

15th ANNUAL REPORT 2007-2008



REPORT JUNCTION



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SOM DISTILLERIES & BREWERIES LTD.



15th ANNUAL REPORT 2007-2008

SOM DISTILLERIES & BREWERIES LTD.

Accounts for the year ended March 31, 2008

K.C KHANNA & CO.
Chartered Accountants
Bhopal

**DIRECTORS**

Shri J. K. Arora	Chairman & Managing Director
Shri A. K. Arora	Director
Shri Surjeet Lal	Director
Shri Rajesh Mukharya	Director
Shri D. N, Singh	Director
Shri Shailendra Singh Sengar	Director

BANKER

Kotak Mahindra Bank Ltd,

AUDITORS

K. C Khanna & Co.
Chartered Accountants
12, Zone-11, M.P.Nagar
Bhopal-462011

REGISTERED OFFICE

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

CORPORATE OFFICE

23, Zone-II, M. P. Nagar, Bhopal-462011
Tel Nos. 0755-4271271, 4271369

FACTORY

Rojra Chak, District Raisen, Madhya Pradesh
Tel Nos. 07480-266244, 266245

STOCK EXCHANGE

Bombay Stock Exchange limited
Phiroze Jeejeebhoy Tower,
Dalai Street, Mumbai 400001



NOTICE TO MEMBERS

SOM DISTILLEREIS & BREWERIES LIMITED

Fifteenth Annual Report

Notice is hereby given that the 15th Annual General Meeting of Som Distilleries & Breweries Limited will be held on Tuesday the 30th September 2008 at 10.00 A.M. at Executive Club, Dolly Farms and Resorts Pvt. Ltd, 349, Village Shahoorpur P.O., Fatehpur Beri, New Delhi 110 030 to transact the following business :-

ORDINARY BUSINESS

1. **ACCOUNTS**

To approve and adopt the Audited Profit & Loss Account for the year ended 31st March, 2008 and the Balance Sheet as at that date and the Report of Directors' and Auditors' thereon.

2. **APPOINTMENT OF SHRI RAJESH MUKHARYA AS DIRECTOR**

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

3. **APPOINTMENT OF SHRI DEENA NATH SINGH AS DIRECTOR**

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

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 15th Annual General Meeting till the conclusion of next Annual General Meeting at a remuneration of Rs.85,000/- plus actual traveling and out-of-pocket expenses".

5. **INCREASE OF AUTHORISED CAPITAL**

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

"Resolved that in accordance with the provisions of Section 94 and other applicable provisions of the Companies Act, 1956, the authorized capital of the company be and is hereby increased by Rs. 12,00,00,000 (rupees twelve crores only) raising it from Rs.23,00,00,000 (rupees twenty three crores only) consisting of 2,30,00,000 (two crore thirty lakh only) equity shares of Rs. 10/- each to Rs.35,00,00,000 (rupees thirty five crores only) consisting of 3,50,00,000 (three crores fifty lakh only) equity shares of Rs. 10/- each by adding in the authorized capital 1,20,00,000 (one crore twenty lakh only) equity shares of Rs. 10/- each.

Resolved further that pursuant to the provisions of Section 16 of the Act, in Clause V of the Memorandum of Association the words, figures, and brackets, "Rs. 23,00,00,000 (rupees twenty three crores only) divided into 2,30,00,000 (two crore and thirty lakh only) equity shares of Rs. 10/- (Rupees Ten only) each".

be and are replaced by the following words , figures and brackets,
 "Rs. 35,00,00,000 (rupees thirty five crores Only) divided into 3,50,00,000 (three crore fifty lakh only) equity shares of Rs. 10/- (rupees ten only) each.

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ISSUE OF FURTHER EQUITY SHARES ON PREFERENTIAL BASIS

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

"Resolved that pursuant to the provisions of section 81(A) and all other applicable provisions , if any , of the Companies Act , 1956 and in accordance with the provisions of the Articles of Association of the company and subject to such approvals, permissions and sanctions as may be required to be obtained from Securities and Exchange Board of India and such other concerned authorities and further subject to such conditions and modifications as may be imposed/ prescribed in granting of such approval / sanctions , the Board of Directors of the company(herein after referred to as Board) be and is hereby authorized to offer, issue and allot for cash consideration on preferential basis the following warrants:

94,34,800 warrants convertible at the option of the warrant holders into equal number of equity shares of Rs.10/- within 18 months of the date of allotment at a price of Rs. 22.1 per share (being the price as per SEBI Guidelines) to the following applicants:-

S.No.	Name	Promoter or Non-Promoter	No. of warrants to be allotted
i)	Jagdish Kumar Arora	Promoter	5,84,800
ii)	Ajay Kumar Arora	Promoter	5,97,800
iii)	Deepak Arora	Promoter	12,400
iv)	Alok Arora	Promoter	12,400
v)	Mohar Singh	Non promoter	3,30,800
vi)	Gurumukh Das Saluja	Non promoter	6,60,600
vii)	Pradeep Chaturvedi	Non promoter	12,06,000
viii)	Shiv Charan Singh	Non promote	12,06,000
xi)	Vinod Singh	Non promoter	12,06,000
x)	Ravinder Chouhan	Non promoter	12,06,000
xi)	Bana Singh	Non promoter	12,06,000
xii)	Radhe shyam Sen	Non promoter	12,06,000
Total			94,34,800



The applicants shall pay in advance 50% of the price of the shares before allotment of warrants. Such advance shall stand forfeited in case applicant does not exercise his option to convert into equity shares within 18 months, to the extent the option is not exercised.

