

# SOM DISTILLERIES AND BREWERIES LIMITED

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**05.06.2025**

**To,**

The Manager, Listing Department, <b>NATIONAL STOCK EXCHANGE OF INDIA LIMITED</b> 'Exchange Plaza' C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051. <a href="mailto:cm1ist@nse.co.in">cm1ist@nse.co.in</a> Security ID: SDBL	Dy. General Manager, Department of Corporate Services, <b>BSE LIMITED,</b>  First Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400001. <a href="mailto:corp.compliance@bseindia.com">corp.compliance@bseindia.com</a> Security ID: 507514
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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 of Friday, May 30, 2025 with regard to the Audited Financial Results for Q4 FY2025.

The transcript of the said Earnings Conference Call is also available on the Company's website i.e. [www.somindia.com](http://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 FY25 Earnings Conference Call”  
May 30, 2025



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



**Moderator:**

Ladies and gentlemen, good day, and welcome to the Som Distilleries & Breweries Limited Q4 and FY25 Earnings Conference Call. As a reminder, all participant lines 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 this 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 the management. Thank you, and over to you, sir.

**Diwakaran Suryanarayana:** Good afternoon. My name is Diwakaran Suryanarayana, I am Chief Operating Officer of Som Group. And I thank everybody for joining us today to discuss our Q4 and FY25 performance. It's always a pleasure to connect with our valued investors and analysts, and I extend a warm welcome to each of you on behalf of the team at Som Distilleries & Breweries Limited.

We had a very tepid Q4 as there was a steep excise duty increase in the state of Karnataka, which made the beer dearer and also affected the volumes of the industry. Despite the sales loss, we were able to post better margins. Looking at the quarter gone by, our total income was INR 3,400 million, was down by 12%. Our EBITDA was INR 428 million, with a margin of 13%. And net profit was INR 237 million, margin of 7%.

Beer volumes were down by 10% and IMFL volumes were 3 lakh cases, which grew by about 22%. For the full year, our highlights are annual beer volume was 234 lakh cases, up by 10% versus last year. Realization was INR 545 per case versus INR 552 in FY24. It was a result of pack mix and brand mix. IMFL volume was 11 lakh cases. And our flagship brand, Hunter, grew at a rate of 15% versus last year.

Key developments in the last year and last quarter was that we commenced construction of our INR 600 crore greenfield facility in Farrukhabad, UP with a capacity of about 10 lakh cases per month. And we also completed capacity expansion in our Odisha plant, which is located in Cuttack to 90 lakh cases from the previous 60 lakh cases per year.

And as the outlook goes, I think we are confident of building on current performance in the coming quarters. And our priorities will definitely remain to expand our market reach, driving innovation and delivering value to our stakeholders.

I now call upon Nakul to take it forward, take the discussion forward.

**Nakul Sethi:**

Thank you, Diwa sir, and good afternoon to everyone on the call. It's a pleasure to take you through the financial and strategic highlights for the year gone by. For the whole of FY25, our total income increased to INR 14,474 million from INR 12,864 million, showing a year-on-year growth of around 13%.

Our EBITDA for the financial year reached INR 1,807 million, reflecting a growth of 16% on a year-on-year basis with a steady margin of 12.49%. This is against the 12.07% margin reported last year.



The PBT for the financial year FY 25 was at INR 1,437 million as against INR 1,219 million for the FY24, showing a growth of 18%. The PBT margin for FY25 stood at 9.92% as compared to 9.48% for FY24. The net profit reported for the financial year FY25 stood at INR 1,045 million as against INR 865 million reported in FY24, showing a growth of 21%.

With these impressive financial achievements, we remain confident in our strategy and execution capabilities as we continue to build, expand reach and drive sustainable growth across our key markets. I would also like to highlight that the finance cost for the full year FY24-25 stood at 0.76% as compared to 0.92% in the same period in the FY23-24. The net debt reduced by INR 13 crores over the last one year from INR 164 crores in FY24 to INR151 crores in FY25.

There was a jump in the secured debt in March 2025 on account of higher cash utilization in preparation for the peak season. Before we proceed to the Q&A, I would like to express my sincere gratitude to all the stakeholders for their support and confidence in our endeavors. Thank you.

**Moderator:** The first question from the line of Hiten Boricha from Sequent Investments.

**Hiten Boricha:** Sir, I have a couple of questions. The first question is on the brand of Power Cool as well as Legend. So we have seen a volume degrowth of around 22% this year. So I know you have highlighted something that the excise hike led to this degrowth. But if you can elaborate more on that, what has led to this huge volume degrowth in Power brand as well as the Legend brand?

