



SOM DISTILLERIES & BREWERIES LTD.

CIN : L74899DL1993PLC052787

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

FORMAT OF THE COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGE

Name of the Company	SOM DISTILLERIES AND BREWERIES LIMITED
Annual Financial Statements For the year ended	31.03.2014
Type of Observations	UNQUALIFIED
Frequency of the Observation	Not Applicable

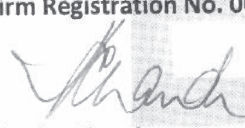
Soft copy of the Annual Report for the year 2013-14 is attached as CD.

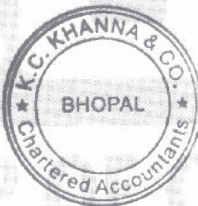

Surjeet Tal
Managing Director


Rajesh Dubey
Deputy Manager (Accounts)


D.N. Singh
Director, Chairman (Audit Committee)

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


Harsha Chandra
Partner
Membership No. 080489





an awesome
SOMe
year



Created by **Deepak**



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WWW.SOMINDIA.IN

SDBL ANNUAL REPORT 2013-14

21st Annual Report 2013-14



SOM DISTILLERIES AND BREWERIES LIMITED

CIN: L74899DL1993PLC052787

SOMe words by The Chairman

Dear friends,

The year 2013-14 has been a year of triumph, recognition and growth for us.

Company bagged a number of awards of high repute and honor. Company successfully made its place in the Forbes list of the Best Top 200 companies in Asia Pacific. SOM Group was also ranked 86th in the BSE 500 Index, won the INDSPIRIT and the SPIRITZ 2014 AWARDS.

SOM Group has always endeavoured to establish excellent work culture and maintain exceptionally fine quality. Our efforts are internationally recognized. Winning prestigious MONDE SELECTION award for our lead products Milestone 100 Whisky, White Fox Vodka and Hunter Beer sets a hallmark in the worldwide brand competition.

We owe all these achievements to the hard work and dedication of our team members. The company is aggressively focusing on innovation and brand up-gradation to foster sales. The company holds ambitious plans for the year ahead and is hopeful of roping in some large size projects.

We expect your support and well wishes to reach this goal.

J. K. Arora

Chairman & Managing Director
Som Group of Companies





SOM DISTILLERIES & BREWERIES LIMITED

Twenty First Annual Report

Notice is hereby given that the 21st Annual General Meeting of Som Distilleries & Breweries Limited will be held on Tuesday the 30th September 2014 at 11.00 A.M. at Executive Club, Dolly Farms and Resorts Pvt. Ltd, 349, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030 to transact the following business: -

ORDINARY BUSINESS

1. ACCOUNTS

To approve and adopt the Audited Profit & Loss Account for the year ended 31st March, 2014 and the Balance Sheet as at that date and the Reports of Directors' and Auditors' thereon.

2. APPOINTMENT OF SHRI SURJEET LAL AS DIRECTOR

To appoint a director in place of Shri Surjeet Lal who retires by rotation and being eligible, offers himself for re-appointment.

3. TO DECLARE A DIVIDEND ON EQUITY SHARES OF THE COMPANY FOR THE YEAR 2013-14.

4. APPOINTMENT OF AUDITORS

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

“RESOLVED THAT K.C. Khanna & Company, Chartered Accountants, Bhopal be and are hereby appointed as Auditors of the Company from the conclusion of 21st Annual General Meeting till the conclusion of 22nd Annual General Meeting at a remuneration to be decided by the Chairman cum Managing Director with the consent of the auditors”.

5. AUTHORITY TO BORROW

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

“RESOLVED THAT pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (as amended from time to time), consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time, any sum or sums of moneys whether in Indian or foreign currency, from any bank(s) or any financial institution(s) or any other institution(s), firm(s), body corporate(s), or other person(s) or from any other source in India or outside India whomsoever, on such terms and conditions and with or without security as the Board of Directors may think fit, which together with the moneys already borrowed by the Company may exceed the aggregate for the time being of the paid-up share capital and free reserves apart from temporary loans obtained from the Company's bankers in the ordinary course of business, provided that the total amount of money/moneys so borrowed by the Board of Directors and remaining outstanding shall not at any time exceed the limit of ₹ 150 crores (Rupees One hundred and fifty crores only)

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do such acts, deeds and things as may be deemed expedient to give effect to the above resolution.”

6. AUTHORITY TO CHARGE ASSETS OF THE COMPANY (TO BE CONSIDERED THROUGH POSTAL BALLOT ONLY) - POSTAL BALLOT DOCUMENTS SENT SIMULTANEOUSLY.

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

“RESOLVED THAT pursuant to section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company, to mortgage and/or charge, in addition to any other mortgage/ charges created/ to be created by the Company, on all or any of the immovable and movable (both tangible and intangible) properties of the company, wherever situated, both present and future or the whole or substantially the whole of the undertaking or undertakings of the company in such form and manner and with such ranking and at such time and on such terms as the Board of Directors may think fit, together with power to take over the management of the business and concern of the Company in the event of default by the company, for securing any loans and/or advances already obtained or that may be obtained from any financial institutions/banks/insurance companies or person or persons, and/or to secure any debentures issued and/or that may be issued and all interests, compound /additional interest, liquidated damages, commitment charges, prepayment premium, fees, costs, charges, expenses and all other moneys payable by the Company in terms of the finance documents, to the concerned lenders (including their agent(s) and trustee(s) within the overall limit of ₹ 150 crores (Rupees One hundred and Fifty crores only).”

7. RE-APPOINTMENT OF SHRI SURJEET LAL AS MANAGING DIRECTOR.

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

“**RESOLVED THAT** in terms of Section 196 and Schedule V of the Companies Act, 2013 and other applicable provisions, if any, approval be and is hereby given to the reappointment of Shri Surjeet Lal, DIN 00227331, born 02.07.1944, as Managing Director of Som Distilleries and Breweries Limited from 21.03.2014 for a period of five years without any remuneration, even though he would be attaining the age of 70 year during this tenure and he would be drawing his remuneration as Managing Director of Som Distilleries Private Limited, CIN: U1550MH1986PTC124248, a company in the same group.

Notes:-

- (a) A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend and vote at the meeting instead of himself and such proxy need not be a member of the company. Proxies in order to be effective must be received at the Registered Office of the company at least 48 hours before the commencement of the meeting.
- (b) The Register of Members of the company will remain closed from 23.09.2014 to 30.09.2014 (both days inclusive).
- (c) All correspondence regarding dematerialization / transfer of shares, change of address etc. should be addressed to MAS Services Pvt. Ltd, T-34, Okhla Industrial Area, Phase II, Delhi-110020 who are the Registrar and Transfer agents (RTA).
- (d) Any queries for being answered at the meeting must reach at least seven days in advance.
- (e) Shareholders are requested to furnish their e-mail addresses to RTA so that annual report can be sent by e-mail in future
- (f) Notes with regards to E-Voting procedure is duly enclosed at page no.58

By Order of Board of Directors

SURJEET LAL

CHAIRMAN AND MANAGING DIRECTOR

PLACE: BHOPAL

DATED: 22nd August, 2014

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE OF ANNUAL GENERAL MEETING TO BE HELD ON TUESDAY THE 30TH SEPTEMBER 2014 AT 11.00 A.M. AT EXECUTIVE CLUB, DOLLY FARMS AND RESORTS PVT. LTD, 349, VILLAGE SHAHOORPUR, P.O. FATEHPUR BERI, NEW DELHI – 110030

ITEM NO. 5 AUTHORITY TO BORROW

ITEM NO. 6 AUTHORITY TO CHARGE THE ASSETS OF THE COMPANY

At the Annual General Meeting of the company held on 30.09.2003. resolutions under section 293(1)(a) and 293(1)(d) were passed authorizing the Board of Directors to borrow and to charge the assets of the company up to the limit of ₹ 150 crores. Those resolutions continue to be valid up to 31.3.2015 as per clarification given by the Ministry of Corporate Affairs. But with the notification of section 180 of the Companies Act, 2013, fresh resolutions are required to be passed under corresponding sections 180(1)(a) and 180(1)(c). Also Rule 22 (16) (i) of the Companies (Management and Administration) Rules, 2014 requires that for any resolution under section 180(1)(a), the business shall be transacted only by means of postal ballot. Therefore the postal ballot documents in respect of resolution under section 180(1)(a) i.e for selling leasing, or otherwise disposing of the whole or substantially the whole of any undertaking of the company, are being sent to the shareholders along with this notice even though as a separate sheet. The resolution no. 6 under section 180(1)(a) will be voted by postal ballot and the result will be recorded in the minutes of this meeting.

The resolution no. 5 relating to borrowing powers under section 180(1)(c) will be voted upon at the Annual General meeting.

These resolutions are required to be passed to enable the company, from time to time, to borrow and to charge the assets of the company for the purpose of smooth functioning of the company with the help of borrowed funds.

None of the directors and key managerial personnel or their relatives is interested in these resolutions

ITEM 7- RE-APPOINTMENT OF SHRI SURJEET LAL AS MANAGING DIRECTOR

Shri Surjeet Lal was appointed as a Director of the company from 19.05.1993 and has been the Managing Director with effect from 21.03.2009 for five years. His term as Managing Director expired on 20.03.2014. The Board has re-appointed him for another five years from 21.03.2014 subject to the approval of the general meeting.

Shri Surjeet Lal is a B.Sc. He has long practical experience of erection, commissioning and running of plants. He has very successfully managed this company as Managing Director for five years from 21.03.2009. He is in good health even while he is going to attain the age of 70 years shortly. It therefore proposed to re-appoint him as Managing director for another five years from 21.03.2014.

He would be attaining the age of 70 year during this tenure. The Board of Directors is of the opinion that in view of the long successful experience in this company and his good health his appointment as managing Director inspite of his attaining the age of 70 years would be most desirable in the interest of the company.

No remuneration is proposed to be paid to him since he will be getting his remuneration from Som Distilleries Private Limited, a company under the same management.

None of the directors or key managerial personnel or their relatives is interested in the resolution except of course Shri Surjeet Lal himself.

PLACE: BHOPAL
DATED: 22nd August, 2014

By Order of Board of Directors
SURJEET LAL
Chairman and Managing Director

Corporate Information

DIRECTORS

Shri Surjeet Lal - *Chairman & Managing Director*
Shri Shailendra Singh Sengar - *Director*
Shri Deenanath Singh - *Director*
Shri Guru Darshan Arora - *Director*

BANKERS

Punjab National Bank Limited
IFCI Venture Capital Funds Limited
SBERBANK

AUDITORS

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

REGISTERED OFFICE

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

CORPORATE OFFICE

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

STOCK EXCHANGE

Bombay Stock Exchange Limited
National Stock Exchange Limited





Looking for SOMething?

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SOMe Facts



Established in 1994, SOM Distilleries and Breweries Ltd. is primarily engaged in brewing, fermentation, bottling, canning and blending of Beer and Indian Made Foreign Liquor (IMFL). SOM Distilleries is a flagship company of SOM Group of Companies. SOM Group is a Bhopal-based company and is one of the leading liquor producers in India.



