



NOTICE TO MEMBERS

SOM DISTILLERIES & BREWERIES LIMITED 23rd Annual Report

Notice is hereby given that the **23rd Annual General Meeting** of Som Distilleries & Breweries Limited will be held on **Friday the 30th September, 2016 at 11.00 A.M.** at Executive Club, Dolly Farms and Resorts Pvt. Ltd, 349, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030 to transact the following business:

ORDINARY BUSINESS

1. ACCOUNTS

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

"Resolved that report of the Board of Directors dated 13.08.2016 and audited Balance sheet as at 31.03.2016 and Profit & Loss Account for the year 2015-2016 be and are hereby adopted."

2. RETIRE BY ROTATION

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

"Resolved that Shri Surjeeet Lal, who retires by rotation at this meeting and offered himself for reappointment, be and is hereby reappointed as a Director."

3. DECLARATION OF DIVIDEND FOR 2015-16

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

"Resolved that as recommended by the Board of Directors, the company do hereby declare a dividend of 15% i.e. Rs. 1.50 per share of Rs. 10 on all the 2,75,22,400 equity shares of the company for the year 2015-16 which dividend may be paid to the holders of shares on the date of this annual general meeting."

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 pursuant to the provisions of Section 139(1) of the Companies Act 2013 and the Companies (Audit and Auditors) Rules, 2014, K.C. Khanna & Company, Chartered Accountants, Bhopal, who had completed more than 10 years of audit of the company up to 31.03.2014 and were appointed as auditor for the year 2014-15 and 2015-16 be and are hereby appointed as Auditors of the Company for one more year i.e for 2016-17 in view of the transitional period allowed i.e from the conclusion of this 23rd Annual General Meeting till the conclusion of

24th Annual General Meeting to be held in 2017 at a remuneration to be decided by the Chairman cum Managing Director with the consent of the auditors".

5. SPECIAL BUSINESS

LOANS, GUARANTEES, SECURITIES AND INVESTMENTS (TO BE CONSIDERED THROUGH POSTAL BALLOT ONLY) - POSTAL BALLOT DOCUMENTS SENT SIMULTANEOUSLY.

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

Resolution:

"RESOLVED THAT in terms of sections 186 of the Companies Act, 2013, the Company do hereby authorize the Board of Directors to invest in securities of any other body corporate and to give loans and guarantees and provide security by way of charge on its assets to any party whether government or non-government, whether banking or non-banking institutions and whether related party or not, to the maximum extent of Rs. 200 Crores (rupees Two hundred crores only) outstanding at any one time including transactions already done.

NOTES:-

- 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.
- The Register of Members of the company will remain closed from 21.09.2016 to 30.09.2016 (both days inclusive).
- 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).
- Any queries for being answered at the meeting must reach at least ten days in advance.



e. Shareholders are requested to furnish their e-mail addresses to RTA so that annual report etc. can be sent by e-mail in future.

f. Electronic voting is allowed in respect of each of the items of business mentioned above. Notes/procedure on electronic voting may be seen at pages 71 to 73.

g. Explanatory statement under section 102 of the Companies Act 2013 is attached

Explanatory statement under section 102 of the Companies Act, 2013 to the notice of the Annual General Meeting to be held on Friday the 30th September, 2016 at 11.00 hours at Executive Club, Dolly Farms and Resorts Pvt. Ltd, 349, village Shahoorpur, P.O. Fatehpur Beri, New Delhi -110030

LOANS, GUARANTEES, SECURITIES AND INVESTMENTS

Section 186 of the Companies Act, 2013 regulates giving of loans, or guarantees or providing of security in connection with a loan to any other body corporate or person or acquiring by way of subscription, purchase or otherwise of securities of any other body corporate. A prior special resolution is needed if the total of these transactions exceeds the limit of 60% of the paid up capital, free reserves and securities premium account or 100% of the free reserves and securities premium account, whichever is more.

The Company is proposing to promote a Separate company i.e. Woodpecker Distilleries and Breweries Pvt. Ltd, which is going to set up a brewery and IMFL Bottling Plant in Karnataka.

