

# Spirit Soaring High

SDBL ANNUAL REPORT 2012-2013



# 20th Annual Report

2012-13



**SOM DISTILLERIES AND BREWERIES LIMITED**

**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  
State Bank of India

**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  
Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 001



# Notice To Members

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Notice is hereby given that the 20th Annual General Meeting of Som Distilleries & Breweries Limited will be held on Monday the 30th September 2013 at 11.30 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, 2013 and the Balance Sheet as at that date and the Reports of Directors' and Auditors' thereon.

### **2. APPOINTMENT OF SHRI GURU DARSHAN ARORA AS DIRECTOR**

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

### **3. To declare a dividend on equity shares of the company for 2012-13.**

### **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 20th Annual General Meeting till the conclusion of 21st Annual General Meeting at a remuneration to be decided by the Chairman cum Managing Director with the consent of the auditors”.

## **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 23.09.2013 to 30.09.2013 (both days inclusive).
- c. All correspondence regarding dematerialization/ transfer of shares, change of address etc. should be addressed to MAS Services Ltd, T-34, Okhla Industrial Area, Phase II, Delhi- 110020 who are the Registrar and Transfer agents (RTA).
- d. Any queries for being answered at the meeting must reach at least 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.

By Order of Board of Directors

Place: Bhopal  
Dated: 8th August 2013

Surjeet Lal  
Chairman and Managing Director



# 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 2013.

## 1. Working Results

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

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
	₹ Crores	₹ Crores
Sales & Other Income	205.12	195.21
EBIDTA	32.05	29.08
Profit Before Tax	27.42	25.48
Provision for Tax	9.63	10.24
Profit after Tax	17.79	15.24

Total Income of the Company for the year 2012-13 increased by 5.1% to Rs. 205.12 Crores during the year. The Company is now laying greater emphasis on own brand building with less reliance on contract manufacturing. This has resulted in contract manufacturing share in total sales falling from 17% in 2011-12 to 5% in 2012-13.

Other operating income increased by 13.65%. This includes income from selling malt, a component used in manufacturing of Beer. Other expenses increased by 12.65% in 2012-13 primarily due to cost incurred on technological up gradation of equipments. ENA prices are experiencing upward pressure due to decline in sugar production and competing ethanol demand. SOM is consistently maintaining average EBITDA margins of about 15%. The Profit after Tax increased by 16.73% in 2012-13.

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

## 2. DIRECTORS:

There was no change in the constitution of the Board of Directors during the year 2012-13.

## 3. DIVIDEND

Directors recommend for the year 2012-13, dividend of Re.1.50 (i.e.15%) on each share of Rs.10 on 27522400 equity shares payable to shareholders as on the date of Annual General Meeting.

## 4. AUDITORS

M/s K.C. Khanna & Co., Chartered Accountants, Bhopal retire at the ensuing 20th Annual General Meeting. They are eligible for reappointment. The Board recommends their reappointment.

## 5. STATUTORY INFORMATION

(a) The information in respect of employees drawing remuneration above a certain limit as per Section 217 (2A) of the Companies Act, 1956 is as follows:

Name of Employee	Designation	Gross Salary (Per month)	Nature of Employment	Nature of Duties	Qualification	Date of Appointment	Age	Details of past Employment
Ajay Dewan	President (Sales)	584983	Regular	Looking after sales Marketing (Pan India)	Graduate in Psychology	01.03.2013	56	Devan's modern Breweries Ltd as CEO

(b) 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 in Form-A is not required to be furnished in the case of this industry.

(c) Information regarding foreign exchange is as follows: -

Earnings: Rs.2,21,07,529

Outgo: Rs.3,00,14,343

(d) Directors Responsibility Statement

The Directors hereby certify:-

- that in the preparation of the accounts for 2012-2013, the applicable accounting standards have been followed.
- that accounting policies have been stated in Schedule 2 to the Accounts. The accounting policies have been selected and applied consistently and judgements and estimates have been made which are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31.03.2013 and of the Profit of the Company for 2012-2013.
- that proper and sufficient care has been taken 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 prevention and detection of frauds and other irregularities.
- that the directors prepared the annual accounts on a going concern basis.

## 6. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Mumbai 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. ACKNOWLEDGEMENTS

Directors are grateful for the co-operation received from business associates, bankers 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.

Place: Bhopal

For and on behalf of the Board of Directors

Date: 08.08.2013

SURJEET LAL

Chairman and Managing Director

# Annexure - I To Director's 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 Rs.1000/- per Board/Committee meeting attended, if claimed. No stock options were given to any directors.
- b) During the financial year 2012-13, the Board of Directors met 15 times on 25.04.2012, 15.05.2012, 26.06.2012, 28.06.2012, 18.07.2012, 04.08.2012, 14.08.2012, 31.08.2012, 03.09.2012, 26.10.2012, 09.11.2012, 24.12.2012, 12.02.2013, 01.03.2013 and 30.03.2013. Each of the directors attended all the 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 28.09.12 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 Guru Darshan Arora, director has been a Director on the Board of Directors of the company since 21.03.2009. He is a B.Sc. He is a member of the audit committee. He is a member of the shareholders/Investors Grievances and Transfer 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 of three non-executive directors viz Shri D. N. Singh (Chairman), Shri G. D. Arora, 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 wide experience of industry and has passed Intermediate (Group I) of ICWA. At the last AGM held on 28.09.2012, the Chairman of the Audit Committee Shri D.N. Singh attended the annual general meeting. During 2012-13 the audit committee met five 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 292A of the Companies Act, 1956.

### 4. Remuneration Committee

No remuneration committee has been constituted since no remuneration was paid to any Director, except sitting fees, if claimed.

### 5. Subsidiaries

The company is not having any subsidiary.



## 6. Disclosures

- (a) The Company has whistle blower policy under which all employees are having direct access to the management in case of any complaint about unethical behaviour, 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 Rs. 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 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
2010-11	h Sept., 2010 29t	10.00 A.M.	Executive Club, Dolly Farms and Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-30	17th AGM
2011-12	30th 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	28th 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

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 pro-forma 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/Annual Report, and also regarding dematerialization/ rematerialisation of shares may be taken up with the Registrar and Transfer Agent :

**Mas Services Limited**, T-34, Okhla Industrial Area Phase II, Delhi-110020 Telephone No. 011-26387281-83 Fax No. 011- 26387384

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## 11. Management Discussion and Analysis

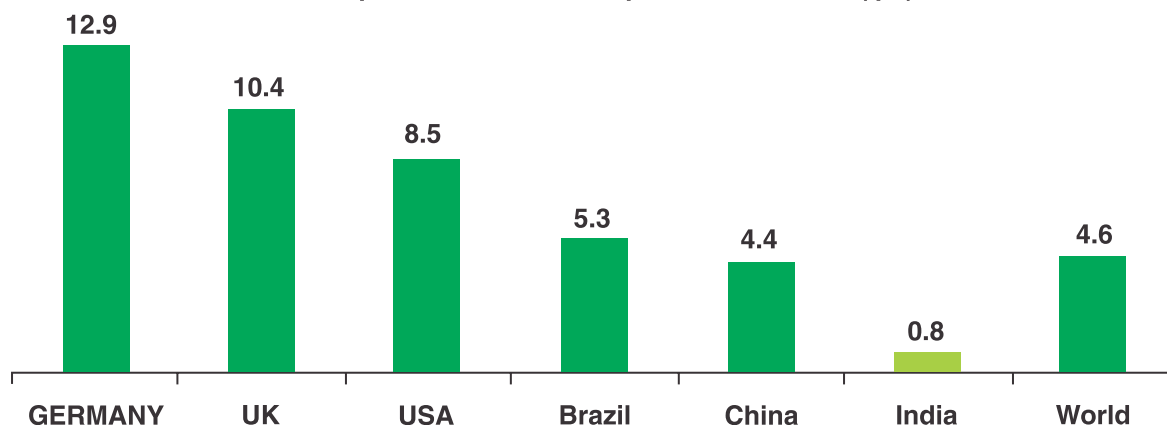
### Indian Economy

India is one of the fastest growing economies although GDP growth for the financial year 2013 was only around 5%. There has been a significant deterioration in the economic environment as compared to the past year due to a combination of domestic and global uncertainties. These factors continue to impact the key economic growth drivers including the manufacturing, agriculture and services sectors. Inflation continued to remain relatively high with the average WPI for 2012 at 7.8%, although there has been a significant decline as compared to 8.9% in 2011. As a result of this, overall interest rates have remained high during the financial year 2013. Furthermore, the recent rupee depreciation against the dollar continues to add to the economic pressures and complexities for the policy makers. The Indian economy is expected to grow at a rate of 6.7% in financial year 2014 as consumer confidence continues to strengthen. (Source: Analyst reports)

