



# Som Distilleries and Breweries Limited

## Composition of Committees of Board of Directors





# Som Distilleries and Breweries Limited

## COMPOSITION OF COMMITTEES OF BOARD OF DIRECTORS

The Company constituted Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee, Corporate Social Responsibility (CSR) Committee & Executive Legal and Borrowing Committee . All committees have a combination of Executive, Non-Executive and Independent Directors. The Chairman of most of the committees is an Independent Director.

As per the charter of respective committees, committees deliberate on the matters referred to it by the Board. Information and data that is important to the committees to discuss the matter is distributed in writing to the members of the committees well in advance of the meeting. Recommendations of the committees are submitted to the Board to take decision on the matter referred.

The members of the committee, who are not able to participate in the meeting physically, generally participate through tele-conferencing or video conferencing.

## AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with Section 177 of the Companies Act, 2013 ("Act").

The Audit Committee was constituted by the Board with two independent directors and one executive director.

Name	Category	Date Of Appointment
Mr. Deena Nath Singh	Non-Executive - Independent Director, <b>Chairperson</b>	30-03-2006
Mr. Nakul Kam Sethi	Executive Director, <b>Member</b>	13-10-2018
Ms. Nishi Arora	Non-Executive - Independent Director, <b>Member</b>	13-10-2018

### **i. The broad terms of reference of the Audit Committee is as follows:**

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.



- Review, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause(c) of sub-section (3) of Section 134 of the Act;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report.
- Review, with the management, the quarterly financial statements before submission to the Board for approval.
- Review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditors' independence and performance, and effectiveness of audit process.
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- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments. Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Monitor the end use of funds raised through public offers and related matter.
- Review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discuss with internal auditors of any significant findings and follow up there on.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Look into reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Review the functioning of the whistle blower mechanism.





- Review the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding Rs.100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date or such other limit as may be prescribed.
- Review the management discussion and analysis of financial condition and results of operations.
- Review the statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- Review the management letters/letters of internal control weaknesses issued by the statutory auditors.
- Review the internal audit reports relating to internal control weaknesses.
- Review the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee. Review the statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Examination of the financial statement and the auditors' report thereon;
- Review the financial statements, in particular, the investments made by the unlisted subsidiary/ies.

**ii. As per SOM Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ("Code"):**

- To approve policies in relation to the implementation of the Code and to supervise implementation of the Code.
- To note and take on record the status reports detailing the dealings by Designated Persons in Securities of the Company, as submitted by the Compliance Officer on a quarterly basis.
- To provide directions on any penal action to be initiated, in case of any violation of the Regulations by any person.
- Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.

**iii. Others**

- To consider matters relating to the Company with respect to the SOM Code of Conduct.
- Such other matters as mentioned in the terms of reference or as may be required to be carried out by the Audit Committee pursuant to amendments under any law, from time to time.





## **NOMINATION & REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations read with Section 178 of the Act.

The Nomination and Remuneration Committee was constituted by the Board with three Non-Executive independent directors.

<b>Name</b>	<b>Category</b>	<b>Date Of Appointment</b>
Mr. Deena Nath Singh	Non-Executive - Independent Director, <b>Chairperson</b>	30-05-2014
Mr. Satpal Kumar Arora	Non-Executive - Independent Director, <b>Member</b>	27-05-2019
Ms. Nishi Arora	Non-Executive - Independent Director, <b>Member</b>	13-10-2018

**i. The broad terms of reference of Nomination and Remuneration Committee is as follows:**

- Recommend to the Board the setup and composition of the Board and its committees, including the “formulation of the criteria for determining qualifications, positive attributes and independence of a director.” The committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the Board the appointment or reappointment of directors.
- Devise a policy on Board diversity.
- Recommend to the Board appointment of Key Managerial Personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this Committee).
- Carry out evaluation of every director’s performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors. This shall include “Formulation of criteria for evaluation of Independent Directors and the Board”. Additionally the Committee may also oversee the performance review process of the KMP and executive team of the Company.
- Recommend to the Board the Remuneration Policy for directors, executive team or Key Managerial Personnel as well as the rest of the employees.
- On an annual basis, recommend to the Board the remuneration payable to the directors and oversee the remuneration to executive team or Key Managerial Personnel of the Company.
- Oversee familiarisation programmes for directors.
- Oversee the Human Resource philosophy, Human Resource and People strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, KMP and executive team).
- Provide guidelines for remuneration of directors on material subsidiaries.
- Recommend to the Board on voting pattern for appointment and remuneration of directors on the Boards of its material subsidiary companies.
- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.