SOM has global footprint with a vast distribution network spread over 13 states in India. The Company is primarily focussed on achieving operational excellence through technological advancement coupled with strong manpower of over 600 employees



Planned expansion up to 99,200 KL, so as to become one of the largest standalone breweries in India

X3

Currently, have an installed capacity of 59,200 KL of beer and 5,400 KL of IMFL



Hunter and Woodpecker brands are supplied as draught beer to all the major hotels in Madhya Pradesh and Chhattisgarh



Recently launched a premium segment whisky 'Milestone 100' and 'White Fox' vodka



SOM is Celebrating 27 years of establishment and success

SOME Findings

Market Position

- Hunter, Milestone 100, White Fox, Woodpecker and Blackfort are the major brands. Other popular brand portfolio includes Legend, Genius, Sunny and Powercool
- In Madhya Pradesh (MP), holds 36% market share for beer and 19% market share in IMFL

Operations

- Key areas of operations include MP, Chhattisgarh and North India
- Strong marketing and distribution network in Andhra Pradesh, Andaman & Nicobar, Chandigarh, Chhattisgarh, Delhi, HP, Haryana, Jharkhand, MP, Orissa, Puducherry, Tamil Nadu, Uttarakhand, and WB, with 310 distributors across India

Industry Dynamics

- Indian spirit market represents a \$25 bn market in FY2013
- Indian spirit market is projected to grow at a CAGR of 20%, over next 5 years
- Emerging markets for beer sales are African market and potential for spirits are in countries such as India and China

Financials

- Have been able to consistently maintain EBITDA margins in spite of increase in input cost
- We have added two institutional lenders to augment the operation of the company
- Featured in Forbes Top 200 best under billion sales in an initial set of 15,000 Companies



AweSOMeness in a Bottle

Beer

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

Vodka

- White Fox Vodka
- Blue Chip Vodka

Gin

- 21st Century Gin
- Blue Chip Extra Dry Gin

Whisky

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

Brandy

- Doctors Brandy

Rum

- Black Fort XXX Rum



The AweSOMe Six

Awarded & Selected



"Forbes Top 200
best under billion sales"
in Asia Pacific



CSR Award &
Best Product Debut
award for Milestone 100



Ranked 86th
among 500 fastest
growing mid-sized
companies in India



Awarded Fastest
Growing Company by



SOM has recently
been included in



The Virtuous and The Venture SOMe

Alok Arora <i>Director,</i> SOM Group of Companies	<ul style="list-style-type: none"> Previously worked for Rolls Royce, Barclays Bank in London and SOM Distilleries Private Limited. He is also CEO of Aryavrak Housing and Construction Pvt Ltd. (AHCPL) Has experience in Layout plaining, startup formalities & execution and planning and is a graduate from the Imperial College London
Surjeet Lai <i>CMD,</i> SOM Distilleries & Breweries	<ul style="list-style-type: none"> A seasoned professional associated with the Company since its inception Prior to SOM, he was associated with Lilasons Breweries and has successfully launched their premium brand "Khajuraho" He is a graduate in Science, Food and Fermentation Technologist
Nakul Sethi <i>Head, Finance & Strategy,</i> SOM Group of Companies	<ul style="list-style-type: none"> Responsible for finance, accounts and strategic initiatives of the SOM Group Has over 15 years of experience in India, Middle East and Asia Pacific Associated with reputed firms like Alfardan Group, Yes Bank, Kotak Bank and Knights Insolvency
Ajay Dewan <i>President- Sales & Marketing,</i> SOM Distilleries & Breweries	<ul style="list-style-type: none"> Over 33 years of experience across Beer & Spirit division Worked with companies like USL, Shaw Wallace & Company Ltd. & Devan’s Modern Breweries Ltd. Major specialization and experience in sales & marketing.

Experienced Operating Team

Management	Description
B K Goel <i>Vice President, Commercial</i>	<ul style="list-style-type: none"> Has over 35 years of experience in IMFL and distillation operations Prior work experiences include Radico Khaitan, Sunbhaoh Sugars, Daurala Sugar Works He is a B.Sc and .Alcohol Technologist

Experienced Management Team

Management	Description
J .K. Arora <i>CMD,</i> SOM Group	<ul style="list-style-type: none"> Visionary and the torchbearer of the SOM Group His leadership qualities extend into planning and strategizing the future growth of the Group He is also the driving force behind sales, marketing and financial operations of the SOM Group
A.K. Arora <i>DMD,</i> SOM Group	<ul style="list-style-type: none"> An exceptional technocrat and executioner with complete charge over commercials/ purchase processes Holds a BE and an MBA degree
Deepak Arora <i>CEO,</i> SOM Group	<ul style="list-style-type: none"> Responsible for managing and streamlining operations, planning and launching new products Leading initiatives in exploring new business opportunities by organic and inorganic growth Previously worked with Vodafone

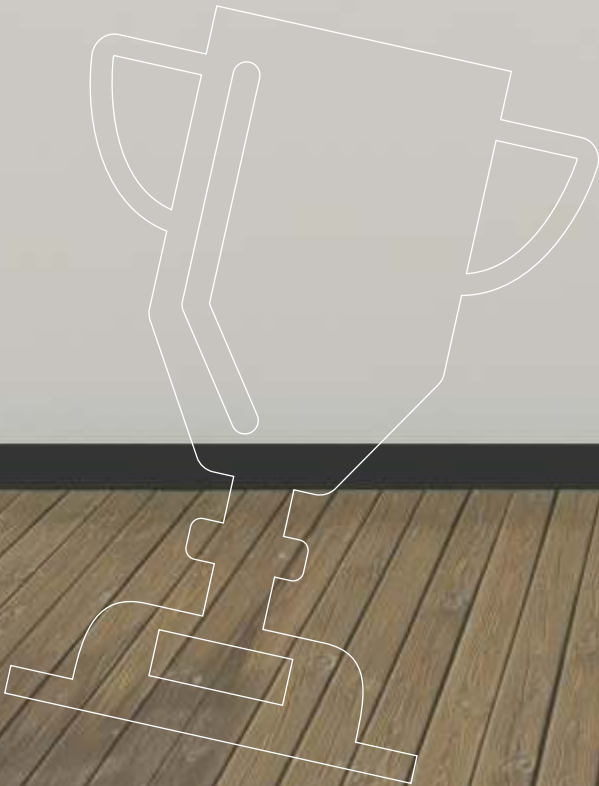
WALL OF FAME



Monde Selection Award
Gold and Silver



Forbes Best Under
A Billion Award



Best CSR-Award
by Spiritz 2014



'Forbes Top 200'
Billionaires



SOM DISTILLERIES & BREWERIES LIMITED

Twenty First Annual Report

Report of Directors

To,
The Shareholders
Som Distilleries & Breweries Ltd.

Sirs,
Your Directors have pleasure in presenting the Annual Report of your Company for the year ended on 31st March 2014.

1. WORKING RESULTS

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

Particulars	2013-14 ₹ crores	2012-13 ₹ crores
Sales & Other Income	192.13	205.12
EBIDTA	30.30	32.05
Depreciation	4.81	4.63
Profit for the year	25.48	27.42
Provision of Tax	5.18	9.63
Profit after Tax	20.30	17.79

We are pleased to state that your company does not have any long term secured debt outstanding on its books. The Company has been managing its cycle of debtors and creditors very well with minimal requirement of working capital. There was no change in the nature of business of the company during the year

2. DIRECTORS

There was no change in the constitution of the Board of Directors during the year 2013-14.

3. DIVIDEND

Directors recommend for the year 2013-14, dividend of Re.1.50 (i.e.15%) on each share of ₹ 10 on 27522400 equity shares payable to shareholders as on the date of Annual General Meeting totaling to a payment of ₹ 4,12,83,600.

4. AUDITORS

M/s K.C. Khanna & Co., Chartered Accountants, Bhopal retire at the ensuing 21st Annual General Meeting. They are eligible for reappointment. The Board recommends their reappointment.

5. STATUTORY INFORMATION

a) Directors responsibility statement.

The Directors hereby certify:-

- i) that in the preparation of the accounts for 2013-2014, the applicable accounting standards have been followed.
- ii) that the Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit of the Company for the year.
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
- iv) that the directors prepared the annual accounts on a going concern basis.
- v) that the directors had laid down internal financial controls to be followed by the company, which are adequate and were operating effectively.
- vi) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

- (b) Both the independent directors i.e. Shri S.S.Sengar and Shri D.N.Singh have given the requisite declarations under Section 149(7) of the Companies Act, 2013.
- (c) The Nomination and Remuneration Committee has been constituted recently. The Committee has not yet decided the various related issues such as policy on appointment of directors, remuneration of directors etc. In any case, no new appointment of Director has been made and no director is at present paid any remuneration.
- (d) In terms of Section 217(1)(e) of the Companies Act, 1956 and the rules made there under, information about energy conservation and technology absorption is nil in regard to each of the respective items.

Information regarding foreign exchange is as follows: -

EARNINGS	: ₹ 1,12,67,830
OUTGO	: ₹ 59,70,774

- (e) The company has not given any loans or guarantees or made any investment except business related advances as in note (16) of the balance sheet.
- (f) Smt. Priyanka Gupta resigned as Company Secretary and was relieved on 21.3.2014 and Shri Mayank Singh Bhadauria was appointed as Company Secretary from 22.03.2014.
- (g) The company does not have any holding or subsidiary company or joint venture or Associate Company.(h) The company has not so far accepted any deposits.
- (i) There is no qualification, reservation or adverse remark or disclaimer of the auditor to which a reply is needed from the Board.
- (j) There are no contracts or arrangements with related parties.

6. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Bombay Stock Exchange, and National Stock Exchange, Corporate Governance Report including Management Discussion and Analysis and Certificate from Company Secretary in Practice regarding compliance of conditions of Corporate Governance are attached and form part of this report.

7. ACKNOWLEDGMENTS

Directors are grateful for the co-operation received from business associates and the valued customers of the company. Directors wish to place on record their high appreciation of the services of executives, staff and workers of the company.

For and on behalf of the Board of Directors

Place : Bhopal
Date : 22.08.2014

SURJEET LAL
Chairman and Managing Director



ANNEXURE-I TO DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31st MARCH, 2013
(as required under clause 49 of the listing agreement)

1. Board of Directors

The Board consists of four directors including Chairman-cum-Managing Director. Two of the Directors on the Board are independent directors. All Directors are non-executive since no remuneration is paid to any director, except sitting fees, if claimed. The details of composition and categories of Directors are as under:

Sr. No.	Name of Director	Category
1.	SHRI SURJEET LAL, (Chairman and M.D.)	Non Independent and Non Executive
2.	SHRI D N SINGH	Independent and Non Executive
3.	SHRI SHAILENDRA SINGH SENGAR	Independent and Non Executive
4.	SHRI GURU DARSHAN ARORA	Non independent and Non Executive

- a) Non-executive directors are not paid any remuneration except sitting fees of ₹ 1000/- per Board/Committee meeting attended, if claimed. No stock options were given to any directors.
- b) During the financial year 2013-14, the Board of Directors met 16 times on 14.05.2013, 15.05.2013, 19.06.2013, 20.07.2013, 08.08.2013, 14.08.2013, 18.09.2013, 05.11.2013, 11.11.2013, 20.11.2013, 01.01.2014, 28.01.2014, 15.02.2014, 14.03.2014, 24.03.2014, and 28.03.2014 Each of the directors attended all the meetings except that Shri G.D.Arora could attend only 11 of these meetings. The minimum gap between any two meetings was less than four months. No director was a member of more than 10 committees and was not Chairman of more than five committees. A code of conduct for all Board members and senior managers has been framed and circulated. The code of conduct has been complied by all the directors and senior managers. Last AGM held on 30.09.2013 was attended by Shri Surjeet Lal the chairman and managing director and Shri Deenanath Singh Chairman of the Audit Committee.