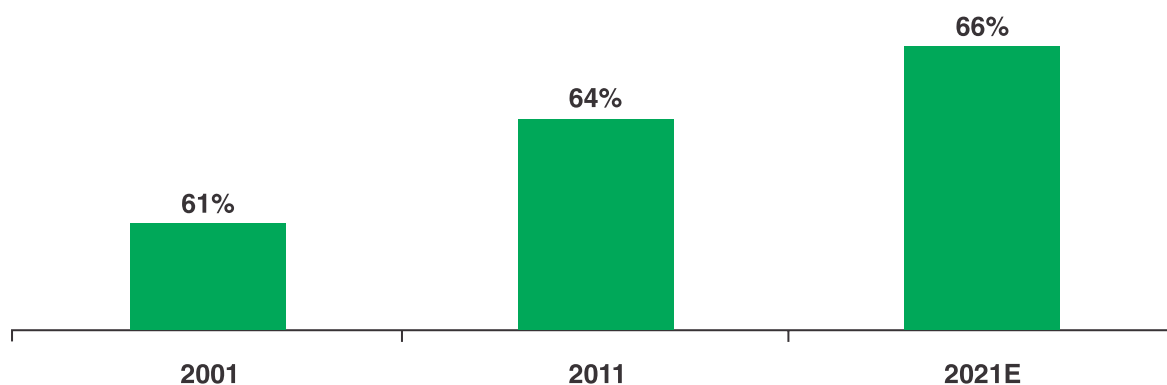
### Indian Alcobeve Industry

The per capita consumption of alcohol in India is 0.8 litres per annum (lpa) which is significantly below the global average of 4.6 lpa and compared to other emerging markets such as China 4.4 lpa and Brazil 5.3 lpa. In India, it is estimated that around 1.4 million urban consumers enter the legal drinking age every year. Relatively low alcohol consumption in India coupled with increasing per capita income and lifestyle aspirations provides significant opportunities of growth for the alcohol industry. India is gaining pace in terms of volume growth in the alcohol industry and is expected to grow at 7.6% compounded annual growth rate (CAGR) over FY09-15, estimated. (Source : Analyst Reports)

**Per Capita Alcohol Consumption in the World (lpa)**



**Young Population Composition in India (between 15-64)**





# Hunter

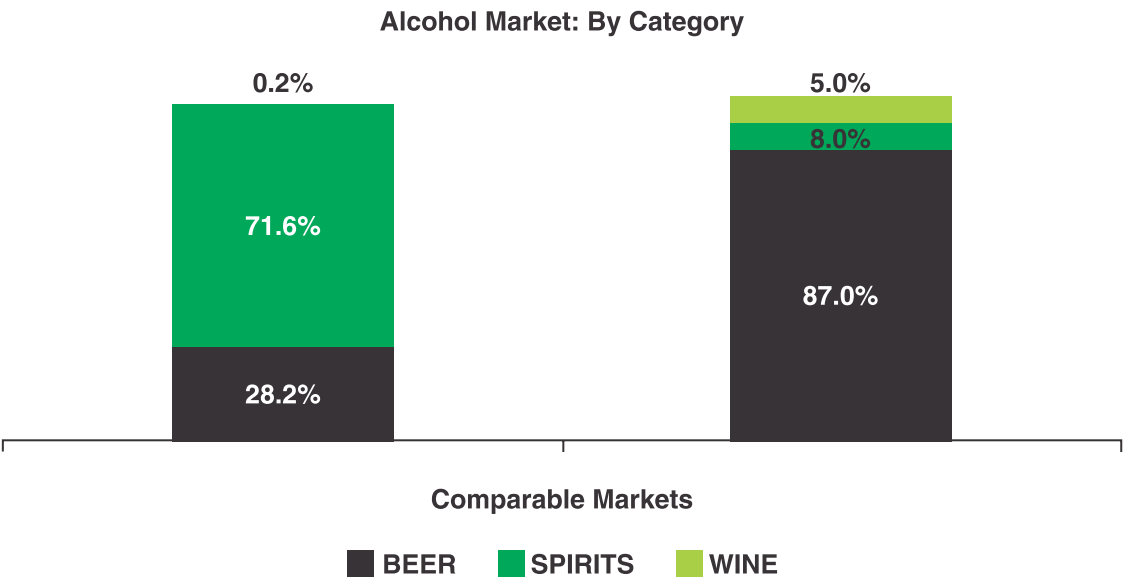
SUPER STRONG  
PREMIUM BEER

*Josh Ka Jashan*

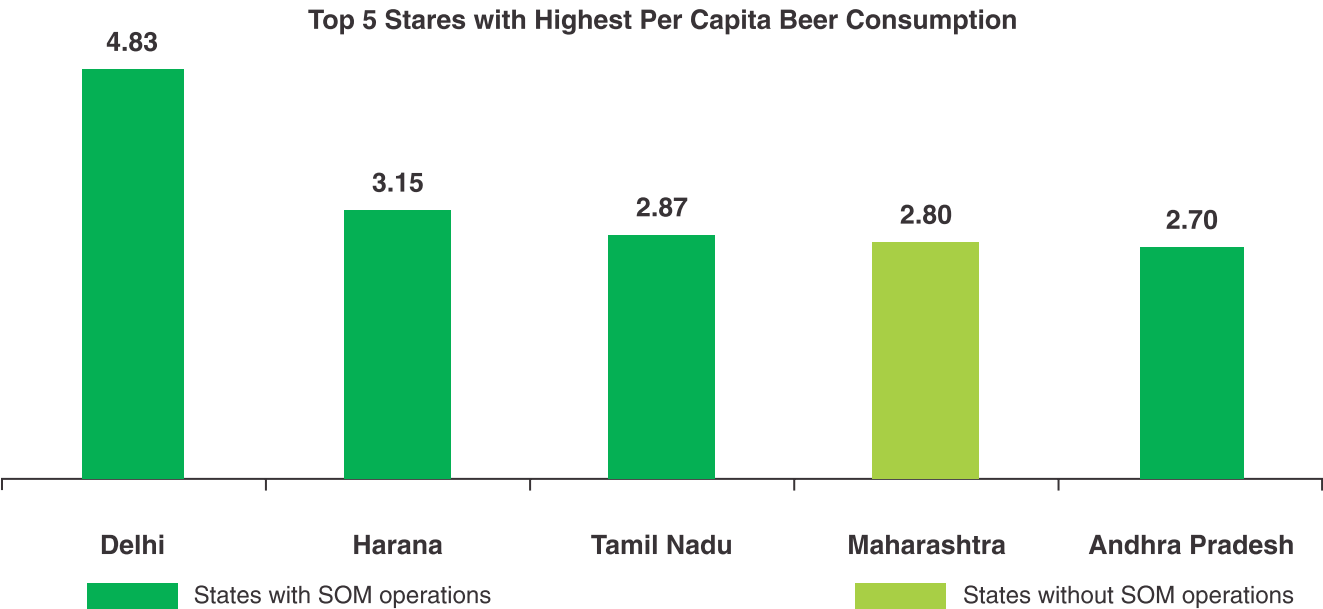




With pubs becoming commonplace in urban India and social drinking becoming more acceptable, brewers expect the Indian beer market to grow rapidly. The Indian beer market recorded revenue CAGR of 27% between FY02 and FY12 to \$2.2 billion. (Source UBS; press reports)

