

SOM DISTILLERIES AND BREWERIES LIMITED

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To,

<p>The Manager, Listing Department, NATIONAL STOCK EXCHANGE OF INDIA LIMITED 'Exchange Plaza' C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051. cmlist@nse.co.in Security ID: SDBL</p>	<p>Dy. General Manager, Department of Corporate Services, BSE LIMITED, First Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400001. corp.compliance@bseindia.com Security ID: 507514</p>
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SUB: INTIMATION UNDER REGULATION 30 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 - EARNINGS CONFERENCE CALL TRANSCRIPT

Dear Sir/ Madam,

Pursuant to Regulation 30 of Listing Regulations, Please find attached Earnings Conference Call transcript held on Tuesday, June 2, 2026 with respect to the Audited Financial Results for the Q4 & Financial year ended 31st March, 2026.

The transcript of the said Earnings Conference Call is also available on the Company's website i.e. www.somindia.com.

This is for your information and records please.

Thanking You,

For Som Distilleries & Breweries Limited

Nakul Kam Sethi
Din: 06512548
Director



“Som Distilleries & Breweries Limited
Q4 and FY '26 Earnings Conference Call”

June 02, 2026



MANAGEMENT: MR. NAKUL SETHI – DIRECTOR-FINANCE AND STRATEGY – SOM DISTILLERIES & BREWERIES LIMITED
MR. DIWAKARAN SURYANARAYANA – CHIEF OPERATING OFFICER – SOM DISTILLERIES & BREWERIES LIMITED



Moderator:

Ladies and gentlemen, good day, and welcome to Som Distilleries and Breweries Limited Q4 and FY 2026 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and risks and uncertainties that are difficult to predict.

As a reminder, all participants will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Diwakaran Suryanarayana, Chief Operating Officer. Thank you, and over to you, Mr. Suryanarayana.

Diwakaran S.:

Thank you. Hello, good afternoon, all of you. My name is Diwakaran, and I am the Chief Operating Officer of this company. Nakul and I thank you for joining us today. It's always a pleasure to connect with our esteemed investors and analysts. I extend a warm welcome to all on behalf of Som.

Full year '26 was a challenging year for the company marked by operational disruptions and industry-wide cost pressures. Consolidated revenue declined by 14.8% to INR1,233 crores, while EBITDA declined to INR89.7 crores and PAT stood at INR10.2 crores. The company's performance during the year was significantly impacted by the temporary license related disruption at the Bhopal facility and subdued demand conditions in Karnataka and Odisha, the company's key markets.

Consequently, beer volumes declined by 20% to 187.19 lakh cases during Full Year FY '26. However, the IMFL business continued to demonstrate resilience, recording volume growth of 32% to 15.03 lakh cases, supported by improved market penetration, encouraging consumer behavior to the company's premium portfolio. Total volume stood at 202.22 lakh cases, representing a decline of 17.7% year-on-year.

Last year, the industry also faced significant inflationary pressures during the year arising from geopolitical uncertainties, elevated energy costs and supply chain disruptions. Input costs relating to glass bottles, aluminum cans, barley and logistics remained under pressure, adversely impacting margins across the alcoholic beverage industry and we were not spared either.

Despite these challenges, the company continued to generate healthy operating cash flows and remain committed to its long-term growth strategy. The renewal process for the manufacturing license at the Bhopal facility is currently underway, pursuant to the applicable regulatory process, and the company continues to work closely with the concerned authorities.

Management remains confident of a favorable resolution and does not anticipate any long-term impact on the company's operations. Increasingly, the company has started witnessing improved offtake trends in Karnataka, following the rationalization of the excise duty structure in the state. And even in states like Tamil Nadu, the company is doing much better than what it had done in



'24-'25 and '25-'26. Management expects the revised policy framework to improve market competitiveness and support volume recovery in key operating regions going forward.

I now hand over to my colleague, Mr. Nakul Sethi, who will share further insights. Thank you. Nakul, over to you, please.

Nakul Sethi:

Thank you, Diwakaran. A major milestone during the year has been the continued development of our greenfield brewery project in Uttar Pradesh through our wholly owned subsidiary with The projects remains on schedule and production terms have commenced. Upon successful completion of the trial phase, the facility is expected to commence commercial operations and significantly strengthen our manufacturing footprint in North India. During the year, we invested approximately INR250 crores towards the development of the Uttar Pradesh project through SDBL.