2. Details of Directors seeking Re-appointment at the forthcoming Annual General Meeting

Shri Surjeet Lal has been a Director on the Board of Directors of the company since 19.05.1993 and was appointed as Managing Directors from 21.03.2009. He is a B.Sc. He has been looking after production at the factory and has by now more than five years successful experience as Managing Director. He is a member of the audit committee and also a member of the Stakeholders Relationship Committee. He is not paid any remuneration from this company. He gets his remuneration from Som Distilleries Private Limited which a company under same management.

3. Audit Committee

The Audit Committee comprises Shri D. N. Singh (Chairman), Shri Surjeet Lal, Managing Director and Shri Shailendra Singh Sengar, Director. Two of them are independent. All the members of the committee are financially literate and the Chairman Shri D. N. Singh, an independent director, is having vide experience of industry and has passed Intermediate (Group I) of ICWA. At the last AGM held on 30.09.2013, the Chairman of the Audit Committee Shri D.N. Singh attended the annual general meeting. During 2013-14 the audit committee met four times. The gap between any two meetings was not more than four months. The quorum was complied with. All the members of the committee attended all the meetings. The Committee has been given the powers and assigned the role as per clause 49 and as per section 177 of the Companies Act, 2013.

4. Remuneration Committee

Nomination and Remuneration Committee consists of Shri G.D. Arora, Shri D.N. Singh and Shri S.S. Senger. However, no remuneration is being paid to any Director except sitting fees, if claimed. The Committee has not held any meeting so far.

5. Subsidiaries

The company is not having any subsidiary.

6. Disclosures

- (a) The Company has whistler blower policy under which all employees are having direct access to the management in case of any complaint about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics. No person was denied access to the audit committee.
- (b) No director is paid any remuneration by the company except sitting fees of ₹ 1000/- for attending each Board Meeting, if claimed.

- (c) There were no instances of non-compliance or penalty imposed on the company by Mumbai Stock Exchange, National Stock Exchange or SEBI or any other statutory authority on any matter related to capital market, during the last three years.
- (d) At the time of appointment/reappointment of Directors, requisite information about directors was given in the notice of general meetings.
- (e) The Company is complying with all mandatory requirements of Clause 49 of the listing agreement.

7. Whistle Blower Policy

It has been notified through a circular that whistle blowers can approach the audit committee members. During the year, no such approach was denied to anybody.

8. General Meetings

Particulars of Annual General Meetings and Extra Ordinary General Meetings held during the last three years

During Year	Date	Time	Venue	Meeting
2011-12	30 th Sept. 2011	10.00 A.M.	Executive Club, Dolly Farms and Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-30.	18th AGM
2012-13	28 th Sept. 2012	11.00 A.M.	Executive Club, Dolly Farms and Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-30.	19th AGM
2013-14	30 th Sept. 2013	11.00 A.M.	Executive Club, Dolly Farms and Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-30.	20th AGM

No Special Resolution was put through postal ballot last year.

9. Means of Communication

The quarterly, half-yearly and yearly financial results of the company are sent to the stock exchange immediately after they are approved by the Board. These are also published in the prescribed proforma as per the listing agreement in two newspapers of Delhi from time to time. No presentations were made to any institutional investors or analysts. The Company also has exclusive e-mail ID i.e. somditilleries@rediffmail.com for investors to contact the company in case of any information and grievances.

10. Investor Correspondence

Any query relating to shares and request for transactions such as transfer, transmission and nomination facilities, duplicate share certificates, change of address, non-receipt of dividend/ and/ or Annual Report, and also regarding dematerialization/ rematerialisation of shares may be taken up with the Registrar and Transfer Agent:

MASS SERVICES LIMITED,
T-34,OKHLA INDUSTRIAL AREA
PHASE II, DELHI-110020
TELEPHONE NO. 011-26387281-83
FAX NO. 011- 26387384

11. Management Discussion and Analysis

Indian Economy

The Indian economy continued to be under pressure during the financial year as business and consumer confidence remained at low levels. GDP growth was below 5% for most part of the financial year and was estimated to be 4.7% for the full year. However, India's GDP growth rate is forecasted to be in the range of 5.5% to 6.0% for the financial year 2015.

Relatively high levels inflation showed signs of easing in the latter months of the year with Wholesale Price Index (WPI) inflation at 5.7% in March 2014 and Consumer Price Index (CPI) inflation at 8.3%. The CPI is targeted to be at 8% for financial year 2015, however there are a number of risk factors including a deficient monsoon, uncertainty in minimum support prices and geopolitical developments. The recent decline in inflation rates has also led to expectations of a decrease in interest rates.

The twin fiscal and current account deficits both have shown early signs of improvement in the latter part of the financial year. The rupee depreciated in the early part of the year, impacting the prospects of an economic recovery. However, the Rupee has recently appreciated as a result of firm measures by the RBI and foreign capital inflows.

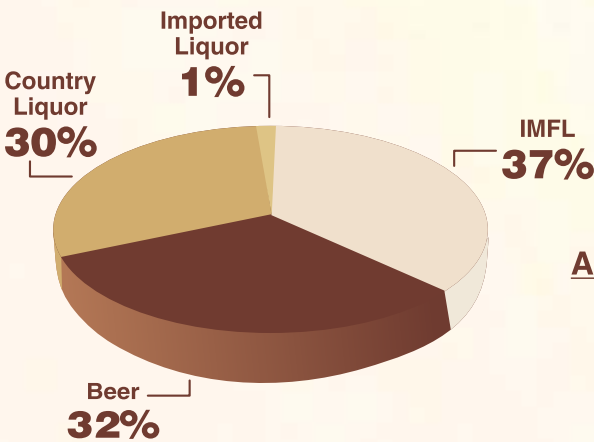
Consumer Trends

India is the world's tenth largest economy by nominal GDP and third largest by PPP. It is also one of the fastest growing economies in the world. The country has an attractive demographic profile with over 60% of the population between 15 and 55 years of age. This group is a major driver of consumption spending on consumer products and alcoholic beverages. Increase in demand for consumer products is also facilitated by increasing per capita disposable income in the country. India has become one of the fastest growing consumer markets in the world led by increasing urbanization and changing lifestyles.

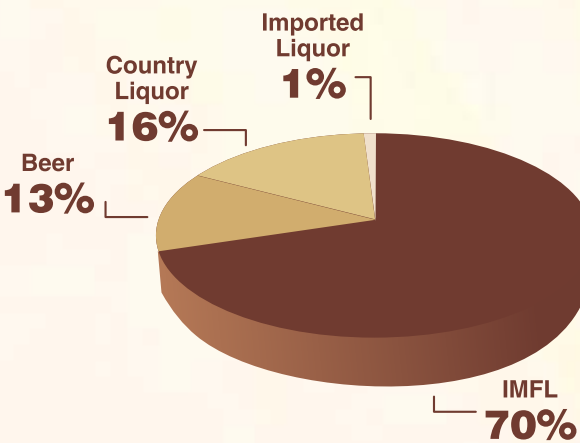
Indian Alcobev Industry Overview

India is the third largest alcoholic beverage market in the world estimated to be \$35 billion per annum. It is also one of the fastest growing markets in the world, primarily due to favourable demographic profile, increasing disposable incomes, urbanization and changing lifestyles. The alcohol market in India can be segmented into four categories: Indian Made Foreign Liquor (IMFL), Country Liquor, Beer and Imported Liquor. The market growth has been primarily driven by IMFL and beer segments in the recent years.

ALCOHOL MARKET IN INDIA BY VOLUME



ALCOHOL MARKET IN INDIA BY VALUE



In terms of volume, the alcohol market is evenly divided between IMFL, beer and country liquor segments. However, the share of IMFL is significantly higher in terms of value due to higher price per unit.

Beer Industry in India

The beer market in India is currently estimated to be over \$4 billion in 2013 in terms of value or 2.2 billion liters. Beer is the fastest growing alcoholic beverage segment in India, both by volume and value. The consumption is led by South Indian states, which had a market share in excess of 40% in 2013, followed by West India with over 30% market share. The major consumer states of beer include Andhra Pradesh, Maharashtra, Karnataka, Tamil Nadu and Delhi. The beer market is further divided into 2 segments: Strong Beer and Mild Beer. Unlike many international markets, the Indian beer market is primarily dominated by the strong beer segment, which comprised of over 80% of the sales in 2013.

The Indian beer market has been growing at a steady pace over the years. This trend has been facilitated by multiple factors. Firstly, there has been an increase in production of barley, a major input required for brewing beer. This has led to a decline in the cost of production, thereby supporting demand. Secondly, demand for strong beer in India continued to drive the overall segment growth. Strong beer is also consumed as a cheaper alternative for IMFL. Finally, increasing availability of imported beer in the Indian markets is leading to demand from consumers over time.

The per capita consumption of beer is significantly lower in India compared to the global average. Beer has less than 1% share of beverages consumed in India, in sharp contrast to the global share of about 25%. This highlights the potential for growth in the beer industry in India. The beer market is expected to grow at an annual rate of over 15% in terms of both volume and value over the next five years. This is primarily due to factors such as favourable demographics, increase in disposable incomes, urbanization and shift in lifestyles towards western culture.

IMFL industry in India

IMFL includes brown spirits and white spirits. Brown spirits comprise of whisky, brandy and rum while white spirits include vodka and gin. The size of the IMFL market in India is estimated at over \$25 billion or over 2.5 billion liters. The market is led by whisky with about 60% market share in terms of volume and over 70% in terms of value. Whisky is also one of the fastest growing segments of the overall IMFL industry with over 13% annual value growth over the last 5 years. Over the years, white spirits, in particular vodka has gained increasing popularity and has grown by 14% in terms of value over the same period.

Indian society has traditionally associated a stigma with IMFL consumption. However, it is increasingly being accepted at social occasions with the influence of western culture. In addition to the factors leading to the overall consumption growth, other trends such as drinking among women becoming common and nightlife in metro cities are also aiding in increasing demand of spirits in India. Indian IMFL industry in India has undergone significant structural changes recently and the key industry players have been focusing on the premiumization of their portfolio which is also reflected in the industry performance. During 2013, the industry volumes increased by 3.4% compared to the value growth of 8.8%. IMFL industry is expected to grow by about 3.5% in terms of volume and about 8% in terms of value over the next 5 years.

BUSINESS OVERVIEW

SOM Distilleries & Breweries Limited (SDBL) was established in 1993 and is the flagship company of the SOM Group of Companies. The Group is based in Bhopal and is one of the leading spirits manufacturers in India. SDBL is primarily engaged in brewing, fermentation, bottling, canning and blending of beer and IMFL. It has a strong sales and distribution network spread over 13 states in India with over 300 distributors. The Company exports its products to Africa, Latin America, Asia and Middle East regions which are experiencing strong growth. SDBL is primarily focused on achieving operational excellence through technological advancement. The Company has an installed capacity of 59,200 KL of Beer and 5,400 KL of IMFL.