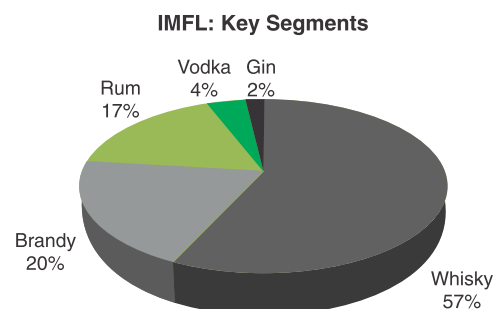
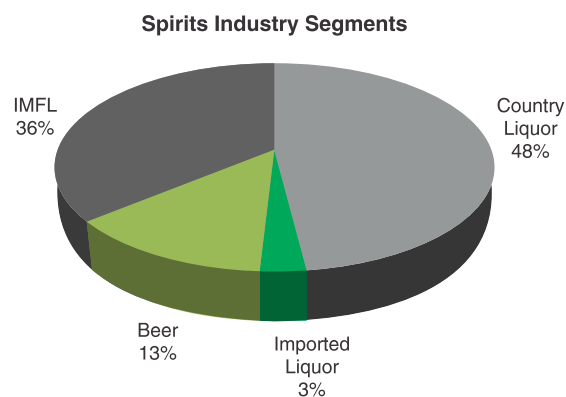


States such as Maharashtra, Andhra Pradesh and Tamil Nadu have the highest consumption of Beer accounting for 15%, 12% and 11% of total consumption in India respectively. States having the highest per capita Beer consumption include Delhi (4.83 lpa), Haryana (3.15 lpa), Tamil Nadu (2.87 lpa), Maharashtra (2.80 lpa) and Andhra Pradesh (2.70 lpa). Regions with relatively low per capita Beer consumption include Uttar Pradesh (0.45 lpa), Bihar (0.52 lpa), West Bengal (0.59 lpa), North-East India (0.59 lpa) and Jammu & Kashmir (0.72 lpa). (Source: Analyst reports)



The share of Beer in the total spirits industry was only 13% for the year 2012. The average Beer consumption per person is 1.5 lpa in India as compared to 22 lpa in Hong Kong, 37 lpa in China and 74 lpa in the USA. People within the age group of 18-40 years are the main consumers for the Beer. The premium Beer segment is currently growing at the rate of 49% and is the fastest growing segment within the Indian Beer market. This has been driven by ongoing urbanization and increasing disposable income. During the year 2012, the strong Beer category grew by over 16%. In addition to the key metro markets, strong demand has been generated from states such as Uttar Pradesh, Rajasthan and Bihar.

IMFL has gained momentum by acquiring market share from country liquor in the past few years. This has been a result of an increase in the younger population, favorable demographics, rising consumer aspirations and increase in discretionary spending. Furthermore, the ban of country liquor in states like Tamil Nadu, Andhra Pradesh and Kerala leads to an increase in the consumption of IMFL. As a result of the recent changes in the industry dynamics and the favorable demographics, the liquor sector in India has been moving towards premiumization. This trend is expected to result in improved profitability of the established industry players such as SOM Distilleries & Breweries in the near term.



## A. 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 operated from Bhopal and is a leading spirits manufacturer in India. SDBL is primarily engaged in brewing, fermentation, bottling, canning and blending of Beer and IMFL. The Company 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 witnessing 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 after having tripled its capacity in the past two years.

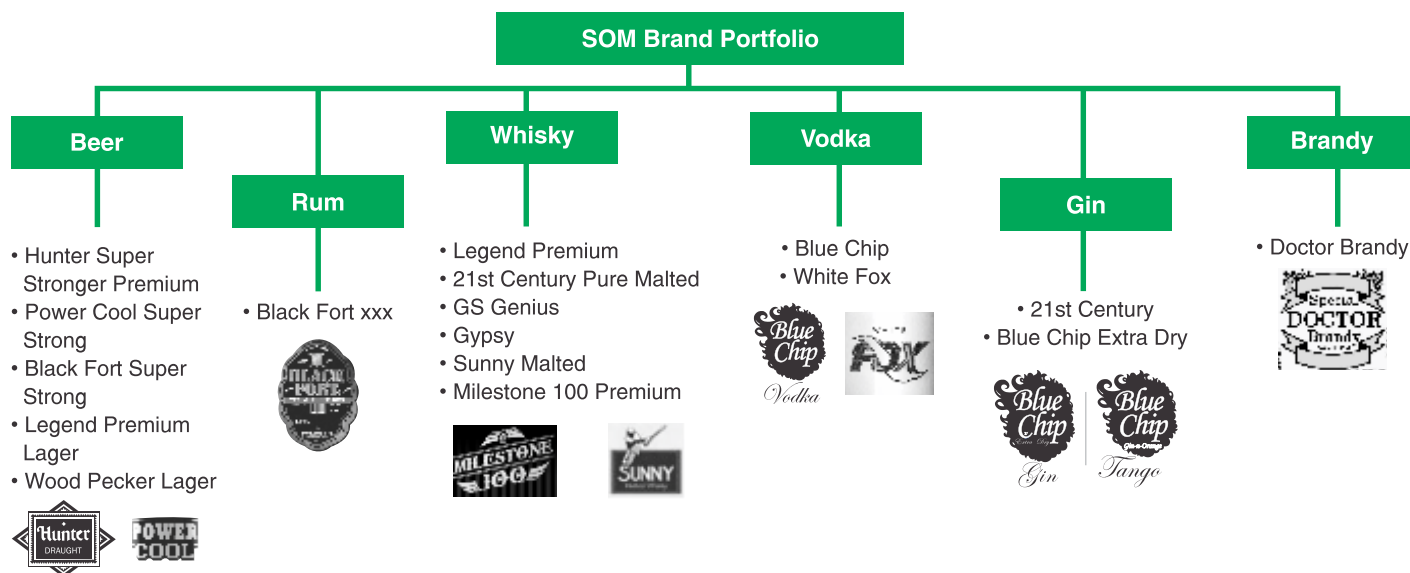
### Brand Portfolio Review

SDBL has a diversified product portfolio which consists of Beer, Rum, Brandy, Vodka and Whisky. The major brands of SDBL include Hunter Beer, Woodpecker Beer and Black Fort. Other popular brands include Legend, Genius, Sunny and Power Cool. The Company's Hunter and Woodpecker brands are supplied as draught Beer to all the major hotels in Madhya Pradesh and Chhattisgarh. The Company has entered the premium IMFL segment through the launch of its premium whisky Milestone 100.

**The company has three millionaire beer brands in its portfolio namely, Hunter, Blackfort and Power Cool.**

## B. Financial Performance

SDBL has consistently demonstrated growth in both of its key business areas, Beer and IMFL. The Total Income of the Company was Rs. 205.1 crores in FY2013 compared to Rs. 195.2 crores in the previous year. Earnings before Interest, Depreciation, Tax and Amortization (EBITDA) increased to Rs. 32.05 crores for FY2013 with a growth of 10.0% as compared to Rs. 29.08 crores for FY2012. The company was able to protect its margins inspite of higher input costs and the larger negative environment prevalent in the economy.



Despite domestic economic pressures, the Company has been able to consistently maintain EBITDA margins of about 15%.

### Liquidity

The Company has been managing its cash flow cycle efficiently with minimal requirement of working capital. The company is not carrying any secured long term debt on its books. Significant financial flexibility is available for future organic / inorganic growth.