## **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with Section 178 of the Act.

The Stakeholders Relationship Committee was constituted by the Board with one independent director and one executive director.

<b>Name</b>	<b>Category</b>	<b>Date Of Appointment</b>
Mr. Deena Nath Singh	Non-Executive - Independent Director, <b>Chairperson</b>	13-10-2018
Mr. Nakul Kam Sethi	Executive Director, <b>Member</b>	13-10-2018
Ms. Nishi Arora	Non-Executive - Independent Director, <b>Member</b>	03-06-2019

### **i. The broad terms of reference of Stakeholders' Relationship Committee is as follows:**

- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend/notice/annual reports, transfer/transmission of shares, issue of new/duplicate certificates, general meetings etc., and all other securities-holders related matters.
- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
- Authorize any person to take such actions as necessary or deemed fit by the Committee for any matter.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Review the policies, processes and systems periodically and recommend measures for improvements from time to time.
- Look into various aspects of interest of shareholders, debenture holders and security holders.
- Such other matters as may be required to be carried out by the Stakeholders' Relationship Committee pursuant to amendments under any law, from time to time.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The CSR Committee of the Company is constituted in line with the provisions of Section 135 of the Act.

The CSR Committee was constituted by the Board with two independent directors and one executive director.







Name	Category	Date Of Appointment
Mr. Deena Nath Singh	Non-Executive - Independent Director, <b>Chairperson</b>	26-12-2014
Mr. Nakul Kam Sethi	Executive Director, <b>Member</b>	13-10-2018
Ms. Nishi Arora	Non-Executive - Independent Director, <b>Member</b>	26-12-2014

**i. The broad terms of reference of CSR Committee is as follows:**

- Formulate and recommend to the Board, a CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- Recommend the amount of expenditure to be incurred on the activities referred to above;
- Monitor the CSR Policy of the Company from time to time.
- Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- Do such other acts, deeds, things and matters as are necessary or expedient in complying with the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

**RISK MANAGEMENT COMMITTEE**

In terms of regulation 21 of SEBI Listing Regulations, 2015 the Board has constituted a Risk Management Committee.

The Risk Management Committee was constituted by the Board with one independent director and one executive director.

Name	Category	Date Of Appointment
Mr. Nakul Kam Sethi	Executive Director, <b>Chairperson</b>	13-10-2018
Mr. Deena Nath Singh	Non-Executive - Independent Director, <b>Member</b>	07-02-2020
Ms. Nishi Arora	Non-Executive - Independent Director, <b>Member</b>	26-12-2014

**i. The broad terms of reference of the Risk Management Committee is as follows:**

- Formulate, monitor and review risk management policy and plan, *inter-alia*, covering investment of surplus funds, management of foreign exchange risks, cyber security risks.
- Approve addition/deletion of banks and other financial intermediaries and recognised exchanges from time to time for carrying out Treasury transactions and delegate the said power to such person as may be deemed fit.
- Carry out any other function as is referred by the Board from time to time or required under the relevant provisions of the applicable laws, regulations and various circulars issued by the regulatory authorities, from time to time.





## **EXECUTIVE LEGAL AND BORROWING COMMITTEE**

The Executive Legal and Borrowing Committee managing the day-to-day operations of the business of Som Distilleries and Breweries Limited. It is chaired by the Executive Director.

The Executive Legal and Borrowing Committee was constituted by the Board with two members and one executive director.

<b>Name</b>	<b>Category</b>	<b>Date Of Appointment</b>
Mr. Nakul Kam Sethi	Executive Director, <b>Chairperson</b>	27-05-2019
Mr. Deena Nath Singh	Non-Executive - Independent Director, <b>Member</b>	27-05-2019
Mr. Rajesh Kumar Dubey	Chief Financial Officer, <b>Member</b>	07-02-2020