Substantial investments would have to be made in this project which investments may be beyond the limit mentioned in the above para, thus creating a position where the proposed resolution under section 186 would be needed. Such investments may also convert Woodpecker Distilleries and Breweries Pvt. Ltd. into a subsidiary of this company.

The proposed resolution would meet the above mentioned need for investment and also other future needs and authorizes the Board of Directors to the maximum extent of Rs.200 Crores (rupees Two hundred crores only) outstanding at any one time including transactions already done."

Rule 22(16) (j) of the Companies(Management and Administration) Rules, 2014 requires that for any resolution under section 186(3), the business shall be transacted only by means of postal ballot which includes voting by post or through electronic means. Postal ballot documents in respect of the resolution under 186 are being sent to the shareholder along with the notice as a separate sheet. The resolution no.5 under section 186 will be voted by postal ballot/e-voting and the result will be recorded in the minutes of this meeting.

None of the directors, Key Managerial Personnel or their relatives is interested in the resolution.

BY ORDER OF BOARD OF DIRECTORS

Place: Bhopal
Dated: 13.08.2016

Surjeet Lal
Chairman and Managing Director

SOM DISTILLERIES & BREWERIES LIMITED
23rd Annual Report
REPORT OF DIRECTORS

To,
The Shareholders
Som Distilleries & Breweries Ltd.

Sirs,

Your Directors have pleasure in presenting the Annual Report of your Company for the year ended on 31st March 2016.

1. WORKING RESULTS

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

Particulars	2014-15 ₹ crores	2015-16 ₹ crores
Sales & Other Income	207.34	221.36
EBIDTA	31.70	34.08
Depreciation	3.91	3.86
Profit for the year	25.45	20.93
Provision of Tax	9.28	7.55
Profit after Tax	16.17	13.38

There has been an increase in the turnover during 2015-16 over the previous year. However the profit has declined due to interest cost. The Board hopes that the performance will be better next year as the investments have started bearing the returns.

2. EXTRACT OF ANNUAL RETURN

The extract of annual return in Form MGT 9 is attached herewith this report as Annexure I.

3. MEETINGS OF BOARD OF DIRECTORS

During the financial year 2015-16, the Board of Directors met 19 times on 14.05.2015, 22.05.2015, 30.05.2015, 06.07.2015, 22.07.2015, 27.07.2015, 03.08.2015, 02.09.2015, 09.09.2015, 14.09.2015, 30.09.2015, 16.10.2015, 05.11.2015, 13.11.2015, 25.11.2015, 20.01.2016, 5.02.2016, 23.02.2016, 15.03.2016,

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors hereby certify:-

- (i) that in the preparation of the accounts for 2015-16, the applicable accounting standards have been followed.
- (ii) that the Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit of the Company for the year.
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
- (iv) that the directors prepared the annual accounts on a going concern basis.
- (v) that the directors had laid down internal financial controls to be followed by the company, which are adequate and were operating effectively.
- (vi) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

5. DECLARATIONS BY INDEPENDENT DIRECTORS

Independent directors i.e. Shri S.S.Sengar, Ms Nishi Arora and Shri D.N.Singh have given the requisite declarations under Section 149(7) of the Companies Act, 2013 to the effect that they meet the criteria of independence as provided under section 149(6).

6. COMMITTEES OF THE BOARD

Details of the Committees of the Board of Directors are given in the Corporate Governance Report attached as Annexure IV.

7. RESERVATION AND QUALIFICATION ON STATUTORY AUDIT REPORT AND SECRETARIAL AUDIT REPORT.

There is no qualification, reservation or adverse remark or disclaimer of the statutory auditor/secretarial auditor to which a reply is needed from the Board. The suggestions given by Auditors regarding internal controls, after certifying that the Company has an adequate internal financial control system, have been noted and will be acted upon.

8. PARTICULARS OF LOAN & INVESTMENT UNDER SECTION 186

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

9. PARTICULARS OF CONTRACTS AND ARRANGEMENTS UNDER SECTION 188

Contracts or arrangements with related parties during the year 2015-16 were within the limits as stated in rule 15 (3)(a) of Companies (Meetings of Board and its Powers) Rules, 2014 which have been undertaken after due compliances. The related party transactions were arms length transactions.