## C. Operational Performance

The Company is now focused on brand building rather than contract manufacturing. This is evident from the declining sales contribution of contract manufacturing from approximately 17% in FY2012 to 5% in the FY2013. Management is also making consistent efforts for strengthening the manufacturing and distribution capabilities through various organic and inorganic expansions. The Company has also recently launched a premium whisky, Milestone 100; the benefits of which are expected to flow from FY2014.

### Major Corporate Developments

#### a. Organic and Inorganic Expansions

To cater to the increasing demand for its widely accepted brands, the Company is in the process of increasing the existing manufacturing capacity of Beer of 59,200 KL to 99,200 KL. The Company is also planning to increase its bottling capacity for IMFL from 5,400 KL to 16,200 KL. Both of these expanded capacities are expected to be operational from FY2014.

#### b. Launch of Milestone 100

SOM has recently launched a new brand Milestone 100 which enabled it to enter into the premium segment whisky, the largest spirits category. The launch was made with a brand philosophy of "Thoda Aur", especially made for achievers, who have aspirations to achieve new milestones in their life.

The brand was launched on April 21, 2013 through a press conference in Bhopal. The press conference was attended by top media houses like Dainik Bhaskar, Peoples, Raj Express, Times of India and Business Standard. The press conference was followed by one of the biggest brand launch parties in the Alcobev Industry in Central India



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## C. Awards and Recognition

SDBL has been recently recognized as one of the top 100 India's fastest growing companies by Inc. India 500.

## D. Human Capital

At SDBL, human capital is considered as a vital source of growth and success for the Company. Training and development of employees across various levels remain a key focus area. Continuous efforts are being taken towards strengthening the internal communication with employees. The process of rewarding employees is in line with performance, creating a working climate by incentivizing and motivating people.

We have also created a separate cadre for exceptional talent which is expected to lead and take on more responsibilities in the company.

## E. Business Strategies

### Pan India Network & Reach

SDBL has been continuously engaged in identifying new geographies to expand its operations to become one of the India's top 3 brewery Companies in the next 5 years. The Company has identified various areas like Andaman and Nicobar, Chandigarh, Haryana, Jharkhand, Orissa, Tamil Nadu and Uttarakhand for establishing depots and hence widening the marketing and distribution spread.

### Strengthening the Brand Profile

The Company is developing a strong brand portfolio through strategic planning and research. Various initiatives include continuous innovation and premiumization to tap every price point, strengthen position through brand extension, innovative packaging and reaching consumers through new channels. To further strengthen the market positioning, SDBL has recently launched a brand Milestone 100 in the premium segment of whisky.

Strong brands and innovation will play central roles in our ambition to double the size of our business. We are investing heavily in the equity of our brands, seeking to find the connections between consumers and the products they buy, and so to strengthen them. Where we have strong brand equity, we are leveraging it – creating efficiencies by focusing on fewer, bigger projects that enhance margins. And we are improving our brands, developing superior products which consumers will prefer, driving profitable growth

### Organic and Inorganic Expansions

SDBL is consistently identifying key regions for expansion either through organic or inorganic growth models. To implement these strategic plans, the Company is in process of increasing manufacturing capacity of Beer from 59,200 KL to 99,200 KL and IMFL bottling capacity from 5,400 KL to 16,200 KL. This is likely to be operational in the FY2014.

The Company is also looking at increasing its geographical footprint through green field projects, acquisitions or bottling arrangements especially in the Southern and Western part of the country.

### De-emphasis on Contract Manufacturing

The Company is laying greater emphasis is on own brand building and less reliance on contract manufacturing. This has resulted in sales contribution of contract manufacturing falling by approximately 25% from FY2010 to around 5% FY2013. This will enable the Company to gain further market share by better brand positioning.

## F. Key Market Risks and Concerns

Indian alcohol industry has always been highly structured and regulated as a result of strict processes for license, distribution and sales of Beer. Some of the key industry challenges are as follows:

- Varying state-by-state legislations (such as excise duty and VAT) makes the operations of businesses time consuming and complex. Further, the taxation structure including excise duty, bottling fee, franchise fee, sales tax and permit fee is an addition to the operational inflexibility and product price.
- There are also restrictions on interstate movements for alcohol through 'inter-state transfer fees' through high taxes. This results in establishment of small bottling units in various states, thus creating inefficiencies in manufacturing process. Furthermore, this also results in other issues such as interstate smuggling and counterfeiting.

- Government controls the pricing of Beer in many states which is allowed to be revised on a yearly basis. This makes the pricing inflexible for increase in the raw material cost or inflation.
- 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.

#### **G. Internal Control Systems**

Internal controls at SDBL ensure that the business operations are functioning in an efficient manner, along with the compliance of applicable laws, regulations and Company policies. The adequacy of the internal control system has been checked by the Internal Auditors 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.

#### **H. Our Social Responsibility**

As one of India's fastest growing liquor companies we believe our products add zing and enjoyment of life for the overwhelming majority of our consumers, who drink responsibly. We are aware though about the harmful effects of irresponsible alcohol consumption on individuals and society and towards this we always advocate responsible drinking campaigns as a part of our corporate strategy.

#### **I. Cautionary Statement**

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

#### **12. General Share Holder Information:**

Annual General Meeting

Date & Time	:	30th Day of September 2013 at 11.30 a.m.
Venue	:	Executive Club, Dolly Farms and Resorts Pvt. Ltd, 439, Village Shahoorpur, P.O.Fatehpur Beri, New Delhi – 30
Book Closure	:	23.09.2013 to 30.09.2013 (Both days inclusive)

#### **Financial Calendar 2012-13 relating to approval of financial results.**

First Quarterly Result	:	August, 2012
Second Quarterly Result	:	November, 2012
Third Quarterly Result	:	February, 2013
Fourth Quarter Result	:	May, 2013
Annual results for the year		
Ending on 31.03.2012	:	August, 2013
Listing on Stock Exchanges	:	Bombay Stock Exchange Limited, Mumbai
Equity Stock Code	:	507514
ISIN No.	:	INE480C01012

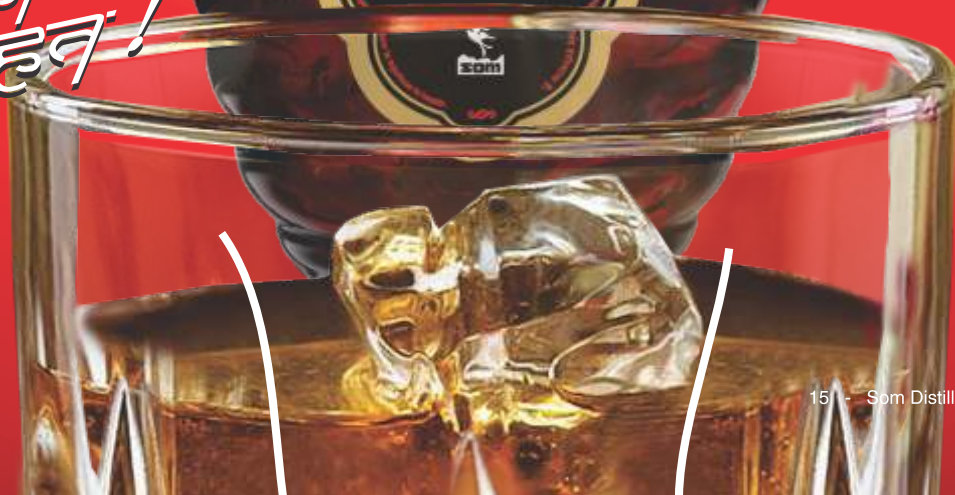


# BLACK FORT

## XXX MATURED RUM

Perfect  
for 18+

जोशीले  
मर्दों की  
चाहव!





