equity share bears to their advised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the ESOP Scheme 2020.

RESOLVED FURTHER THAT without prejudice to the generality of the above the Board, which includes the Nomination and Remuneration Committee is authorised to formulate, evolve, decide upon and implement the ESOP Scheme 2020, determine the detailed terms and conditions of the aforementioned ESOP Scheme 2020 including but not limited to the quantum of the Options to be granted per employee, the number of Options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Stock Options shall lapse and to grant such number of Options, to such employees of the Company, at par or at such other price, at such time and on such terms and conditions as set out in the ESOP Scheme 2020 and as the Board or the Nomination and Remuneration Committee may in its absolute discretion think fit.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee be designated as the Compensation Committee in accordance with Regulation 5(1) of the SEBI ESOS Regulations for the purposes of administration of ESOP Scheme 2020.

RESOLVED FURTHER THAT the Board is hereby authorised to make any modifications, changes, variations, alterations or revisions in the ESOP Scheme 2020 as it may deem fit, from time to time or to suspend, withdraw or revive the ESOP Scheme 2020 from time to time, in conformity with applicable laws, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT the Board shall take necessary steps for listing of the Equity Shares allotted under the ESOP Scheme 2020 on the Stock Exchanges, where the Shares of the Company are listed in accordance with the provisions of the SEBI ESOS Regulations, the SEBI LODR Regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the ESOP Scheme 2020 at any stage including at the time of listing of the equity shares issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval there to expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committees, with power to sub-delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard."

9. To increase the Authorised Share Capital and consequent alteration in clause V of Memorandum of Association as per the provisions of the Companies Act, 2013, applicable SEBI Regulations and, if thought fit, to pass with or without modification, the following Resolution as a Ordinary Resolution:

RESOLVED THAT pursuant to Section 13, 64 and other applicable provisions, if any, of Companies Act, 2013 and the rules notified thereunder (including any statutory modification(s), amendments or re-enactment(s) thereof for the time being in force) and further subject to any other laws and regulations, as may be applicable and the enabling provisions of Articles of Associations of the Company and on recommendation of the Board of Directors of the Company and applicable permissions, sanctions and approvals as may be required in this regard, approval of shareholders be and is hereby accorded to the Board of Directors of the Company to increase the Authorised Share Capital of the company from Rs.35,00,00,000/- (Rupees Thirty Five Crore Only) divided into 3,50,00,000 (Three Crore Fifty Lacs) Equity Shares of Rs.10/- each (Rupees Ten only) to Rs.40,00,00,000/- (Rupees Forty Crore Only) divided into 4,00,00,000 (Four Crore) Equity Shares of Rs.10/- each (Rupees Ten only).

RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be substituted with the following:

- V. The Authorized Share capital of the Company is Rs.40,00,00,000 (rupees forty crores only) divided into 4,00,00,000 (four crore only) equity shares of Rs. 10/- (rupees ten only) each with the rights, privileges and conditions attaching thereto as are provided by the regulations of the company for the time being, with the power to increase and reduce the capital of the company, to divide or consolidate the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify, abrogate any such rights or privileges or conditions in such manner as may from time to time be provided in the regulations of the Company.

RESOLVED FURTHER THAT new shares shall rank pari passu to the existing shares in all respect and that all the provisions contained in the Articles of Association of the company with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer, transmission, voting etc., will be applicable to the new shares as they are applicable to the already issued equity shares.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the authorities as may be required in this regard."

10. To approve sub-division of shares as per the provisions of the Companies Act, 2013, applicable SEBI Regulations and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provision of Section 13, Section 61(d), 64 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification or re-enactment thereof, for the time being in force) and the provisions of Memorandum of Association and Articles of Association of the Company and subject to such other approvals, consent, permissions and sanctions as may be necessary from the appropriate authorities or bodies, consent of the members of the company be and is hereby accorded for the sub-division of each of the Equity Share of the Company having a face value of Rs.10/- each in the Authorized Equity Share Capital of the Company sub-divided into 2 (Two) Equity Shares having a face value of Rs.5/- each ("Sub-division") and Clause V of the Memorandum of Association of the Company be altered accordingly.

RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be substituted with the following:

- V. The Authorized Share capital of the Company is Rs.40,00,00,000 (rupees forty crores only) divided into 8,00,00,000 (eight crore only) equity shares of Rs. 5/- (rupees five only) each with the rights, privileges and conditions attaching thereto as are provided by the regulations of the company for the time being, with the power to increase and reduce the capital of the company, to divide or consolidate the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify, abrogate any such rights or privileges or conditions in such manner as may from time to time be provided in the regulations of the Company.

RESOLVED FURTHER THAT pursuant to the sub-division of the equity shares of the Company, all the issued, subscribed and paid up equity shares of face value of Rs.10/- (Rupees Ten only) each of the Company existing on the record date to be fixed by the Company shall stand sub-divided into equity shares of face value of Rs.5/- (Rupees Five only) each fully paid up, without altering the aggregate amount of such capital and shall rank pari passu in all respects with the existing fully paid equity share of Rs.10/- each of the company and shall be entitled to participate in full dividend to be declared after subdivided Equity shares are allotted.

RESOLVED FURTHER THAT upon sub-division of equity shares as aforesaid, the existing share certificate(s) in relation to the existing equity shares of the nominal value of Rs.10/- (Rupees Ten only) each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the "Record Date" to be fixed by the Company and Company may without requiring the surrender of existing share certificate(s) directly issue and dispatch the new share certificate(s) of the company, in lieu thereof, subject to the provisions of the Companies (Share Capital and Debentures) Rules, 2014 and in the case of members who hold the equity shares / opt to receive the sub-divided equity shares in dematerialised form, the subdivided equity shares of nominal value of Rs.5/- (Rupee Five only) each shall be credited to the respective beneficiary account of the members with their respective depository participants and the Company shall

undertake such corporate actions as may be necessary in relation to the existing equity shares of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company ("the Board") (which expression shall also include a duly authorised Committee thereof) be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications,

documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution and to delegate all or any of the powers herein vested in the Board to any Director(s), Officer(s) of the Company as may be required to give effect to this above resolution".

Place: Bhopal

Date: September 5, 2020

REGISTERED OFFICE:

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

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

Sd/-
Om Prakash
Company Secretary & Compliance Officer

NOTES

- As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the 27th AGM through VC/OAVM.
- 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 MCA Circulars 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 Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- 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 to atleast 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.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- 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. 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 and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
- The 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 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- The remote e-voting period begins on Saturday 26.09.2020 (IST 9.00 am) and ends on Monday 28.09.2020 (IST 5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of

23.09.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on "Shareholders" module.
- Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number provided by the company or contact to RTA for obtaining the same.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

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

- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the Company on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. **For Physical shareholders** - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. **For Demat shareholders** - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id** compliance@somindia.com / info@masserv.com.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:-

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
3. Further shareholders 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 (22nd September 2020) mentioning their name, demat account number/ folio number, email id, mobile number at 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 (company email id). 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.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING 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 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.
3. 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.
4. Shareholders 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.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; compliance@somindia.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-voting from the e-voting system, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

GENERAL INFORMATION: -

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under Item No. 3 to 10 is annexed hereto and forms part of this Notice.
2. 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 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.

3. 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 2012-13 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 & 2018-19 can be viewed on Company's website i.e. 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.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 24, 2020 to Tuesday, September 29, 2020 (both days inclusive) for the purpose of the AGM.
5. 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.
6. 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.

7. 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.
8. 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.
9. 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 7, 2020 to September 28, 2020 at the Registered Office of the Company & will also be available at the time of AGM.
10. 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.
11. In terms of Section 152 of the Act, Mr. Nakul Kam Sethi (DIN:06512548), Director, shall retire by rotation at the ensuing AGM. Mr. Sethi being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends re-appointment of Mr. Nakul Kam Sethi.
12. 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 declarations have been received from the Directors for their re-appointment.
13. 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.
14. Since the AGM will be held through VC / OAVM, the route map is not annexed to this notice.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.somindia.in and on the website of CDSL <http://www.evotingindia.com> within three days of the passing of the Resolutions at the 27th AGM of the Company and shall also be communicated to BSE Limited and NSE Limited where the shares of the Company are listed.

EXPLANATORY STATEMENT

(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

ITEM NO. 3**APPOINTMENT OF MR. RAKESH RATHI (DIN 08664667) AS DIRECTOR (NON-EXECUTIVE & INDEPENDENT)**

Pursuant to the provisions of Section 161 of the Companies Act, 2013 and the rules made thereunder ('the Act') read with Articles of Association of the Company, Mr. Rakesh Rathi (DIN 08664667) was appointed as an Additional Director in the capacity of Non-executive & Independent Director of the Company w.e.f. January 21, 2020, subject to the approval of Members of the Company. Accordingly, Mr. Rakesh Rathi shall hold office upto the date of ensuing Annual General Meeting.

The Company has received notice in writing under the provisions of Section 160 of the Act from him signifying his candidature as an Independent Director of the Company.

Mr Rakesh Rathi, has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. Rakesh Rathi fulfills the conditions specified in the Act and the Rules made thereunder and the Listing Regulations for his appointment as Independent Director of the Company and he is independent of the Management. Mr. Rathi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and he has given his consent to act as Director.

A brief profile of Independent Director to be appointed, including nature of his expertise and other disclosures as required under Regulation 36(3) of the Listing Regulations, is provided at "Annexure A" of this Notice.

Terms & conditions of appointment of the aforesaid Director as Independent Director are open 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.

Except Mr. Rakesh Rathi, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out at item No.3.

The Board recommends the Resolution as set out in Item no.3 for approval of the Members to be passed as an Ordinary Resolution.

ITEM NO. 4**APPOINTMENT OF MR. UMA KANT SAMAL (DIN 08669929) AS DIRECTOR (NON-EXECUTIVE & INDEPENDENT)**

Pursuant to the provisions of Section 161 of the Companies Act, 2013 and the rules made thereunder ('the Act') read with Articles of Association of the Company, Mr. Uma Kant Samal (DIN 08669929) was appointed as an Additional Director in the capacity of Non-executive & Independent Director of the Company w.e.f. April 20, 2020, subject to the approval of Members of the Company. Accordingly, Mr. Samal shall hold office upto the date of ensuing Annual General Meeting.

The Company has received notice in writing under the provisions of Section 160 of the Act from him signifying his candidature as an Independent Director of the Company.

Mr. Uma Kant Samal, has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. Uma Kant Samal fulfills the conditions specified in the Act and the Rules made thereunder and the Listing Regulations for his appointment as Independent Director of the Company and he is independent of the Management. Mr. Samal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and he has given his consent to act as Director.

A brief profile of Independent Director to be appointed, including nature of his expertise and other disclosures as required under Regulation 36(3) of the Listing Regulations, is provided at "Annexure A" of this Notice.

Terms & conditions of appointment of the aforesaid Director as Independent Director are open 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.

Except Mr. Uma Kant Samal, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out at item No. 4.

The Board recommends the Resolution as set out in Item no. 4 for approval of the Members to be passed as an Ordinary Resolution.

ITEM NO. 5**TO APPROVE ALTERATION IN MEMORANDUM OF ASSOCIATION OF THE COMPANY**

The Companies Act, 2013, has prescribed a new format of Memorandum of Association ("MOA") for public companies limited by shares and in accordance with Table 'A' of the Companies Act, 2013 there shall be only two groups of objects i.e. (A) Main objects to be pursued by the Company and (B) Matters which are necessary for furtherance of the objects specified under Main Objects. Accordingly, existing Clause III (C) containing the "Other Objects" of the existing Memorandum of Association of the Company is required to be merged with Clause III (B) containing the "Objects Incidental or Ancillary to the attainment of the Main Objects" and Clause III (B) shall be renamed as "Matters which are necessary for furtherance of the objects specified in Clause III (A) are" to comply with Table 'A' of the Companies Act, 2013.

The Board at its meeting held on 27th June, 2020 has approved alteration of the MOA of the Company and recommends the Special Resolution set forth in Item No.5 of the Notice for approval of the Members. A copy of the proposed altered MOA of the Company would 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.

None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the resolution except to the extent of their shareholding, if any, in the Company.

The Board recommends the Resolution as set out in Item no. 5 for approval of the Members to be passed as a Special Resolution.

ITEM NO. 6**TO APPROVE NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY**

The existing Articles of Association (AOA) are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act.

On 12 September, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on 26 March, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal"). With the coming into force of the Act, several regulations of the existing AOA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to replace wholly the existing AOA by a new set of Articles. The new AOA to be substituted in place of the existing AOA are based on "Table-F" of the Act which sets out the model articles of association for a company limited by shares.

Pursuant to Section 14 of the Act, the consent of the Members by way of Special Resolution is required for alteration of AOA of the Company. The Board recommends the Special Resolution set forth in Item No.6 of the Notice for approval of the Members.

A copy of the proposed set of new AOA of the Company would be available for inspection for Members at the Registered Office of the Company during business hours on all working days upto the date of this meeting.

None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

The Board recommends the Resolution as set out in Item no. 6 for approval of the Members to be passed as a Special Resolution.

ITEM NO. 7

PAYMENT OF REMUNERATION TO MR. JAGDISH KUMAR ARORA, MANAGING DIRECTOR

The Members of the Company vide Annual General Meeting dated September 29, 2017, had appointed Mr. Jagdish Kumar Arora as the Chairman and Managing Director of the Company for a tenure of five years effective from February 4, 2017 to February 3, 2022. Pursuant to Section II of Part II of Schedule V to the Companies Act, 2013, the remuneration payable to Mr. Jagdish Kumar Arora is required requisite approval. The approval of the Members pursuant to Section 197(1) of the Companies Act, 2013 as amended from time to time is now sought for the remuneration payable to Mr. Jagdish Kumar Arora as the Chairman and Managing Director of the Company for the period from September 1, 2020 to February 3, 2022. The details are set out below:

Remuneration proposed:

- I. **SALARY:** Rs 9.80 lakhs per month with authority to the Board of Directors of the Company to grant such increments within the limit as it may determine from time to time.
- II. **PERQUISITES**
 - i) Contribution to provident fund or superannuation fund or annuity fund to the extent not taxable under the Income Tax Act, 1961.
 - ii) Gratuity at the rate of half a month's salary for each completed year of service.
 - iii) Leave as per Company's Rules as specified from time to time.
 - iv) Leave Travel Concession: For self and his family, once a year, incurred in accordance with rules of the Company.
 - v) Premium paid on personal accident policy.
 - vi) Leave encashment at the end of the tenure in accordance with the rules of the company.
 - vii) Re-imbursement of medical expenses either directly or through insurance for self and family to the extent allowed under Income Tax Act.
 - viii) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by

the Company.

Minimum Remuneration:

In the event of inadequacy of profits calculated as per Section 198 of the Companies Act, 2013 in any Financial Year(s) Mr. Jagdish Kumar Arora, Chairman and Managing Director shall be entitled to a minimum remuneration comprising salary, perquisites and benefits as detailed above for his remaining term, subject to such other approvals as may be necessary.

In accordance with the Schedule V and other applicable provisions of the Companies Act, 2013, on the recommendation made by the NRC of the Company at its meeting held on 27th June, 2020, the Board of Directors of the Company at its meeting held on even date have approved the payment of remuneration as detailed above except commission, subject to such other approvals as may be necessary, as minimum remuneration to Mr. Jagdish Kumar Arora in the absence or inadequacy of profits in any Financial Year(s) during his remaining tenure i.e. upto February 3, 2022.

The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution at Item No. 7 is annexed hereto as Annexure A.

Pursuant to Section 190 of the Companies Act, 2013 a copy of the Agreement dated February 4, 2017 and the draft supplementary agreement proposed to be executed by the Company with the Chairman and Managing Director (on approval by Members of this Resolution) are kept and available for inspection at the Registered Office of the Company during business hours on all working days upto the date of this meeting.

None of the Directors, Key Managerial Personnel of the Company and their relatives other than Mr. Jagdish Kumar Arora, Mr. Ajay Kumar Arora, Mr. Deepak Arora, Ms. Sunita Arora & Ms. Natasha Arora, who are related to Mr. Jagdish Kumar Arora, is in any way concerned or interested, financial or otherwise, in the said Resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No.7 of the Notice for approval by the Members.

ITEM NO.8

TO APPROVAL SOM EMPLOYEES STOCK OPTION PLAN SCHEME 2020

Stock Options represent a reward system based on performance. They help companies to attract, retain and motivate the best available talent. Stock Options also provide a company with an opportunity to optimise its personnel costs. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands.

Further, as the business environment is becoming increasingly competitive, it is important to attract and retain qualified, talented and competent personnel in the company. Your company believes in rewarding its employees, for their continuous hard work, dedication and support, which has led the Company on the growth path.

Keeping in line with the above, "SOM Employees Stock Option Plan Scheme 2020" ('the Scheme') has been formulated by the Company and to be implemented by Nomination & Remuneration Committee constituted under Section 178 of the Companies Act, 2013 in accordance with the requirements of Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOS Regulations") issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on 27th June, 2020 subject to the approval of the members.