Upon commissioning, the facility is expected to significantly enhance production capacities, improve our regional market access and strengthen the company's presence across North India. A notable highlight during the year was the company's ability to maintain a healthy balance sheet despite lower profitability and ongoing capital expenditure.

While the company continued to invest aggressively in capacity creation, consolidated gross debt increased by only INR43 crores during FY '26 from INR168 crores to INR211 crores. Consequently, the gross debt-to-equity ratio remains comfortable at 0.30x as against 0.25x in the previous year.

While inflationary pressures on glasses, cans, packaging materials, energy and other key inputs continue to remain an industry-wide concern, the company remains focused on cost optimization, operational efficiencies and premiumization initiatives to mitigate margin pressure. FY '26 was a year marked by temporary operational challenges and substantial investments for future growth.

As we enter FY '27 with the expected normalization of mobile operations and the commissioning of our UP facility, we are confident that the company is entering its next phase of growth with a stronger manufacturing platform, a robust balance sheet and significant opportunities for value creation.

With this, I think we can move to the Q&A session.

Moderator:

Thank you. The first question comes from the line of Rushda Saiffee with RoboCapital. Please go ahead.

Rushda Saiffee:

My question is that I just wanted to know your outlook on the revenue growth and the EBITDA margins for FY '27 and '28.

Diwakaran S.:

Nakul, you want to take that?

Nakul Sethi:

FY '27-'28 or '26-'27?

Rushda Saiffee:

FY '27 and '28 the revenue growth outlook and the EBITDA margins.



- Nakul Sethi:** Diwakaran, can you do for '26-'27?
- Diwakaran S.:** Yes, sure. We have had a tough year in FY '26. So that's very evident from the results, both in quarter 4 and the full year. And hopefully, our license matter in our unit at Bhopal could get resolved in the next couple of weeks is our estimate. I think that in place, we are bare minimum aiming for what we achieved in '24-'25, which was around INR1,420 crores, INR1,430 crores-or-something. So I think we should be able to get that. And plus, we are seeing improving signs of our business in Karnataka.
- We are able to grow market share in markets like Tamil Nadu, which we entered last year only. And our acceptance of our brands has been good. And we hope to open up a few more markets during the year. So I think all in all, I think INR1,440 crores, INR1,450 crores is something that is quite possible is what we are expecting.
- Rushda Saifee:** So that will be achievable in FY '27?
- Diwakaran S.:** Sorry, that will be?
- Rushda Saifee:** The guidance that you have given, that is for FY '27?
- Diwakaran S.:** FY '27.
- Rushda Saifee:** And what about FY '28 and the EBITDA margins for both the years?
- Nakul Sethi:** See, I think for FY '28, we'll wait for another 6 months or so to give a guidance for FY '28 because the macroeconomic situation is very dynamic as of now, especially on the margin front because we are seeing a lot of inflationary pressures creeping in, especially in glass-bottles, cans and barley. So I think we -- in terms of guidance for the EBITDA margin, I think we should do about close to 10% for this year.
- Rushda Saifee:** Okay. That's all. Thank you so much.
- Moderator:** Thank you. Next question comes from the line of Manoj Kumar Pal an Individual Investor. Please go ahead.
- Manoj Kumar Pal:** Yes. Thank you for the opportunity. It's very sad to see the numbers of this quarter because I can understand there were a lot of regulatory issues were there. But my question is why this situation has arised? Why the proactive action was not being taken before, so that's to avoid this kind of situation that the license is getting cancelled, which is the heart of the company? If the heart to stops working, the entire body fails. This is my first question?
- Diwakaran S.:** Nakul I will take this question.
- Nakul Sethi:** Yes please.
- Diwakaran S.:** So it is really like you said very rightly, Mr. Manoj this is really unfortunate that this blip that's happened. And we are taking all measures to make sure that the licenses are restored our business



is started as early as possible. And I think it's a -- some of these matters were sub judice. So therefore there's no point discussing that over the phone now.