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**The Company has already paid the Listing fees of Bombay Stock Exchange Ltd., Mumbai for the year 2013-14.**

Shareholders Grievances and Share Transfer Committee comprises of Chairman Shri G.D.Arora (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, Mas Services 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 2012-13, only 9 complaints were received from shareholders etc. which were resolved. There was no pending complaint as on 31.3.2013. 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 31.03.2013
De-mat	26162481
Physical	1359919

The promoters along with persons acting in concert held 18.324% of the paid up capital on 31.03.13, private bodies corporate held 0.854% while NRI's/OCBs held 0.017% 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 2012-13 are as under:

Period (2012-13)	High Price	Low Price	Volume of Shares Traded
Apr - 12	194	145	21930
May - 12	189	125	29438
Jun - 12	165	126	36243
Jul - 12	208	142	131632
Aug - 12	248	172	157681
Sep - 12	295	245	134706
Oct - 12	290	186	75949
Nov - 12	225	161	50925
Dec - 12	210	173	40796
Jan - 13	225	157	407946
Feb - 13	225	190	579451
Mar - 13	210	190	737529
Apr - 13	230	183	853486

Source :- BSE Website

**14. Registrar and Transfer Agents , Share Transfer System**

M/s MAS 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 31.03.2013**

Category	Number of Shares	% of total shares
Indian Promoters	5043053	18.324%
Private Corporate Bodies	235059	0.854%
Indian Public and others	22223748	80.747%
Non-resident Indians, OCB's and others	4679	0.017%
Cleaning Members	15861	0.058%
<b>Total</b>	<b>27522400</b>	<b>100.00</b>

The company has not issued any ADR/GDR.

**16. Distribution of Shareholdings as on 31.03.2013**

S. No.	Shareholding Nominal Value ₹	No. of Shareholders	% To total	No. of Shares	Face Value Amount in ₹	% To Total
1.	1 to 5000	6648	94.539	1027324	10273240	3.733
2.	5001 to 10000	166	2.631	134402	1244020	0.488
3.	10001 to 20000	61	0.867	87825	878250	0.319
4.	20001 to 30000	34	0.484	85194	851940	0.31
5.	30001 to 40000	5	0.071	18625	186280	0.068
6.	40001 to 50000	22	0.313	107233	1072330	0.39
7.	50001 to 100000	31	0.441	249139	2491390	0.905
8.	100001 and above	65	0.924	25812655	258126550	93.788
	<b>Total</b>	<b>7032</b>	<b>100.000</b>	<b>27522400</b>	<b>275224000</b>	<b>100.000</b>

**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, karta 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 Exchange 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 2013 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 any 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: 08.08.2013

# Auditors Report To Shareholders

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We have audited the accompanying financial statements of **SOM DISTILLERIES & BREWERIES LIMITED, NEW DELHI** ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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, 2013;
- 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.



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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 referred to in subsection (3C) of section 211 of the Act;
- e) on the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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

**Harsha Chandra**  
Partner  
Membership No. 080489

12, Zone II, M.P. Nagar, Bhopal 462 011

Dated: 08.08 2013

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## Annexure to the 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 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 Rs. 11,27,57,155 (previous year Rs. 12,42,68,528) and Rs. 6,94,27,229 (previous year Rs. 10,59,79,284) respectively and the yearend balance was Rs. Nil (previous year debit Rs. 36,90,977).

- (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. We have been informed that the Company has initiated measures in this direction.

- 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 there are no undisputed statutory dues outstanding as at 31.03.2013 for a period exceeding a period of six months from the date they became payable other than Income tax for the assessment year 2013-14 aggregating to Rs. 2,43,36,500. As per the details made available to us, this liability has been cleared before the date of this report.

- (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 (Rs. 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. The unsecured inter corporate deposit obtained earlier was outstanding as on the date of the Balance Sheet. However, as per the information given to us, the company has discharged this liability before the date of this Report. (Refer Note No. 5 to the Accounts).
  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, as at the close of the accounting year, the Company does not have any outstanding corporate guarantees for loans taken by others from any bank or financial institution.
  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

12, Zone II, M.P. Nagar, Bhopal 462 011

Dated: 08.08.2013

# Certificate

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**SOM DISTILLEREIS & BREWERIES LIMITED**

**Twentieth Annual Report**

**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 31.03.2013, as stipulated in clauses 49 of the Listing Agreement (hereinafter referred to as the "Agreement") of Som Distilleries & Breweries Ltd with Mumbai 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 31.03.2013.

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.

For M. M. Chawla & Associates

M. M. CHAWLA

FCS

Place: Bhopal

Dated: 08.08.2013



# Balance Sheet

## For the year ended 31-03-2013

	Particulars	Note No.	As at 31-03-2013 (Rs. )	As at 31-03-2012 (Rs. )
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>(1) Shareholder's Funds</b>			
	(a) Share capital	3	275,224,000	275,224,000
	(b) Reserves and Surplus	4	643,590,914	513,109,102
	<b>(2) Non current liabilities</b>			
	(a) Long term borrowings	5	105,254,402	104,906,735
	(b) Deferred tax liabilities (Net)	6	114,769,838	82,470,858
	(c) Other Long term liabilities	7	2,139,276	2,139,276
	<b>(3) Current Liabilities</b>			
	(a) Short term borrowings	8	3,178,127	4,489,090
	(b) Trade payables		218,992,722	335,963,877
	(c) Other current liabilities	9	248,368,695	244,642,933
	(d) Short term provision	10	111,103,263	91,624,910
	<b>Total</b>		<b>1,722,621,238</b>	<b>1,654,570,781</b>
<b>II.</b>	<b>ASSETS</b>			
	<b>(1) Non current assets</b>			
	(a) Fixed Assets			
	(i) Tangible assets	11	707,830,317	674,941,335
	(ii) Capital work in progress		-	12,754,644
	(b) Long term loans and advances	12	53,035,938	57,328,714
	<b>(2) Current assets</b>			
	(a) Inventories	13	301,308,466	362,527,820
	(b) Trade Receivables	14	489,890,504	416,422,529
	(c) Cash and Cash equivalents	15	136,102,014	85,397,752
	(d) Short term loans and advances	16	34,453,999	45,197,987
	<b>Total</b>		<b>1,722,621,238</b>	<b>1,654,570,781</b>

Significant Accounting Policies

[ 2 ]

For and on Behalf of the Board

**Mrs. Priyanka Gupta**  
(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

Bhopal  
Dated: 08th Aug. 2013

Harsha Chandra  
Partner  
Membership No. 080489

# Profit And Loss Statement

For the year ended 31-03-2013

	Particulars	Note No. (Rs.)	Year Ended 31-03-2013 (Rs.)	Year Ended 31-03-2012
I.	Revenue from operations	17	2,035,475,343	1,938,282,041
II.	Other Income	18	15,741,756	13,852,062
III.	<b>Total Revenue</b>	<b>(I+ II)</b>	<b>2,051,217,099</b>	<b>1,952,134,103</b>
	<b>Expenses:</b>			
	Cost of materials consumed	19	1,000,646,505	1,054,946,703
	Purchase of Stock -in -Trade			
	Changes in inventories of finished goods, work in progress and Stock in trade		(37,809,261)	(71,692,508)
	Employee benefit expenses	20	40,078,719	31,361,075
	Financial costs	21	1,020,544	1,279,726
	Depreciation		46,286,655	35,952,706
	Other expenses	22	726,651,244	645,389,089
IV.	<b>Total Expenses</b>		<b>1,776,874,406</b>	<b>1,697,236,791</b>
V.	Profit before exceptional and extraordinary items and tax	(III - IV)	274,342,693	254,897,312
VI.	Exceptional items	23	96,250	105,117
VII.	Profit before extraordinary items and tax	(V - VI)	274,246,443	254,792,195
VIII.	Extraordinary Items			-
IX.	Profit before tax	(VII - VIII)	274,246,443	254,792,195
X.	Tax expenses:			
	(1) Current tax		63,989,511	65,136,639
	(2) Deferred tax		32,298,980	37,275,373
XI.	Profit/(Loss) for the period	(IX - X)	<b>177,957,952</b>	<b>152,380,183</b>
XII.	Earning per equity share:			
	(1) Basic		6.47	5.54
	(2) Diluted		6.47	5.54

## Significant Accounting Policies

[ 2 ]

For and on Behalf of the Board

**Mrs. Priyanka Gupta**  
(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

Bhopal  
Dated: 08th Aug. 2013

Harsha Chandra  
Partner  
Membership No. 080489

# A LEGEND FOR THE LEGENDS



# Notes To The Financial Statements

For the year ended 31-03-2013

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## [1] COMPANY INFORMATION

Som Distilleries & Breweries Ltd. is a Public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange (BSE). 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), in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government under section 211 (3c) 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/non-current classification of assets and liabilities.