The Scheme will be operated and administered under the superintendence of the Company's Nomination and Remuneration Committee, which is a Committee of the Board of Directors, the majority of whose Members are Independent Directors. The Nomination and Remuneration Committee will formulate the detailed terms and conditions of the Scheme including:

- (a) Number of options to be granted to any Employee, and in the aggregate;

- (b) Terms on which the options will vest;
- (c) The conditions under which options vested in Employees may lapse in case of termination of Employees for misconduct;
- (d) The exercise period within which an Employee should exercise the options, and lapsing of options on failure to exercise the options within the exercise period and determination of exercise price which may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP-2020;
- (e) The specified time period within which the Employee shall exercise the vested options in the event of termination or resignation of the Employee;
- (f) The right of an Employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- (g) The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
- (h) The grant, vesting and exercise of options in case of Employees who are on long leave; and
- (i) Any other related or incidental matters.

Brief Description of the Scheme is given as under:

a) The total number of options to be granted

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches upto 5,00,000 equity shares of Rs.10/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the company as may be applicable from time to time).

SEBI ESOS Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale or division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling Shares shall be deemed to be increased to the extent of such additional equity shares issued Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation of Option grantees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the provisions of ESOP Scheme 2020.

b) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme

All permanent employees of the Company working in India or out of India and Directors of the company (whether Managing/Whole time Director or not) (present or future) (excluding promoters and an employee who is a Promoter or a person belonging to the Promoter Group) and further excluding a director who either by himself or through his relative or through any Body Corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company and excluding Independent Directors as may be decided by

the Nomination and Remuneration Committee.

The class of Employees eligible for participating in the Scheme shall be determined on the basis of the grade, number of years' service, performance, and role assigned to the employee and such other parameters as may be decided by the Nomination and Remuneration Committee in its sole discretion from time to time.

The options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

c) Terms of the scheme:

- (1) The Company shall not vary the terms of the schemes in any manner, which may be detrimental to the interests of the Option Grantees: Provided that the company shall be entitled to vary the terms of the schemes to meet any regulatory requirements.
- (2) Subject to the proviso to sub-regulation (1), the company may by special resolution in a general meeting vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employee provided such variation is not prejudicial to the interests of the Option Grantees.
- (3) The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the Option Grantees who are beneficiaries of such variation.
- (4) The Company may re-price the options as the case may be which are not exercised, whether or not they have been vested if the terms of the grants were rendered unattractive due to fall in the price of the shares in the stock market; Provided that the company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantees and approval of the shareholders in general meeting has been obtained for such re-pricing.

d) Transferability of Employee Stock Options:

- (1) The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option Grantee, the right to exercise all the Options granted to him till such date shall be vest in his legal heirs or nominees.
- (2) In the event of resignation or termination of the Option Grantee, all the options which are granted and yet not vested as on that day shall lapse.
- (3) In the event that an Option Grantee who has been granted benefits under a scheme is transferred or deputed to subsidiary company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.
- e) Requirements of vesting and period of vesting

Vesting of options may commence after a period of not less than one year from the date of grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the ESOP Scheme 2020.

Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising:

Sr. No.	Separations	Vested Options	Unvested Options
1	Resignation	All Vested Options as on date of submission of resignation may be exercised by the Option Grantee on or before his last working day with the Company.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
2	Termination (With or without cause)	All Vested Options which were not allotted at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	Retirement or early Retirement approved by the Company	All Vested Options as on date of retirement may be exercised by the Option Grantee within permitted exercise period.	All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within permitted exercise period.

4	Death	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 6 months from the date of Death.	All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within 6 months from the date of Death.
5	Permanent Disability	All Vested Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 6 months from the date of such disability	All the Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 6 months from the date of such disability.
6	Abandonment*	All the Vested Options shall stand cancelled.	All the Unvested Options shall stand cancelled.
7	Other reasons apart from those mentioned above The Committee shall decide whether the Vested Options as	The Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

*The Board/ Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned.

f) Maximum period within which the options shall be vested

The maximum vesting period may extend up to 5 (five) years from the date of grant of options, unless otherwise decided by the Nomination and Remuneration Committee.

g) Exercise price or pricing formula

Exercise Price means the price at which the Option Grantee is entitled to acquire the equity shares pursuant to the options granted and vested in him/her under the Scheme.

The Exercise Price shall be equal to Rs.10/- (Rupees Ten only) per option or any other price as may be decided by the Committee. In any case, the Exercise Price per Option shall not be less than the face value of shares and it may be different for different class/classes of Employees falling in the same tranche of grant of Options issued under ESOP Scheme 2020.

h) Exercise period and process of exercise

The Exercise period shall not be more than 5 years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.

The Vested options shall be exercisable by the employees by a written application (which will include making applications online using any ESOP administration software) to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Nomination and Remuneration Committee from time to time. The options shall lapse if not exercised within the specified exercise period. The options may also lapse, under certain circumstances even before the expiry of the specified exercise period.

Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board/ Committee may decide.

i) Appraisal Process for determining the eligibility of Employees to the Scheme.

The appraisal process for determining the eligibility of the Employee will be specified by the Nomination and Remuneration Committee and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the Nomination and Remuneration Committee.

j) Maximum number of options to be issued per Employee and in the aggregate

The number of Options that may be granted to any specific employee under ESOP Scheme 2020 shall not exceed the number of Shares equivalent to 1% of the Issued Share Capital of the Company and in

aggregate if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

k) Certificate from auditors

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.

l) Whether the scheme is to be implemented and administered directly by the Company or through a trust

The Scheme will be implemented directly by the Company under the guidance of the Nomination and Remuneration Committee of the Board.

m) Whether scheme involves new issue of shares by the Company or Secondary acquisition by the trust

The Scheme will involve only new issue of shares by the Company.

n) Disclosure and accounting policies

The Company shall conform to the accounting policies specified by Securities & Exchange Board of India as per the SEBI ESOS Regulations, amended from time to time and relevant Accounting Standard as may be prescribed by the Institute of Chartered Accountants of India (ICAI) or by any other Statutory authority from time to time.

o) Method of Valuation

The Company follows fair value method for computing the compensation cost, if any, for the options granted. The company will follow IFRS/IND AS/ any other requirements for the same.

p) Rights of the option holder

The employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are allotted upon exercise of option.

q) Consequence of failure to exercise option

All unexercised options shall lapse if not exercised on or before the exercised period ends. The amount payable by the employee, if any, at the time of grant of option, -

- (a) may be forfeited by the company if the option is not exercised by the employee within the exercise period; or
- (b) may be refunded to the employee if the options are not vested due to non-fulfillment of conditions relating to vesting of option as per the Scheme.

r) Other terms

The Board or Nomination and Remuneration Committee shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the regulations and guidelines as prescribed by the Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the Option Grantees.

The Board or Nomination and Remuneration Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the ESOP Scheme 2020, subject to compliance with the Applicable Laws and Regulations.

As the Scheme would entail further shares to be offered to persons other than existing Members of the Company, consent of the members is sought pursuant to the provisions of section 42 and 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per the requirement of Clause 6 of the SEBI ESOS Regulations.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. 8, except to the extent of their shareholding entitlements, if any, under the ESOP Scheme.

Your Directors recommend the Resolution set out in Item No. 8 of the Notice for adoption by the Shareholders as Special Resolution.

ITEM NO. 9

INCREASE IN AUTHORISED CAPITAL AND CONSEQUENT ALTERATION IN CLAUSE V OF MEMORANDUM OF ASSOCIATION

The Company forecasting the future prospects and growth objectives proposes to surge the present Authorised Share Capital Base. It is therefore deemed appropriate to increase the Authorised Share Capital of the Company from Rs.35 Crore to Rs.40 Crore, consequent to approval of Item No 9 as specified in this Notice of General Meeting, and for that purpose, the Memorandum of Association of the Company are proposed to be suitably altered in pursuant to applicable provisions of Companies Act, 2013 as stated below:

PROPOSED CLAUSE:

CLAUSE V "The Authorized Share capital of the Company is Rs.40,00,00,000 (rupees forty crores only) divided into 4,00,00,000 (four crore only) equity shares of Rs. 10/- (rupees ten only) each with the rights, privileges and conditions attaching thereto as are provided by the regulations of the company for the time being, with the power to increase and reduce the capital of the company, to divide or consolidate the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify,

abrogate any such rights or privileges or conditions in such manner as may from time to time be provided in the regulations of the Company".

Your Directors recommend passing of the enabling Resolution as set out in Item No.9 of the Notice by way of Ordinary Resolution. None of the Directors/ Key managerial personnel / relatives of the Directors or Key managerial personnel of the Company may be deemed to be concerned or interested in the said resolution except to the extent of their shareholding in the company.

A copy of the existing Memorandum of Association of the Company along with the draft of the proposed amendments, will be available for inspection by the Members at the Registered Office of the Company during business hours on all working days upto the date of this meeting.

ITEM NO. 10

TO APPROVE SUB-DIVISION OF SHARE CAPITAL OF THE COMPANY

As the members are aware, the equity shares of your company are listed on the Bombay Stock Exchange and National Stock Exchange and are also regularly traded on the said Exchanges.

With a view to broad base the investor base by encouraging the participation of the retail investors and also with a view to increase the liquidity of the company's shares, the Board of Directors in its meeting held on June 27, 2020 & September 5, 2020 recommended sub-division of the nominal value and paid-up value of (Authorised, Issued, Subscribed and paid-up) of the company from 1 (One) equity share of Rs.10/- [Rupees Ten only] each into 2 (Two) equity shares of Rs.5/- (Rupees Five only) each.

The aforesaid sub-division of equity shares of Rs.10/- each into equity shares of Rs.5/- each would require amendment to existing Capital Clause V of the Memorandum of Association. After approval of the resolutions set out at Item Nos.10, the Board of Directors or Committee thereof will fix the record date for the purpose of ascertaining the list of members whose shares shall be sub-divided, as proposed above and the same shall be notified to the members through appropriate medium.

Pursuant to the provisions of Section 13, and Section 61 of the Companies Act, 2013 approval of the members is required for sub-division of shares and consequent amendment to Clause V of the Memorandum of Association.

The Board recommends the Resolution at item No.10 of this Notice, for approval of the Members.

A copy of the Memorandum of Association along with proposed amendments will be open for inspection by the Members at the Registered Office of the Company during business hours on all working days upto the date of this meeting.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolutions, except to the extent of equity shares held by them in the Company.

ANNEXURE A

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT/ FIXATION OF REMUNERATION AT THE 27TH ANNUAL GENERAL MEETING

Name of the Director	Shri Nakul Kam Sethi	Shri Rakesh Rathi	Shri Uma Kant Samal	Shri Jagdish Kumar Arora
Brief Resume & Expertise in specific functional areas	With an event full career and a total experience of close to 20 years with commercial & investment banks and corporates across geographies in India, Australia and 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 is an integral part of SOM Group for the last 9 years.	Mr. Rakesh Rathi has significant years of experience in the business of Distilleries and Breweries industry. He was the manager for Purchase, Import with London Distillers (K) Ltd., Nairobi, Kenya and He was also work as manager with Indus Thermal Systems, Mumbai	Mr. Uma Kant Samal has significant more than 30 years of experience in various Administrative & Judiciary Positions in the State of Madhya Pradesh (Govt. of India) during 1977 to 2007. His last Position was Chairperson of Board of Secondary Education, Govt. of M.P. (2005 to 2007). Mr. Samal, after retirement is Self Employed and Advising clients on MIS, automation and internal audit functions.	Mr. J.K. Arora is a visionary. His seasoned leadership qualities, his meticulous planning and strategies has given the desired shape and direction to the growth of the group. His vision as the founder has steered the company toward achieving leadership position. He is at the source of all that SOM Group of companies has achieved so far. Mr Arora has been instrumental in shaping SOM's focus strategy & building a unique partnership model based on the tenets of innovation & sustainable development.
Date of Birth / Age	September 3, 1973/ 46 Years	November 24, 1970/49 Years	December 12, 1947/72 Years	June 23, 1956 /64 Years
Date of first appointment on the Board	June 1, 2018	January 21, 2020	April 20, 2020	March 26, 1993
Details of shares held in the Company as on March 31, 2020	17538	Nil	Nil	3121661
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	No relationship with other Directors, Manager and other Key Managerial Personnel of the Company	No relationship with other Directors, Manager and other Key Managerial Personnel of the Company	No relationship with other Directors, Manager and other Key Managerial Personnel of the Company	No relationship with other Directors, Manager and other Key Managerial Personnel of the Company
Qualifications	B.Com and MBA	B.Sc (Maths), MBA (Operations), Post Graduate Diploma in Computer Application, Master of Computer Management	IAS-1971 (MP), M.A. Political Science, Certificate in Development Studies from Sussex University, U.K.	B.Sc.
Terms and Conditions of Appointment/Re-appointment	He was appointed as whole time 5 years from 01.06.2018 to 31.05.2023	N.A.	N.A.	As mentioned in the resolution placed before the members in item no. 7 of the Notice read with the explanatory Statement thereto
Details of Remuneration sought to be paid	Rs. 500000 P.M.	Sitting fee of Rs30000/- each per Board Meeting thereof including conveyance charges	Sitting fee of Rs30000/- each per Board Meeting thereof including conveyance charges.	As mentioned in the resolution placed before the members of the Notice read with explanatory Statement thereto
Last Remuneration drawn	Rs. 500000 P.M.	Sitting fee of Rs30000/- each per Board Meeting thereof including conveyance charges	N.A. (He was appointed wef April 20, 2020)	He is not drawing any remuneration from the company
Number of Board Meetings attended/ held during Financial Year 2019-20	He attended all the board meeting held during the financial year 2019-20	1 out of 10 (He was appointed wef January 21, 2020)	N.A. (He was appointed wef April 20, 2020)	He attended all the board meeting held during the financial year 2019-20

Listed entities in which the person also holds the Directorship and Membership/ Chairmanship of the Committees thereof as on March 31, 2020	Nil	Nil	Nil	Nil
Directorship held in other companies as on March 31, 2020	1. Aaryavrat Realtors Private Limited	Nil	Nil	1. Legend Distilleries Pvt Ltd 2. Legend Capital Pvt Ltd 3. Som Power Limited 4. Som Agro Products Limited 5. Aryavrat Projects And Developers Private Limited 6. Sompel Jv Private Limited 7. Aryavrat Fincon Private Limited
Committee positions held in other Companies as on March 31, 2020	Nil	Nil	Nil	Nil
Audit Committee	Nil	Nil	Nil	Nil
Stakeholders' Relationship Committee	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil

SOM DISTILLERIES & BREWERIES LIMITED

BOARD'S REPORT

DEAR MEMBERS,

Your Directors have pleasure in presenting the Twenty Seventh Annual Report together with the Financial Statements of the Company for the Financial Year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

A brief overview on Consolidated and Stand-Alone Financial Performance for the Financial Year ended March 31, 2020 is as follows:

A. STANDALONE FINANCIAL PERFORMANCE

(Rupees in Lacs)

Particulars	31.03.2020 (Audited)	31.03.2019 (Audited)
Revenue from operations	40330.54	40790.46
Other Income	189.25	296.11
Total Income	40519.80	41086.57
Expenses		
Operating Expenditure	17200.92	16560.46
Employee Benefit Expense	974.49	862.68
Depreciation and amortization expenses	475.98	469.78
Other Expenses	18625.62	19206.29
Total Expenses	37277.01	37099.21
Profit before finance cost and tax	3242.79	3987.36
Finance Cost	861.71	787.25
Profit before tax	2381.07	3200.12
Tax Expenses	684.59	1186.56
Share of profit/(loss) in associates	-	-
Profit before comprehensive income	1696.48	2013.57
Other comprehensive incomes	(8.10)	12.65
Total Comprehensive Income for the year	1704.58	2000.91

B. CONSOLIDATED FINANCIAL PERFORMANCE

(Rupees in Lacs)

Particulars	31.03.2020 (Audited)	31.03.2019 (Audited)
Revenue from operations	71161.03	55271.90
Other Income	360.20	346.56
Total Income	71521.23	55618.46
Expenses		
Operating Expenditure	24297.44	19904.75
Employee Benefit Expense	1688.99	1308.07
Depreciation and amortization expenses	1167.45	876.01
Other Expenses	40741.69	29126.43
Total Expenses	67895.57	51215.26
Profit before finance cost and tax	3625.66	4403.20
Finance Cost	1536.90	1242.44
Profit before tax	2088.77	3160.76
Tax Expenses	586.67	1186.56
Share of profit/(loss) in associates	-	-
Profit before comprehensive income	1502.10	1974.21
Other comprehensive incomes	(8.10)	12.65
Total Comprehensive Income for the year	1510.20	1961.55

TRANSFER TO RESERVES

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

DIVIDEND EQUITY SHARES

For FY 2019-20 your Board has not recommend any dividend on equity share to retain earnings of the Company in this Pandemic.

OPERATIONS

During the year under review, on consolidated basis, your Company registered Gross Revenue of Rs 71521.23 lacs, whereas the Profit Before Tax and total comprehensive income for the year stood at Rs. 2088.77 lacs and Rs. 1510.16 lacs respectively. On a standalone basis, the Company registered Gross Revenue of Rs. 40519.80 lacs, whereas the Profit before Tax and total comprehensive income for the year stood at Rs. 2381.07 lacs and Rs. 1704.58 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 Auditors in the Annual General Meeting held on 29th 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 2019-20.