Brand Portfolio Review

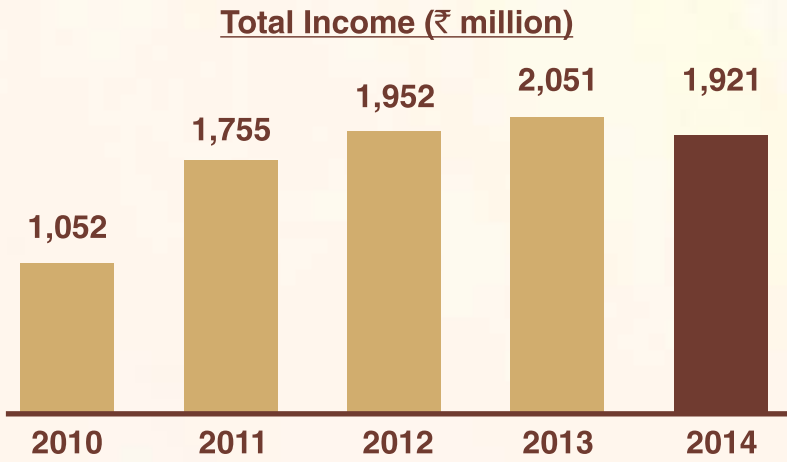
SDBL has a diversified product portfolio which consists of Beer, Rum, Brandy, Vodka and Whisky. The major brands of the Company include Hunter, Black Fort, Power Cool beer, Milestone 100 whisky and White Fox vodka. Other popular brands include Legend, Genius, Sunny and Woodpecker. The Hunter and Woodpecker brands are supplied as draught beer to all the major hotels in Madhya Pradesh and Chhattisgarh. To capitalize on the ongoing shift of the IMFL industry from volume to value based, SDBL has entered the premium IMFL segment through the launch of Milestone 100 whisky and White Fox vodka. The Company has three millionaire beer brands in its portfolio: Hunter, Blackfort and Power Cool.

KEY BRANDS



FINANCIAL PERFORMANCE

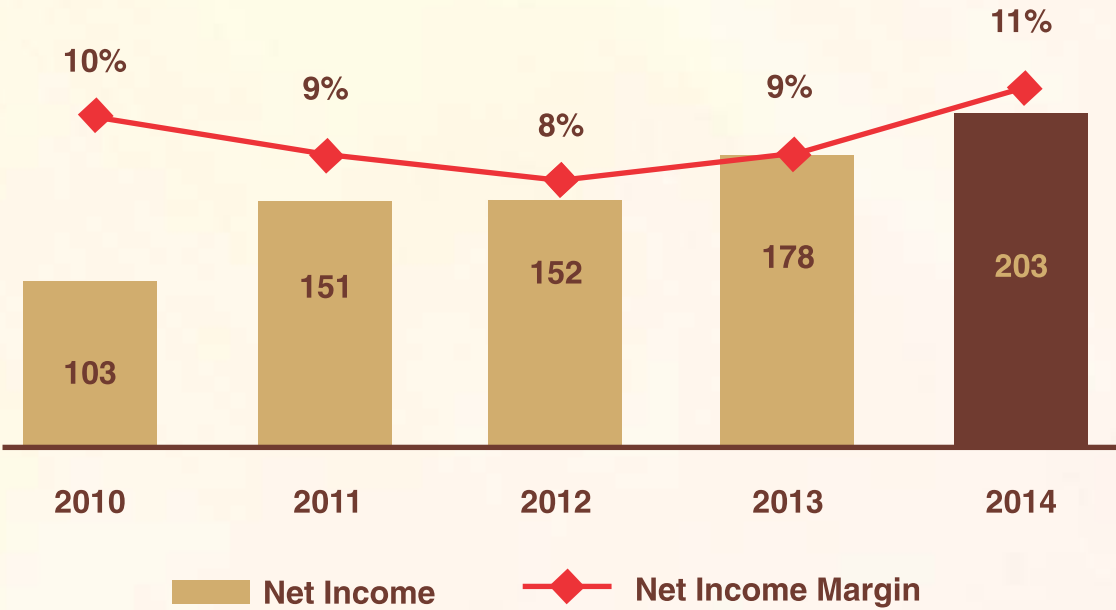
During the year, the economic scenario remained difficult and increase in inflation for the major part of the year impacted consumer spending. Total Income of the Company decreased by 6.3% to ₹ 1,921.3 million. This decline was primarily due to lower beer volumes on account of implementation of VAT on alcoholic products by the Indian government coupled with prolonged monsoon. Beer volumes declined by (9.9)%. However, IMFL volumes increased by 2.2% which is a clear indicator of the initial success of the Company’s newly launched brands as well as increased acceptance of existing brands.



EBIDTA for the year was ₹ 304.6 million, a decline of 5.3% compared to same period last year. This decline was primarily due to lower beer volumes. EBITDA margin for the period improved marginally to 15.9%. The Company’s relentless focus on cost control measures coupled with decline in raw material prices for beer supported the margin enhancement during the year.



The Profit after Tax (PAT) for FY2014 increased by 14.1% to ₹ 20.3 Crores, compared to the same period last year. PAT margin for the year was 10.6%, an improvement of around 190 basis points compared to FY 2013.



LIQUIDITY

As of March 31, 2014, SDBL had total debt of ₹ 5.98 Crores, cash & cash equivalents of ₹ 6.35 Crores, resulting in net cash of ₹ 0.37 Crores. Total shareholders' equity at the end of FY2014 was ₹ 107.35 Crores. During the period, the Company significantly improved its total debt/EBITDA ratio to 0.06x compared to 0.12 x last year, despite capital outlay for expansion. The strong balance sheet position enables SDBL to capitalize on any arising opportunities through expansion/acquisitions.

OPERATIONAL PERFORMANCE

The Company continues to focus on brand building rather than contract manufacturing. This is evident from the declining sales contribution of contract manufacturing from approximately 17% in FY2012 to almost negligible volumes in FY2014. Management is also making consistent efforts for strengthening the manufacturing and distribution capabilities through various organic and inorganic routes. SDBL's recently launched premium whisky and vodka brands are expected to make meaning contribution in the revenue and profitability in the near term.

MAJOR CORPORATE DEVELOPMENTS

a. Merger of Legend Distilleries Private Limited

In March 2014, a board resolution was passed to merge Legend Distilleries and SDBL. As both the companies are engaged in similar business activity, it is expected that this merger will result in significant synergies in the operations. The objective of the merger is to achieve economies in various aspects of operations and management such as marketing, purchases, accounts, legal services, secretarial, finances and borrowings.

Legend Distilleries is based out of Bilaspur in Chhattisgarh with an annual bottling capacity of 6.5 lakh cases per annum and blending capacity of 8 lakh cases per annum.

b. New Launches

Milestone 100: In April 2013, SDBL launched a new brand 'Milestone 100' in the premium whisky segment, on test basis in Madhya Pradesh. 'Milestone100' is for individuals aspiring to achieve new milestones in their lives, and thus the tagline 'Thodda Aur' and, the 100 denote 100% purest form. Its packaging has been designed keeping in mind the preferences of Indian drinkers. The octagonal shape of the bottle and diagonally cut two piece mono carton is a first of its kind in the Indian market, which makes it innovative, unique and attractive. Manoj Bajpai is the brand ambassador, an icon whose journey to success portrays the image of a real achiever.

White Fox: During September 2013, the Company launched 'The White Fox' vodka, a triple distilled grain vodka which is prepared exclusively using state of the art porous and carbon filtration technology. This process provides consumers absolute clarity and smoothness to the blend which makes it an unmatched quality product in its price offering.

The initial success of the 'Milestone 100' in Madhya Pradesh encouraged the management to launch it across North India. These two new launches during FY2014 were in line with management's strategy to capitalize on the opportunity available in the premium IMFL segment.

Grand Launch Party for 'Milestone 100' & 'White Fox' organized at 'The Grand' in Delhi



AWARDS AND RECOGNITION

During the year the SDBL was honored with numerous awards at various events, which is a testament to the Company's relentless focus on superior product quality coupled with customer centric approach. Some of the major awards and recognition received during the year are as following:

- Monde Selection Gold award for the Milestone 100 whisky
- Monde Selection Silver awards for the White Fox vodka and Hunter beer
- Featured in the "Forbes Top 200 best under billion sales" in the whole of Asia Pacific
- Ranked 86th in the list of 500 fastest growing mid-sized companies in India, compiled by Inc. India 500
- Recently included in the S&P BSE 500 index
- Recognized as one of the fastest growing companies by INDSPIRIT 2014

BUSINESS STRATEGIES

Pan India Presence

The Company's long term strategic goal is to emerge as one of India's top 3 breweries companies in next 5 years. With this objective in view, SDBL has identified areas such as Andaman and Nicobar, Chandigarh, Haryana, Jharkhand, Orissa, Tamil Nadu and Uttarakhand for establishing depots and expanding the marketing and distribution reach.

Strengthening the Brand Profile

SDBL is focused on building a strong brand portfolio. It has undertaken various ongoing initiatives through its strategic planning and research to capitalize on the available market opportunities. The Company recently launched Milestone 100 in the premium whisky segment on test basis in Madhya Pradesh. Encouraged by initial success of the brand the Company launched it across North India in September 2013. Further, the Company also launched 'The White Fox' premium, triple distilled grain vodka. SDBL expects to strengthen its position in the premium IMFL segment through these recently launched brands.

Expansion Plans

Your Company is evaluating various opportunities on a continuous basis for organic or inorganic growth. SDBL also plans to expand its geographic presence through green field projects, acquisitions or bottling arrangements especially in the Southern and Western part of the country. Also the exports are expected to increase further due to favorable demand from African countries and South East Asia. In response to the increasing demand, beer manufacturing capacity is being increased from 59,200 KL to 99,200 KL, which is expected to be completed shortly.

HUMAN CAPITAL

SDBL understands that human capital is a critical source for sustainable growth of the Company. Strong focus is laid on training and development of employees at all levels to ensure their overall development and to enable them to move up on the value chain. The Company also takes necessary measures to ensure that talented individuals are acquired and retained for a longer period. Continuous efforts are being taken towards strengthening the internal communication with employees. The process of rewarding employees is in line with their performance, creating a working environment by incentivizing and motivating people. SDBL has also created a separate cadre for exceptional talent which is expected to lead and take on more challenging responsibilities in the company.

OPPORTUNITIES AND THREATS

Opportunities

Indian economy has shown early signs of recovery from the slowdown and is expected to register a growth of more than 6% in the next fiscal year, as forecasted by International Monetary Fund (IMF). This growth will result in increase in consumption expenditure driven by higher disposable income. This increase in consumption expenditure is expected to provide growth opportunity to the Indian alcoholic beverage industry. Furthermore, the Indian population is dominated by younger population with around 60% of the total population within the age group of 15-55%. Currently over 800 million Indians are of drinking age and another 80 million are expected to be added in the group by next five years. This trend is expected to benefit the industry as a whole.