### 2.2 Revenue recognition

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

### 2.3 Expenditure

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

### 2.4 Fixed Assets and depreciation

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

### 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. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

### 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.



# Cash Flow Statement

For the year ended 31-03-2013

Particulars	Year ended 31 March, 2013	Year ended 31 March, 2012
<b>Cash flow from operating activities</b>		
Profit before Tax	274,246,443	254,792,195
<b>Non-cash adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation on continuing operations	46,286,655	35,952,706
Interest Expense	1,020,544	1,279,726
Dividend Income	(3,503,727)	(2,681,665)
<b>Operating profit before working capital changes</b>	<b>318,049,915</b>	<b>289,342,962</b>
<b>Movements in working capital:</b>		
Increase/(decrease) in trade payables	(116,971,155)	122,843,858
Increase/(decrease) in short term provisions	19,478,353	17,801,946
Increase/(decrease) in other current liabilities	3,725,763	126,923,264
Increase/(decrease) in other long term liabilities	-	-
Decrease/(increase) in trade receivables	(73,467,976)	(100,615,935)
Decrease/(increase) in inventories	61,219,354	(114,732,599)
Decrease/(increase) in long term loan & advances	4,292,776	(7,190,672)
Decrease/(increase) in Short loan & advances	10,743,988	(11,211,506)
<b>Cash generated from/(used in) operations</b>	<b>227,071,018</b>	<b>323,161,318</b>
Direct Taxes Paid (net of refunds)	(63,989,511)	(65,136,639)
<b>Net Cash flow from/ (used in) operating activities (A)</b>	<b>163,081,507</b>	<b>258,024,679</b>
<b>Cash flow from Investing activities</b>		
Purchase of fixed assets, CWIP and capital advances	(66,420,993)	(238,913,129)
Proceeds from sale of fixed assets	-	1,000,000
Proceeds from sale/maturity of current investment	3,503,727	2,681,665
Dividend Received		
<b>Net Cash flow from/ (used in) Investing activities (B)</b>	<b>(62,917,266)</b>	<b>(235,231,464)</b>
<b>Cash flow from Financing activities</b>		
Repayment of long term borrowings	(963,296)	(84,183,014)
Interest paid	(1,020,544)	(1,279,726)
Dividend paid	(41,283,600)	(27,522,400)
Dividend distribution tax	(6,192,540)	(4,464,821)
<b>Net Cash flow from/ (used in) Financing activities ©</b>	<b>(49,459,980)</b>	<b>(117,449,961)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	50,704,261	(94,656,746)
Cash and cash equivalents at the beginning of the year	85,397,752	180,054,501
<b>Cash and cash equivalents at the end of the year</b>	<b>136,102,013</b>	<b>85,397,755</b>
<b>Compenents of cash and cash equivalents</b>		
Cash on hand	54,827,188	45,815,377.00
With Banks - on current account	75,854,417	35,466,635.00
With Banks - on deposit account	5,420,408	4,115,740.00
<b>Total Cash and cash equivalents</b>	<b>136,102,013</b>	<b>85,397,752</b>

For and on Behalf of the Board

Mrs. Priyanka Gupta  
(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

Bhopal  
Dated: 08th Aug. 2013

Harsha Chandra  
Partner  
Membership No. 080489

## For the year ended 31-03-2013

### NOTES TO THE FINANCIAL STATEMENTS (Contd.)

- [3] **Share Capital**  
**Authorized**  
 3,50,00,000 Equity Shares of Rs. 10 each
- Issued, Subscribed and Fully Paid**  
 2,75,22,400 Equity Shares of Rs. 10 each

As At 31.03.2013	As At 31.03.2012
350,000,000	350,000,000
275,224,000	275,224,000

Terms/Rights attached to the class of shares.

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

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

NAME OF SHARE HOLDERS	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	%	No. of Shares	%
Som Distilleries Private Limited	1,757,145	6.38%	1,673,500	6.08%
Jagdish Kumar Arora	1,808,917	6.57%	1,472,394	5.35%

#### [4] Reserves & Surplus

- Capital Reserve**  
 (Amount forfeited against share warrants)  
 Securities Premium Reserve
- Surplus - In Statement of Profit & Loss**  
 Balance as per last Financial Statement  
 Add: Profit for the year  
 Amount available for appropriation  
 Less:  
 Dividend for the year  
 Proposed Dividend  
 Dividend Distribution Tax

As at 31.03.2013	As at 31.03.2012
3,930,000	3,930,000.00
122,111,040	122,111,040
387,068,062	266,675,100
177,957,952	152,380,183
<b>565,026,014</b>	<b>419,055,283</b>
41,283,600	-
6,192,540	27,522,400
	4,464,821
517,549,874	387,068,062
<b>643,590,914</b>	<b>513,109,102</b>

**Balance at the end of the year**

**Total Reserves & Surplus**

## For the year ended 31-03-2013

### NOTES TO THE FINANCIAL STATEMENTS (Contd.)

#### [5] Long Term Borrowings

##### Loans & Deposits

##### (I) Vehicle Loans (Secured)

(Secured by Hypothecation of respective Vehicles)

##### (a) From Banks

##### (b) From Others

##### (ii) Inter Corporate Deposit (Unsecured)

##### Grand Total

As At 31.03.2013	As At 31.03.2012
2,389,041	1,692,969
595,032	943,437
102,270,329	102,270,329
<b>105,254,402</b>	<b>104,906,735</b>

#### Notes:

(a) 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.

(b) The unsecured Inter Corporate Deposit outstanding as on 31st March 2013 has been fully paid off as on the date of signing of the Balance Sheet.

#### [6] Deferred Tax Liability (Net)

Difference between depreciation as per books of account and the Income Tax Act 1961.

##### Gross Deferred Tax Liability

##### 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

MAT Credit difference

##### Gross Deferred Tax Assets

##### Deferred Tax Liability (Net)

As at 31.03.2013	As at 31.03.2012
138,963,697	113,662,674
<b>138,963,697</b>	<b>113,662,674</b>
-	1,400,212
24,193,859	29,791,604
<b>24,193,859</b>	<b>31,191,816</b>
<b>114,769,838</b>	<b>82,470,858</b>

#### Notes:

(a) Deferred tax assets and Deferred tax liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities.

(b) Deferred tax assets and Deferred tax liabilities relate to income taxes levied by the same taxation authority.