And -- so it's better that we manage that -- our management is left to manage this at the local regulatory level. And we are hopeful that it will be resolved, as there has been some kind of a miscommunication and misunderstanding, which probably has delayed to this. But we are prepared to handle this and we will surely get out of it as soon as possible.

Manoj Kumar Pal: Okay, sir. And my next question is what about the inventory of the Bhopal plant, whether it is stuck or were you able to put up that into the market?

Diwakaran S.: Yes. So as part of the discussions with the regulatory, we have been able to remove the finished goods inventory from the plant and it's already disposed off.

Manoj Kumar Pal: The disposed off means, it is sold in the market?

Diwakaran S.: It is sold.

Nakul Sethi: Yes, it's sold in the market.

Manoj Kumar Pal: Okay. Thank you sir and I hope the management will take quite proactive actions. So in future, like this situation doesn't arise in future because now our UP plant is also come I hope all these things result regulatory issues might have been completed. And all the best for the future endeavor, that's what I can say at this point of time.

Diwakaran S.: Thank you, sir. Thank you for showing the patience and understanding of the situation.

Moderator: Thank you. Next question comes from the line of Yash Agarwal with Sharadh Agarwal Broking Services. Please go ahead.

Yash Agarwal: So basically, I wanted to know that the Company Secretary has also recently resigned and our auditor has also left. So what are the reasons behind the key managers leaving the company?

Nakul Sethi: I'll answer that Diwakaran. The Company Secretary belonged to Delhi and he had some personal issues to take care of, that's why he moved back to Delhi.

Yash Agarwal: Okay. And our auditor?

Nakul Sethi: No, it's our internal auditor. And as a matter of good corporate governance, we had given it. But he's not part of any KMP or statutory body as required.

Yash Agarwal: Okay. And related to the shareholding now like on the previous concall, we had had a discussion that management is interested in buying its own share and wanted to increase the shareholding to 50% in the coming years. Though there has been a significant price correction in the stock, but we haven't seen any management interest in terms of buying shares or any specific warrants getting issued. So any comments on that?



- Nakul Sethi:** I think the warrants for new money will come into the company as and when required because there has to be end used to the money also.
- Yash Agarwal:** No, in terms of increasing the promoter holding?
- Nakul Sethi:** Yes, that's what I'm saying. The promoter holding -- I mean if the promoters want to put in money. There has to be end use for that money in the company. So we see it when we do the Phase 2 of the UP project.
- Yash Agarwal:** Okay. But as of now, there is no plan of increasing the shareholding?
- Nakul Sethi:** No, I did not say that. I mean, there has to be a purpose for putting in the money in the company. So what I meant to say was that the plan of the promoter is still very relevant of increasing their shareholding what they have stated. But there has to be a purpose for which the money has to be raised.
- Yash Agarwal:** Got it. Thank you, sir.
- Moderator:** Thank you. Next question comes from the line of Jitaksh Gupta from Tikri Investment. Please go ahead.
- Jitaksh Gupta:** Hi, sir. Thank you for your time. So my first question is regarding UP plant. So sir, can you update like when the plant will go live and what is the utilization and revenue you are expecting for FY27?
- Nakul Sethi:** So I mean, the -- right now, the trial runs are going on and we expect that the commercial production from the plant should commence from this month onwards and we are expecting that we should do about -- close to about 15 lakh to 20 lakh cases this year from the UP plant.
- Jitaksh Gupta:** So that -- so revenue potential would be 20 lakh cases in whatever the average price of we have currently?
- Nakul Sethi:** Yes. This will be slightly higher because there is more saliency of cans in UP. So I mean consolidated, we did about INR550, I think, per case. I think what you can do about INR600-odd.
- Jitaksh Gupta:** So INR600-odd crores from UP alone for FY27?
- Nakul Sethi:** INR600 per case, so INR600 for INR120 crores.
- Jitaksh Gupta:** Okay. Understood. And sir, can you -- I have one more question. Like can you repeat the guidance for FY27? I joined late, so missed this part?
- Nakul Sethi:** So Diwa sir had given a guidance of between INR1,400 crores to INR1,500 crores.
- Jitaksh Gupta:** INR1,400 crores to INR1,500 correct, sir?
- Nakul Sethi:** Yes.