Indians have traditional social aversion to alcohol consumption, however as urban consumers become more exposed to western lifestyles, their attitude towards alcohol has relaxed and social habits are undergoing a transformation. The alcohol is gaining wider social acceptability due to emergence of pubs and discotheque culture in India. The increase in alcohol consumption by women is a clear indicator of this changing trend. With increasing urbanization, this acceptance is anticipated to increase further.

Threats

Any government enactment aimed at increasing the legal drinking age can have an adverse impact on the volume growth for the industry. Further any increase in taxes by state or central government can impact the overall volume for the industry as the higher tax incidence can reduce the purchasing power of the consumer.

KEY MARKET RISKS AND CONCERNS

- Indian alcobev industry has always been highly structured and regulated as a result of strict processes for license, distribution and sales. Some of the key industry challenges are as follows:
- Advertisements featuring alcoholic beverages are banned in India which makes it difficult to market the product and also increases the time lag for a new brand building process
 - Distribution and sale of beer is controlled by state governments and in most of the states Government decides the End Consumer Price (ECP)
 - Interstate movement of beer is regulated and an export/import license is required. Export fee is imposed in the State where beer is manufactured and import fees in the State where it is sold. In some States only beer manufactured in that State can be sold
 - Alcoholic beverages in India are taxed on ad valorem basis (no consideration of alcohol content) which makes beer an expensive drink compared with other spirits in terms of price per unit
 - Inadequate infrastructural set-up, as there in only one outlet available for around 20,000 people. This has an adverse impact on sales
 - Alcohol is also banned in the states of Gujarat, Manipur, Mizoram and Nagaland, which further puts hindrance for the growth of the Beer industry

INTERNAL CONTROL SYSTEMS

The Company has effective and efficient systems of internal control to ensure the optimal and efficient utilization of resources and safety and protection of all assets from unauthorized use. SDBL's internal control systems are robust and are routinely tested and certified by statutory and internal auditors. Periodic reviews are carried out for identification of control deficiencies and opportunities for bridging gaps with best practices along with formalization of action plans to minimize risks. The Company's internal and statutory auditors review the adequacy of internal controls on a regular basis and thus helps mitigate/avoid fraud or any other discrepancies in the daily operational activities of the Company.

The senior management is continuously engaged in upgrading the standards and policies of the internal control system. The Company ensures the reinforcement of these policies on an ongoing basis. Senior management is satisfied with the adequacy and efficiency of these systems.

SDBL believes that the overall internal control system is dynamic, and reflects the current requirements at all times, hence ensuring that appropriate procedures and controls, in operating and monitoring practices are in place.

OUR SOCIAL RESPONSIBILITY

Corporate Social Responsibility is part of the way SOM Group do business with high standard of commitment to the community, safe workplace and good health, for a sustainable future. Your Company takes utmost care to only market our brands responsibly to adults. The Company is aware about the harmful effects of irresponsible alcohol consumption on individuals and society. SOM always advocate responsible drinking campaigns as a part of our corporate strategy. SOM also support programs, practices and policies that address issues related to the misuse of alcohol including drink driving, underage drinking, and excessive consumption of alcohol

As a part of social responsibility towards the betterment of society, SOM has set up Asha Mohan Foundation Society in early 1995. SOM ensures that the villagers and the people in the neighboring areas are well equipped with the basic amenities of education, health facilities and drinking water. Asha Mohan Foundation Society also conducts Pulse Polio programs every month for three consecutive days in which they provide free vaccines to infants in Sehatganj and about [12 other villages] in the vicinity. Asha Mohan Hospital is one of the charitable institutions established by SOM Group, which provides free medical, and health facilities to its factory workers, inhabitants of the Sehatganj village and other neighboring areas.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations, predictions and assumptions may be 'forward looking' within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed herein, important factors that could influence the Company's operations include global and domestic economic conditions affecting demand, supply, price conditions, change in Government's regulations, tax regimes and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or eventsr pending for more than 21 days as at the end of the year. Shri Surjeet Lal, Managing Director is the Compliance Officer.

12. General Share Holder Information:

Annual General Meeting

Date & Time	:	30 th Day of September 2014 at 11.00 a.m.
Venue	:	Executive Club, Dolly Farms and Resorts Pvt. Ltd, 439, Village Shahoopur, P.O.Fatehpur Beri, New Delhi – 30
Book Closure	:	23.09.2014 to 30.09.2014 (Both days inclusive)

Financial Calendar 2013-14 relating to approval of financial results.

First Quarterly Result	:	August, 2013
Second Quarterly Result	:	November, 2013
Third Quarterly Result	:	February, 2014
Fourth Quarter Result	:	May, 2014
Annual results for the year		
Ending on 31.03.2014	:	August, 2014
Listing on Stock Exchanges	:	Bombay Stock Exchange Limited National Stock Exchange, Mumbai
Equity Stock Code	:	507514
ISIN No.	:	INE480C01012

The Company has already paid the Listing fees of both the Stock Exchanges for the year 2014- 15.

Stakeholders Relationship Committee comprises of Chairman Shri S.S.Senger (non-executive) and Shri Surjeet Lal. The committee is duly authorized to effect transfers, transmission, issue of duplicate shares, dematerialization etc. The registrar and transfer agent, Mass Services Pvt. Ltd. has been authorized to effect transfers etc. The committee generally meets once in a month. The Committee has also been authorized to look into shareholders grievances. Under the SEBI Complaints Redress System, the company has authorised the RTA to give action taken report on shareholders complaints. During 2013-14, only 7 complaints were received from shareholders etc. which were resolved. There was no pending complaint as on 31.3.2014. There was no transfer pending for more than 21 days as at the end of the year. Shri Surjeet Lal, Managing Director is the Compliance Officer.

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

Form	No. of Shares As on 31.03.2014
De-mat	25387741
Physical	2134659

The promoters along with persons acting in concert held 22.556% of the paid up capital on 31.03.14, private bodies corporate held 0.568% while NRI's/OCBs held 0.103% on that date.

13. Market Price Data

The monthly high and low market prices of the shares with volume at Mumbai Stock Exchange during the financial year 2013-14 are as under:

Period (2013-14)	High Price	Low Price	Volume of Shares Traded
Apr-13	229.90	183.00	8,53,486
May-13	285.00	193.00	17,22,434
Jun-13	295.00	278.00	3,75,875
Jul-13	304.00	275.00	79,288
Aug-13	295.00	246.60	1,13,684
Sep-13	289.95	258.00	10,82,494
Oct-13	304.00	278.00	11,65,991
Nov-13	320.00	285.00	10,73,138
Dec-13	302.40	275.55	11,54,240
Jan-14	301.00	251.50	12,52,060
Feb-14	289.90	215.10	9,74,334
Mar-14	250.00	206.15	8,69,594

Source: BSE Website

Trading at National Stock Exchange started on 01.04.2014 only

14. Registrar and Transfer Agents , Share Transfer System

M/s MASS SERVICES LIMITED

T-34, Okhla Industrial Area, Phase II, Delhi - 110 020

Share Transfers are registered and returned in the normal course within an average period of 15 days from the date of receipt, if the documents are in order in all respects.

15. Category-wise Shareholding as on 31.03.2014

Category	Number of shares	% of total shares
Indian Promoters	6208172	22.556
Private Corporate Bodies	156218	0.568
Indian Public Non-resident Indians, OCB's and others	21116606 28225	76.725 0.103
Clearing Members	13179	0.048
Total	27522400	100.00

The company has not issued any ADR/GDR.

16. Distribution of Shareholdings as on 31.03.2014

NO . OF SHARE HOLDERS	% TO TOTAL	SHARE HOLDING OF NOMINAL OF VALUE ₹	NO OF SHARE	AMOUNT IN ₹	% TO TOTAL
6329	94.916	1 TO 5000	963412	9634120	3.5
151	2.265	5001 TO 10000	122486	1224860	0.445
53	0.795	10001 TO 20000	74903	749030	0.272
32	0.48	20001 TO 30000	79002	790020	0.287
6	0.09	30001 TO 40000	21901	219010	0.08
19	0.285	40001 TO 50000	91372	913720	0.332
21	0.315	50001 TO 100000	178626	1786260	0.649
57	0.855	100001 AND ABOVE	25990698	259906980	94.435
6668	100	TOTAL	27522400	275224000	100

17. Nomination Facility

Individual shareholders can avail of the facility of nomination. The nominee shall be the person in whom all rights of transfer and /or amount payable in respect of the shares shall vest in the event of the death of shareholder(s). A minor also can be a nominee provided the name of the guardian is given in the nomination form. The facility of nomination is not available to non-individual shareholders such as body corporate, financial institutions, kartas of Hindu Undivided Families and holders of power of attorney.

18. Secretarial Audit for reconciliation of Capital

As stipulated by SEBI, a qualified practicing Company Secretary carries out secretarial audit to reconcile the total of the capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and in physical form with the total issued/paid up capital and with total listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the shares are listed.

19. CEO/CFO CERTIFICATION

Shri Surjeet Lal, Chairman & Managing Director and Shri Rajesh Dubey, Deputy manager (Accounts), of Som Distilleries & Breweries Ltd., have certified that:

- (a) They have reviewed financial statements and the cash flow statement for the year ended 31st March 2014 and that to the best of their 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.
- (b) There are, to the best of their 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.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditors and the Audit committee
 - (i) Significant changes in internal control over financial reporting during the year.
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For and on behalf on the Board of Directors

Rajesh Dubey
Deputy Manager (Accounts)

Surjeet Lal
Chairman and Managing Director

Place : Bhopal
Dated : 22.08.2014

**CERTIFICATE OF COMPLIANCE
OF THE CONDITIONS OF
CORPORATE GOVERNANCE**

M.M. CHAWLA & ASSOCIATES
Company Secretaries
Ajay Tower, Mezzanine Floor, 104, E-5/1
Arera Colony (Commercial) Bhopal- 462 016 (M.P)
Tel.: 91-755- 2462665

To,
The Members
Som Distilleries & Breweries Ltd
Sirs,

We have examined the compliance of the conditions of Corporate Governance by Som Distilleries & Breweries Limited, for the year ended on 31.03.2014, as stipulated in clauses 49 of the Listing Agreement (hereinafter referred to as the "Agreement") of Som Distilleries & Breweries Ltd with Mumbai Stock Exchange and National Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring compliance of the conditions of Corporate Governance.

In our opinion and to the best of our information and according to the explanations given to us, the company has generally complied with the conditions of corporate governance as stipulated in the above mentioned Agreement.

As per the information given to us and records maintained by the Transfer Committee, no investor grievance was pending as on 31.03.2014.

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

Place : Bhopal
Dated : 22.08.2014

For M. M. Chawla & Associates
M. M. CHAWLA
FCS



Independent Auditors Report

TO THE MEMBERS OF
SOM DISTILLERIES & BREWERIES LIMITED

✓ REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI ('the Company'), which comprise the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

✓ MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

✓ AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards of Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

✓ OPINION

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the companies act, 2013;
 - e) on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of section 274 (1)(g) of the Act.