## For the year ended 31-03-2013

### NOTES TO THE FINANCIAL STATEMENTS (Contd.)

**[7] Other Long Term Liabilities**

Security Deposits (Unsecured)

	As At 31.03.2013	As At 31.03.2012
	2,139,276	2,139,276
<b>Total</b>	<b>2,139,276</b>	<b>2,139,276</b>

**[8] Short Term Borrowings**

Vehicle Loans (Secured)

(Secured by Hypothecation of respective Vehicles)

From Banks

From Others

	2,829,722	4,159,787
	348,405	329,303
<b>Total</b>	<b>3,178,127</b>	<b>4,489,090</b>

**[9] Other Current Liabilities**

Bank Overdrafts (Book)

Advances from customers

Expenses Payable

Statutory dues payable

Un paid Dividend

Other Payables

	348,120	97,526,912
	10,680,382	5,556,017
	182,925,554	91,751,753
	10,605,227	37,139,833
	2,022,350	1,089,335
	41,787,062	11,579,083
<b>Total</b>	<b>248,368,695</b>	<b>244,642,933</b>

**[10] Short Term Provisions**

Employee Benefits

Proposed Dividend

Provision for dividend tax

Provision for Income tax (Current Year)

	3,567,773	4,267,923
	41,283,600	27,522,400
	6,192,540	4,464,821
	60,059,350	55,369,766
<b>Total</b>	<b>111,103,263</b>	<b>91,624,910</b>

# GS GENIUS

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NOTES TO THE FINANCIAL STATEMENTS (Contd.)

[11] Tangible Fixed Assets

PARTICULARS	GROSS BLOCK		DEPRECIATION			NET BLOCK	
	AS AT 01/04/2012	Addition/ (Disposal)	AS AT 31/03/2013	UPTO 31/03/2012	For The Year	AS AT 31/03/2013	AS AT 31/03/2012
Land (Freehold) & Site Development	5,065,192	5,386,591	10,451,783	-	-	10,451,783	5,065,192
Buildings & Civil Works	132,404,788	29,633,434	162,038,222	30,595,992	4,202,179	127,240,051	101,808,796
Plant & Machinery	743,208,604	38,999,538	782,208,142	196,438,043	38,755,641	547,014,458	546,770,561
Furniture & Fixtures	1,816,636	67,787	1,884,423	1,699,541	108,983	75,899	117,095
Office Equipments	5,427,745	550,937	5,978,682	4,101,218	296,504	1,580,960	1,326,527
Vehicles	44,569,568	4,537,350	49,106,918	24,716,404	2,923,348	21,467,166	19,853,164
Intangible Assets	500,000	-	500,000	500,000			
<b>TOTAL</b>	<b>932,992,533</b>	<b>79,175,637</b>	<b>1,012,168,170</b>	<b>258,051,198</b>	<b>46,286,655</b>	<b>707,830,317</b>	<b>674,941,335</b>
Previous Year	698,155,688	234,336,845	932,492,533	221,598,492	35,952,706	257,551,198	

## For the year ended 31-03-2013

### NOTES TO THE FINANCIAL STATEMENTS (Contd.)

#### [12] Long Term Loans & Advances

##### Advances to a Related Party

Share Application Money

	As At 31.03.2013	As At 31.03.2012
	-	4,267,000
<b>Total</b>	<b>-</b>	<b>4,267,000</b>
<b>Capital Advances</b>	21,508,109	21,613,610
<b>Total</b>	<b>21,508,109</b>	<b>21,613,610</b>
<b>Security Deposits</b>		
Security Deposit	28,967,829	25,910,829
Earnest Money	2,560,000	4,221,918
<b>Total</b>	<b>31,527,829</b>	<b>30,132,747</b>
<b>Other Loans and Advances</b>		
Appeal Deposits	-	1,223,480
TDS Receivable	-	91,877
<b>Total</b>	<b>-</b>	<b>1,315,357</b>
<b>Grand Total</b>	<b>53,035,938</b>	<b>57,328,714</b>

**Note:** All the above Long term Loan and advances are unsecured and considered good.

## For the year ended 31-03-2013

### NOTES TO THE FINANCIAL STATEMENTS (Contd.)

#### [13] Inventory

(as taken, valued and certified by the Management)

Raw Materials

Stores, Consumables & Packing Materials

Stock In Process

Finished Goods

	As At 31.03.2013	As At 31.03.2012
	88,533,542	93,530,785
	52,271,791	146,303,163
	51,133,270	30,828,218
	109,369,863	91,865,654
<b>Total</b>	<b>301,308,466</b>	<b>362,527,820</b>

#### [14] Trade Receivables

(Unsecured, considered good)

Outstanding for a period exceeding six months

Other Debts

	5,914,351	6,977,046
	483,976,153	409,445,483
<b>Total</b>	<b>489,890,504</b>	<b>416,422,529</b>

#### [15] Cash and cash equivalents

Cash in hand

Balance With Scheduled Banks

Current Accounts

Deposit Accounts

Unpaid Dividend accounts

	54,827,188	45,815,377
	75,854,417	35,466,635
	3,398,059	3,026,405
	2,022,350	1,089,335
<b>Total</b>	<b>136,102,014</b>	<b>85,397,752</b>

#### [16] Short Term Loans & Advances

##### Advances to a Related Party

##### Others

Staff Advances

Prepaid Expenses

Advances to suppliers

	5,000,000	3,690,977
	1,389,674	1,675,277
	8,485,260	5,380,040
	19,579,065	34,451,693
<b>Total</b>	<b>29,453,999</b>	<b>41,507,010</b>
<b>Grand Total</b>	<b>34,453,999</b>	<b>45,197,987</b>

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

## For the year ended 31-03-2013

### NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
<b>[17] Revenue from Operations</b>		
Sale of Products	2,099,469,226	2,039,101,912
Less: Production Duties (State Excise)	(63,993,883)	(100,819,871)
Revenue From Operations (Net)	<b>2,035,475,343</b>	<b>1,938,282,041</b>
<b>[18] Other Income</b>		
Interest	847,847	720,681
Dividends	3,503,727	2,681,665
Other Revenues	11,390,182	10,449,716
<b>Total</b>	<b>15,741,756</b>	<b>13,852,062</b>
<b>[19] Cost of Materials Consumed</b>		
Opening Stocks	239,833,948	196,793,857
Add : Purchases (Raw Materials & Chemicals)	414,362,974	458,862,870
Add : Purchases (Packing Material)	487,254,916	639,123,924
	<b>1,141,451,838</b>	<b>1,294,780,651</b>
Less : Closing Stocks	140,805,333	239,833,948
<b>Total</b>	<b>1,000,646,505</b>	<b>1,054,946,703</b>

#### Note: Material Consumed

(As certified by the Management)

	Quantities (MT)		Rupees	
	2012-13	2011-12	2012-13	2011-12
<b>BEER</b>				
Barley Malt	6,669.87	6,853.42	182,470,937	176,284,136
Sugar	1,963.89	1,617.01	62,258,979	46,986,308
Hops	48.3	17.99	6,245,358	8,929,294
Chemicals & Essence			17,656,450	19,224,916
	Quantities (Proof KL)		Rupees	
	2012-13	2011-12	2012-13	2011-12
<b>IMFL</b>				
ENA Spirit	4,087.36	4,020.69	93,083,249	94,943,181
Chemicals & Essence			1,850,000	926,755.00

## For the year ended 31-03-2013

### NOTES TO THE FINANCIAL STATEMENTS (Contd.)

#### [20] Employee Benefits Expense

Salaries, allowances & Bonus
Employer's contribution to PF & Gratuity
Staff welfare expenses

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
	37,179,770	28,687,709
	787,928	467,780
	2,111,021	2,205,586
<b>Total</b>	<b>40,078,719</b>	<b>31,361,075</b>

#### [21] Financial Costs

Bank Interest
Other Interest

	912,578	958,712
	107,966	321,014
<b>Total</b>	<b>1,020,544</b>	<b>1,279,726</b>

#### [22] Other Expenses

Consumables
Power and fuel
Rent
Repairs to buildings
Repairs to machinery
Insurance
Rates and taxes excluding taxes on income
Miscellaneous expenses

##### Auditors Remuneration

(a) Audit fees
(b) Other Services
Royalty
Travelling & Conveyance
Legal & Professional
Sales promotion
Advertisement & Publicity
Freight outward
Other selling expenses
General expenses
Postage, Telegrams & Telephones
Others Repair & Maintenance
Vehicle Running & Maintenance