- Jitaksh Gupta:** Okay. Thank you so much.
- Moderator:** Thank you. Next question comes from the line of Shivam Sanghvi an Individual Investor. Please go ahead.
- Shivam Sanghvi:** Thank you for giving me this opportunity. I wanted to know with this current quarter, that is April to June, will the next quarter be similar in line of the losses or the costs have been reduced?
- Nakul Sethi:** I think quarter 1 would be, I think, in terms of numbers should be better than quarter 4.
- Shivam Sanghvi:** Okay. So the cost has been reduced in any manner?
- Nakul Sethi:** Yes, because we'll have better utilization coming in from Hassan and Odisha for this quarter 1, plus like we had mentioned that certain finished good also have been sold from the Bhopal plant and there of course certain costs which were taken in quarter 4 which were in annual in nature. So they will also reduce. So we are expecting better results in quarter 1.
- Shivam Sanghvi:** Okay. Sir, have we reduced cost that pertains to Bhopal plant for quarter 1?
- Nakul Sethi:** What did you say, reduced?
- Shivam Sanghvi:** Have we reduced any cost that pertains to Bhopal plant as it is closed as of now?
- Nakul Sethi:** I think only labor would be reduced. But other than that, there's no other costs which can be reduced. Because, see, we are very much confident of starting the Bhopal plant as soon as possible. So there has been no salary cuts or employees have been asked to go. And the company is very regular in payment of all its statutory obligations and interest and all.
- Shivam Sanghvi:** Okay. Sir, one more thing. How much time will it take to reach the same market share in MP once the plant is opened?
- Nakul Sethi:** Yes. Unfortunately, the main season -- we are in the main season right now, so it will be slightly difficult. But I think by next 6 months or so, we should be able to capture our market share by then.
- Shivam Sanghvi:** The similar market share that we had?
- Nakul Sethi:** Yes, yes, similar market share.
- Shivam Sanghvi:** Okay. And sir, how are things doing in Delhi and Karnataka this quarter?
- Nakul Sethi:** Diwa sir, can you please take that?
- Diwakaran S.:** Can you repeat the question, please? Sorry.
- Shivam Sanghvi:** Sir, how are things doing in Delhi and Karnataka for this quarter -- in this month, as of now?
- Diwakaran S.:** So the good thing is Karnataka is looking up. And Karnataka almost contributes to 30%, 35% of our total business. That started looking up. It is looking better. Recently, there was some



rationalization of duties in the state of Karnataka by the excise department based on alcohol and leverage taxes has been implemented.

And that's kind of helping us because in the category where we are present, in the segment where we are present, I think we hold a reasonable market share, and that segment is growing better than the mainstream and the premium segment. So, therefore, we are expecting much better results in -- not only in quarter 1 but through the year.

As far as Delhi is concerned, it was being serviced by our plant in Bhopal. And right from the time the plant was non-operational from February, we have not been able to supply anything to Delhi. And this quarter will not be so great, unless and until we resume supplies as soon as the license issue is solved in Madhya Pradesh.

Shivam Sanghvi: Okay. So with the MP plant only supplies sent to Delhi as well, MP?

Diwakaran S.: No, it was going to various states. It was going to Madhya Pradesh. Plant was supplying to Delhi, it was supplying to Jharkhand, it was supplying to Uttar Pradesh also. Now Uttar Pradesh, of course, we have our new plant. So it was servicing and it was servicing CSD as well, right? But Jharkhand we have been -- made alternate supplies from Odisha, so that is being taken care of. But some of the markets which SDBL was supplying as a single entity, so we are unable to service those markets. It is not cost effective to supply from any other plant.

Shivam Sanghvi: Okay. Thank you.

Nakul Sethi: Welcome.

Moderator: Thank you. Next question comes from the line of Hiten Boricha with Sequent Investments. Please go ahead.

Hiten Boricha: Yes. Thank you, sir. Good evening. Sir, my first question is on the guidance. So you gave a guidance of roughly around INR1,400 crores sales. So this is assuming our Bhopal plant will be starting in Q1 itself. So if it starts too early, then our sales can reach more than INR1,400 crores because we are assuming our plant will start in Q2, right?