The comments of Board on observations of Secretarial Auditor of the Company in their Report for the FY 2019-20 are indicated below and the Report of the Secretarial Audit in Form MR-3 is annexed as Annexure I.

Comments by Board on observations of Secretarial Auditor:

- i) The Company is law abiding entity accordingly the vacancy of an Independent Directors in place of those who have resigned from the Board has been filled and Mr. Rakesh rathi has been appointed as independent Director w.e.f. January 21, 2020, in compliance with the SEBI (LODR) Regulations, 2015.
- ii) & iii) The Company was required to file returns and forms within prescribed time, however, due to administrative reasons, few forms were filed beyond due dates, which the management is committed to streamline in future.
- iv) The remarks of Secretarial Auditors were self-explanatory and the same was mentioned in the Board's Report.

INTERNAL AUDIT

The Board of Directors had appointed Mr. Sourabh Tandon as the Internal Auditors of the Company for the F.Y. 2019-20. 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, 2020. 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 2019-20 of all the subsidiary companies are available on the website of the Company i.e., 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. During the period under consideration, the Company had to spend an overall amount of Rs. 68.65 lack 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. Annamma Bosco as (Presiding Officer), Mr. Nakul Sethi (Member), Mr. Rajesh Dubey (Member), Ms. Madhuri Goel a member from a 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 2019-20 and hence no complaint is outstanding as on March 31, 2020 for redressal.

DIRECTORATE & KMP

During the period under Review, Shri Mahesh Kumar Batra and Shri Rakesh Rathi was appointed as Additional Director (Non-Executive & Independent) w.e.f. May 27, 2019 and January 21, 2020 respectively on the Board of Directors

Further Shri Surjeet Lal and Shri Mahesh Kumar Batra, Independent Directors of the Company have resigned w.e.f. May 27, 2019 and August 22, 2019 respectively from the directorship. The Board appreciates their valuable contribution to the Board's functioning during their tenure. Mr. Mayank Bhadoria, Company Secretary resigned w.e.f. August 21, 2019 and Mr. Om Prakash, Company Secretary joined w.e.f. February 7, 2020.

Brief resume of the Director(s) recommended for approval of appointment / re-appointment at the 27th 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), 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, 2020 comprises 6 Members - 2 Executive Directors and 4 Non-executive Directors, of which 4 are Independent Directors. Mr. Uma Kant Samal was appointed as Non-executive Independent Director on April 20, 2020. During the period under review, your Directors met ten times. The maximum interval between two Meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and applicable Secretarial Standards. 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, 2020 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. Rajesh Kumar Dubey is the Chief Financial Officer of the Company and Mr. Om Prakash is the Company Secretary.

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, 2020, 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, 2020 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, 2020 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.

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. 488.99 lack during the current FY as against Rs. 380.51 lack in previous year and expenditure in foreign currency is Rs. 0.88 lack during the current year as compared to Rs. 8.71 lack 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 2020-21 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.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 of the Companies Act, 2013 read with Rule 12 of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return (MGT-9) is attached herewith as Annexure V.

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.36 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.

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.

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.

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 may be accessed on the Company's website.

COVID-19 PANDEMIC IMPACT ON BUSINESS OPERATIONS OF THE COMPANY

The operations of the company were severely impacted since early March due to the outbreak of the COVID -19 pandemic and unfortunately right at the start of the season for beer.

Because of the lockdown, the volumes in March were severely impacted. There were no operations in April and some activity picked up in May. The

company has sufficient liquidity and demand of its products to continue its operations. The supply chain which was disrupted during the lock down has also been normalized.

The overall situation continues to be fluid as the major markets of the company have only partially opened. We are closely monitoring the situation and have initiated crisis management actions to ensure the safety and security of the employees as well as uninterrupted operations. The dispatches of the finished goods are being sent across to the markets, but the production facilities are operating intermittently.

The impact of the health pandemic may be different from that estimated as at the date of approval of these financial statements and we will continue to, closely monitor 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.

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.

Place: Bhopal
Date: June 27, 2020

For and on behalf of the Board
FOR SOM DISTILLERIES AND BREWERIES LIMITED

J.K. ARORA
CHAIRMAN AND MANAGING DIRECTOR
(DIN: 00224633)

ANNEXURE I

FORM NO. MR-3 (SECRETARIAL AUDIT REPORT)

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[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 me 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, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2020, 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, 2020, 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 composition of Board of Directors was not in compliance in terms of Regulation 17 of SEBI (Listing Obligation & Disclosure Requirement), Regulations, 2015 during the period from August 23, 2019 to January 20, 2020
- Non-conformity in constitution of Audit Committee and Nomination and Remuneration Committee in terms of Regulation 18 and 19 of SEBI (Listing Obligation & Disclosure Requirement), Regulations, 2015 during the period from April 1, 2019 to May 26, 2019 and delayed complied with regulation 13(3) for one day with National Stock Exchange
- 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.
- 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 since the relevant data is to be received from RTA.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors but does not have the required number of Directors on the Board from August 22, 2019 to January 20, 2020. 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 Updated Distinctive Number (DN) information in respect of all physical share capital and overall DN range for dematerialized share capital and complied with SEBI circular no. CIR/ MRD/DP/10/2015 dated June 05, 2015.

Place: Bhopal
Dated: 27.06.2020
UDIN number: F006436B000391282

For N.K. Jain & Associates
Company Secretaries

NEELESH JAIN
Proprietor
FCS-6436, CP-6912

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: 27.06.2020
UDIN number: F006436B000391282

For N.K. Jain & Associates
Company Secretaries

NEELESH JAIN
Proprietor
FCS-6436, CP-6912

ANNEXURE II

BUSINESS RESPONSIBILITY REPORT

The Directors present the Business Responsibility Report of the Company for the Financial year ended on 31st March, 2020, 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: 2019-20
- 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

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:
- (a) 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.

- (b) 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 Andman & Nikobar.

- Markets served by the Company – Local/State/National/International

The Company has a wide geographical presence across 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): 32.49 crore
- Total Gross Turnover (INR) : Rs. 405.20 crore (Standalone); Rs.715.21 crore (Consolidated)
- Total profit after taxes (INR): Rs. 17.04 crore (standalone); Rs.15.10 crore (Consolidated)
- Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax: Rs. 0.78 crore i.e. 4.60%.

The Company had to spend Rs 0.69 crore towards CSR activity in terms of Section 135 of the Companies Act, 2013 read with Rules made thereunder. The Company has spent Rs. 0.78 crore.

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

CARING FOR ENVIRONMENT –

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. To continuously drive improvement, we have established environmental parameters to improve upon against several key indicators. We are reaching these goals through vigorous programmes in our supply operations. 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. Our business is reliant on the sustainable growth and development of our local communities. Towards this end, Som aims to contribute to local development by providing local jobs, building local talent and leadership, fostering an enterprise culture throughout our value chain, sourcing from local businesses where feasible, playing a proactive role in promoting effective policies, maintaining high governance standards and addressing local concerns through community investment programmes. Fundamental to all of this is the engagement of our partners and local stakeholders. The following are our key community investment focus areas: Water access – We are running projects that help combat water poverty by improving access to clean drinking water and sanitation. Skills – We provide training and education to help prepare participants for employment in our

group throughout our local communities. For example, we run a primary school very near the factory.

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 328 students taking advantage of this golden opportunity and 9 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 (5th std.) and middle (8th std.) level State Board exams and also ranking fifth in the district. 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. Eye Treatment Camp Asha Mohan Hospital on the 16th July 2007 arranged a camp for providing eye treatment to the villagers completely free of charge. Over a hundred people were present on that day to take advantage of this opportunity in their proximate area where there are hardly any medical facilities available. Moreover, 17 operations were carried out by the doctors on that day. 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. Labor Rights Awareness Camp- SDPL The Labour Day is a special occasion when people worldwide celebrate the true spirit of the working class. It's the day when workers get together and showcase their strength which indicates how effectively they can struggle to bring in positive reforms for the working class of the society. SOM also understands the importance of this day because workers are the base of any organization, if they grow company will also flourish. On the auspicious day of 1st may at SDPL factory "LABOR RIGHTS AWARENESS CAMP" was organized. In this education programme, the main focus was on workers' welfare, education programmes, legal rights, skill development, upgrading and making vocational training more relevant in the light of the emerging needs. In this camp, the chief guest "Chief Judicial Magistrate – Mr.R.C. Chourasiya" also shared his valuable speech with the workers to make them more aware about their rights at the workplace.

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/Companies? - Yes, the Company has 2 Subsidiaries as on 31st March, 2020. (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

1. 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 - Wholetime Director

(b) Details of the BR head

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

2. 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
6	Indicate the link for the policy to be viewed Online?	Investors section on www.somindia.com
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

- (a) 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.

- (b) 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 alongwith policy are available in investors section on corporate website www.somindia.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

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 covers other stakeholders as well.

2. 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, 2020 opening balance of the complaints was 0 and 7 complaints were received from the shareholders, all of which were satisfactorily attended and resolved.

Principle 2

1. List upto 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. To continuously drive improvement, we have established environmental parameters to improve upon against several key indicators. We are reaching these goals through vigorous programmes in our supply operations.

- (a) 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. Towards this end, the Som aims to contribute to local development by providing local jobs, building local talent and leadership, fostering an enterprise culture throughout our value chain, sourcing from local businesses where feasible, playing a proactive role in promoting effective policies, maintaining high governance standards and addressing local concerns through community investment programmes. Fundamental to all of this is the engagement of our partners and local stakeholders.
- (c) The following are our key community investment focus areas:
Water access – We are running projects that help combat water poverty by improving access to clean drinking water and sanitation. Skills –

We provide training and education to help prepare participants for employment in our group throughout our local communities. For example, we run a primary school very near the factory.

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 put 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 located 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 supplies 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 endeavors to use and recycle glass bottles for beer and IMFL. The recycle of beer bottles conserves energy and reduces the carbon footprint. It is more than 10% of our total purchase of glass bottle.

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
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. – Yes, as a socially responsible organization, we are committed to the welfare of the communities around us.

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.
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.

The Company is in progress to take initiatives to address the global environmental issues like climate change, global warming etc. It endeavours to plant trees, maintain cleanliness and reduce wastage in all forms, especially of natural resources.

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
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. - Yes, The Company takes continuous measures to implement the latest and cost-effective clean technology that increases energy efficiency.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? - The emissions/ waste generated by the company is within the required permissible limits and are being reported to the concerned authorities.
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: - No
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) NA

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 is 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. The Company's CSR project also endeavors in this direction.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year - Around 5% percent of customer complaints/ consumer cases received during the FY are pending for legal redressal.
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 in the advertisement, product label and other relevant documents as per the requirement of relevant laws.
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, the company gathers information through Customer Feedback which is studied to improve the offerings to the customers. In addition, through the Company's website (www.somindia.com/som-contact) tab, the customer's views are collected to understand the satisfaction level and trend.

Annexure III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(Pursuant to section 135 of the Companies act, 2013)
for the financial year 2019-20

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:
 - a. Mr. Deena Nath Singh - Chairman of Committee
 - b. Mr. Nakul Kam Sethi - Member of Committee
 - c. Mrs. Nishi Arora - Member of Committee
3. Average net Profit of the company for the last three financial years: 34.38 Crore
4. Prescribed CSR expenditure (Two % of the amount as in item 3 above): 0.69 Crore
5. Detail of CSR spend for the financial year:
 - a. Total amount to be spent for the financial year: 0.78 Crore
 - b. Amount unspent, if any: Nil
 - c. Manner in which the amount spent during the financial year is detailed below

CSR project or activity identified	Sector in which the project is covered	Projects or programs Local area or other State and district where projects or program was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs:- 1 Direct expenditure on projects or programs 2 overheads	Cumulative expenditure up to the reporting period	Amount spent direct or through implementing agency
Children education and medical Aid	Children education and medical Aid	Local area Village: Sehatganj, Dist Raisen M.P	Rs 0.78 crore	The amount spent as above includes overheads also	Cumulation is not relevant	Rs 0.78 crore through Asha Mohan Foundation

6. in case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report : N.A.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

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/-
J.K. Arora
Chairman and Managing 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 2019-20:-

Name of Directors	Ratio of remuneration of Director to median remuneration of Employees
Mr. Jagdish Kumar Arora	-
Mr. Nakul Kam Sethi	16.13
Mr. Deena Nath Singh	0.81
Ms. Nishi Arora	0.81
Mr. Satpal Kumar Arora	0.24
Mr. Rakesh Rathi	0.08

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, in the financial year 2019-20:-

Name of Directors	Designation	% age increase/decrease
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 per meeting and FY 2019-20 as for FY 2018-19.

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 is as per the Remuneration Policy of the Company.

8. The statement showing the names of top ten employees in terms of remuneration drawn in the Company in the prescribed form as given under:-

S. No.	Name of Employee	Designation of the employee	Remuneration received	Nature of employment	Qualifications and experience	Date of commencement of employment	Age (Years)	Last employment held by him before joining the company
1	Mr. Nakul Sethi	Director Finance & Strategy	6,000,000	Permanent	MBA, B.Com, 20 years	23.11.2011	46	Alfardan Group Holding Co LLC
2	Mr. Keyur Patel	Head Marketing	5,000,000	Permanent	PGDBM 20 years	15.07.2019	46	Molson Coors International
3	Mr. Soma Shekhar	VP- SCM	3,000,000	Permanent	B.E. Mech. Engg. 20 years	08.05.2019	44	Jagatjit Industries Ltd.
4	Mr. Rajat Batra	GM Operations	2,632,632	Permanent	MBA, 12 years	28.01.2010	38	Muskan Malt
5	Mr. Sanjeev Tyagi	Sr. DGM	1,892,328	Permanent	MBA, B.Sc 13 years	16.08.2005	48	Camlin Limited
6	Mr. Mahesh Anand	Head Admin	1,800,000	Permanent	MA Physiology 30 years	06.09.2019	60	Torrent Power
7	Mr. Abhay Banarjee	State Sales Head - Orrisa	1,800,000	Permanent	M.Com, LLB, PGDCA, MBA 25 years	22.10.2018	55	AB InBev
8	Mr. Shiv Kumar Gupta	AGM	1,776,480	Permanent	Dip Mech Engg, 29 years	12.11.2013	53	AB InBev
9	Mr. Tarun Verma	DGM - CSD	1,700,000	Permanent	MBA Marketing 16 years	16.07.2018	38	Dainik Bhaskar
10	Mr. D.C. Bansal	DGM - Accounts	1,600,000	Permanent	CA 20 years	01.10.2016	45	Ruchi Steels Pvt. Ltd.