	14,217,181	17,580,953
	83,417,446	82,235,976
	594,267	361,665
	2,453,532	2,611,256
	56,446,667	28,837,809
	716,291	890,475
	48,364,823	30,092,621
	2,770,371	1,955,838
	196,630	140,450
	51,686	47,511
	30,758,252	79,679,206
	17,973,390	17,367,956
	11,775,186	9,271,445
	325,752,908	240,436,045
	10,610,305	15,394,566
	79,817,340	82,906,214
	12,498,402	12,556,400
	21,342,916	16,768,276
	3,809,605	3,028,695
	647,456	488,323
	2,436,590	2,737,409
<b>Total</b>	<b>726,651,244</b>	<b>645,389,089</b>

#### [23] Exceptional Items

Excess provision written back (Gratuity)
Prior period Items (Net)

		(952,251)
	96,250	1,057,368
<b>Total</b>	<b>96,250</b>	<b>105,117</b>



## For the year ended 31-03-2013

### OTHER NOTES

[24] The Company has not received any information from any of the suppliers of their being a Micro, Small and Medium Enterprises Unit under Micro, Small and Medium Enterprises Development Act, 2006. Hence, amounts due to Micro and Small Scale Enterprises outstanding as on March 31st 2013 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 information as per "AS-15 Employee Benefits" is not available this year.

[26] **Imports/Exports**

**(a) Value of Imports calculated on CIF basis**

(As Certified by the Management)

- (i) Raw & Packing Materials
- (ii) Components and spare parts

	2012-13	2011-12
(i) Raw & Packing Materials	56,73,911	53,40,254
(ii) Components and spare parts	240,37,938	66,65,604
<b>(b) Expenditure in Foreign Currency</b>		
Bank Charges	57122	67,023
Professional Charges	245372	0

[27] **Composition of raw material, packing materials, stores, spares consumed.**

(As Certified by the Management)

Particulars	Raw Materials & Packing Materials		Stores & Spares	
	2012-13	2011-12	2012-13	2011-12
<b>Imported</b>				
Percentage	.60%	7.56%	45%	23.12%
Value(Rs.)	55,95,724	85,38,413	2,40,37,938	66,65,604
<b>Indigenous</b>				
Percentage	99.4%	92.44%	55%	76.88%
Value(Rs.)	92,26,74,699	10,44,01,244	2,94,63,463	2,21,57,012
Total	100%	100%	100%	100%
<b>Total</b>	<b>92,82,70,423</b>	<b>11,29,39,657</b>	<b>5,35,01,401</b>	<b>2,88,22,616</b>

[28] **Earning in Foreign Exchange**

**(i) Exports of Goods calculated on FOB basis**

- Direct
- Indirect

	2012-13	2011-12
- Direct	1,13,97,415	1,56,97,935
- Indirect	1,07,10,114	3,46,12,849

[29] **Contingent Liabilities**

Claims against the Company not acknowledged as debts.

**(i) Disputed Entry Tax demands**

**(ii) Guarantees given by Bankers on behalf of the Company not provided for**

**(iii) Estimated amount of contracts remaining to be executed on capital account and not provided for**

	2012-13	2011-12
(i) Disputed Entry Tax demands	48,93,903	8,93,903
(ii) Guarantees given by Bankers on behalf of the Company not provided for	9,00,000	8,25,000
(iii) Estimated amount of contracts remaining to be executed on capital account and not provided for	2,93,00,000	6,50,00,000

[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	Nature of Relationship	Relatives of Related Party
Som Distilleries Private Ltd.	<b>Mr. S. Lal</b> (Key Managerial Personnel)	-

(b) Transactions with Related Parties

Nature of Transactions	Som Distilleries Pvt. Ltd. (Associate)	Key Managerial Personnel	Relatives of Key Managerial Personnel
Purchase of Goods	9,12,00,000 (10,26,50,000)	<b>Mr. S. Lal</b>	--
Other transactions	Dr. 1,46,21,60,709 (Dr. 1,00,32,02,043) Cr. 1,37,46,51,686 (Cr.89,68,61,065)		
Closing Balance	(Nil) (Dr. 36,90,977)		--

(Previous years figures are stated in brackets)

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

S.N.O	PARTICULARS	31.03.2013	31.03.2012
(a)	Number or Profit/(Loss) after tax Rs.	177,957,952	152,380,183
(b)	Weighted average number of equity shares nos.	2,75,22,400	2,75,22,400
(c)	Basic & Diluted earning per shares (Rs.)	6.47	5.54
(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 figures have been regrouped/restated whenever considered necessary to make them comparable to those of current year.

#### Signatures to Notes 1 to 35

**Mrs. Priyanka Gupta**  
(Company Secretary)

**D.N.Singh**  
(Director)

**S.Lal**  
(Chairman & Managing Director)

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

**Harsha Chandra**  
Partner  
Membership No. 080489

Place : Bhopal  
Dated: 08th August 2013

# 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 20th Annual General meeting on the above named Company on Monday the 30th September 2013 at 11:30 AM at Executive Club, Dolly Farms & Resorts Pvt. Ltd. 349, Village Shaoorpur, P.O. Fatehpur Beri, New Delhi 110030

Names and Address of Shareholder:

Folio No./DPIDCLIENTID No.:

SIGNATURE OF THE SHAREHOLDERS OR PROXY

NO. OF SHARES HELD

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

.....cut here.....

## SOM DISTILLERIES AND BREWERIES LIMITED

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

## PROXY FORM

I/We..... of ..... being a member/members of  
Som Distilleries and Breweries Limited hereby appoint ..... of .....  
or failing him/her ..... of ..... or  
failing him/her ..... of ..... as my/our proxy to attend  
and vote for me/us on my/our behalf at the 20th Annual General Meeting of the Company to be held on Monday the 30th September 2013  
at 11.30 am or at any adjournment thereof.

Signature this ..... day of ..... 2013.

Folio No./DPID CLIENT ID No.

Affix Revenue  
Stamp

Signature

Note: The proxy in order to be effective should be duly stamped. Completed and signed and must be deposited at the registered office of the company of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.





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

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

Mumbai Office: 203, Land Mark Building, Opp. Adlab City Mall,  
Link Road, Andheri West, Mumbai - 400 061, India

For Corporate Queries Get In Touch At [info@somindia.in](mailto:info@somindia.in)

**[WWW.SOMINDIA.IN](http://WWW.SOMINDIA.IN)**

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## SOM DISTILLERIES & BREWERIES LTD.

Corporate Office : 23, Zone-II, Maharana Pratap Nagar, Bhopal-462 011 (M.P.) Tel. : +91-755-4278827, 4271271 Fax : +91-755-2558700  
E-mail : sdild@bsnl.in , somdistilleries@rediffmail.com. Web : www.somindia.in Work : Village Rojrachak, Distt. Raisen (M.P.) Ph.: (07480) 266244-5

### FORM A FORMAT OF COVERING LETTER OF THE ANNUAL REPORT TO BE FILED WITH STOCK EXCHANGE

Name of the company SOM DISTILLERIES & BREWERIES LTD.,


Annual financial statements  
For the year ended 31.03.2013

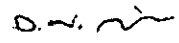
Type of Observation UNQUALIFIED

Frequency of observation not applicable

Soft copy of annual report for 2012-13 is attached as CD.

  
SURJEET LAL  
MANAGING DIRECTOR

  
RAJESH DUBEY  
CFO  
DY.MANAGER(ACCOUNTS)

  
D.N. SINGH  
DIRECTOR  
AUDIT COMMITTEE  
CHAIRMAN

FOR K.C. KHANNA & CO.

  
DOV 250 HARSH CHANDRA  
FLP PARTNER M.No. 080489



FILED 1750  
SENIOR J. Mowes  
Da CONTROL PAGO ME ESTATE COMM  
400.000 COMM Attn: Shri A. V. Robert