Diwakaran S.: Yes. So, hopefully, things will get solved this month, and we are expecting that we'll have a full 9 months for Bhopal plant to operate and perform. That's been factored in that INR1,400 crores, INR1,500 crores. We are also expecting, like Nakul stated earlier, our UP plant to kind of start performing -- once the commercial operations starts. That also will deliver some incremental revenues from the...

Hiten Boricha: Sir, what was the volume from Bhopal plant in FY25?

Diwakaran S.: Your voice was resonating. Can you repeat again?

Hiten Boricha: My question is what was the volume from that Bhopal plant in FY25 or maybe FY26, six months or 9 months volume?

Diwakaran S.: So roughly 50% of our volume was coming from there.



- Hiten Boricha:** And sir, a follow-up question on the UP plant. So you mentioned we are expecting 15 lakh, 20 lakh cases this year. So what is the maximum capacity of that plant, the UP plant, sir?
- Nakul Sethi:** The UP plant is 1 crore cases per annum.
- Hiten Boricha:** 1 crore per annum.
- Nakul Sethi:** Yes.
- Hiten Boricha:** And it will like take 2 to 3 years to ramp up at full capacity utilization, right?
- Nakul Sethi:** Yes, it will.
- Diwakaran S.:** It will. Yes.
- Hiten Boricha:** Okay. Understood. Thank you. Sorry, sir, just to follow-up. You mentioned our trial is already running and it will be starting end of this quarter, right?
- Diwakaran S.:** Yes, UP plant. Most likely June.
- Hiten Boricha:** Understood. Thank you.
- Moderator:** Thank you. Next question comes from the line of Rahul Majethia, an Individual Investor. Please go ahead.
- Rahul Majethia:** Hi. Thanks for taking my question. I have 2 questions. So the first one is that while traditionally beer is a reliable volume driver, what is our strategic roadmap for increasing the margin and market share of premium whisky and resulting beverages in our portfolio?
- Diwakaran S.:** Yes. So this question was answered in the previous call -- previous quarter's call. But anyway, we have had a small setback like we have been telling about our Bhopal plant from where we were -- we did start our premium whiskey foray. We started our supply of Mahavat Whisky in the mid-premium segment. And from there, we are supposed to take off and move into the other premium segments as well as, scotch and single malts, etcetera.
- So we received -- it has received a good response. And even now, there is demand for the brand in the markets where we had already started servicing like Madhya Pradesh, Delhi and Uttar Pradesh. And once the plant resumes operations, we will go back to the drawing board and see how we can ramp up that volume in the coming quarters.
- Rahul Majethia:** Okay. And the second question was the barley and glass bottle price is historically fluctuating. What is our company's forward buying strategy? And how are we leveraging the returnable glass bottles to increase or protect margins?
- Diwakaran S.:** Yes. Nakul, I'll take this question or you want to take it?
- Nakul Sethi:** So yes, I can. As we have got long-standing relationships with almost all the suppliers who supply barley or glass bottles or cans, we have tried entering into long-term supply contracts.



But obviously, the prices have gone up so much that the sanctity of those prices also can't be kept for long. Having said that, we are working hard on our returnable glass bottles, especially in Karnataka and Odisha. I can't say for MP right now because it's been about three months plus since we are not operating here. So this is it.

