

DATED-11/09/2008

LISTING	BSE
CMP	Rs 22.45
52 WEEK HIGH/LOW	Rs 36.05/Rs 12.9
AVG VOL	9849
PE RATIO	6.75

COMPANY BACKGROUND:

The Company was Incorporated on 26th March, 1993 and obtained the Certificate of Commencement of Business on 17th June.

It was promoted by J.K. Arora and A.K. Arora. The Company Manufacture beer and Indian made foreign liquor.

The Company undertook to set up a project for manufacture of beer with an installed capacity of 1,00,000 hectoliter per annum and bottle the Indian made foreign liquor with an installed capacity of **54,000**

hectoliter per annum, in the first phase. Land admeasuring 20 acres was acquired at village Rojra chak, a notified backward area in the Raisen district of M.P.

The Company proposed to increase the capacity to 50,000 hectoliters of beer in each of 95-96, 96-97.

The Company has introduced Hunter Extra Strong and Legend Premium Beer in 500ml cans.

COMPANY MISSION:

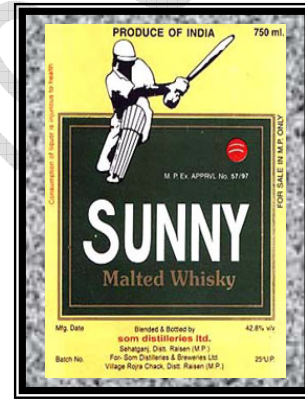
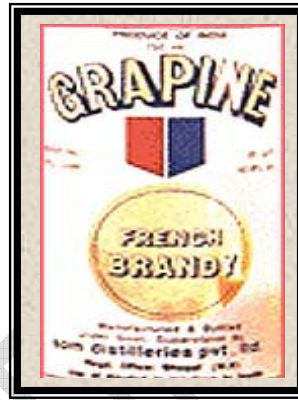
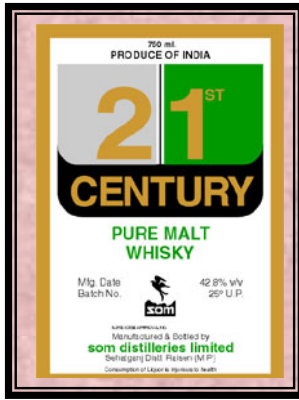
The company has stated in its Mission Statement: "To be known as a leading marketing company, rich with few good and established IMFL and beer brand in our portfolio".

PRODUCT LINE:

1. BEER:



2. WHISKY:



3. RUM:



4. VODKA:



LOCATION:

Sehatganj Village, 35 kilometers from Bhopal.

Bhopal is well connected by road, rail and air transport to all parts of the country. Being located in central India, SDPL has a location advantage.

The Company has access to raw material from surrounding states guaranteeing uninterrupted supplies. The company is located on a plot of 156 acres at

Low incidence of transport costs on raw materials and finished goods.

The Madhya Pradesh State of India imposes amongst the lowest export duties for exporting IMFL to other states.



MARKETING AND DISTRIBUTION NETWORK:

The company has extensive marketing and distribution network covering the states of Maharashtra, Madhya Pradesh, Delhi, Rajasthan, Uttar Pradesh, Bihar, Punjab, Himachal Pradesh, Jammu & Kashmir, West Bengal, Assam, Andhra Pradesh, Pondicherry, Meghalaya, Tripura, Daman, Arunachal Pradesh, Mizoram, Dadra & Nagar Haveli, Manipur and Kerala etc.