Annexure V

**EXTRACT OF ANNUAL RETURN
FOR THE FINANCIAL YEAR ENDED ON 31.03.2020**

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014] for the financial year 2019-20

I. REGISTRATION AND OTHER DETAILS:

- i. Corporate Identification Number : L74899DL1993PLC052787
- ii. Registration Date : 26.03.1993
- iii. Name of the Company : Som Distilleries And Breweries Limited
- iv. Category / Sub-Category of the Company : Company Limited By Shares/Indian Non-Government Company
- v. Address :
Registered Office and Contact Details : 1-A, Zee Plaza, Arjun Nagar, Safdarjung Enclave, Kamal Cinema Road, New Delhi.110029
Telephone No. 011-26169909

Corporate Office and Contact Details : 23, Zone II, M.P. Nagar, Bhopal, Madhya Pradesh - 462011
Telephone No. 0755-4271271
- vi. Whether listed company : Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any : MAS Services Ltd T-34, Okhla Industrial Area, Phase-II, Delhi 110020
Telephone No. 01126387281-83
E-mail: info@masserv.com.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% of Shares held	Applicable section
1.	Woodpecker Distilleries & Breweries Pvt. Ltd. Suit No. 601, Sivkaran Apartments, Off Yari Road, Panchtantra Nagar, Andheri (W) Mumbai, Maharashtra 400061	U15400MH2010PTC211663	Wholly Owned Subsidiary	100%	Section 2(46) And 2(87) of Companies Act, 2013
2	Som Distilleries and Breweries Odisha Pvt. Ltd. 23, Zone II, M.P. Nagar Bhopal Madhya Pradesh 462011	U15500MP2013PTC030385	Wholly Owned Subsidiary	100%	Section 2(46) And 2(87) of Companies Act, 2013

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

i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters										
1.	Indian									
(a)	Individual/ HUF	2915074	1290516	4205590	12.94	4210641	18413	4229054	13.01	0.07
(b)	Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(c)	State Govt (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d)	Bodies Corp.	3615470	NIL	3615470	11.13	3714713	NIL	3714713	11.43	0.30
(e)	Bank/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(f)	Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (1):-		6530544	1290516	7821060	24.07	7925354	18413	7943767	24.45	0.38
2.	Foreign	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(a)	NRIs –Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b)	Other–Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(c)	Bodies Corp	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d)	Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(e)	Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub -total (A) (2):		NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A) = (A)(1)+(A)(2)		6530544	1290516	7821060	24.07	7925354	18413	7943767	24.45	0.38
B. Public Shareholding										
1.	Institutions									
(a)	Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b)	Banks / FI	19426	NIL	19426	0.06	2000	NIL	2000	0.01	(0.05)
(c)	Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d)	State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(e)	Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(f)	Alternate Investment Funds EQ INDIA FUND	960468	Nil	960468	2.96	872574	Nil	872574	2.69	(0.27)
(g)	Foreign Portfolio Investors	25000	Nil	25000	0.08	25000	Nil	25000	0.08	NIL
(h)	Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(i)	FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(j)	Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(k)	Others(specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-		1004894	NIL	1004894	3.09	899574	NIL	899574	2.77	(0.32)
2. Non Institutions										
a.	Bodies Corp									
i.	Indian	976032	91900	1067932	3.29	686565	91900	778465	2.40	(0.89)
ii.	Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b.	Individuals									
i.	Individual shareholders holding nominal share capital upto Rs. 2 lakh	3988581	961346	4949927	15.23	3522902	940836	4463738	13.74	(1.49)
ii.	Individual shareholders holding nominal share capital in excess of Rs 2 lakh	13427694	NIL	13427694	41.32	14256033	NIL	14256033	43.87	2.55
c.	NBFCs registered with RBI	510	NIL	510	0.00	NIL	NIL	NIL	NIL	0.00
d.	Others (specify) non-resident Indian/obc	4085856	NIL	4085856	12.58	4114601	NIL	4114601	12.67	0.09
e.	Others Clearing Member	135996	NIL	135996	0.42	37691	NIL	37691	0.12	(0.30)

f.	Any Other (specify) Trust	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(2):-		22614669	1053246	23667915	72.84	22617792	1032736	23650528	72.78	(0.06)
Total Public Shareholding (B) = (B)(1)+ (B)(2)		23619563	1053246	24672809	75.93	23517366	1032736	24550102	75.55	(0.38)
C. Shares held by Custodian for GDRs & ADRs		NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)		30150107	2343762	32493869	100	31442720	1051149	32493869	100	NIL

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	SURJEET LAL	766	0.00	0.00	766	0.00	0.00	0.00
2	AALOK DEEP FINANCE PVT. LTD.	551100	1.70	0.00	551100	1.70	0.00	0.00
3	DEEPAK ARORA	68135	0.21	0.00	68135	0.21	0.00	0.00
4	SWEENA ARORA	41	0.00	0.00	41	0.00	0.00	0.00
5	JAGDISH A KUMAR ARORA	3098197	9.53	0.00	3121661	9.61	0.00	0.07
6	NATASHA ARORA	144743	0.45	0.00	144743	0.45	0.00	0.00
7	SUNITA ARORA	153523	0.47	0.00	153523	0.47	0.00	0.00
8	AJAY KUMAR ARORA	740185	2.28	0.00	740185	2.28	0.00	0.00
9	SOM DISTILLERIES PRIVATE LIMITED	3064370	9.43	0.00	3163613	9.74	0.00	0.31
	Total	7821060	24.07	0.00	7943767	24.45	0.00	0.38

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

Sl No.	Shareholder's Name	No. of Shares at the beginning of the year	% of total Shares of the company	Date	Increase/ Decrease in Share Holding	Reason	No. of Shares at the end of the year	% total shares of the company
1	SURJEET LAL	766	0.00	01.04.2019	0	-	-	-
				31.03.2020	0		766	0.00
2	AALOK DEEP FINANCE PVT. LTD.	551100	1.70	01.04.2019	0	-	-	-
				31.03.2020	0		551100	1.70
3	DEEPAK ARORA	68135	0.21	01.04.2019	0	-	-	-
				31.03.2020	0		68135	0.21
4	SWEENA ARORA	41	0.00	01.04.2019	0	-	-	-
				31.03.2020	0		41	0.00
5	JAGDISH A KUMAR ARORA	3098197	9.53	01.04.2019	0	-	-	-
				30.06.2019	23464	Purchase	-	-
				30.09.2019	0	-	-	-
				31.12.2019	0	-	-	-
				31.03.2020	0	-	3121661	9.607
6	NATASHA ARORA	144743	0.45	01.04.2019	0	-	-	-
				31.03.2020	0		144743	0.45
7	SUNITA ARORA	153523	0.47	01.04.2019	0	-	-	-
				31.03.2020	0		153523	0.47
8	AJAY KUMAR ARORA	740185	2.28	01.04.2019	0	-	-	-
				31.03.2020	0		740185	2.28

9	SOM DISTILLERIES PRIVATE LIMITED	3064370	9.43	01.04.2019	0	-	-	-
				30.06.2019	0	-	-	-
				30.09.2019	0	-	-	-
				31.12.2019	0	-	-	-
				31.03.2020	99243	Purchase	3163613	9.74
	Total	7821060	24.07		122707		7943767	24.45

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year	
	Name	DATE	Change on subsequent dates		Cumulative Shareholding during the year	% of total shares of the company
			SOLD	BUY		
1	BANA SINGH	01.04.2019			1000915	3.080
		31.03.2020	NIL	NIL	1000915	3.080
2	AVINASH KUMAR	01.04.2019			982698	3.020
		31.03.2020	NIL	NIL	982698	3.020
3	SHIV CHARAN SINGH	01.04.2019			1005500	3.090
		31.03.2020	NIL	NIL	1005500	3.090
4	PREM CHAND PAL	01.04.2019			928800	2.858
		31.03.2020	NIL	NIL	928800	2.858
5	VINOD SINGH	01.04.2019			969800	2.980
		31.03.2020	NIL	NIL	969800	2.980
6	ANIL ARORA	01.04.2019			1024686	3.153
		31.03.2020	NIL	NIL	1024686	3.153
7	RAVINDRA CHAUHAN	01.04.2019			1170176	3.601
		31.03.2020	NIL	NIL	1170176	3.601
8	JITENDRA DEV	01.04.2019			899990	2.769
		31.03.2020	NIL	NIL	899990	2.769
9	VERMILLION PEAK MASTER FUND	01.04.2019			1227521	3.778
		31.03.2020	NIL	NIL	1227521	3.778
10	KARST PEAK ASIA MASTER FUND	01.04.2019			2455042	7.556
		31.03.2020	NIL	NIL	2455042	7.556

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of Directors and Key Managerial Personnel	Shareholding at the beginning of the year			Cumulative Shareholding during the year	% of total shares of the company
		Name	DATE	Change on subsequent dates		
				Reason		
1	JAGDISH KUMAR ARORA	01.04.2019	-	-	3098197	9.535
		30.06.2019	Purchase	23464	3121661	9.607
		30.09.2019	No change	0	3121661	9.607
		31.12.2019	No change	0	3121661	9.607
		31.03.2020	No change	0	3121661	9.607
2	NAKUL KAM SETHI	31.03.2019	-	-	12038	0.038
		30.06.2019	Purchase	2000	14038	0.043
		30.09.2019	No change	0	14038	0.043
		31.12.2019	Purchase	1000	15038	0.046
		31.03.2020	Purchase	2500	17538	0.054

3	OM PRAKASH	01.04.2019	-	-		
		30.06.2019	No change	0		
		30.09.2019	No change	0		
		31.12.2019	No change	0		
		31.03.2020	Purchase	100	100	0.00
4	SATPAL KUMAR ARORA	01.04.2019	-	-	500	0.001
		30.06.2019	No change	0	500	0.001
		30.09.2019	No change	0	500	0.001
		31.12.2019	No change	0	500	0.001
		31.03.2020	No change	0	500	0.001

vi) INDEBTEDNESS

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

Indebtedness at the beginning of the financial year		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i.	Principal Amount	47,11,66,762	34,60,48,089	-	81,72,14,851
ii.	Interest due but not paid	45,66,234	26,62,815	-	72,29,049
iii.	Interest accrued but not due	-	-	-	-
Total (i+ii+iii)		47,57,32,996	34,87,10,904	-	82,44,43,900
Change in Indebtedness during the financial year					
	Addition	68,94,00,000	-	-	68,94,00,000
	Reduction	22,55,46,270	7,69,11,114	-	30,24,57,384
	Net Change	46,38,53,730	(7,69,11,114)	-	38,39,42,616
Indebtedness at the end of the financial year					
iv)	Principal Amount	93,50,20,492	26,91,37,075	-	1,20,41,57,567
v)	Interest due but not paid	18,14,402	-	-	18,14,402
vi)	Interest accrued but not due	-	-	-	-
Total (i+ii+iii)		93,68,34,894	26,91,37,075	-	1,20,59,71,969

vii.) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) REMUNERATION TO MANAGING DIRECTOR : NIL

WHOLE-TIME DIRECTORS AND/OR MANAGER

(Rs. in lacs)

SL. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Mr. Nakul Kam Sethi 60.00	60.00
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission – as % of profit - others, specify -	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	60.00	60.00
	Ceiling as per the Act	119.05	119.05

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

B) REMUNERATION TO OTHER DIRECTORS : NIL

C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs. in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	15.50	7.90	23.40
2	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NIL	NIL	NIL
3	Stock Option	NA	NIL	NIL	NIL
4	Sweat Equity	NA	NIL	NIL	NIL
5	Commission - as % of profit - others, specify...	NA	NIL	NIL	NIL
6	Others, please specify	NA	NIL	NIL	NIL
	Total	NA	15.50	7.90	23.40

viii) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : NIL

PLACE: BHOPAL
DATED: 27.06.2020

BY ORDER OF BOARD OF DIRECTORS
JAGDISH KUMAR ARORA
CHAIRMAN AND MANAGING DIRECTOR

SOM DISTILLERIES & BREWERIES LIMITED

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

a) Composition

As on March 31, 2020, the Board of Directors comprised of Six Directors, 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 Rakesh Rathi.

During FY 2019-20, Shri Mahesh Kumar Batra and Shri Rakesh Rathi was appointed as Additional Director (Non-Executive & Independent) w.e.f. May 27, 2019 and January 21, 2020 respectively on the Board of Directors

Shri Surjeet Lal and Shri Mahesh Kumar Batra, Independent Directors of the Company have resigned w.e.f. May 27, 2019 and August 22, 2019 respectively from the directorship.

b) Board Meetings

During the FY 2019-20, ten meetings of the Board of Directors were held on April 15, 2019, May 23, 2019, May 27, 2019, June 03, 2019, July 03, 2019, July 25, 2019, August 30, 2019, September 14, 2019, November 07, 2019, and February 07, 2020. 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, 2020 are given herein below:

Name of Director	Category	F.Y. 2019-20 Attendance at		No. of Directorship of Companies (Including SDBL) as on March31, 2020		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	10	No	3	5	-	-	-
Nakul Kam Sethi	Executive Director	10	Yes	1	1	2	-	-
Deena Nath Singh	Non-Executive - Independent Director	10	Yes	1	2	-	2	-
Nishi Arora	Non-Executive - Independent Director	10	No	1	-	2	-	-
Satpal Kumar Arora	Non-Executive - Independent Director	3	No	6	2	-	-	3
Rakesh Rathi	Non-Executive - Independent Director	1	N.A.#	1	-	-	-	-
Surjeet Lal	Non-Executive - Independent Director	3	N.A.*	-	-	-	-	-
Mahesh Kumar Batra	Non-Executive - Independent Director	3	N.A.**	-	-	-	-	-

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.
- 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

* Shri Surjeet Lal resigned from the Directorship w.e.f. May 27, 2019.

** Shri Mahesh Kumar Batra appointed as Additional & Independent Director with effect from May 27, 2019 and resigned from the position of Directorship w.e.f. August 22, 2019 due to other engagements and there was no other material reason for his resignation.

Shri Rakesh Rathi appointed as Additional & Independent Director with effect from January 21, 2020.

The profiles of Directors are available at the official website of the Company i.e. 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, 2020

Skills/Expertise/ Competence Required	Jagdish Kumar Arora	Nakul Kam Sethi	Deena Nath Singh	Nishi Arora	Satpal Kumar Arora	Rakesh Rathi
	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	-	-	-	-	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	-
Planning & Allocation	Yes	Yes	-	-	-	Yes
Risk Management	Yes	Yes	Yes	-	Yes	-
Digital Technology	Yes	Yes	-	-	-	-
Leadership Development	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 07, 2020 inter alia, to:

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

All the Independent Directors were present at the meeting except Shri Satpal Kumar Arora, who had sought leave of absence due to pre-occupation.

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:

- Audit Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholder Relationship Committee
- Risk Management Committee
- Executive Legal and Borrowing Committee

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, 2020, 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

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

iii. Terms of reference

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 2019-20, four meetings of the Committee were held i.e. on May 25, 2019, July 24, 2019, November 4, 2019 and February 7, 2020.

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, 2020, viz.

a.	Shri Deena Nath Singh (Non-Executive & Independent Director)	Chairperson
b.	Smt. Nishi Arora (Non-Executive & Independent Director)	Member
c.	Shri Satpal Kumar Arora (Non-Executive & Independent 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

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, 2020, two meetings of the Committee were held on May 27, 2019 and February 7, 2020.

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, 2020)

(Rs. in lacs)

Name of the Director	Salary and Allowances	Sitting Fees	Commission	Total
Jagdish Kumar Arora	-	-	-	-
Nakul Kam Sethi	60.00	-	-	60.00
Deena Nath Singh	-	3.00	-	3.00
Nishi Arora	-	3.00	-	3.00
Satpal Kumar Arora	-	0.90	-	0.90
Rakesh Rathi	-	0.30	-	0.30

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 500 shares in the Company.

C. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

i. Composition

The Committee was last reconstituted on May 27, 2019 and comprises of one Executive Director and two Independent Non- Executive Directors as on March 31, 2020 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

ii. Terms of reference

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, 2020 Two meeting of the Committee was held on May 27, 2019 and February 7, 2020.

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, 2020 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

ii. Terms of reference

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, 2020, four meeting was held on May 27, 2019, July 1, 2019, November 4, 2019 and February 7, 2020.

Shareholders' Complaints received

During the FY 2019-20, opening balance of the complaints was nil and 7 complaints were received from the shareholders, all of which were satisfactorily attended. Further, no valid transfer/ transmission of shares were pending as on March 31, 2020.

E. RISK MANAGEMENT COMMITTEE

The Committee was constituted on February 12, 2020 and comprises of following members as on March 31, 2020 viz.

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

During the F.Y. ended March 31, 2020, two meeting was held on May 27, 2019 and February 7, 2020.

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

Name of Directors	No. of Committee Meetings attended				
	Audit	Nomi- nation & Remu- neration	Cor- porate Social Re- spon- sibility	Stake- holder Rela- tion- ship	Risk Man- age- ment Com- mit- tee
Jagdish Kumar Arora	0	0	0	0	0
Nakul Kam Sethi	4	0	2	4	2
Deena Nath Singh	4	2	2	4	2
Nishi Arora	4	2	2	4	1
Satpal Kumar Arora	0	1	0	0	0
Rakesh Rathi#	0	0	0	0	0
Surjeet Lal*	1	0	0	0	0
Mahesh Kumar Batra**	0	0	0	0	0

* Mr. Surjeet Lal resigned from the Directorship w.e.f. May 27, 2019.

** Mr. Mahesh Kumar Batra appointed as Additional & Independent Director with effect from May 27, 2019 and resigned w.e.f. August 22, 2019.

Mr. Rakesh Rathi appointed as Additional & Independent Director with effect from January 21, 2020.

F. NON MANDATORY COMMITTEES OF THE BOARD

The Company has following other Committee 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

- Mr. Nakul Kam Sethi (Wholetime Director) (Chairperson)
- Mr. Deena Nath Singh (Director)- Member
- Mr. Rajesh Kumar Dubey (CFO)- Member

5. GENERAL BODY MEETINGS:

i) Particulars of past three Annual General Meetings:

Year	Venue	Date, Day & Time	Special Resolution Passed
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 Shri 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
2016-17	Executive Club, Dolly Farms and Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri,	September 28, 2018 (Friday) At 10:00AM	Not Applicable

ii) No Extra Ordinary General Meeting was held during the FY 2019-20.

6. POSTAL BALLOT

No Postal Ballot was held during the FY 2019-20.

7. 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 2019-20.
- d) During the FY 2019-20, the Company has complied with all the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except -

Regulation 17 of SEBI (Listing Obligation & Disclosure Requirement), Regulations, 2015 during the period from August 23, 2019 to January 20, 2020 and non- conformity in constitution of Audit Committee and Nomination and Remuneration Committee in terms of Regulation 18 and 19 of SEBI (Listing Obligation & Disclosure Requirement), Regulations, 2015 during the period from April 1, 2019 to May 26, 2019 and delayed complied with regulation 13(3) for one day with National Stock Exchange.

8. 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 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.

9. 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.