- Rahul Majethia:** Okay. Thank you. That will be all. All the best for the next quarter.
- Nakul Sethi:** Thank you.
- Moderator:** Thank you. Next question comes from the line of Tanmoy Roy, an Individual Investor. Please go ahead.
- Tanmoy Roy:** Hello? Am I audible?
- Moderator:** Yes.
- Tanmoy Roy:** So first question is, the guidance is INR1,400 crores. But what I see is we are already in Q1, and we are in the season and Q1 actually is 30%, 40% of our overall yearly sales and assuming that you are not getting the license of this month and also, how you are saying that INR1,400 crores of revenues. What's the confidence level and how you are planning that?
- Diwakaran S.:** See, it's the dependency on Bhopal resuming operation is quite reasonable in this forecast, in this guidance, what we have said, right? So hopefully.
- Tanmoy Roy:** That is what I am saying if we don't get that, it will not be there, right? If we don't get it.
- Diwakaran S.:** Yes, of course. If we don't, but we are working towards making it happen. And I think we should, we will, we are confident that it will happen. So therefore, it is a substantial part of it is going to come from there. Secondly, we are seeing good uplift in Karnataka, vis-a-vis last year, and it will improve in the coming quarters, right? Once the market is adjusted to the new prices of the beer, which substantially has come down in both in the mainstream segment and in the economy segment, right? So we are looking at uplift of volume in Karnataka.
- Thirdly, UP plant has to be commercialized, and it will give us that revenue. And in markets like Tamil Nadu, we are kind of growing and hopefully, we will get better market shares in the coming quarters there as well. All this put together, and of course, I mean, your question is right, depends on Bhopal, and Bhopal, we are confident that we will solve the problem.
- Tanmoy Roy:** Yes. But I'm from Bangalore and I could see there is continuous rain every day.
- Diwakaran S.:** Sorry?
- Tanmoy Roy:** I'm from Bangalore, okay, and then there is continuous rain every day since last almost 15, 20 days. And just to see around I just roam around all the beer shops, there is no people at all in those shops to buy. Generally in this scenario volume goes down, how do you see that it's improving?



- Diwakaran S.:** No. What we are seeing is that in the month of April and May, the industry has bounced back. In fact, in both months combined together the industry growth is close to 15%, 16%.
- Tanmoy Roy:** That is after the new policy, you are saying?
- Diwakaran S.:** No, even before. The policy came into effect only in May, even April was good. It crossed 51 lakh to 52 lakh cases. And May was a touch about 50 lakh despite the rains. And June, we are expecting good numbers versus last year. So therefore, we are hopeful, I mean, things will move. And Karnataka should bounce back as a unit in our Woodpecker unit in Hassan, that should also bounce back completely because all other markets, neighbouring markets also doing, are doing well. And we hope to kind of start our business in AP in the next couple of 3, 4 weeks.
- Tanmoy Roy:** Okay. Yes. That's helpful. Second question is the market share which we lost in Karnataka, we are not able to get there so far. So right now, the Bhopal we are not selling anything and we have definitely lost market share. So how do you see that market share doing in Bhopal, is taken care of by the company? Because definitely other regional players, they see the vacancy and they'll try to grab the market share. What is the company's plan in that case?
- Diwakaran S.:** Without kind of mincing of words, let me tell you that we cannot recover completely Bhopal does not operate. Okay. So Bhopal, we will make it operational. But specifically answering your question on Karnataka, we are improving our market share quarter by quarter for the last 3, 4 quarters, we have been improving its share. And we will continue to increase market share in Karnataka. And our acceptance of brands and our supply portion also has improved. And therefore, we will improve in Karnataka. As an independent business, we will improve. But whether it will recover the entire loss in Madhya Pradesh, that's not so easy to say.
- Tanmoy Roy:** So we are confident that even if the Bhopal plant starts in maybe three months or four months, I don't know.
- Diwakaran S.:** Sorry?
- Tanmoy Roy:** We'll be able to recover. So even if I say the Bhopal plant starts in three, four months or so, so we'll be able to recover the entire market share which we had in Bhopal?
- Diwakaran S.:** Yes. Like Nakul has answered this question earlier, that in the next six to seven months, I think as soon as it starts, we should be able to recover past numbers in Madhya Pradesh. We still have, I mean the consumers have been tasting and having our beers for the last three, four decades and suddenly they'll not vanish somewhere. So they will come back when they find their favorite brands which they have been patronizing for so many decades.
- So they will come back and we have been giving good quality beer at a good price and they will come back. And we have all the necessary sales and distribution and marketing team just waiting for the plant to open up. So we know how to get back the market share and it'll take some time. It has been a slightly tougher blow on us, but it will be sorted out.
- Tanmoy Roy:** Thank you. So one last question, if I can squeeze in. So this loss which we had in terms of licensing, irrespective of the fact that you mean that.