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

Dated: 30.05.2014

Harsha Chandra
Partner
Membership No. 080489
23, Zone II, M.P. Nagar,
BHOPAL 462 011

SOM DISTILLERIES & BREWERIES LIMITED

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

1. (a) As per the information given to us the Company has maintained records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) We have been informed that the fixed assets other than Office Equipments and Furniture and Fixtures are stated to have been physically verified by the Management at the close of the financial year and no discrepancies have been noticed on such verification.
- (c) No fixed assets, other than a vehicle, have been disposed off during the year.
2. (a) As per the information given to us the inventory has been physically verified, during the year, by the Management. In our opinion, the frequency of verification is reasonable.
- (b) As per the information given to us, the procedures of physical verification of inventories followed by the Management are adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is stated to be maintaining proper records of inventory. No material discrepancies are stated to have been noticed on verification between the physical stocks as compared to book records.
3. (a) As per the information given to us, the Company has not granted any loans, secured or unsecured, to Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- The Company has an account in the nature of a current account with a company under the same management. The maximum amount due to and due from that company at any time during the year was ₹ 13,49,45,179 (previous year ₹ 11,27,57,155) and ₹ 3,62,41,381 (previous year ₹ 6,94,27,229) respectively and the year end debit balance was ₹ 7,43,93,832l (previous year Rs. NIL).
- (b) It has been explained to us that since the current account mentioned above is not in the nature of a loan, there are no stipulations for levy of interest.
- (c) Not applicable.
- (d) Not applicable.
- (e) During the year the Company has not obtained any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (f) Not applicable.
- (g) Not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for the sale of goods and services. Such procedures for purchase of inventory need to be strengthened.
5. (a) According to information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to information and explanation given to us, the transactions made in pursuance of such contracts or arrangements, exceeding the value of rupees five lacs in respect of any party, during the year, have been made at prices which are reasonable having regard to prevailing market price at that time.
6. According to the information and explanations given to us, the Company has not, during the year, accepted any deposits from the public.
7. In our view a regular system of internal audit of all areas of the Company's operations needs to be put in place and implemented.
8. As per the information given to us, the Company has made and maintained cost accounting records pursuant to The Companies (Cost Accounting Records) Rules 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.

9. (a) According to the records of the Company, provident fund dues, State excise and related dues have been regularly deposited with the appropriate authorities.
- We have been informed that the Employees State Insurance Scheme is not applicable to the Company.
- As per the records of the Company and the information and explanations given to us, there are no undisputed statutory dues outstanding as at 31.03.2014 for a period exceeding a period of six months from the date they became payable.
- (b) As per the information and explanations given to us, the statutory dues which have not been deposited on account of disputes are as follows:

Name of Statute	Nature of dues	Amount (Rupees in lacs)	Period to which the amount relates	Forum where dispute is pending
M P Entry Tax Act,1976	Entry Tax	48.94	2007-08	MP Commercial Tax Appeal Board, Bhopal

10. The Company has no accumulated losses. Further, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. As per the records of the company, as at the year end, there were no amounts outstanding/due to any financial institution, bank or debenture holders.
12. As per the information given to us, the Company has not granted, during the year, any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause 4 (xiii) of the Order are not applicable to the Company.
14. As per the information given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. According to the information given to us, during the year, the Company has given a corporate guarantee for a loan taken by others from a bank. In the absence of necessary information, we are unable to comment as to whether the terms and conditions of such guarantee are prejudicial to the interests of the company or not.
16. As per the information given to us, the term loans have been applied for purposes for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. During the year, the Company has not made any preferential allotment of shares to anyone.
19. According to the information given to us, during the period covered by our Report the Company did not issue any debentures. Hence, the provisions of Clause 4 (xix) of the Order are not applicable to the Company.
20. The Company has not raised any money by way of public issue during the year. Accordingly, the provisions of Clause 4 (xx) of the Order are not applicable to the Company.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

Harsha Chandra
Partner
Membership No. 080489

SOM DISTILLERIES & BREWERIES LIMITED,

Balance Sheet
As on 31st March, 2014

S. No.	Particulars	Note No.	As at 31-03-2014 (Rs.)	As at 31-03-2013 (Rs.)
I.	EQUITY AND LIABILITIES			
(1)	Shareholder's Funds			
	(a) Share capital	3	275,224,000	275,224,000
	(b) Reserves and Surplus	4	798,302,030	643,590,914
(2)	Non current liabilities			
	(a) Long term borrowings	5	54,241,165	105,254,402
	(b) Deferred tax liabilities (Net)	6	115,606,335	114,769,838
	(c) Other Long term liabilities	7	2,339,276	2,139,276
(3)	Current Liabilities			
	(a) Short term borrowings	8	3,250,953	3,178,127
	(b) Trade payables		174,316,082	218,992,722
	(c) Other current liabilities	9	140,373,553	248,368,695
	(d) Short term provision	10	87,270,357	111,103,263
	Total		1,650,923,751	1,722,621,238
II.	ASSETS			
(1)	Non current assets			
	(a) Fixed Assets			
	(i) Tangible assets	11	672,366,990	707,830,317
	(ii) Capital work in progress		1,875,839	-
	(b) Long term loans and advances	12	53,814,753	53,035,938
(2)	Current assets			
	(a) Inventories	13	153,788,676	301,308,466
	(b) Trade Receivables	14	337,271,920	489,890,504
	(c) Cash and Cash equivalents	15	63,530,345	136,102,014
	(d) Short term loans and advances	16	368,275,228	34,453,999
	Total		1,650,923,751	1,722,621,238

Significant Accounting Policies

[2]

For and on Behalf of the Board

Mayank Bhadauria
(Company Secretary)

D.N.Singh
(Director)

S.Lal
(Chairman & Managing Director)

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

For K.C.KHANNA & CO.

Chartered Accountants

Firm Registration No: 000481 N

Harsha Chandra

Partner

Membership No. 080489

Bhopal

Dated: 30th May, 2014

SOM DISTILLERIES & BREWERIES LIMITED,

Profit And Loss Statement for
the Year Ended 31st March, 2014

S. No.	Particulars	Note No.	Year ended 31 March, 2014	Year ended 31 March, 2013
I.	Revenue from operations	17	1,902,725,039	2,035,475,343
II.	Other Income	18	18,573,995	15,741,756
III.	Total Revenue	(I+ II)	1,921,299,034	2,051,217,099
	Expenses:			
	Cost of materials consumed	19	798,764,338	1,000,646,505
	Changes in inventories of finished goods, work in progress and Stock in trade		78,385,829	(37,809,261)
	Employee benefit expenses	20	48,299,344	40,078,719
	Financial costs	21	1,679,049	1,020,544
	Depreciation		48,084,766	46,286,655
	Other expenses	22	691,182,314	726,651,244
IV.	Total Expenses		1,666,395,640	1,776,874,406
V.	Profit before exceptional and extraordinary items and tax	(III - IV)	254,903,394	274,342,693
VI.	Exceptional items	23	80,307	96,250
VII.	Profit before extraordinary items and tax	(V - VI)	254,823,087	274,246,443
VIII.	Extraordinary Items		-	
IX.	Profit before tax	(VII- VIII)	254,823,087	274,246,443
X.	Tax expenses:			
	(1) Current tax		50,975,726	63,989,511
	(2) Deferred tax		836,497	32,298,980
XI.	Profit/(Loss) for the period	(IX - X)	203,010,864	177,957,952
XII.	Earning per equity share:			
	(1) Basic		7.38	6.47
	(2) Diluted		7.38	6.47

Significant Accounting Policies

[2]

For and on Behalf of the Board

Mayank Bhadauria
(Company Secretary)

D.N.Singh
(Director)

S.Lal
(Chairman & Managing Director)

This is the Profit and Loss Statement referred to in our Report of even date

For K.C.KHANNA & CO.

Chartered Accountants

Firm Registration No: 000481 N

Harsha Chandra

Partner

Membership No. 080489

Bhopal

Dated: 30th May, 2014

SOM DISTILLERIES & BREWERIES LIMITED,

Cash Flow Statement for the year 2013-14

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
Cash flow from operating activities		
Profit before Tax	254,823,087	274,246,443
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation on continuing operations	48,084,766	46,286,655
Interest Expense	1,679,049	1,020,544
Dividend Income	(1,795,619)	(3,503,727)
Operating profit before working capital changes	302,791,283	318,049,915
Movements in working capital:		
Increase/(decrease) in trade payables	(44,676,640)	(116,971,155)
Increase/(decrease) in short term provisions	(23,832,906)	19,478,353
Increase/(decrease) in other current liabilities	(107,995,142)	3,725,763
Increase/(decrease) in other long term liabilities	200,000	-
Decrease/(increase) in trade receivables	152,618,584	(73,467,976)
Decrease/(increase) in inventories	147,519,790	61,219,354
Decrease/(increase) in long term loan & advances	(778,815)	4,292,776
Decrease/(increase) in Short loan & advances	(333,821,229)	10,743,988
Cash generated from/(used in) operations	92,024,924	227,071,018
Direct Taxes Paid (net of refunds)	(50,975,726)	(63,989,511)
Net Cash flow from/ (used in) operating activities (A)	41,049,198	163,081,507
Cash flow from Investing activities		
Purchase of fixed assets, CWIP and capital advances	(16,182,060)	(66,420,993)
Proceeds from sale of fixed assets	1,684,784	-
Proceeds from sale/maturity of current investment	-	-
Dividend Received	1,795,619	3,503,727
Net Cash flow from/ (used in) Investing activities (B)	(12,701,657)	(62,917,266)
Cash flow from Financing activities		
Repayment of long term borrowings	(50,940,412)	(963,296)
Interest paid	(1,679,049)	(1,020,544)
Dividend paid	(41,283,600)	(41,283,600)
Dividend distribution tax	(7,016,148)	(6,192,540)
Net Cash flow from/ (used in) Financing activities (C)	(100,919,208)	(49,459,980)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(72,571,668)	50,704,261
Cash and cash equivalents at the beginning of the year	136,102,013	85,397,752
Cash and cash equivalents at the end of the year	63,530,345	136,102,013
Compenents of cash and cash equivalents		
Cash on hand	35,515,260	54,827,188
With Banks - on current account	20,749,872	75,854,417
With Banks - on deposit account	7,265,213	5,420,408
Total Cash and cash equivalents	63,530,345	136,102,013

Significant Accounting Policies [2]

For and on Behalf of the Board

Mayank Bhadauria
(Company Secretary)

D.N.Singh
(Director)

S.Lal
(Chairman & Managing Director)

This is the Cash Flow statement referred to in our Report of even date

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

Harsha Chandra
Partner
Membership No. 080489

NOTES TO THE FINANCIAL STATEMENTS

(1) COMPANY INFORMATION

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

(2) SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for preparation of accounts

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles (GAAP). According to Circular 15/2013 dated 13th September, 2013 read with circular 08/2014 dated 4th April, 2014, till the standards of Accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) Companies (Accounting Standards) Rules, 2006 as amended and other relevant provisions of the Companies Act, 1956.

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 Revised Schedule VI to the Companies Act, 1956. 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/no-current classification of assets and liabilities.

2.2 Revenue recognition

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

2.3 Expenditure

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

2.4 Fixed Assets and depreciation

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

Depreciation is provided on fixed assets on the Straight Line Method in accordance with the rates specified under Schedule XIV to the Companies Act, 1956 from the month following the month of acquisition/commissioning

2.5 Impairment of Assets

The carrying accounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the assets exceeds the recoverable amount.