Resolved further that the equity shares issued against above mentioned warrants shall rank pari-passu in all respects with the existing equity shares of the company from the date of issue. The relevant date for the purpose of SEBI (Disclosure and Investor Protection) Guidelines, 2000 is 31.08.2008

Resolved further that for the purpose of giving effect to the above resolutions, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things and execute all deeds, instruments and writings as it may in its absolute discretion deem necessary or desirable and pay fees and other expenses in relation there to."

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 23.09.2008 to 30.09.2008 (both days inclusive).
- c. All correspondence regarding dematerialization/transfer of shares, change of address should be addressed to MAS Services Pvt. Ltd, AB-4, Safdarjung Enclave, New Delhi 110 029 who are the Registrar and Transfer agents.
- d. Any queries for being answered at the meeting must reach at least seven days in advance.

By Order of Board of Directors

J.K.ARORA
CHAIRMAN AND MANAGING DIRECTOR

PLACE: BHOPAL
DATED: 6th September, 2008



EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956 TO THE NOTICE OF THE ANNUAL GENERAL MEETING OF SOM DISTILLERIES & BREWERIES LIMITED TO BE HELD ON 30TH SEPTMBER, 2008 AT EXECUTIVE CLUB, DOLLY FARMS AND RESORTS PRIVATE LIMITED 349, VILLAGE SHAHOORPOR P.O.FATEHPUR BERI, NEW DELHI AT 10.00 HOURS.

ITEM NO.5. INCREASE OF AUTHORIZED CAPITAL

It is proposed to increase the authorized capital from Rs. Twenty three crores to Rs. Thirty five crores to meet the requirement of funds to increase the capacity of the factory at Rojra Chak. and the working capital requirements of the company so that equity shares can be issued on preferential basis. Accordingly, Memorandum of Association is also proposed to be amended.

The Board recommends the increase in the authorized capital and consequential amendment of the Memorandum of Association.

None of the Directors is interested in the resolution.

ITEM NO.6.ISSUE OF FURTHER SHARES/WARRANTS ON PREFERENTIAL BASIS

It is also proposed to issue warrants convertible into equity shares up to the face value of Rs.9,43,48,000, on preferential basis. Shareholders consent is being sought to authorize the Board of Directors to issue the warrants to the persons named in the resolution for cash at a price and on terms as the Board may think fit in the interest of the company and keeping in view the various laws and SEBI (DIP) Guidelines, 2000. The relevant date for the purpose of SEBI (Disclosure and Investor Protection) Guidelines, 2000 is 31.08.2008

The issue of warrants is being made to meet the requirements of working capital and expansion. The additional working capital funds are required to meet the increased cost of raw materials, packing materials etc. and to increase the capacity. The shares will be issued to the following persons:-



S.No.	Name & Address	No. of shares		Maximum percentage of paid up capital		Remarks, whether promoter/director or relative
		Held at present	Proposed to be taken up	Pre issue	Post Issue*	
1.	Jagdish Kumar Arora, S/o Shri M.L. Arora, Vatsalya, Kerwa Dam Road, Vill. Mandori, Bhopal	464850	5,84,800	2.57	3.54	Promoter/ Managing Director
2	Ajay Kumar Arora, S/o Shri M.L. Arora, Vatsalya, Kerwa Dam Road, Vill. Mandori, Bhopal	50000	5,97,800	0.14	2.18	Promoter/Director
3	Alok Arora, S/o Shri Ajay Kumar Arora, Vatsalya, Kerwa Dam Road, Vill. Mandori, Bhopal	NIL	12,400	-	0.06	Promoter's relative
4	Deepak Arora S/o Shri Jagdish Kumar Arora, Vatsalya, Kerwa Dam Road, Vill. Mandori, Bhopal	NIL	12,400	-	0.06	Promoter's relative
5	Mohar Singh, S/o Shri Khushi Lal 185, Indra Puri, ETC Colony, Govindpura, Bhopal	NIL	3,30,800	-	1.12	Non promoter
6	Gurumukh Das Saluja, S/o Shri Bakshi Lal Saluja E-2/59, Arera Colony, Bhopal	NIL	6,60,600	-	2.23	Non promoter



7	Pradeep Chaturvedi s/o Har Prasad, 102, Mahamai Ka Bagh, Near Shiv Mandir, Bhopal	NIL	12,06,000	-	4.06	Non promoter
8	Shiv Charan Singh s/o Girdhari, 61, Mahamai Ka Bagh, Near Shiv Mandir, Bhopal.	NIL	12,06,000	-	4.06	Non promoter
9	Vinod Singh, s/o Dashrath, 59, Janak Puri, By Pass Road, Bhopal.	NIL	12,06,000	-	4.06	Non promoter
10	Ravinder Chouhan, s/o Bavkeshwar, B- 6-33, Lambini Parisar, Nehru Nagar, Bhopal.	NIL	12,06,000	-	4.06	Non promoter
11.	Bana Singh, s/o Madhav Prasad, 16, Gupta Colony, Surya Nagar, Bhopal	NIL	12,06,000	-	4.06	Non promoter
12	Radhe Shyam Sen, s/o Bhola Ram, H-55 PHE Campus, Birla Mandir Road, Bhopal.	NIL	12,06,000	-	4.06	Non promoter
TOTAL			94,34,800			

*After taking into account 21,41,689 equity shares to be issued to Kotak Mahindra Bank Ltd on exercise of option by the Bank against warrant already issued. Total issued capital Rs.29,67,64,890

The share holding pattern before and after the two issues will be as follows:-