- Diwakaran S.:** Your voice is kind of cracking or bubbled. You need to.
- Moderator:** Sir can you speak a little louder?
- Tanmoy Roy:** Hello, it's fine now?
- Diwakaran S.:** Yes, it's fine now.
- Tanmoy Roy:** Okay, so one last if I can squeeze in. So irrespective of the fact that we knew that Bhopal is our biggest strength in the business, we still lost the license. So there are maybe some lapses internally, which we could not track properly or something, which can happen in the future also. Is there any steps which you are taking internally so that these kind of serious issues never happen in the future? Any sort of internal views?
- Diwakaran S.:** Nakul will answer this question, but any which way, I'll tell you, this industry, we have 30 states and 30 different authorities giving us licenses.
- Tanmoy Roy:** Okay.
- Diwakaran S.:** Okay? And in each state, there are 20, 25 authorities who give licenses for our business in each state. So it's a very complex thing. So we have managed it for 3, 4 decades without any disruption. This will happen and they will sort it out. And you see what happened to Pernod in Delhi. So they are out of market for the last 5, 7 years. Right? So this can be a surprise but we will sort it out.
- Tanmoy Roy:** You're giving me an example who has not done well and out of market. I have not seen this happening for United Breweries. I can give that example also. Right? I'm not saying what is right or wrong. I'm saying is there anything which has internally been done.
- Diwakaran S.:** What? There are certain things you may not be aware. United Breweries plant also in Karnataka was shut down for 3 weeks and they went to court and got it out.
- Tanmoy Roy:** But there is no license issue as such.
- Diwakaran S.:** It was a license issue. It was a license issue. Anyway, it's not a debate, but it was a license issue which we are aware.
- Tanmoy Roy:** Okay. So anything internal, anything which we are taking care of, this is not to happen?
- Nakul Sethi:** Also, we are working on better compliances. We are in the process of appointing a dedicated compliance officer who is going to take care of all the compliances. So we are going to do everything which we can from our side so that such kind of things do not happen in the future.
- Tanmoy Roy:** Okay. Thank you. Thank you so much. Thanks for answering all my questions.
- Diwakaran S.:** Thank you.



- Moderator:** Thank you. Next question comes from the line of Yash Agarwal with Sharadh Agarwal Broking Services. Please go ahead.
- Yash Agarwal:** Sir nowadays that people are so health conscious, why don't we come out with a beer which is low in calories? Some kind of a premium beer?
- Diwakaran S.:** Yes. Yes, thank you for the suggestion. We will evaluate that.
- Yash Agarwal:** And also, when the Bhopal plant got the license got suspended, even on the TV, sir came and even on the con call, it was said that we'll open it in two days, five days, ten days. Then it became 15 days. Now we are three months.
- So now if you think about your legitimate time period, like a rational time period, what do you think by when the latest it can happen? Because it has been happening from the past three months that we are coming out, we are telling 10 days, five days, it will happen next week. So what according to you, that you guys have been in the business for such a long period of time, do you think that like, like, what's the rightful time period that we can go through this?
- Because as investors, we have also been waiting in the company, invested in the company from the past 2, 3 years. Now like I understand the problem, but investors also have patience, and we have been also following and tracking the company. In the past 3 years, like the stock has given no returns. We are like -- all of us are sitting at a 30%, 40% stock decline. So, if you can give us a rational assumption, we'll also be able to calculate and move forward accordingly.
- Diwakaran S.:** Nakul.
- Nakul Sethi:** Yes. So, see, I mean, we have now applied for the license and we're expecting a solution anytime soon. And it's not that, we don't want the license or we don't care for the investors. We are as much worried as you are. I think it's our endeavor to get it solved at the earliest.
- Yash Agarwal:** Okay. And at the earliest, sir, is there any time frame which we can think about, whether it's 1 month, within 3 months, 6 months?
- Nakul Sethi:** It's now pending with the government. We can't give you a definite time frame, but we are expecting that even within the next week to 10 days, it should be sorted out. But I can't give you a specific date as such.
- Yash Agarwal:** Got it. Thank you sir.
- Moderator:** Next question comes from the line of Savita Kedia, an Individual Investor. Please go ahead.
- Savita Kedia:** I want to know that in the order Madhya Pradesh High Court, Jabalpur, they have allowed you to participate in the tender, as an interim release, so had the company has participated in this tender?
- Nakul Sethi:** Sir, there is no tender for us to participate in.