10. GENERAL INFORMATION FOR SHAREHOLDERS

a. Annual General Meeting

The Annual General Meeting of the Company is scheduled to be held on 29th day of September, 2020 at 12:30 pm through video conferencing / other audio visual means (VC / OAVM).

b. Financial calendar 2020-21 (tentative and subject to change)

First Quarterly Results	on or before September 14, 2020 (date extended)
Second Quarterly Results	on or before November 14, 2020
Third Quarterly Results	on or before February 14, 2021
Annual results	on or before May 30, 2021

c. Date of Book Closure

September 24, 2020 to September 29, 2020 (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. 2019-20 has been paid to the above Stock Exchanges. The Company has also paid annual custodian fees for F.Y. 2019-20 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	INE480C01012

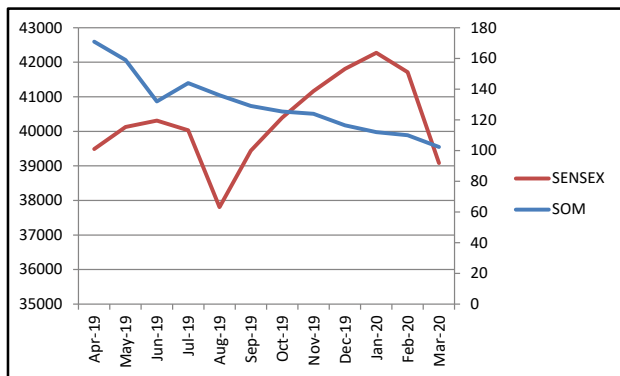
g. Market Price Data:

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

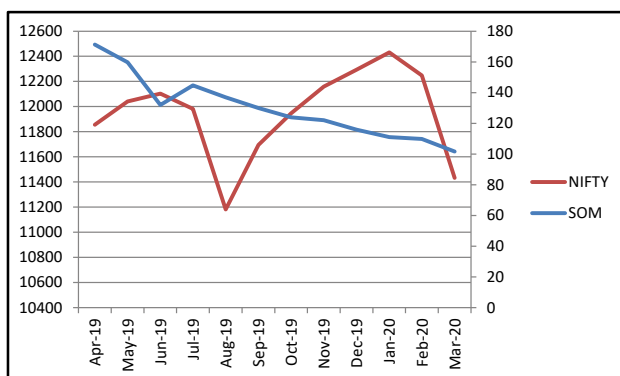
Month	NSE	BSE	High Price (Rs.)	Low Price (Rs.)
	High Price (Rs.)	Low Price (Rs.)		
APR-19	171.30	151.50	170.9	151.4
MAY-19	159.75	125.25	159	122.2
JUN-19	132.00	105.50	131.95	105.35
JUL-19	144.70	116.40	143.85	116.35
AUG-19	137.00	113.20	136	113.2
SEP-19	129.95	115.10	129	114.05
OCT-19	123.90	106.75	125.45	108
NOV-19	122.00	102.60	123.95	103.1
DEC-19	115.90	105.00	116.45	104.3
JAN-20	111.00	103.20	112	103.6
FEB-20	109.85	96.90	110	96.9
MAR-20	101.65	48.75	102.35	48.95

- 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 had transferred an amount of Rs.8,49,059.00 in respect of unclaimed dividend for the FY 2011-12 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
2012-13	September 30, 2013	October 30, 2020
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

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 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 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 form. 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

- k. 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.

- l. 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.

- m. Distribution of Shareholding by size as on March 31, 2020

Range of Equity Shares	No. of Shareholders	%age	No. of Shares	%age
1 to 5000	14323	90.224	1797794	5.533
5001 to 10000	752	4.737	603898	1.858
10001 to 20000	381	2.4	569792	1.754
20001 to 30000	127	0.8	327976	1.009
30001 to 40000	56	0.353	199183	0.613
40001 to 50000	58	0.365	273229	0.841
50001 to 100000	66	0.416	510595	1.571
100001 & Above	112	0.706	28211402	86.821
Total	15875	100	32493869	100

n. Shareholding Pattern as on March 31, 2020

Code	Category of Shareholders	Number of shares	% of Shares
A	Shareholding of Promoter and Promoter Group		
	Indian	7943767	24.45
	Sub Total	7943767	24.45
B	Public Shareholding		
1	Institutions		
	Alternate Investment Funds	872574	2.69
	Foreign Portfolio Investor	25000	0.08
	Financial Institutions / Banks	2000	0.01
2	Central Government/ State Government(s)/ President of India	-	-
3	Non-Institutions		
	Individuals		
	Individual shareholders holding nominal share capital upto Rs.2 Lakhs	4463738	13.74
	Individual shareholders holding nominal share capital in excess of Rs.2 lakhs.	14256033	43.87
	Any Other (Specify)	4930757	15.16
	Sub Total	24550102	75.55
	GRAND TOTAL (A)+(B)	32493869	100.00

o. 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, 2020, 96% 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 INE480C01012. The Company's shares are actively traded on both the exchanges i.e. BSE and NSE.

p. 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.

q. Plant Locations

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

r. The Registered Office of the Company is located at:

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

11. CMD/CFO CERTIFICATION

In terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Chairman & MD 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 CMD 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. 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.

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 2019-20.

For Som Distilleries and Breweries Limited
Sd/-

J.K. Arora
Chairman and Managing Director
Place: Bhopal
Date: June 27, 2020

CERTIFICATE ON CORPORATE GOVERNANCE

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, 2019 to March 31, 2020. 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 except that the composition of Board of Directors was not in compliance in terms of Regulation 17 of SEBI (Listing Obligation & Disclosure Requirement), Regulations, 2015 during the period from August 23, 2019 to January 20, 2020 and non-conformity in constitution of Audit Committee and Nomination and Remuneration Committee in terms of Regulation 18 and 19 of SEBI (Listing Obligation & Disclosure Requirement), Regulations, 2015 during the period from April 1, 2019 to May 26, 2019.

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: 27.06.2020
UDIN number: F006436B000391381

For N.K. Jain & Associates
Company Secretaries

NEELESH JAIN
Proprietor
FCS-6436, CP-6912

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 Cinema 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) 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, 2020, 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.	Rakesh Rath	08664667	21.01.2020

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: 27.06.2020
UDIN number: F006436B000391425

For N.K. Jain & Associates
Company Secretaries

NEELESH JAIN
Proprietor
FCS-6436, CP-6912

CMD/ CFO CERTIFICATE

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, 2020 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

J.K. Arora
Chairman and Managing Director
June 27, 2020
Bhopal

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 31st March 2020, 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, 2020, and its profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the Directors as on 31st March, 2020 taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2020 from being appointed as a Director in terms of subsection 2 of Section 164 of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 32 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 31.03.2020 as per its record, there were no amounts required to be transferred by the company to the Investor Education and Protection Fund.
4. With respect to the matter to be included in the Auditor's Report under section 197(16):

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

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

6, New Market (1st Floor),
T.T. Nagar,
BHOPAL 462 003
Dated: 27.06.2020

R.N. Gupta
Proprietor
Membership No. 070590

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 31ST MARCH, 2020

(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 subsidiary. Accordingly, the provisions of paragraph 3(iii) are not applicable.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of the loans and guarantees and security provided by it, to the extent applicable.
- v. According to the information given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. As per the explanations given to us, the Central Government has not specified maintenance of cost records in respect of the Company's products.
- vii. (a) According to the records of the Company, it is regular in depositing the undisputed statutory dues with the appropriate authorities including Provident Fund, Sales Tax, State Excise duty, Value Added Tax and cess etc, except Employees State Insurance Scheme, the liability of which is yet to be determined by the concerned authority.
- (b) As per the information and explanations given to us, the statutory dues which have not been deposited on account of disputes are as follows:

Name of Statute	Nature of dues	Amount (Rupees in lacs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
M P Entry Tax Act, 1976	Entry Tax	37.42	2007-08	Madhya Pradesh High Court, Jabalpur
M P Entry Tax Act, 1976	Entry Tax	13.95	2012-13	Appeal Board Commercial Tax, Bhopal

Income Tax Act, 1961	Tax after assessment	4.26	2010-11	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Tax after assessment	56.18	2012-13	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Tax after assessment	465.04	2013-14	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Demand	15.98	2015-16	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Demand	565.41	2016-17	Commissioner of Income Tax Appeals

- viii. As per the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayments of loans or borrowings to any financial institutions or bank or Government or dues to debenture holders, as applicable, as at balance sheet date.
- ix. According to the information and explanations given to us the moneys raised by way of term loans have been applied, on an overall basis, for the purpose for which they were obtained. The Company has not raised any moneys by way of initial public offer or any other further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted accounting practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. According to the information and explanations given to us and based on our examination of the records, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. As it is not a Nidhi company and the Nidhi Rules 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act where applicable. The details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. 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 (1st Floor),
T.T. Nagar,
BHOPAL 462 003
Dated: 27.06.2020

R.N. Gupta
Proprietor
Membership No. 070590

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 31ST MARCH, 2020

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 31st March, 2020, 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.

Auditors' Responsibility

1. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, 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 31st March, 2020, 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 (1st Floor),
T.T. Nagar,
BHOPAL 462 003
Dated: 27.06.2020

R.N. Gupta
Proprietor
Membership No. 070590

BALANCE SHEET**AS AT 31ST MARCH 2020**

PARTICULARS	NOTE	AS AT 31.03.2020	AS AT 31.03.2019
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	3	617,737,729	655,669,783
(b) Capital Work-in-progress		1,420,775,964	1,004,337,244
(c) Other Intangible Assets	4	10,250,761	9,499,267
(d) Investments	5	760,100,000	760,100,000
(e) Financial Assets			
(i) Loans	6	335,922,131	470,745,190
(ii) Other Financial Assets	7	148,676,892	140,488,918
(2) Current Assets			
(a) Inventories	8	651,283,679	641,018,138
(b) Financial Assets			
(i) Trade Receivables	9	861,551,001	837,351,166
(ii) Cash and cash equivalents	10	185,096,408	220,597,065
(iii) Loans	11	421,802,621	248,432,988
(c) Other Current Assets	12	418,906,396	529,917,221
TOTAL ASSETS		5,832,103,582	5,518,156,979
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	324,938,690	324,938,690
(b) Other Equity	14	2,897,598,393	2,785,900,332
Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	758,509,573	386,044,769
(ii) Other	16	7,100,000	30,422,565
(b) Deferred Tax Liabilities	17	113,397,376	122,628,349
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	300,501,086	278,137,522
(ii) Trade Payables		480,517,994	464,593,993
(iii) Other Financial Liabilities	19	785,790,361	775,994,072
(b) Other Current Liabilities	20	157,003,868	178,836,531
(c) Provisions	21	5,352,768	5,852,798
(d) Current Tax Liabilities (Net)		1,393,473	164,807,358
TOTAL EQUITY AND LIABILITIES		5,832,103,582	5,518,156,979

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

R.N. Gupta
(Proprietor)
Membership No. 070590
Place: Bhopal
Dated: 27.06.2020

For and on Behalf of the Board

J.K. Arora
(Chairman & Managing Director)

Rajesh Dubey
(Chief Financial Officer)

Nakul K. Sethi
(Director)

Om Prakash
(Company Secretary)

STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31ST MARCH 2020

PARTICULARS	NOTE	YEAR ENDED 31.03.2020 (RS.)	YEAR ENDED 31.03.2019 (RS.)
Revenue from operations		4,033,054,457	4,079,046,437
Other Income	22	18,925,367	29,610,855
Total Revenue		4,051,979,824	4,108,657,293
Expenses:			
Cost of Materials Consumed	23	1,718,175,815	1,714,556,857
Purchase of stock-in-trade		4,082,400	-
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		(2,165,526)	(58,511,481)
Excise Duties		809,608,502	855,524,808
Employees Remuneration & Benefits	24	97,448,562	86,267,818
Finance Costs	25	86,171,367	78,724,673
Depreciation & Amortisations		47,598,456	46,977,949
Other Expenses	26	1,052,953,027	1,065,104,269
Total Expenses		3,813,872,604	3,788,644,895
Profit Before Tax		238,107,220	320,012,398
Tax Expenses:			
Current tax		73,227,252	111,329,872
Previous Year Taxes		4,795,794	6,029,103
Deferred Tax		(9,563,679)	1,296,636
Profit/(Loss) for the year		169,647,853	201,356,787
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement of defined benefit plans		1,142,533	(1,946,533)
Income Tax effect on above		(332,706)	681,053
Total Comprehensive Income for the year		170,457,680	200,091,307
Earning Per Equity Share:			
(1) Basic		5.25	6.16
(2) Diluted		5.25	6.16
Significant Accounting Policies	[2]		

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

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

Place: Bhopal
Dated: 27.06.2020

For and on Behalf of the Board

J.K. Arora
(Chairman & Managing Director)

Rajesh Dubey
(Chief Financial Officer)

Nakul K. Sethi
(Director)

Om Prakash
(Company Secretary)

STATEMENT OF CHANGES IN EQUITY**YEAR ENDED 31ST MARCH 2020**

A. Equity Share Capital				
Balance as at 31.03.2019				324,938,690
Changes during the year				-
Balance as at 31.03.2020				324,938,690
B. Other Equity				
Particulars	Capital Reserve	Securities Premium Reserve	Retained Earnings	Total
Balance as at 31.03.2019	3,930,000	1,422,398,757	1,359,571,575	2,785,900,332
Total Comprehensive Income for the year	-	-	170,457,680	170,457,680
Final Dividends Paid	-	-	(48,740,804)	(48,740,804)
Dividend Distribution Tax	-	-	(10,018,816)	(10,018,816)
Balance as at 31.03.2020	3,930,000	1,422,398,757	1,471,269,635	2,897,598,392

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

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

Place: Bhopal
Dated: 27.06.2020

For and on Behalf of the Board

J.K. Arora
(Chairman & Managing Director)

Rajesh Dubey
(Chief Financial Officer)

Nakul K. Sethi
(Director)

Om Prakash
(Company Secretary)

CASH FLOW STATEMENT

YEAR ENDED 31ST MARCH 2020

PARTICULARS	YEAR ENDED 31 MARCH, 2020	YEAR ENDED 31 MARCH, 2019
Cash flow from operating activities		
Profit before Tax	238,107,220	320,012,398
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation on continuing operations	47,598,456	46,977,949
Interest Expense	86,171,367	78,724,673
Profit on sale of Fixed Assets	(734,778)	(3,352,186)
Operating profit before working capital changes	371,142,265	442,362,834
Movements in working capital:		
Decrease/(increase) in inventories	(10,265,541)	(383,367,235)
Decrease/(increase) in trade receivables	(24,199,835)	(138,808,228)
Decrease/(increase) in short term loans	(173,369,633)	92,190,042
Decrease/(increase) in other current assets	111,010,824	(232,507,490)
Increase/(decrease) in trade payables	15,924,002	174,396,816
Increase/(decrease) in other current financial liabilities	9,600,795	203,880,307
Increase/(decrease) in other current liabilities	(19,157,279)	73,267,490
Increase/(decrease) in short term provisions	(500,030)	344,314
Cash generated from/(used in) operations	280,185,568	231,758,851
Direct Taxes Paid (net of refunds)	(241,436,931)	(95,951,126)
Net Cash flow from/ (used in) operating activities (A)	38,748,637	135,807,725
Cash flow from Investing activities		
Purchase of fixed assets	(427,146,214)	(1,022,190,597)
Proceeds from sale of fixed assets	1,024,376	3,531,800
Investment in Subsidiary	-	(250,100,000)
Decrease/(increase) in long term loans	134,823,059	(470,745,190)
Decrease/(increase) in other financial assets	(8,187,974)	(5,470,121)
Net Cash flow from/ (used in) Investing activities (B)	(299,486,753)	(1,744,974,108)
Cash flow from Financing activities		
Borrowings	394,828,368	356,945,157
Increase/(decrease) in other long term liabilities	(23,322,565)	6,554,289
Proceeds from issue of equity shares	-	1,350,002,407
Interest paid	(86,171,367)	(78,724,673)
Dividend paid	(48,545,310)	(41,283,600)
Dividend distribution tax	(11,551,667)	(8,485,965)
Net Cash flow from/ (used in) Financing activities (C)	225,237,459	1,585,007,614
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(35,500,657)	(24,158,769)
Cash and cash equivalents at the beginning of the year	220,597,065	244,755,834
Cash and cash equivalents at the end of the year	185,096,408	220,597,065
Compenents of cash and cash equivalents		
Cash in hand	7,899,132	10,050,514
With Banks - in current account	105,703,930	149,859,650
With Banks - in deposit account	71,493,345	60,686,901
Total Cash and cash equivalents	185,096,408	220,597,065

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

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

Place: Bhopal
Dated: 27.06.2020

For and on Behalf of the Board

J.K. Arora
(Chairman & Managing Director)

Nakul K. Sethi
(Director)

Rajesh Dubey
(Chief Financial Officer)

Om Prakash
(Company Secretary)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2020

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)
Building and civil work	
Roads	10
Labour Quarters	15
Factory Buildings	30
Computer Hardware	3
Electrical Installation	25
Furniture and Fixtures	10
Office Equipment	5
Plant & Machinery	25
Tubwell	5
Vehicles	8

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

2.5 Inventories

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

- 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 FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31ST MARCH 2020