**i. The broad terms of reference of the Executive Legal and Borrowing Committee is as follows:**

- To approve opening \ operation \ closure of bank accounts and to obtain credit facilities of all kinds including but not limited to letter of credit, bank guarantee, term loans, over draft facility, cash credit facility, foreign exchange\ currency transactions\ FDI and such other facility(ies) or any amendment in its operation \ terms.
- To accept advances\loans\debts, availing fund based \ non fund based credit facilities from banks, financial institutions, NBFCs, lending agencies, firms, body corporate or any person, whether in India or abroad and any amendment to the facilities availed, notwithstanding the money so borrowed together with the money already borrowed (apart from the temporary loan obtained from the company's bankers in the ordinary course of business) may at any time exceed aggregate of the paid up capital of the company and its free reserves (reserves not set apart for any specific purpose) provided that the total amount that may be borrowed (i.e. the principal amount) by the committee and outstanding (i.e. the principal amount) at any point of time, shall not exceed the sum of Rs.500 crore or as approved under section 180(1)(c) of the companies act, 2013 from time to time and is further authorized to delegate authority to sign\ amend\ vary\ execute all required documents, including but not limited to applications, affidavits, agreements, addendums, amendments, MOUs, guarantees, deeds, power of attorneys, undertakings, etc.
- To give collateral, guarantee, security, additional security in any form\ manner by way of mortgage or any other kind of security and to give bank guarantee to\ in favour of any banks, financial institutions, NBFCs, lending agency, firms, bodies corporate, whether in India or abroad, in connection with any credit facilities\ loans\ overdraft facilities\ debentures\ other debt instruments availed\ issued or to be availed\ issued by the Company, group associate\ subsidiary companies\ entities\ promoters of the Company.
- To invest surplus funds of the Company in any financial \ non-financial asset, give loans to any person, company, firm, body corporate etc on such terms and conditions as the committee may think fit.







- To apply for all licenses, permissions, approvals, consents, sanctions etc. by whatsoever name called and of whatsoever nature from all Commissions, Registrars, Development Authorities, Central\ State\ Municipal\ Local\ Government Departments\ Authorities\ Bodies, including but not limited to Excise Authority, Food & Safety Standards, Environment clearance, Electricity, Irrigation, Health, Telephone, Water and all such authorities as may be necessary from time to time for manufacturing and trading of breweries and distilleries or otherwise for dealing in similar products for legitimate purposes for business of the Company whether in India or abroad.
- To initiate\ negotiate proceedings, file complaints, present, withdraw, appeal, file, review, settle, prosecute and defend Company against all types of Consumer Cases, Civil and Criminal Cases, Arbitration Cases and for Taxation matters (Direct and Indirect), RERA, FEMA matters against the Company in any Forum, Commission, Tribunal, Agency, Court or other semi\local Governments or Authorities, CBDT or other appellate or judicial authorities under the Income Tax Act, 1961, in India or abroad and in relation thereto authorise any persons\officials to appear before such court or authority referred above and to sign vakalatnamas, affidavit, plaint, petition, written statements, rejoinders, evidence, argument, appeals, cross appeals, settlement, withdrawal application or such other documents as may be necessary in this regard.
- To do all such acts, deeds and things relating to administration of the affairs of the Company in the ordinary course of the business including but not limited to Liasoning, Appearance, Submission etc. with respect to the matters relating to Registrar of Companies, Regional Director, Company Law Board, NCLT, OL, CCI, Tax (Direct or Indirect), Customs, Excise, FEMA, RBI, Ministry of Company Affairs, SEBI, Stock Exchanges, Trademark, Patent, Copyright Offices and all Government departments\ bodies\ Authorities.
- To approve execution\ alteration\ amendment\ cancellation of any contract\ agreement\ arrangement relating to the business of the Company, including Memorandum of Understanding, Joint Ventures Agreements, Collaboration Agreements, Development Agreements, Consortium Agreements, Foreign Collaboration, Partnership Deeds, Power of Attorneys or any other Agreements with anybody including any Company, Body Corporate, Association of Persons (AOP), Central\ State\Local Government, Local Municipal Authorities, Registrars Individuals, Firms and purchase\lease\accept\FSI\FSA\ Development Rights\ lien\ charge\ rent\hire\interest in any manner whatsoever of any tangible or intangible assets and participate in Bid\ Auction\ Tender and sign\ execute all such applications, tenders, Affidavits and other related documents.
- To sell, lease, give on rent in single or multiple phases (within the overall valid authorization under section 180 of the Companies Act, 2013) any Land, Projects, Undertakings or any tangible or intangible assets and to sign and execute letter of allotment, transfer papers, sale deed, possession letters, buyers agreement, power of attorneys and other related documents.
- To authorise any person(s) as the committee may think fit in whose presence the Common Seal of the Company can be affixed on any document(s) in terms of the Articles of Association of the Company and who shall sign the document in token thereof.
- Any other power which may be delegated to the Committee in accordance with the Companies Act, 2013, or its rules by the Board of Directors.”