- Savita Kedia:** But in the order it is written, it is directed that the petitioner be not be disqualified in clause 3.1.b of NIT 26226.
- Nakul Sethi:** Sir, that is for our associate company, it is not for this company.
- Savita Kedia:** But the order was issued by the Madhya Pradesh Court on 21st of March against their writ petition number 8335.
- Nakul Sethi:** That's what I'm telling, sir, this is -- that is for the other company, not for our company because the petition was filed by 2 companies.
- Savita Kedia:** But both the companies have the same scope. This is also group.
- Nakul Sethi:** No, no, no, sir. We are not -- we are doing this con call for the listed company, sir.
- Savita Kedia:** Okay. No, listed company, but that company is also your associate subsidiary, sir?
- Nakul Sethi:** No sir, I -- this call is for the listed company, not for that company, sir.
- Savita Kedia:** Okay. It's not for that company. And one more thing that, can I know, why the company is so delaying for making application for the license?
- Nakul Sethi:** Sir, we have not delayed in any -- making applications or license. We are very much mindful of the fact that the operation have to commence at the earliest, I mentioned to the previous caller also, sir.
- Savita Kedia:** Okay. Let's hope at earliest you can get the license.
- Nakul Sethi:** Thank you, sir.
- Moderator:** Next question comes from the line of Anudeep, an Individual Investor. Please go ahead.
- Anudeep:** Firstly, I wanted to understand that by end of March, we have put close to INR250 crores in UP plant, right? So, what is the total, which is pending for the rest of the Phase I to go live? This is my first question.
- Nakul Sethi:** So, the Phase 1 is the brewery. So, no further amount is required, except for the working capital, which we are in the process of putting in.
- Anudeep:** Okay. So, my concern is we had 2 downgrades, right? One for the parent, one for the subsidiary in terms of credit ratings. Now with significant working capital that's required, the one which you said earlier, right, the need of capital. Don't you think it's time for the promoters to step in, boost up the reserves and bring back the credit capital? Because one more strain in financials, and we can go to a non-investment grade.
- Nakul Sethi:** This downgrade in the rating is only due to the temporary suspension of the license. This is not to do with any financial as such. Let me complete, sir. So as soon as we will have the license up and running, the ratings will go back to the original ratings.



- Anudeep:** Okay. And also, on the Bhopal and...
- Nakul Sethi:** I would also like to update you. We have got about INR400 crores of lines already sanctioned. But due to our conservative nature, we did not take the lines until the Bhopal plant is operational.
- Anudeep:** Okay. Understood. And on the second question, I would like to ask about the Bhopal plant and Karnataka, right? So, what earlier Diwakar sir is saying, regarding the new excise policy in Karnataka, which is really good for us. But I want to understand the onetime impact. Is there any onetime impact because of the reduction in prices the MRP or there's no impact on us as such?
- Diwakaran S.:** It is a very good question. So, there is no impact. It's only consumer price, which has come down, consumers will benefit from this. It has no impact on our revenues.
- Anudeep:** Okay. So, I mean the top line or the bottom line don't impact on us anything?
- Diwakaran S.:** In terms of margins, we won't, suffer.
- Anudeep:** Okay. But top line will reduce because MRP as such has come down?
- Diwakaran S.:** No, the top line, if you look at revenue only, it is -- it will be slightly go up. It will go up, yes.
- Anudeep:** Got it. Okay. So, I mean, again, as the other investors also said, right, we have high hopes from the company. We are in this good investment phase. But we'd really appreciate if the company management is proactive in giving investors information as and when it happens. We have seen a few instances where company did not say anything when the first -- there was a slight delay of 3, 4 days. So, we'd really appreciate if company is proactive and further increase the governance practices in the company.
- Nakul Sethi:** Right sir. Thank you, sir.
- Moderator:** Ladies and gentlemen, that was the last question for today. We have reached the end of question-and-answer session. I now hand the conference over to Mr. Diwakaran Suryanarayana for closing comments.
- Diwakaran S.:** Yes. Thank you very much for participating in this call today. And we are really happy on the kind of questions, the quality of questions, and discussions that we have had. We would urge you to continue to repost trust and faith on our business, and we can assure you it won't go wasted. Thank you very much, once again.
- Nakul Sethi:** Thank you so much.
- Moderator:** Thank you. On behalf of Som Distilleries & Breweries Limited, that concludes this conference. Thank you for joining us. You may now disconnect.