3. Property, Plant and Equipment

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 31.03.2019	ADDITION/ (DISPOSAL) DURING 2019-20	AS AT 31.03.2020	Upto 31.03.2019	FOR THE YEAR 2019-20	Upto 31.03.2020	AS AT 31.03.2020	AS AT 31.03.2019
LAND (FREEHOLD) & SITE DEVELOPMENT	14,362,806	-	14,362,806	-	-	-	14,362,806	14,362,806
BUILDINGS & CIVIL WORKS	171,205,613	132,774	171,338,387	84,208,381	7,018,186	91,226,567	80,111,820	86,997,232
PLANT & MACHINERY	873,382,313	1,939,449 (754,020)	874,567,742	377,638,280	26,848,994	404,487,275 (735,084)	470,815,552	495,744,033
FURNITURE & FIXTURES	5,193,708	603,857	5,797,565	2,468,618	343,249	2,811,867	2,985,698	2,725,090
OFFICE EQUIPMENTS	11,534,459	2,689,215 (38,940)	14,184,735	7,930,019	2,116,634	10,046,653 (9,299)	4,147,380	3,604,440
VEHICLES	103,134,766	2,370,842 (1,537,307)	103,968,301	50,898,585	9,051,530	59,950,115 (1,296,286)	45,314,472	52,236,181
TOTAL	1,178,813,666	5,405,870	1,184,219,536	523,143,883	45,378,593	5,66,481,808	617,737,729	655,669,783
CAPITAL WOK IN PROGRESS	1,004,337,244	416,438,720	1,420,775,964	-	-	-	1,420,775,964	1,004,337,244
GRAND TOTAL							2,038,513,693	1,660,007,027

4. Intangible Assets

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK	
	AS AT 31.03.2019	ADDITION DURING 2019-20	AS AT 31.03.2020	Upto 31.03.2019	FOR THE YEAR 2019-20	Upto 31.03.2020	AS AT 31.03.2020	AS AT 31.03.2019
ERP-Computer Softwares	11,287,228	2,971,357	14,258,585	1,787,961	2,219,863	4,007,824	10,250,761	9,499,267
TOTAL	11,287,228	2,971,357	14,258,585	1,787,961	2,219,863	4,007,824	10,250,761	9,499,267

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31ST MARCH 2020

		As At 31.03.2020	As At 31.03.2019
5.	Investment		
	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
	Total	760,100,000	760,100,000
6.	Loans		
	Advances to Subsidiary	335,922,131	470,745,190
	Total	335,922,131	470,745,190
7.	Other Financial Assets		
	Security Deposits		
	Security Deposit	148,676,892	140,488,918
	Total	148,676,892	140,488,918
	Note: All the above amounts are unsecured and considered good.		
8.	Inventories		
	(as taken, valued and certified by the Management)		
	Raw Materials	123,426,115	91,860,548
	Stores, Consumables & Packing Materials	351,598,577	375,064,129
	Stock In Process	45,974,195	30,504,070
	Finished Goods	130,284,791	143,589,391
	Total	651,283,679	641,018,138
9.	Trade Receivables		
	(Unsecured, considered good)		
	Outstanding for a period exceeding six months	33,801,229	32,656,695
	Other Debts	827,749,772	804,694,471
	Total	861,551,001	837,351,166
10.	Cash and Cash Equivalents		
	Cash in hand	7,899,132	10,050,514
	Balance With Scheduled Banks		
	Current Accounts	105,703,930	149,859,650
	Deposit Accounts	63,118,080	52,116,141
	Other Bank Balances		
	Unpaid Dividend Accounts	8,375,266	8,570,760
	Total	185,096,408	220,597,065
11.	Current Loans		
	Advances to Related Parties	394,568,321	247,564,525
	Advances to Others	27,234,300	868,463
	Total	421,802,621	248,432,988
	Note: All the above amounts are unsecured and considered good.		
12.	Other Current Assets		
	Capital Advances	132,136,090	195,567,612
	Staff Advances	8,861,472	12,250,837
	Prepaid Expenses	59,225,773	74,730,286
	Advances to suppliers	218,683,061	232,336,338
	Other Assets	-	15,032,147
	Total	418,906,396	529,917,221

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31ST MARCH 2020

		As At 31.03.2020		As At 31.03.2019	
13.	Equity Share Capital				
	Authorized 3,50,00,000 Equity Shares of Rs. 10 each	350,000,000		350,000,000	
	Issued, Subscribed and Fully Paid 3,24,93,869 [Prev Year 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.10 per share. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the company after the distribution of all preferential amounts, in proportion to their shareholding.				
	(b) Details of Shareholders holding more than 5% Shares in the Company.				
	Name of Shareholders		As at 31.03.2020		As at 31.03.2019
No. of Shares			%	No. of Shares	%
Sh. Jagdish Kumar Arora		3121661	9.61%	3098197	9.53%
Som Distilleries Private Limited		3163613	9.74%	3064370	9.43%
Karst Peak Asia Master Fund		2455042	7.56%	2455042	7.56%

		As At 31.03.2020		As At 31.03.2019	
14.	Other Equity				
	Capital Reserve (Amount forfeited against share warrants)	3,930,000		3,930,000	
	Securities Premium Reserve	1,422,398,757		1,422,398,757	
	Surplus - In Statement of Profit & Loss				
	Balance as per last Financial Statement	1,359,571,575		1,209,249,833	
	Add: Comprehensive Income during the year	170,457,680		200,091,307	
	Amount available for appropriation	1,530,029,255		1,409,341,140	
	Less:				
	Final Dividend Paid	48,740,804		41,283,600	
	Dividend Distribution Tax	10,018,816		8,485,965	
	Balance at the end of the year	1,471,269,635		1,359,571,575	
	Total Reserves & Surplus	2,897,598,393		2,785,900,332	

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31ST MARCH 2020

		Non Current		Current Maturities	
		As At 31.03.2020	As At 31.03.2019	As At 31.03.2020	As At 31.03.2019
15.	Borrowings				
	Long Term Borrowings				
	(i) Secured Loans				
	(a) Bandhan Bank Ltd	243,686,286	-	94,580,000	-
	(b) SBI Term Loan	257,000,000		38,927,480	
	(c) IFCI Ltd.	-	95,605,673	-	73,000,000
	(d) Vehicle Loans (Secured by hypothecation of respective vehicles)				
	From Banks	1,227,795	8,535	219,155	356,824
	From Others	12,902,883	19,683,875	6,559,264	8,730,006
	(ii) Unsecured Loans				
	(a) IFCI Venture Capital Funds Ltd.	-	26,254,076	25,270,784	77,409,750
	(b) Others	243,692,609	244,492,609	-	-
	Grand Total	758,509,573	386,044,769	165,556,683	159,496,580

Notes:

- (a) Loan from Bandhan Bank is secured by way of pari passu charge on factory land & building and plant & machinery.
- (b) Loan from SBI is secured by way of pari passu charge on factory land & building and plant & machinery.
- (c) 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.
- (d) Loan from IFCI Venture Capital Funds Ltd. is secured by personal guarantees of promoters and collaterals given by related party.

		As At 31.03.2020	As At 31.03.2019
16.	Other Long Term Financial Liabilities		
	Security Deposits (Unsecured)	7,100,000	30,422,565
	Total	7,100,000	30,422,565

		As At 31.03.2020	As At 31.03.2019
17.	Deferred Tax Liability (Net)		
	Difference between depreciation as per books of account and the Income Tax Act 1961.	114,914,240	139,310,320
	Others	1,764,848	1,835,155
	Gross Deferred Tax Liability	116,679,088	141,145,475
	Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	3,281,713	2,196,165
	MAT Credit difference	-	16,320,961
	Gross Deferred Tax Assets	3,281,713	18,517,126
	Deferred Tax Liability (Net)	113,397,376	122,628,349

Notes:

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

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**YEAR ENDED 31ST MARCH 2020**

		As At 31.03.2020	As At 31.03.2019
18.	Borrowings		
	Short Term Borrowings		
	Cash Credit from Bank (Secured by way of hypothecation of entire current assets of the company)	300,501,086	278,137,522
	Total	300,501,086	278,137,522
19.	Other Financial Liabilities		
	Current maturities of long-term borrowing	165,556,683	159,496,580
	Bank Overdrafts (Book)	9,400,203	42,676,885
	Un paid Dividend	8,375,266	8,570,760
	Expenses Payable	59,835,032	73,615,144
	Other Payables	542,623,178	491,634,704
	Total	785,790,361	775,994,072
20.	Other Current Liabilities		
	Advances from customers	53,142,334	59,800,402
	Statutory dues payable	87,579,140	104,286,586
	Dividend tax	16,282,394	14,749,543
	Total	157,003,868	178,836,531
21.	Short Term Provisions		
	Employee Benefits	5,352,768	5,852,798
	Total	5,352,768	5,852,798
22.	Other Income		
	Interest	4,564,933	3,510,426
	Profit on Sale of Fixed Assets	734,778	3,352,186
	Other Revenues	13,625,656	22,748,243
	Total	18,925,367	29,610,855
23.	Cost of Materials consumed		
	Opening Stocks	439,537,196	142,068,923
	Add: Purchases		
	Raw Materials & Chemicals	572,408,647	559,935,539
	Packing Material	1,181,254,665	1,452,089,591
	Less: Closing Stocks	475,024,692	439,537,196
	Cost of Material Consumed	1,718,175,816	1,714,556,857
24.	Employee Remuneration & Benefits		
	Salaries, allowances & bonus	89,446,894	78,846,281
	Employer's contribution to Provident & Gratuity Fund	4,383,617	2,820,923
	Staff welfare expenses	3,618,051	4,600,614
	Total	97,448,562	86,267,818

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31ST MARCH 2020

		Year Ended 31.03.2020	Year Ended 31.03.2019
25.	Financial Costs		
	Interest to Bank & FIs	73,256,179	73,128,615
	Interest to Others	12,915,188	5,596,058
	Total	86,171,367	78,724,673
26.	Other Expenses		
	Power and fuel	105,104,474	102,915,272
	Labour	17,130,217	26,047,261
	Rent	11,845,942	8,622,585
	Repairs		
	Buildings	606,986	1,025,190
	Machinery	54,768,890	44,188,350
	Others	5,067,585	8,396,036
	Insurance	3,526,688	2,404,752
	Rates and taxes (Other than on income)	122,041,776	126,913,497
	Other Manufacturing Exp	4,797,108	4,487,098
	Auditors Remuneration		
	(a) Audit fees	253,700	253,700
	(b) Other Services	253,700	253,700
	Donations	515,300	33,713,826
	Corporate Social Responsibility	6,865,000	6,200,000
	Travelling & Conveyance	15,495,047	17,253,816
	Legal & Professional	21,344,465	43,487,908
	Sales promotion	360,247,147	352,815,267
	Advertisement & Publicity	25,618,329	25,878,705
	Freight outward	219,753,822	199,597,710
	Other selling expenses	40,215,090	24,345,493
	General expenses	8,181,865	11,452,597
	Postage, Telegrams & Telephones	15,185,933	13,302,994
	Vehicle Running & Maintenance	14,133,963	11,548,513
	Total	1,052,953,027	1,065,104,269

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31ST MARCH 2020

		Year Ended 31.03.2020	Year Ended 31.03.2019
27.	Taxation		
	Components of Income Tax Expense		
	Current Tax	73,227,252	111,329,872
	Deferred Tax	(9,563,679)	1,296,636
	Total	63,663,573	172,741,388
	Reconciliation of Income Tax with Accounting Profits		
	Profit Before Tax	238,107,220	320,012,398
	Applicable Tax Rate	29.12%	34.499%
	Computed Tax Expense	69,336,822	110,401,077
	Tax effect of:		
	Expenses of Prev year allowed/(disallowed)	3,890,430	925,646
	Current Tax Provision (A)	73,227,252	162,803,155
	Increase/(Decrease) in Deferred Tax Liability on account of Fixed Assets	(24,396,079)	(310,063)
	Increase/(Decrease) in Deferred Tax Liability on account of Other Assets	15,165,106	925,645
	Deferred Tax Provision (B)	(9,230,973)	1,296,636
	Total (A+B)	63,996,279	112,626,508
	Effective Tax Rate	26.88%	35.19%

OTHER NOTES

28) The Company had sought but has not received information from any of the suppliers of their being a Micro, Small or Medium Enterprise Unit under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, amounts due to Micro and Small Scale Enterprises outstanding as on 31st March, 2020 are not ascertainable.

29) **Employees Benefits:**

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

(i) **In respect of Short Term Employee Benefits:**

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

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

Table Showing Changes in Present Value of Obligations:

Period	From: 01.04.2019 To: 31.03.2020	From: 01.04.2018 To: 31.03.2019
Present value of the obligation at the beginning of the period	70,97,590	41,64,290
Interest cost	4,96,831	3,22,732
Current service cost	10,64,822	9,39,784
Past Service Cost	-	-
Benefits paid (if any)	-	(2,19,000)
Actuarial (gain)/loss	(11,20,548)	18,89,784
Present value of the obligation at the end of the period	75,38,695	70,97,590

Key results:

Period	As on 31.03.2020	As on 31.03.2019
Present value of the obligation at the end of the period	75,38,695	70,97,590
Fair value of plan assets at end of period	65,40,746	60,92,300
Net liability/(asset) recognized in Balance Sheet and related analysis	9,97,949	10,05,290
Funded Status - Surplus/ (Deficit)	(9,97,949)	(10,05,290)

Expense recognized in the statement of Profit and Loss:

Period	From: 01.04.2019 To: 31.03.2020	From: 01.04.2018 To: 31.03.2019
Interest cost	4,96,831	3,22,732
Current service cost	10,64,822	9,39,784
Past Service Cost	-	-
Expected return on plan asset	(4,26,461)	(4,56,714)

Expenses to be recognized in P&L	11,35,192	8,05,802
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Other comprehensive (income)/expenses (Re measurement)

Period	From: 01.04.2019 To: 31.03.2020	From: 01.04.2018 To: 31.03.2019
Cumulative unrecognized actuarial (gain) / loss opening. B/F	22,51,468	3,04,935
Actuarial (gain)/loss - obligation	(11,20,548)	18,89,784
Actuarial (gain)/loss - plan assets	(21,985)	56,749
Total Actuarial (gain)/loss	(11,42,533)	19,46,533
Cumulative total actuarial (gain)/loss C/F	11,08,935	22,51,468

Table showing changes in the Fair Value of Planned Assets:

Period	From: 01.04.2019 To: 31.03.2020	From: 01.04.2018 To: 31.03.2019
Fair value of plan assets at the beginning of the period	60,92,300	58,93,083
Expected return on plan assets	4,26,461	4,56,714
Contributions	-	18,252
Benefits paid	-	(2,19,000)
Actuarial gain/(loss) on plan assets	21,985	(56,749)
Fair Value of Plan Asset at the end of the Period	65,40,746	60,92,300

Table showing Fair Value of Planned Assets:

Period	From: 01.04.2019 To: 31.03.2020	From: 01.04.2018 To: 31.03.2019
Fair value of plan assets at the beginning of the period	60,92,300	58,93,083
Actual return on plan assets	4,48,446	3,99,965
Contributions	-	18,252
Benefits paid	-	(2,19,000)
Fair value of plan assets at the end of the period*	65,40,746	60,92,300

Actuarial (Gain)/Loss on Planned Assets:

Period	From: 01.04.2019 To: 31.03.2020	From: 01.04.2018 To: 31.03.2019
Actual return on plan assets	4,48,446	3,99,965
Expected return on plan assets	4,26,461	4,56,714
Actuarial gain/ (Loss)	21,985	(56,749)

The assumptions employed for the calculations are tabulated:

Discount rate	7.00 % per annum	7.75 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2012-14	IALM 2006-08 Ultimate
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: 01.04.2019 To: 31.03.2020	From: 01.04.2018 To: 31.03.2019
The Company's best estimate of Contribution during the next year	13,42,577	12,34,136

Sensitivity Analysis:

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

Period	As on: 31.03.2020
Defined Benefit Obligation (Base)	75,38,695 @ Salary Increase Rate : 5%, and discount rate :7%
Liability with x% increase in Discount Rate	70,52,322; x=1.00% [Change (6)%]
Liability with x% decrease in Discount Rate	80,85,685; x=1.00% [Change 7%]
Liability with x% increase in Salary Growth Rate	80,91,152; x=1.00% [Change 7%]
Liability with x% decrease in Salary Growth Rate	70,39,146; x=1.00% [Change (7)%]
Liability with x% increase in Withdrawal Rate	75,75,643; x=1.00% [Change 0%]
Liability with x% decrease in Withdrawal Rate	74,95,975; x=1.00% [Change (1)%]

30) Imports

a) Value of Imports Calculated on CIF Basis (As certified by the Management)	2019-20	2018-19
i) Raw & Packing Materials	12,85,95,976	3,67,52,027
ii) Components and Spare Parts	1,17,07,882	73,00,228
iii) Capital Goods	-	40,16,68,473
b) Expenditure in Foreign Currency		
Bank Charges	88,620	1,89,305
Professional Charges	-	6,81,970

31) Consumption of raw material, packing materials, stores, spares consumed. (As certified by the Management)