Bhopal
Dated: 30th May, 2014

2.6 Inventories

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

- (i) Raw materials, components, packing material, stores and spares on first in first out basis.
 - (ii) Stock in process and finished goods taking into account the annual average cost of materials consumed, direct production expenses, interest, depreciation and related Government duties.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.7 Foreign Currency Transaction

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

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

2.8 Retirement and other employee benefits

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the said fund are due.

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 year.

2.9 Provision for Current and Deferred Tax

Provision for Current Tax is made after taking into consideration benefits admissible under the Income Tax Act. 1961.

Deferred Tax resulting from ‘timing difference’ between taxable and accounting income is computed using tax rates and laws that are enacted or substantively enacted by the Balance Sheet date.

NOTES TO THE FINANCIAL STATEMENTS

(contd.)

		As At 31.03.2014	As At 31.03.2013
[3]	Share Capital		
	Authorized		
	3,50,00,000 Equity Shares of Rs. 10 each	350,000,000	350,000,000
	Issued, Subcribed and Fully Paid		
	2,75,22,400 Equity Shares of Rs. 10 each	275,224,000	275,224,000

Terms/Rights attached to the class of shares.

(a) The company has one class of equity shares having par value of ₹ 10 per Share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after the distribution of all preferential amounts in proportion to their shareholding.

(b) Details of Shareholders holding more than 5% Shares in the Company.

NAME OF SHARE HOLDERS	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	%	No. of Shares	%
Som Distilleries Private Limited	2,926,508	10.63%	1,757,145	6.38%
Sh. Jagdish Kumar Arora	1,809,117	6.57%	1,808,917	6.57%

		As At 31.03.2014	As At 31.03.2013
[4]	Reserves & Surplus		
	Capital Reserve	3,930,000	3,930,000
	(Amount forfeited against share warrants)		
	Securities Premium Reserve	122,111,040	122,111,040
	Surplus - In Statement of Profit & Loss		
	Balance as per last Financial Statement	517,549,874	387,068,062
	Add: Profit for the year	203,010,864	177,957,952
	Amount available for appropriation	720,560,738	565,026,014
	Less:		
	Proposed Dividend	41,283,600	41,283,600
	Dividend Distribution Tax	7,016,148	6,192,540
	Balance at the end of the year	672,260,990	517,549,874
	Total Reserves & Surplus	798,302,030	643,590,914

NOTES TO THE FINANCIAL STATEMENTS

(contd.)

	As At 31.03.2014	As At 31.03.2013
[5] Long Term Borrowings		
Loans & Deposits		
(i) Term Loan (Unsecured)	45,049,931	-
(ii) Vehicle Loans (Secured)		
(Secured by Hypothecation of respective Vehicles)		
(a) From Banks	8,992,617	2,389,041
(b) From Others	198,617	595,032
(iii) Inter Corporate Deposit (Unsecured)	-	102,270,329
Grand Total	54,241,165	105,254,402

Notes:

- (a) The company has taken Term Loan from IFCI Venture Capital Fund Ltd. for a period of three years. The loan is secured by personal guarantees of promoters and collaterals.
- (b) The company has taken vehicle loans where interest rates vary from 8.5% to 12.75% p.a. Tenor of these loans ranges from 3 to 5 years. Respective vehicles have been hypothecated to the lending institutions to secure their loans. Repayment of these loans is regular as per the fixed equated monthly instalments.
- (c) The unsecured Inter Corporate Deposit outstanding as on 31st March 2013 has been paid off during the year 2013-14.

	As At 31.03.2014	As At 31.03.2013
[6] Deferred Tax Liability (Net)		
Difference between depreciation as per books of account and the Income Tax Act 1961.	135,623,510	138,963,697
Gross Deferred Tax Liability	135,623,510	138,963,697
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	926,214	
MAT Credit difference	19,090,961	24,193,859
Gross Deferred Tax Assets	20,017,175	24,193,859
Deferred Tax Liability (Net)	115,606,335	114,769,838

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 leived by the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

(contd.)

	As At 31.03.2014	As At 31.03.2013
[7] Other Long Term Liabilities		
Security Deposits (Unsecured)	2,339,276	2,139,276
Total	2,339,276	2,139,276
[8] Short Term Borrowings		
Vehicle Loans (Secured)		
(Secured by Hypothecation of respective Vehicles)		
From Banks	2,866,905	2,829,722
From Others	384,048	348,405
Total	3,250,953	3,178,127
[9] Other Current Liabilities		
Bank Overdrafts (Book)	13,862,532	348,120
Advances from customers	8,068,374	10,680,382
Expenses Payable	67,816,449	182,925,554
Statutory dues payable	10,553,892	10,605,227
Un paid Dividend	2,913,786	2,022,350
Other Payables	37,158,520	41,787,062
Total	140,373,553	248,368,695
[10] Short Term Provisions		
Employee Benefits	3,930,519	3,567,773
Proposed Dividend	41,283,600	41,283,600
Provision for dividend tax	13,208,688	6,192,540
Provision for Income tax (Current Year)	28,847,550	60,059,350
Total	87,270,357	111,103,263

NOTES TO THE FINANCIAL STATEMENTS

(contd.)

[11] Tangible Fixed Assets

PARTICULARS	GROSS BLOCK		DEPRECIATION			NET BLOCK	
	AS AT 01/04/2013	ADDITION/ (DISPOSAL)	AS AT 31/03/2014	UPTO 31/03/2013	FOR THE YEAR	AS AT 31/03/2014	AS AT 31/03/2013
LAND (FREEHOLD) & SITE DEVELOPMENT	10,451,783	-	10,451,783	-	-	10,451,783	10,451,783
BUILDINGS & CIVIL WORKS	162,038,222	-	162,038,222	34,798,171	4,773,599	122,466,452	127,240,051
PLANT & MACHINERY	782,208,142	2,924,831	785,132,973	235,193,684	39,842,140	510,097,149	547,014,458
FURNITURE & FIXTURES	1,884,423	-	1,884,423	1,808,523	-	75,898	75,899
OFFICE EQUIPMENTS	5,978,682	210,995	6,189,677	4,397,722	268,465	1,523,491	1,580,960
VEHICLES	49,106,918	9,485,614	58,592,532	27,639,753	3,200,562	27,752,218	21,467,166
INTANGIBLE ASSETS	500,000	-	500,000	500,000		500,000	
TOTAL	1,012,168,170	12,621,440	1,024,789,610	304,337,852	48,084,767	672,366,990	707,830,317
PREVIOUS YEAR	932,992,533	79,175,637	1,012,168,170	258,051,198	46,286,655	304,337,853	
Capital work in Progress		1,875,839	1,875,839			1,875,839	
GRAND TOTAL						674,242,829	707,830,317

NOTES TO THE FINANCIAL STATEMENTS

(contd.)

		As At 31.03.2014	As At 31.03.2013
[12]	<u>Long Term Loans & Advances</u>		
	Capital Advances	20,602,924	21,508,109
	Total	20,602,924	21,508,109
	Security Deposits		
	Security Deposit	28,976,829	28,967,829
	Earnest Money	4,235,000	2,560,000
	Total	33,211,829	31,527,829
	Grand Total	53,814,753	53,035,938
Note: All the above Long term Loan and advances are unsecured and considered good.			
[13]	<u>Inventory</u>		
	(as taken, valued and certified by the Management)		
	Raw Materials	22,460,404	88,533,542
	Stores, Consumables & Packing Materials	49,210,968	52,271,791
	Stock In Process	32,521,642	51,133,270
	Finished Goods	49,595,662	109,369,863
	Total	153,788,676	301,308,466
[14]	<u>Trade Receivables</u>		
	(Unsecured, considered good)		
	Outstanding for a period exceeding six months	6,745,439	5,914,351
	Other Debts	330,526,481	483,976,153
	Total	337,271,920	489,890,504
[15]	<u>Cash and cash equivalents</u>		
	Cash in hand	35,515,260	54,827,188
	Balance With Scheduled Banks		
	Current Accounts	20,749,872	75,854,417
	Deposit Accounts	4,351,427	3,398,059
	Unpaid Dividend accounts	2,913,786	2,022,350
	Total	63,530,345	136,102,014
[16]	<u>Short Term Loans & Advances</u>		
	Advances to a Related Party	74,393,832	5,000,000
	Others		
	Staff Advances	4,845,561	1,389,674
	Prepaid Expenses	9,119,057	8,485,260
	Advances to suppliers	33,665,161	19,579,065
	Advances to Retailers	246,251,617	-
	Total	293,881,396	29,453,999
	Grand Total	368,275,228	34,453,999

Note: All the above Short term Loan & advances are unsecured and considered good.

(contd.)

[17]	<u>Revenue from Operations</u>		
	Sale of Products	1,941,618,806	2,099,469,226
	Less: Production Duties (State Excise)	(38,893,767)	(63,993,883)
	Revenue From Operations (Net)	1,902,725,039	2,035,475,343
[18]	<u>Other Income</u>		
	Interest	2,090,992	847,847
	Dividends	1,795,619	3,503,727
	Other Revenues	14,687,384	11,390,182
	Total	18,573,995	15,741,756
[19]	<u>Cost of Materials Consumed</u>		
	Opening Stocks	140,805,333	239,833,948
	Add : Purchases (Raw Materials & Chemicals)	289,424,603	414,362,974
	Add : Purchases (Packing Material)	440,205,774	487,254,916
	Less : Closing Stocks	71,671,372	140,805,333
	Total	798,764,338	1,000,646,505

(As certified by the Management)

BEER	2013-14	2012-13	2013-14	2012-13
Barley Malt	4,682.15	6,669.87	119,633,110	182,470,937
Sugar	1,473.34	1,963.89	49,512,939	62,258,979
Hops	13.70	19.30	4,279,343	6,245,358
Chemicals & Essences				
11,987,730	17,656,450			

	Quantities (Proof KL)		Rupees	
IMFL	2013-14	2012-13	2013-14	2012-13
ENA Spirit	3,961.50	4,087.36	115,018,159	93,083,249
Chemicals & Essences			1,821,447	1,850,000

NOTES TO THE FINANCIAL STATEMENTS

(contd.)