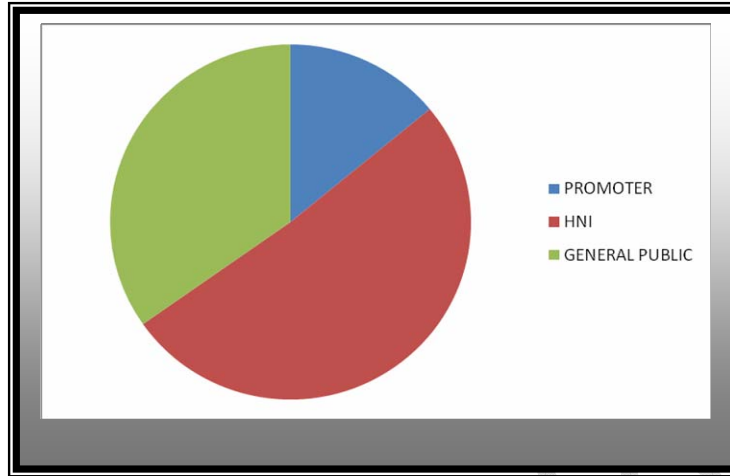
The company has a professional, young and energetic field staff for its marketing and distribution operations.

The company also currently supplies spirits to liquor multinationals on a contract basis.

SHAREHOLDING PATTERN:

PROMOTER	2540593	14.04%
HNI	9269073	51.21%
GENERAL PUBLIC	6290334	34.75%
TOTAL	18100000	100%

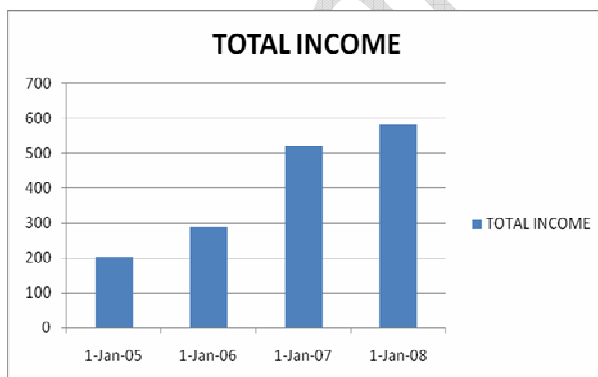
Chart :



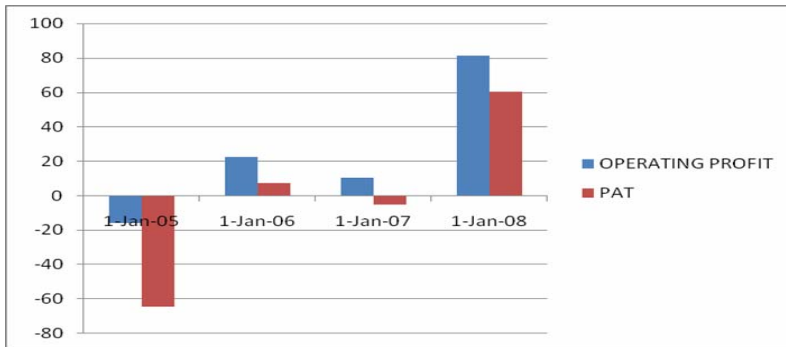
FINANCIAL:

	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
TOTAL INCOME	583.92	522.21	288.31	203.57
EXPENDITURE	-502.76	-511.55	-265.98	-219.4
OPERATING PROFIT	81.16	10.66	22.33	-15.83
INTEREST	-17.99	-0.6	-0.47	-34.33
PBDT	63.17	10.06	21.86	-50.15
PBT	63.17	-4.54	7.34	-64.55
TAX	-2.98	-0.43	0	0
PAT	60.19	-4.97	7.34	-64.55

GROWTH IN TOTAL INCOME



GROWTH IN OPERATING PROFIT AND NET PROFIT



VALUATION: Company is trading at PE multiple of 6.75, which is much below the industry average of around more than 20. This gives much head room for the price to appreciate. SOM DISTILLERIES has turnaround this fiscal, it is just a matter of time that it catch up with its peer `s valuation.

CONCLUSION: Company is very small with market capitalization of just above 40 crore and the promoter holding in the company is also low at 15%, this makes it a good takeover candidate. Company is profitable and has good brand portfolio. Its HUNTER beer is doing extremely good in northern India.

We advise client who can take certain amount of risk, to add this stock in their portfolio.

HAPPY INVESTING.

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