Particulars	Raw Materials & Packing Materials		Stores & Spares	
	2019-20	2018-19	2019-20	2018-19
Imported				
Percentage	8.37%	1.53%	21.14%	16.15%
Value (Rs)	14,37,52,208	2,61,97,709	1,17,07,882	73,00,228
Indigenous				
Percentage	91.63%	98.47%	78.86%	83.85%
Value (Rs)	1,57,44,23,607	1,68,83,59,147	4,36,67,993	3,79,13,312
Total	100%	100%	100%	100%
Total	1,71,81,75,815	1,71,45,56,856	5,53,75,875	4,52,13,540

32) Earnings in Foreign Exchange

Exports of Goods calculated on FOB Basis	2019-20	2018-19
	4,88,99,082	3,80,51,441

33) Contingent Liabilities

	2019-20	2018-19
i. Claims against the Company not acknowledged as debts/ disputed - Commercial Tax Department - Income Tax Department	51,37,183 11,06,86,800	51,37,183 3,89,22,150
ii. - Guarantees given by Bankers on behalf of the company not provided for - Corporate guarantee given to a bank on behalf of subsidiaries	17,51,95,570 80,00,00,000	13,29,85,000 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, 2020	March 31, 2019
Financial Assets:		
Cash and cash equivalents	18,50,96,408	22,05,97,065
Trade receivables	86,15,51,001	83,73,51,166
Loans	75,77,24,752	71,91,78,178
Investments	76,01,00,000	76,01,00,000
Other Financial Assets	14,86,76,892	14,04,88,918
Total	2,71,31,49,053	2,67,77,15,327
Financial Liabilities:		
Trade and other payables	48,05,17,994	46,45,93,992
Borrowings	1,05,90,10,659	66,41,82,291
Other financial liabilities	79,28,90,361	80,64,16,637
Total	2,33,24,19,014	1,93,51,92,920

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 31.03.2020		As at 31.03.2019	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
Impact on profit before tax	(14 Lacs)	14 Lacs	(4 Lacs)	4 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 31.03.2020		As at 31.03.2019	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax	(20 Lacs)	20 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, 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

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

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

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

	2019-20	2018-19
Loans and advances to the subsidiary Woodpecker Distilleries & Breweries Private Limited, Mumbai		
Balances as at the year end	33,59,22,131	47,07,45,190
Maximum amount outstanding at any time during the year	69,40,26,904	79,72,77,600

	2019-20	2018-19
Loans and advances to the subsidiary Som Distilleries & Breweries Odisha Private Limited		
Balances as at the year end	39,45,68,321	24,75,62,525
Maximum amount outstanding at any time during the year	46,77,03,704	31,25,62,525

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

a) Related Party

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

b) Transactions with Related Parties

(In Rupees)

Subsidiaries	
Sale of assets	8,98,693
Purchase of Goods	42,39,375
Other transactions	1,55,23,419
Closing Balance	73,04,90,452 Dr
Som Distilleries Private Limited	
Purchase of Goods/Services	18,78,15,023
Other transactions	17,05,26,683
Closing Balance	12,45,86,920 Cr
Whole Time Director	
Remuneration	60,00,000
Independent Director	
Sitting Fees	1,41,600

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

Sl. No.	Particulars	31.03.2020	31.03.2019
a)	Numerator Profit/(Loss) after tax Rs.	17,04,57,680	20,00,91,307
b)	Weighted average number of equity shares Nos.	3,24,93,869	3,24,93,869
c)	Basic & Diluted earnings per shares (Rs.)	5.25	6.16
d)	Nominal value of shares (Rs.)	10.00	10.00

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

40) During the financial year 2019-20, the Company has spent an amount of Rs.68.65 lacs (previous year Rs. 62.00 lacs) on Corporate Social Responsibility for the purpose of children education and medical aid.

41) Global Health Pandemic on Covid-19

The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. COVID19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc. On 24th March, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

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

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

Place: Bhopal
Dated: 27.06.2020

For and on Behalf of the Board

J.K. Arora
(Chairman & Managing Director)

Rajesh Dubey
(Chief Financial Officer)

Nakul K. Sethi
(Director)

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, 2020, 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, 2020, of consolidated profit, other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the group companies, none of the directors of the Group companies is/are disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - I. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group companies – Refer Note 36 to the consolidated financial statements.
 - II. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and Group Companies.

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

6, New Market (1st Floor),
T.T. Nagar,
BHOPAL 462 003
Dated: 27.06.2020

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 31ST MARCH, 2020

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 31st March 2020, 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 31st March, 2020, 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

6, New Market (1st Floor),
T.T. Nagar,
BHOPAL 462 003
Dated: 27.06.2020

R.N. Gupta
Proprietor
Membership No. 070590

SOM DISTILLERIES & BREWERIES LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH 2020

PARTICULARS	Note	As at 31.03.2020	As at 31.03.2019
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	3	2,706,971,337	2,059,128,015
(b) Capital Work-in-progress		1,420,775,964	1,495,350,415
(c) Other Intangible Assets	4	10,250,761	9,499,267
(d) Financial Assets	5	192,468,813	155,639,022
(e) Other non current assets	6	-	24,060,166
(2) Current Assets			
(a) Inventories	7	1,039,197,976	953,490,228
(b) Financial Assets			
(i) Trade Receivables	8	1,300,428,355	1,189,571,109
(ii) Cash and cash equivalents	9	219,403,742	246,634,463
(iii) Loans	10	41,931,207	3,323,463
(c) Other Current Assets	11	635,588,240	728,768,637
TOTAL ASSETS		7,567,016,395	6,865,464,785
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	324,938,690	324,938,690
(b) Other Equity	13	2,874,225,383	2,781,964,298
Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	1,445,760,403	961,068,725
(ii) Other	15	10,900,279	34,222,844
(b) Deferred Tax Liabilities	16	103,482,643	122,628,349
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	543,063,978	526,575,303
(ii) Trade Payables		868,245,736	635,280,380
(iii) Other Financial Liabilities	18	1,195,962,674	1,118,280,184
(b) Other Current Liabilities	19	192,226,123	189,845,855
(c) Provisions	20	6,817,013	5,852,798
(d) Current Tax Liabilities (Net)		1,393,473	164,807,358
TOTAL EQUITY AND LIABILITIES		7,567,016,395	6,865,464,785

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

R.N. Gupta
(Proprietor)
Membership No. 070590
Place: Bhopal
Dated: 27.06.2020

For and on Behalf of the Board

J.K. Arora
(Chairman & Managing Director)

Rajesh Dubey
(Chief Financial Officer)

Nakul K. Sethi
(Director)

Om Prakash
(Company Secretary)

STATEMENT OF CONSOLIDATED PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31ST MARCH 2020

PARTICULARS	Note	Year Ended 31.03.2020 (Rs.)	Year Ended 31.03.2019 (Rs.)
Revenue from operations		7,116,103,224	5,527,189,770
Other Income	21	36,019,889	34,656,279
Total Revenue		7,152,123,113	5,561,846,049
Expenses:			
Cost of Materials Consumed	22	2,472,229,521	2,162,320,888
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		(42,485,795)	(171,846,316)
Excise Duties		2,517,237,029	1,594,520,232
Employees Remuneration & Benefits	23	168,898,537	130,806,910
Finance Costs	24	153,690,019	124,244,009
Depreciation & Amortisations		116,744,858	87,601,263
Other Expenses	25	1,556,931,689	1,318,122,699
Total Expenses		6,943,245,858	5,245,769,685
Profit Before Tax		208,877,254	316,076,364
Tax Expenses:			
Current tax		73,227,252	111,329,872
Previous Year Taxes		4,917,537	6,029,103
Deferred Tax		(19,478,412)	1,296,636
Profit/(Loss) for the year		150,210,877	197,420,753
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement of defined benefit plans		1,142,533	(1,946,533)
Income Tax effect on above		(332,706)	681,053
Total Comprehensive Income for the year		151,020,705	196,155,273
Earning Per Equity Share:			
(1) Basic		4.65	6.04
(2) Diluted		4.65	6.04
Significant Accounting Policies	[2]		

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

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

Place: Bhopal
Dated: 27.06.2020

For and on Behalf of the Board

J.K. Arora
(Chairman & Managing Director)

Nakul K. Sethi
(Director)

Rajesh Dubey
(Chief Financial Officer)

Om Prakash
(Company Secretary)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**YEAR ENDED 31ST MARCH 2020**

A. Equity Share Capital				
Balance as at 31.03.2019				324,938,690
Changes during the year				-
Balance as at 31.03.2020				324,938,690
B. Other Equity				
Particulars	Capital Reserve	Securities Premium Reserve	Retained Earnings	Total
Balance as at 31.03.2019	3,930,000	1,422,398,757	1,355,635,541	2,781,964,298
Total Comprehensive Income for the year	-	-	151,020,705	151,020,705
Final Dividends Paid	-	-	(48,740,804)	(48,740,804)
Dividend Distribution Tax	-	-	(10,018,816)	(10,018,816)
Balance as at 31.03.2020	3,930,000	1,422,398,757	1,447,896,626	2,874,225,383

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

R.N. Gupta
(Proprietor)
Membership No. 070590
Place: Bhopal
Dated: 27.06.2020

For and on Behalf of the Board

J.K. Arora
(Chairman & Managing Director)

Rajesh Dubey
(Chief Financial Officer)

Nakul K. Sethi
(Director)

Om Prakash
(Company Secretary)

CONSOLIDATED CASH FLOW STATEMENT**YEAR ENDED 31ST MARCH 2020**

PARTICULARS	YEAR ENDED 31 MARCH, 2020	YEAR ENDED 31 MARCH, 2019
Cash flow from operating activities		
Profit before Tax	208,877,254	316,076,364
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation on continuing operations	116,744,858	87,601,263
Interest Expense	153,690,019	124,244,009
Profit on sale of Fixed Assets	(734,778)	(3,352,186)
Operating profit before working capital changes	478,577,354	524,569,450
Movements in working capital:		
Decrease/(increase) in inventories	(85,707,748)	(667,135,676)
Decrease/(increase) in trade receivables	(110,857,246)	(491,028,171)
Decrease/(increase) in short term loans	(38,607,744)	1,122,704
Decrease/(increase) in other current assets	93,180,397	(167,118,282)
Increase/(decrease) in trade payables	232,965,356	345,083,203
Increase/(decrease) in other current financial liabilities	77,486,996	504,943,356
Increase/(decrease) in other current liabilities	5,055,652	83,876,489
Increase/(decrease) in short term provisions	964,215	344,314
Cash generated from/(used in) operations	653,057,233	134,657,388
Direct Taxes Paid (net of refunds)	(241,558,674)	(95,951,126)
Net Cash flow from/ (used in) operating activities (A)	411,498,559	38,706,262
Cash flow from Investing activities		
Purchase of fixed assets	(666,994,656)	(1,955,295,856)
Proceeds from sale of fixed assets	1,024,376	3,531,800
Decrease/(increase) in long term financial assets	(36,829,791)	(20,620,225)
Net Cash flow from/ (used in) Investing activities (B)	(702,800,071)	(1,972,384,281)
Cash flow from Financing activities		
Borrowings	501,180,352	738,177,923
Increase/(decrease) in other long term liabilities	(23,322,565)	10,354,568
Proceeds from issue of equity shares	-	1,350,002,407
Interest paid	(153,690,019)	(124,244,009)
Dividend paid	(48,545,310)	(41,283,600)
Dividend distribution tax	(11,551,667)	(8,485,965)
Net Cash flow from/ (used in) Financing activities (C)	264,070,791	1,924,521,324
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(27,230,721)	(9,156,695)
Cash and cash equivalents at the beginning of the year	246,634,463	255,791,158
Cash and cash equivalents at the end of the year	219,403,742	246,634,463
Compenents of cash and cash equivalents		
Cash in hand	22,052,692	21,660,937
With Banks - in current account	113,707,034	154,360,737
With Banks - in deposit account	83,644,016	70,612,790
Total Cash and cash equivalents	219,403,742	246,634,463

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

R.N. Gupta
(Proprietor)
Membership No. 070590
Place: Bhopal
Dated: 27.06.2020

For and on Behalf of the Board

J.K. Arora
(Chairman & Managing Director)

Rajesh Dubey
(Chief Financial Officer)

Nakul K. Sethi
(Director)

Om Prakash
(Company Secretary)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2020

1. GROUP INFORMATION

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

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

- i) Woodpecker Distilleries & Breweries Private Limited
- ii) Som Distilleries and Breweries Odisha Private Limited

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

2. BASIS OF PREPARATION, CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for preparation and consolidation

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

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

The consolidated financial statements have been prepared using

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

The Consolidated financial statements are presented in INR, the functional currency of the Group. Items included in the consolidated financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency').

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

The Consolidated Financial statements of the Company for the year ended 31st March, 2020 were approved for issue in accordance with the resolution of the Board of Directors on 27th June, 2020.

(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 31ST MARCH 2020

3. Property, Plant and Equipment

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 31.03.2019	ADDITION/ (DISPOSAL) DURING 2019-20	AS AT 31.03.2020	Upto 31.03.2019	FOR THE YEAR 2019-20	Upto 31.03.2020	AS AT 31.03.2020	AS AT 31.03.2019
LAND & SITE DEVELOPMENT	118,814,853	79,235,000	198,049,853	-	-	-	198,049,853	118,814,853
BUILDINGS & CIVIL WORKS	587,923,712	145,258,820	733,182,532	96,899,067	24,738,175	121,637,243	611,545,290	491,024,645
PLANT & MACHINERY	1,785,629,078	528,801,613 (754,020)	2,313,676,671	404,476,103	76,185,171	480,661,274 (735,084)	1,833,750,481	1,381,152,975
FURNITURE & FIXTURES	8,415,621	1,041,689	9,457,310	2,758,400	685,269	3,443,669	6,013,641	5,657,221
OFFICE EQUIPMENTS	15,235,382	4,509,212 (38,940)	19,705,654	8,401,774	3,334,501	11,736,275 (9,299)	7,978,678	6,833,608
VEHICLES	106,876,566	3,811,582 (1,537,307)	109,150,841	51,231,853	9,581,880 -	60,813,733 (1,296,286)	49,633,394	55,644,713
TOTAL	2,622,895,213	760,327,648	3,383,222,861	563,767,198	114,524,995	676,251,524	2,706,971,337	2,059,128,015
CAPITAL WORK IN PROGRESS	1,495,350,415	(74,574,451)	1,420,775,964				1,420,775,964	1,495,350,415
GRAND TOTAL							4,127,747,301	

4. Intangible Assets

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK	
	AS AT 31.03.2019	ADDITION/ DURING 2019-20	AS AT 31.03.2020	Upto 31.03.2019	FOR THE YEAR 2019-20	Upto 31.03.2020	AS AT 31.03.2020	AS AT 31.03.2019
ERP - Computer Softwares	11,287,228	2,971,357	14,258,585	1,787,961	2,219,863	4,007,824	10,250,761	9,499,267
TOTAL	11,287,228	2,971,357	14,258,585	1,787,961	2,219,863	4,007,824	10,250,761	9,499,267

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

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

Place: Bhopal
Dated: 27.06.2020

For and on Behalf of the Board

J.K. Arora
(Chairman & Managing Director)

Rajesh Dubey
(Chief Financial Officer)

Nakul K. Sethi
(Director)

Om Prakash
(Company Secretary)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31ST MARCH 2020

		As At 31.03.2020	As At 31.03.2019
5.	Financial Assets		
	Security Deposits		
	Security Deposit	192,468,813	155,639,022
	Total	192,468,813	155,639,022
	Note: All the above amounts are unsecured and considered good.		
6.	Other Non Current Assets		
	Preliminary Exp.	-	16,500
	Preoperative Expenses	-	24,043,666
	Total	-	24,060,166
7.	Inventories (as taken, valued and certified by the Management)		
	Raw Materials	181,750,454	135,607,120
	Stores, Consumables & Packing Materials	527,533,431	530,454,812
	Stock In Process	95,649,760	59,549,388
	Finished Goods	234,264,331	227,878,909
	Total	1,039,197,976	953,490,228
8.	Trade Receivables (Unsecured, considered good)		
	Outstanding for a period exceeding six months	51,362,168	32,656,695
	Other Debts	1,249,066,187	1,156,914,413
	Total	1,300,428,355	1,189,571,109
9.	Cash and Cash Equivalents		
	Cash in hand	22,052,692	21,660,937
	Balance With Scheduled Banks	-	-
	Current Accounts	113,707,034	154,360,737
	Deposit Accounts	75,268,751	62,042,030
	Other Bank Balances		
	Unpaid Dividend Accounts	8,375,266	8,570,760
	Total	219,403,742	246,634,463
10.	Current Loans		
	Advances to Others	41,931,207	3,323,463
	Total	41,931,207	3,323,463
	Note: All the above amounts are unsecured and considered good.		
11.	Other Current Assets		
	Capital Advances	204,314,359	318,927,821
	Staff Advances	10,326,118	14,241,006
	Prepaid Expenses	126,369,963	94,847,806
	Advances to suppliers	294,577,800	285,719,857
	Other Assets	-	15,032,147
	Total	635,588,240	728,768,637