10. DIVIDEND

Directors have recommend for the year 2015-16, a dividend of ₹ 1.5 on each share of ₹ 10 (i.e. 15%) on all the 2,75,22,400 equity shares payable to shareholders as on the date of Annual General Meeting.

11. CONSERVATION, TECHNOLOGY, FOREIGN EXCHANGE

In terms of Rule 8(3) of Companies (Accounts) Rules, 2014, information about energy conservation and technology absorption is nil in regard to each of the respective items. Information regarding foreign exchange is as follows: -

* Earnings	: ₹ 2,47,58,652
* Outgo	: ₹ 1,69,03,019

11. CONSERVATION, TECHNOLOGY, FOREIGN EXCHANGE

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* Earnings : ₹ 2,47,58,652

* Outgo : ₹ 1,69,03,019

12. CORPORATE SOCIAL RESPONSIBILITY

The Board constituted a corporate social responsibility committee in terms of section 135 of the companies Act 2013 consisting of Shri Deena Nath Singh (Chairman), Shri S. S. Sengar and Smt. Nishi Arora. In respect of CSR Policy, the Board decided that at present the CSR activities of the company are majorly through Asha Mohan Foundation which is a registered society engaged in the education of children at Sehatganj for the last more than ten years and has been established by the promoters of this company. The CSR Committee shall monitor the CSR expenditure of the company through Asha Mohan Foundation and shall ensure that at least 2% of the average net profit of the company made during the immediately preceding three years is incurred and well utilized for the education and other welfare activities of the society. In respect of the year, 2015-16, a report under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached in Annexure II.

13. SECRETARIAL AUDIT

M.M. Chawla and Associates, Company Secretaries in Practice, Bhopal were appointed as Secretarial Auditor of the company to perform Secretarial Audit of the company for the year 2015-16 in terms of section 204 of the Companies Act, 2013. The secretarial audit report issued by them is attached herewith as Annexure III.

14. DIRECTORS/CFO/INTERNAL AUDITOR

There was no change in the composition of the

Board of Directors of the Company during the year under review. Shri Rajesh Dubey is the Chief Financial Officer and Shri Sourabh Tandon is the Internal Auditor.

15. AUDITORS

M/s K.C. Khanna & Co., Chartered Accountants, Bhopal retire at the ensuing 23rd Annual General Meeting. They are eligible for reappointment. The Board recommends their reappointment.

16. CORPORATE GOVERNANCE

Pursuant to Regulation 34 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 as Annexure IV and VI.

17. OTHER STATUTORY INFORMATION

In respect of other various matters listed in section 134(3) and other sections of the companies Act, 2013 and rules made there under, there is no further information to be furnished in this report. There are adequate internal financial controls keeping in view the size and nature of transactions of the Company. A system of evaluation of the performance of Directors is yet to be evolved. Details of risk management policy are yet to be framed. The information/ratios as required under Rule 5 of the Rules are attached as Annexure V.

18. ACKNOWLEDGEMENTS

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

BY ORDER OF BOARD OF DIRECTORS

Surjeet Lal
Chairman and Managing Director

Place: Bhopal
Dated: 13.08.2016

ANNEXURE- I TO THE DIRECTORS' REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN
FOR THE FINANCIAL YEAR ENDED ON 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i. Corporate Identification Number	: L74899DL1993PLC052787
ii. Registration Date	: 26.03.1993
iii. Name of the Company	: Som Distilleries And Breweries Limited
iv. Category / Sub-Category of the Company	: Company Limited By Shares/Indian Non-Government Company
v. Address	
Registered Office and Contact Details:	: 1-A, Zee Plaza, Arjun Nagar, Safdarjung Enclave, Kamal Cinema Road, New Delhi-110029 Telephone No. 011-26169909
Corporate Office and Contact Details	: 23, Zone II, M.P.Nagar, Bhopal 462011, M.P. Telephone No. 0755-4271271
vi. Whether listed company	: Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	: MAS Services Ltd T-34, Okhla Industrial Area, Phase-II, Delhi 110020. Tele Nos. 01126387281-83 e-mail : info@masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

- NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup As Percentage Of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2730364	200	2730564	9.921	2733919	NIL	2733919	9.933	0.012
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	3545758	NIL	3545758	12.883	3580932	NIL	3580932	13.011	0.128
e) Bank/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (1):-	6276122	200	6276322	22.804	6314851	NIL	6314851	22.944	0.14
(2) Foreign									
a) NRIs - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	6276122	200	6276322	22.804	6314851	NIL	6314851	22.944	0.14
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	600	NIL	600	0.002	1600	NIL	1600	0.006	0.004
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B) (1):-	600	NIL	600	0.002	1600	NIL	1600	0.006	0.004
2. Non Institutions									
a) Bodies Corp									
i) Indian	61284	93300	154584	0.562	46929	93300	140229	0.51	-0.052
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	453681	946259	1399940	5.087	442427	916659	1359086	4.938	-0.149
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	18607587	1047700	19655287	71.416	19524452	147700	19672152	71.477	0.061

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
non-resident Indian/obc	31515	NIL	31515	0.115	29914	NIL	29914	0.109	-0.006
d) others Clearing Member	4152	NIL	4152	0.015	4568	NIL	4568	0.017	0.002
Sub-total (B)(2):-	19158219	2087259	21245478	77.195	20048290	1157659	21205949	77.051	-0.144
Total Public Shareholding (B) = (B)(1) + (B)(2)	19158819	2087259	21246078	77.197	20049890	1157659	21207549	77.057	-0.14
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	25434941	2087459	27522400	100	26364741	1157651	27522400	100	NIL

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	SURJEET LAL	566	0.002	0	566	.002	0	0
2	AALOK DEEP FINANCE PVT. LTD.	551100	2.002	0	551100	2.002	0	0
3	DEEPAK ARORA	12400	0.045	0	12400	0.045	0	0
4	SWEENA ARORA	41	0	0	41	0	0	0
5	ASHA RANI ARORA	500	0.002	0	500	0.002	0	0
6	JAGDISH K. ARORA	1809117	6.573	0	1812472	6.585	0	0.012
7	NATASHA ARORA	124730	0.453	0	124730	0.453	0	0
8	SUNITA ARORA	135110	0.491	0	135110	0.491	0	0
9	AJAY KUMAR ARORA	648100	2.355	0	648100	2.355	0	0
10	SOM DISTILLERIES PVT. LTD.	2994658	10.881	0	3029832	11.009	0	0.128
	Total	6276322	22.804	0	6314851	22.944	0	0.14

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

Sl No.	Shareholding at the beginning of the year				Cumulative Shareholding during the year	
		No. of Shares		% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	At the beginning of the year	6276322		22.804	6276322	22.804
	Date wise Increase/ Decrease In Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):-	QUARTER ENDED	PURCHASED			
		30.06.2015	14452	0.052	6290774	22.856
		30.09.2015	20722	0.076	6311496	22.932
		31.12.2015	-200	-0.001	6311296	22.931
		31.03.2016	3555	0.013	6314851	22.944
	At the End of the year	6314851		22.944	6314851	22.944

(iv) Shareholding Pattern of Top Ten Shareholders

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		No. of Shares		% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	At the beginning of the year	14525556		52.777	14525556	52.777
2.	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	QUARTER ENDED	CHANGE			
		30.06.2015	14452	0.214	14540008	52.83
		30.09.2015	20722	0.075	14560730	52.905
		31.12.2015	-1013377	-3.682	13547353	49.223
		31.03.2016	0	0	13547353	49.223
3.	At the End of the year (or on the date of separation, if separated during the year)	13547353		49.223	13547353	49.223

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No.		Shareholding at the beginning of the year	Cumulative Shareholding during the year
	For Each of the Directors and KMP		
1.	At the beginning of the year	566	0.002
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	NO CHANGES	
	At the End of the year	566	.002