		As At 31.03.2014	As At 31.03.2013
[20]	Employee Benefits Expense		
	Salaries, allowances & Bonus	45,628,832	37,179,770
	Employer's contribution to PF & Gratuity	861,752	787,928
	Staff welfare expenses	1,808,760	2,111,021
	Total	48,299,344	40,078,719
[21]	Financial Costs		
	Bank Interest	418,219	912,578
	Other Interest	1,260,830	107,966
	Total	1,679,049	1,020,544
[22]	Other Expenses		
	Consumables	13,200,328	14,217,181
	Power and fuel	67,205,494	83,417,446
	Rent	834,084	594,267
	Repairs to buildings	26,673,275	2,453,532
	Repairs to machinery	32,491,277	56,446,667
	Insurance	1,086,341	716,291
	Rates and taxes excluding taxes on income	51,811,806	48,364,823
	Miscellaneous expenses	2,674,588	2,770,371
	Auditors Remuneration		
	(a) Audit fees	202,248	196,630
	(b) Other Services	61,798	51,686
	Royalty	-	30,758,252
	Travelling & Conveyance	19,299,033	17,973,390
	Legal & Professional	8,523,707	11,775,186
	Sales promotion	327,311,693	325,752,908
	Advertisement & Publicity	37,211,897	10,610,305
	Freight outward	77,191,919	79,817,340
	Other selling expenses	10,918,974	12,498,402
	General expenses	6,765,312	21,342,916
	Postage, Telegrams & Telephones	3,204,860	3,809,605
	Others Repair & Maintenance	1,635,324	647,456
	Vehicle Running & Maintenance	2,878,356	2,436,590
	Total	691,182,314	726,651,244
[23]	Exceptional Items		
	Prior period Items (Net)	80,307	96,250
	Total	80,307	96,250

NOTES TO THE FINANCIAL STATEMENTS

Other Notes

- [24] The Company has not received any information from any of the suppliers of their being a Micro, Small or Medium Enterprise Unit under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, amounts due to Micro and Small Scale Enterprises outstanding as on March 31st 2014 are not ascertainable.
- [25] On the basis of actuarial valuation, as per the projected unit credit method by an insurance company, the company has made a suitable provision in the accounts for the payment of gratuity. The details as required to be stated as per "AS-15 Employee Benefits" have not been made available by the said insurance company, hence not given.
- [26] **Imports**
- a) **Value of Imports Calculated on CIF Basis**
- | | | |
|----------------------------------|-----------|-------------|
| (As certified by the Management) | 2013-14 | 2012-13 |
| i) Raw & Packing Materials | - | 56,73,911 |
| ii) Components and Spare Parts | 59,41,145 | 2,40,37,938 |
- b) **Expenditure in Foreign Currency**
- | | | |
|----------------------|--------|----------|
| Bank Charges | 29,629 | 57,122 |
| Professional Charges | - | 2,45,372 |
- [27] Composition of raw material, packing materials, stores, spares consumed. (As certified by the Management)

Particulars	Raw Materials & Packing Materials		Stores & Spares	
	2013-14	2012-13	2013-14	2012-13
Imported				
Percentage	-	0.60%	18.98%	45%
Value (Rs)	-	55,95,724	59,41,145	2,40,37,938
Indigenous				
Percentage	100%	99.40%	81.02%	55%
Value (Rs)	78,01,32,208	92,26,74,699	2,53,51,932	2,94,63,463
Total	100%	100%	100%	100%
Total	78,01,32,208	92,82,70,423	3,12,93,077	5,35,01,401

- [28] **Earnings in Foreign Exchange**
- Exports of Goods calculated on FOB Basis**

	2013-14	2012-13
- Direct	1,12,67,830	1,13,97,415
- Indirect	-	1,07,10,114

Other Notes (Contd.)

[29] Contingent Liabilities

		2013-14	2012-13
i)	Claims against the Company not acknowledged as debts - Disputed Entry Tax Demands	48,93,903	48,93,903
ii)	Guarantees given by Bankers on behalf of the company not provided for	10,00,000	9,00,000
	Corporate guarantee given to a bank on behalf of another company	7,25,00,000	-
iii)	Estimated amount of contracts remaining to be executed on capital account and not provided for.	2,93,00,000	2,93,00,000

[30] The company is engaged in the business of manufacture and sale of Alcoholic beverages (Beer and IMFL) which constitutes a single business segment. The company’s exports outside India did not exceed the threshold limits for disclosure as envisaged in AS 17 on “Segment Reporting” issued by the Institute of Chartered Accountants of India. In view of the above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in AS – 17 are not applicable to the Company.

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

a) Related Party

Associates	Key Managerial Personnel Managerial Personnel	Relatives of Key
Som Distilleries Private Limited	Mr. S. Lal (Key Managerial Personnel)	-

b) Transactions with Related Parties

(In Rupees)			
Nature of Transactions	Som Distilleries P. Ltd. (Associate)	Key Managerial Personnel	Relatives of Key Managerial Personnel
Purchase of Goods	11,52,12,750 (9,12,00,000)	Mr. S. Lal	--
Other transactions	Dr. 1,38,30,13,989 (Dr.1,46,21,60,709) Cr. 1,19,34,07,407 (Cr. 1,37,46,51,686)		--
Closing Balance	Dr.7,43,93,832 (NIL)		--

(Previous year’s figures are stated in brackets)

Other Notes (Contd.)

[32] Earnings per share in accordance with Accounting Standard (AS) 20 on “Earnings per Share” are given below:

S. No.	Particulars	31.03.2014	31.03.2013
a)	Numerator Profit/(Loss) after tax Rs.	203,010,864	177,957,952
b)	Weighted average number of equity shares Nos.	2,75,22,400	2,75,22,400
c)	Basic & Diluted earnings per shares (Rs.)	7.38	6.47
d)	Nominal value of shares (Rs.)	10.00	10.00

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

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

[35] Previous year’s figures have been regrouped/ restated wherever considered necessary to make them comparable to those of the current year.

Signatures to Schedules 1 to 35

Mayank Bhaduria
(Company Secretary)

D.N. SINGH
(Director)

S. LAL
(Chairman & Managing Director)

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

Place : Bhopal
Date : 30th May 2014

Harsha Chandra
Partner
Membership No: 080489



WHERE
SUCCESS
MEETS
SUSTAINABILITY

Som Distilleries & Breweries Limited

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

ATTENDANCE SLIP

I/We hereby record my/our presence at the 21st Annual General Meeting of the above named Company to be held on Tuesday the 30th September 2014 at 11.00 A.M. at Executive Club, Dolly Farms and Resorts Pvt. Ltd. 349, Village Shaoorpur, P.O. Fatehpur Beri, New Delhi-110030.

Name and Address of Shareholder : _____

Folio No/DPIDCLIENTID No. : _____

SIGNATURE OF THE SHAREHOLDER OR PROXY	NO. OF SHARES HELD
---------------------------------------	--------------------

Note : Shareholder/Proxy holder must bring this admission slip to the meeting and hand over at the venue duly signed.



SOM DISTILLERIES & BREWERIES LTD

CIN: L74899DL1993PLC052787

Regd. Office : 1-A, Zee Plaza, Arjun Nagar, Safdarjung Enclave,
Kamal Cinema Road, New Delhi – 110 029

POSTAL BALLOT PAPER

Must be received at the registered office by 27.9.2014

1.	Annual General Meeting	To be held on 30 th September, 2014 at 11.00 hours at Executive Club, Dolly Farms and Resort Pvt. Ltd., 349, Village Shahoorpur , P.O. Fatehpur Dairy, New Delhi- 110030	
2.	Item of business to be transacted through Postal Ballot	To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution: “RESOLVED THAT pursuant to section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 , consent of the Company be and is hereby accorded to the Board of Directors of the Company, to mortgage and/or charge, in addition to any other mortgage/ charges created/ to be created by the Company, on all or any of the immovable and movable (both tangible and intangible) properties of the company, wherever situated, both present and future or the whole or substantially the whole of the undertaking or undertakings of the company in such form and manner and with such ranking and at such time and on such terms as the Board of Directors may think fit, together with power to take over the management of the business and concern of the Company in the event of default by the company, for securing any loans and/or advances already obtained or that may be obtained from any financial institutions/banks/insurance companies or person or persons, and/or to secure any debentures issued and/or that may be issued and all interests, compound /additional interest, liquidated damages, commitment charges, prepayment premium, fees, costs, charges, expenses and all other moneys payable by the Company in terms of the finance documents, to the concerned lenders (including their agent(s) and trustee(s)) within the overall limit of ₹ 150 Crores (Rupees one hundred and fifty Crores only).”	
3.	Shareholders Details 1. Folio No. or Demat ID 2. Name of Shareholder 3. No. of Shares held		
4.	Vote by Postal Ballot. Please give your vote by placing a tick mark just under ‘yes’ or ‘no’ in the box provided	Yes <input type="checkbox"/>	No <input type="checkbox"/>
5.	Signature of Shareholder	<input type="text"/>	

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

Som Distilleries & Breweries Ltd.
23, Zone-II, M.P. Nagar Bhopal- 462011

WHERE PERSEVERANCE
MEETS PROFITS



Form No. MGT-11
PROXY FORM

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

CIN : _____

Name of the company : _____

Registered Office : _____

Name of the member (s) : _____

Registered address : _____

E-mail Id : _____

Folio No/ Client Id : _____

DP ID : _____

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

1. Name : _____
Address : _____
E-mail Id : _____
Signature : _____ or failing him

2. Name : _____
Address : _____
E-mail Id : _____
Signature : _____ or failing him

3. Name : _____
Address : _____
E-mail Id : _____
Signature : _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting/ Extraordinary general meeting of the company, to be held on the day of..... At..... a.m./p.m. at..... (place) and at any adjournment thereof in respect of such resolutions as are indicated below :



**100% PREMIUM
GRAIN WHISKY**



(Contd. from Notice to Members)

f. Voting through electronic means

1. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for e-voting are as under:

A) In case of members receiving e-mail:

- Log on to the e-voting website www.evotingindia.com
- Click on “Shareholders” tab to cast your votes.
- Now, select the Electronic Voting Sequence Number - “EVSN” along with “Som Distilleries and Breweries Limited” from the drop down menu and click on “SUBMIT”
- If you are holding shares in Demat form and have already voted earlier on www.evotingindia.com for a voting of any Company, then your existing login id and password are to be used. If you are a first time user follow the steps given below.
- Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DPID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said Demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

***Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number: <ABCDE1234F> in the PAN Field**

please enter any one of the details in order to login. Incase either of the details are not recorded with the depository/company; please enter the number of shares held by you as on 22nd day of August, 2014 in the Dividend Bank details field.

- After entering these details appropriately, click on “SUBMIT” tab.

- (vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For member's holdings shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the relevant EVSN on which you choose to vote.
- (x) 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.
- (xi) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvi) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favor of the Custodian who they have authorized to vote on their behalf, in PDF format in the system for the scrutinizer to verify the vote.

B) In case of members receiving the physical copy of Notice of AGM [for members whose email IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

Please follow all steps from sl. no. (i) To sl. no. (xvi) Above, to cast vote.

C) The voting period begins on 25th September, 2014 (9.00 am) and ends on 27th September, 2014 (6.00 pm) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd day of August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

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

- 2.** a. Mr. Madan Mohan Chawla, Practicing Company Secretary (Membership No. FCS-67 & CP No. 716) has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner.
- b. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- c. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be available for inspection and also placed on the website of the Company within prescribed period and also communicated to B.S.E Ltd and NSE Ltd.
 1. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
 2. As per the provision of clause 52 of the Listing Agreement, particulars of Directors to be appointed/ re-appointed at the 21st Annual General Meeting are given in the Explanatory Statement to the Notice and Report on Corporate Governance.
 3. Notice of Annual General Meeting will be sent to those shareholders /beneficial owners, whose name will appear in the register of members/list of beneficiaries received from the depositories as on 22nd day of August, 2014.
 4. The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to him at the registered office address or e-mail their grievances/queries to the Company Secretary at the following e-mail address: mayank@somindia.net.

By Order of Board of Directors

SURJEET LAL

Chairman and Managing Director

PLACE: BHOPAL

DATED: 22nd August, 2014