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31ST MARCH 2020

		As At 31.03.2020		As At 31.03.2019	
12.	Equity Share Capital				
	Authorized 3,50,00,000 Equity Shares of Rs. 10 each	350,000,000		350,000,000	
	Issued, Subscribed and Fully Paid 3,24,93,869 [Prev Year 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.10 per share. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the company after the distribution of all preferential amounts, in proportion to their shareholding.				
	(b) Details of Shareholders holding more than 5% Shares in the Company.				
	Name of Shareholders	As at 31.03.2020		As at 31.03.2019	
		No. of Shares	%	No. of Shares	%
	Sh. Jagdish Kumar Arora	3121661	9.61%	3098197	9.53%
	Som Distilleries Private Limited	3163613	9.74%	3064370	9.43%
	Karst Peak Asia Master Fund	2455042	7.56%	2455042	7.56%

		As At 31.03.2020		As At 31.03.2019	
13.	Other Equity				
	Capital Reserve (Amount forfeited against share warrants)	3,930,000		3,930,000	
	Securities Premium Reserve	1,422,398,757		1,422,398,757	
	Surplus - In Statement of Profit & Loss				
	Balance as per last Financial Statement	1,355,635,541		1,209,249,833	
	Add: Comprehensive Income during the year	151,020,705		196,155,273	
	Amount available for appropriation	1,506,656,246		1,405,405,106	
	Less:				
	Final Dividend Paid	48,740,804		41,283,600	
	Dividend Distribution Tax	10,018,816		8,485,965	
	Balance at the end of the year	1,447,896,626		1,355,635,541	
	Total Reserves & Surplus	2,874,225,383		2,781,964,298	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31ST MARCH 2020

		Non Current		Current Maturities	
		As At 31.03.2020	As At 31.03.2019	As At 31.03.2020	As At 31.03.2019
14.	Borrowings				
	Long Term Borrowings				
	(i) Secured Loans				
	(a) Bandhan Bank Ltd	243,686,286	-	94,580,000	-
	(b) SBI Term Loan	413,000,000	211,058,276	92,572,548	41,600,000
	(c) IFCI Ltd.	-	95,605,673	-	73,000,000
	(d) PNB Term Loan	59,980,629	74,247,330	9,139,580	-
	(e) Vehicle Loans				
	From Banks	2,162,943	932,149	1,222,991	1,183,831
	From Others	12,902,883	19,683,875	6,559,264	8,730,006
	(ii) Unsecured Loans				
	(a) IFCI Venture Capital Funds Ltd.	-	26,254,076	25,270,784	77,409,750
	(b) Others	714,027,662	533,287,346	-	-
	Grand Total	1,445,760,403	961,068,725	229,345,167	201,923,587

Notes:

- (a) Loan from Bandhan Bank is secured by way of pari passu charge on factory land & building and plant & machinery.
- (b) Loan from SBI is secured by way of pari passu charge on factory land & building and plant & machinery.
- (c) Loan from SBI in a subsidiary Woodpecker 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
- (d) Loan from PNB in subsidiary Som Distilleries and Breweries Odisha Pvt Ltd is secured by way of corporate guarantee of the Holding Company and personal guarantee of Directors and a Promoter of Holding company and by Collateral Security of Company's additional land at Orissa.
- (e) Vehicle Loans are secured by hypothecation of respective vehicles.
- (f) Loan from IFCI Venture Capital Funds Ltd. is secured by personal guarantees of promoters and collaterals given by related party.

		As At 31.03.2020	As At 31.03.2019
15.	Other Long Term Financial Liabilities		
	Security Deposits (Unsecured)	10,900,279	34,222,844
	Total	10,900,279	34,222,844

		As At 31.03.2020	As At 31.03.2019
16.	Deferred Tax Liability (Net)		
	Difference between depreciation as per books of account and the Income Tax Act 1961.	238,451,984	139,310,320
	Others	2,280,272	1,835,155
	Gross Deferred Tax Liability	240,732,256	141,145,475
	Deferred Tax Assets		
	Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	3,504,921	2,196,165
	Carried Forward Losses	133,744,692	16,320,961
	Gross Deferred Tax Assets	137,249,613	18,517,126
	Deferred Tax Liability (Net)	103,482,643	122,628,349

Notes:

- (a) Deferred tax assets and Deferred tax liabilities have been offset.
- (b) 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 31ST MARCH 2020

		As At 31.03.2020	As At 31.03.2019
17.	Borrowings		
	Short Term Borrowings		
	Cash Credit from Bank	543,063,978	526,575,303
	(Secured by way of hypothecation of entire current assets of the company)		
	Total	543,063,978	526,575,303
18.	Other Financial Liabilities		
	Current maturities of long-term borrowing	229,345,167	201,923,587
	Bank Overdrafts (Book)	18,296,451	51,497,640
	Un paid Dividend	8,375,266	8,570,760
	Expenses Payable	102,929,054	95,308,572
	Other Payables	837,016,736	760,979,627
	Total	1,195,962,674	1,118,280,184
19.	Other Current Liabilities		
	Advances from customers	81,459,030	60,825,276
	Statutory dues payable	94,484,699	114,271,036
	Dividend tax	16,282,394	14,749,543
	Total	192,226,123	189,845,855
20.	Short Term Provisions		
	Employee Benefits	6,817,013	5,852,798
	Total	6,817,013	5,852,798
21.	Other Income		
	Interest	5,615,995	3,512,395
	Profit on Sale of Fixed Assets	734,778	3,352,186
	Other Revenues	29,669,116	27,791,698
	Total	36,019,889	34,656,279
22.	Cost of Materials consumed		
	Opening Stocks	628,968,918	142,068,923
	Add: Purchases	2,552,544,489	2,620,517,234
	Less: Closing Stocks	709,283,886	628,968,918
	Cost of Materials consumed	2,472,229,521	2,133,617,238
23.	Employee Remuneration & Benefits		
	Salaries, allowances & bonus	153,405,079	119,975,311
	Employer's contribution to Provident & Gratuity Fund	7,910,317	4,763,738
	Staff welfare expenses	7,583,141	6,067,861
	Total	168,898,537	130,806,910
24.	Financial Costs		
	Interest to Bank & FIs	140,774,831	118,647,951
	Interest to Others	12,915,188	5,596,058
	Total	153,690,019	124,244,009

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31ST MARCH 2020

		Year Ended 31.03.2020	Year Ended 31.03.2019
25.	Other Expenses		
	Power and fuel	161,216,609	139,922,292
	Labour	49,664,878	51,369,180
	Rent	17,101,045	10,275,731
	Repairs		
	Buildings	763,356	1,112,640
	Machinery	97,540,342	49,205,748
	Others	7,393,434	9,306,784
	Insurance	6,020,589	3,054,335
	Rates and taxes (Other than on income)	180,811,042	161,836,486
	Other Manufacturing Exp	13,198,733	10,753,674
	Auditors Remuneration		
	(a) Audit fees	258,700	258,700
	(b) Other Services	253,700	253,700
	Donations	546,911	33,813,826
	Corporate Social Responsibility	6,865,000	6,200,000
	Travelling & Conveyance	21,980,006	25,936,598
	Legal & Professional	25,177,636	44,204,233
	Sales promotion	507,873,978	418,123,279
	Advertisement & Publicity	26,072,550	26,437,147
	Freight outward	320,574,227	238,838,233
	Other selling expenses	58,311,231	39,170,420
	General expenses	15,242,338	17,302,988
	Postage, Telegrams & Telephones	18,710,718	14,926,612
	Vehicle Running & Maintenance	21,354,665	15,820,093
	Total	1,556,931,689	1,318,122,699

OTHER NOTES

26) The Group had sought but has not received information from any of the suppliers of their being a Micro, Small or Medium Enterprise Unit under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, amounts due to Micro and Small Scale Enterprises outstanding as on 31st March, 2020 are not ascertainable.

27) Employees Benefits:

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

(i) In respect of Short Term Employee Benefits:

The 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: 01.04.2019 To: 31.03.2020	From: 01.04.2018 To: 31.03.2019
Present value of the obligation at the beginning of the period	70,97,590	41,64,290
Interest cost	4,96,831	3,22,732
Current service cost	10,64,822	9,39,784
Past Service Cost	-	-
Benefits paid (if any)	-	(2,19,000)
Actuarial (gain)/loss	(11,20,548)	18,89,784
Present value of the obligation at the end of the period	75,38,695	70,97,590

Key results:

Period	As on 31.03.2020	As on 31.03.2019
Present value of the obligation at the end of the period	75,38,695	70,97,590
Fair value of plan assets at end of period	65,40,746	60,92,300
Net liability/(asset) recognized in Balance Sheet and related analysis	9,97,949	10,05,290
Funded Status - Surplus/(Deficit)	(9,97,949)	(10,05,290)

Expense recognized in the statement of Profit and Loss:

Period	From: 01.04.2019 To: 31.03.2020	From: 01.04.2018 To: 31.03.2019
Interest cost	4,96,831	3,22,732
Current service cost	10,64,822	9,39,784
Past Service Cost	-	-
Expected return on plan asset	(4,26,461)	(4,56,714)

Expenses to be recognized in P&L	11,35,192	8,05,802
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Other comprehensive (income)/expenses (Remeasurement)

Period	From: 01.04.2019 To: 31.03.2020	From: 01.04.2018 To: 31.03.2019
Cumulative unrecognized actuarial (gain) / loss opening. B/F	22,51,468	3,04,935
Actuarial (gain)/loss - obligation	(11,20,548)	18,89,784
Actuarial (gain)/loss - plan assets	(21,985)	56,749
Total Actuarial (gain)/loss	(11,42,533)	19,46,533
Cumulative total actuarial (gain)/loss C/F	11,08,935	22,51,468

Table showing changes in the Fair Value of Planned Assets:

Period	From: 01.04.2019 To: 31.03.2020	From: 01.04.2018 To: 31.03.2019
Fair value of plan assets at the beginning of the period	60,92,300	58,93,083
Expected return on plan assets	4,26,461	4,56,714
Contributions	-	18,252
Benefits paid	-	(2,19,000)
Actuarial gain/(loss) on plan assets	21,985	(56,749)
Fair Value of Plan Asset at the end of the Period	65,40,746	60,92,300

Table showing Fair Value of Planned Assets:

Period	From: 01.04.2019 To: 31.03.2020	From: 01.04.2018 To: 31.03.2019
Fair value of plan assets at the beginning of the period	60,92,300	58,93,083
Actual return on plan assets	4,48,446	3,99,965
Contributions	-	18,252
Benefits paid	-	(2,19,000)
Fair value of plan assets at the end of the period*	65,40,746	60,92,300

Actuarial (Gain)/Loss on Planned Assets:

Period	From: 01.04.2019 To: 31.03.2020	From: 01.04.2018 To: 31.03.2019
Actual return on plan assets	4,48,446	3,99,965
Expected return on plan assets	4,26,461	4,56,714
Actuarial gain/ (Loss)	21,985	(56,749)

The assumptions employed for the calculations are tabulated:

Discount rate	7.00 % per annum	7.75 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2012-14	IALM 2006-08 Ultimate
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: 01.04.2019 To: 31.03.2020	From: 01.04.2018 To: 31.03.2019
The Company's best estimate of Contribution during the next year	13,42,577	12,34,136

Sensitivity Analysis:

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

Period	As on: 31.03.2020
Defined Benefit Obligation (Base)	75,38,695 @ Salary Increase Rate : 5%, and discount rate :7%
Liability with x% increase in Discount Rate	70,52,322; x=1.00% [Change (6)%]
Liability with x% decrease in Discount Rate	80,85,685; x=1.00% [Change 7%]
Liability with x% increase in Salary Growth Rate	80,91,152; x=1.00% [Change 7%]
Liability with x% decrease in Salary Growth Rate	70,39,146; x=1.00% [Change (7)%]
Liability with x% increase in Withdrawal Rate	75,75,643; x=1.00% [Change 0%]
Liability with x% decrease in Withdrawal Rate	74,95,975; x=1.00% [Change (1)%]

28) Imports

a) Value of Imports Calculated on CIF Basis (As certified by the Management)	2019-20	2018-19
i) Raw & Packing Materials	14,39,73,939	4,83,97,800
ii) Components and Spare Parts	1,24,29,679	73,00,228
iii) Capital Goods	-	41,58,79,540
b) Expenditure in Foreign Currency		
Bank Charges	1,24,816	2,30,752
Professional Charges	-	6,81,970

29) Consumption of raw material, packing materials, stores, spares consumed. (As certified by the Management)

Particulars	Raw Materials & Packing Materials		Stores & Spares	
	2019-20	2018-19	2019-20	2018-19
Imported				
Percentage	6.62%	1.44%	12.64%	14.61%
Value (Rs)	16,35,59,464	3,11,14,696	1,24,29,679	73,00,228
Indigenous				
Percentage	93.38%	98.56%	87.36%	85.39%
Value (Rs)	230,86,70,059	213,12,06,188	8,58,74,020	4,26,59,740
Total	100%	100%	100%	100%
Total	247,22,29,521	216,23,20,884	9,83,03,699	4,99,59,968

30) Earnings in Foreign Exchange

Exports of Goods calculated on FOB Basis	2019-20	2018-19
	4,88,99,082	3,80,51,441

31) Contingent Liabilities

		2019-20	2018-19
i.	Claims against the Company not acknowledged as debts/ disputed - Commercial Tax Department - Income Tax Department	51,37,183 11,06,86,800	51,37,183 3,89,22,150
ii.	- Guarantees given by Bankers on behalf of the company not provided for - Corporate guarantee given to a bank on behalf of subsidiaries	18,58,60,480 80,00,00,000	14,26,96,690 80,00,00,000

32) Financial Instruments

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

A. Financial assets and liabilities

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

	March 31, 2020	March 31, 2019
Financial Assets:		
Cash and cash equivalents	21,94,03,743	24,66,34,463
Trade receivables	1,30,04,28,354	1,18,95,71,109
Loans	4,19,31,207	33,23,463
Other Financial Assets	19,24,68,813	15,56,39,022
Total	1,75,42,32,117	1,59,51,68,057
Financial Liabilities:		
Trade and other payables	86,82,45,736	63,52,80,380
Borrowings	1,98,88,24,380	1,48,76,44,028
Other financial liabilities	1,20,68,62,953	1,15,25,03,028
Total	4,06,39,33,069	3,27,54,27,436

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 company's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rate relates primarily to the Group's borrowings with floating interest rates.

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

	As at 31.03.2020		As at 31.03.2019	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
Impact on profit before tax	(20 Lacs)	20 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 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 31.03.2020		As at 31.03.2019	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax	(28 Lacs)	28 Lacs	(29 Lacs)	29 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 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, 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	406,39,33,070

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

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

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

a) Related Party

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

b) Transactions with Related Parties

(In Rupees)

Som Distilleries Private Limited	
Purchases	18,79,58,024
Sales	20,15,926
Other transactions	9,27,56,364
Closing Balance	77,62,45,050 Cr
Whole Time Director	
Remuneration	60,00,000
Independent Director	
Sitting Fees	1,41,600

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

Sl. No.	Particulars	31.03.2020	31.03.2019
a)	Numerator Profit/(Loss) after tax Rs.	15,10,16,050	19,61,55,273
b)	Weighted average number of equity shares Nos.	3,24,93,869	3,24,93,869
c)	Basic & Diluted earnings per shares (Rs.)	4.65	6.04
d)	Nominal value of shares (Rs.)	10.00	10.00

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

37) During the financial year 2019-20, the Group has spent an amount of Rs. lakhs (previous year Rs. 62.00 lakhs) on Corporate Social Responsibility for the purpose of children education and medical aid.

38) Global Health Pandemic on Covid-19

The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. COVID19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc. On 24th March, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

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

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

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

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

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

Place: Bhopal
Dated: 27.06.2020

For and on Behalf of the Board

J.K. Arora
(Chairman & Managing Director)

Nakul K. Sethi
(Director)

Rajesh Dubey
(Chief Financial Officer)

Om Prakash
(Company Secretary)

SOM DISTILLERIES & BREWERIES LIMITED

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	01.04.2019 to 31.03.2020	01.04.2019 to 31.03.2020
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	(45,966,440)	22,593,431
Total Assets	2,111,301,805	1,129,534,819
Total Liabilities	1,647,268,245	856,841,388
Investments	-	-
Turnover	1,946,984,373	1,140,146,795
Profit/(Loss) Before Tax	(58,282,039)	29,052,073
Provision for Tax (including adjustments)	(15,231,146)	5,438,156
Profit/(Loss) After Tax	(43,050,893)	23,613,918
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

J.K. Arora
(Chairman & Managing Director)

Nakul K. Sethi
(Director)

Rajesh Dubey
(Chief Financial Officer)

Om Prakash
(Company Secretary)

**THE FOX
LOVES
THE CHASE
AS MUCH
AS THE HUNT**



WHITE FOX REFRESH

BRING OUT THE FOX

**ALSO AVAILABLE IN NAUGHTY ORANGE
& TANGY LEMON FLAVOUR**

 /White Fox-RTD

*FASHION ACCESSORIES COMING SOON.



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SUPER STRONG BEER.**



SOM GROUP OF COMPANIES

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