**Diwakaran Suryanarayana:** No, I'll answer the easier one first, which is Legend brand. Legend brand, actually, we didn't have a base at all. Actually from nowhere, we created a 2 million cases brand in the state of Karnataka. So that's doing well, and it will continue to do well. Of course, it also took some impact of the duty increase that Karnataka government imposed on the entire industry, specifically on the economy brands.

And as far as Power Cool is concerned, I think the point was the Karnataka excise imposed a differential duty of INR 130 per bulk liter on economy brand. So that took up the duty by about 40%, 50%. So thereby, the consumer price went up from INR 100 to INR 145. Power Cool brand went up from INR 125 - 130 to about INR 155. So therefore, there was some stress on the volume and the revenue delivery from Karnataka.

In my view, it's a short-term thing. I think there is some correction that has happened after our representation to the government and our case in the court, the government has withdrawn that duty. It happened around the third week of May. So we can look ahead for the next few quarters to be much far, far better than the previous quarter.

**Hiten Boricha:** Sir, if you can share how much of total sales come from Karnataka?

**Nakul Sethi:** Yes, around 30% of our sales comes from Karnataka.

**Hiten Boricha:** Okay. Sir, this excise pledge problem is only in Karnataka, right?



- Diwakaran Suryanarayana:** Yes, it is largely Karnataka. Every year, there is some amount of duty increase that happens across the country, across all states, most states. But this year, it was an unusual increase in Karnataka. It never happened. In fact, in the FY25, the government of Karnataka took two increases, one in September and then again one in Jan. So that was the major impact on the industry.
- Hiten Boricha:** Okay. Okay. Sir, my second question is on the capex, which we are doing in UP. So first question on that is, what is the total percentage of holding we have in that subsidiary? And also, if you can elaborate on the funding side, how are we going to fund this?
- Nakul Sethi:** So we are incorporating it as a 100% subsidiary of the listed entity. And basically dividing the project into two phases. Phase 1 will entail expenditure of INR 350 crores and Phase 2 would be another, I think, about INR 200 crores to INR 225 crores. So the funding would be, right now, what we have thought is through internal accruals and some debt.
- Hiten Boricha:** So we are not looking for any QIP or fund raising, anything like that?
- Nakul Sethi:** Not right now.
- Hiten Boricha:** INR 350 crores this year and INR 200 crores, INR 225 crores in FY27. So Phase 1 will be used in this year, FY26, INR 350 crores?
- Nakul Sethi:** **INR 150 crores** for the current year as well as some spillover would happen in the next financial year also.
- Hiten Boricha:** Okay. And sir...
- Nakul Sethi:** We have already spent INR 40 crores of the project.
- Hiten Boricha:** Okay. Understood. And sir, one last question is on the raw material. I just want to understand the trend on the barley prices, sir. I think the trend is on the downsize.
- Nakul Sethi:** Yes. Right now, I think as compared to last year, it's stable. But yes, it's stable as of now.
- Hiten Boricha:** Sir, if you can quantify the prices right now?
- Nakul Sethi:** I don't think we would want to quantify the prices as of now.
- Moderator:** Next question is from the line of Bharat Mani from Moneybee Investment Advisors.
- Bharat Mani:** My first question would be, could you just give me the plant utilization for FY25?
- Nakul Sethi:** I think overall, I think all the three plants together, we had a capacity utilization of about close to 70%.
- Bharat Mani:** That is the overall capacity?
- Nakul Sethi:** Yes, yes.



- Bharat Mani:** Okay. And the plant-wise, could you just give me that.
- Nakul Sethi:** As Odisha expansion happened in Q4 because effectively, as the full capacity impact of that capacity utilization will come in the current year only.
- Bharat Mani:** Okay. So my next question would be on the RM side. So could you just highlight a little bit on the glass prices? If you could not just quantify then just a year-on-year decrease in terms of percentage in glass as well as barley, if you could?
- Nakul Sethi:** I mean, obviously, we would not want to indicate exact details as to what are the quantum of decrease also in the prices, but we would like to maintain here that if you would have noticed that our gross profit margins have also increased as compared to last year. So that is evident from the judicious use of mix of new glass bottles and old glass bottles and I think the stable prices of raw materials.
- Bharat Mani:** So can I just confirm that the RM side, the prices have kind of stabilized and you don't think so it will kind of give an upshoot in the near term, right?
- Nakul Sethi:** Yes. We are expecting that same kind of margins, we should be able to maintain in the current financial year also.
- Bharat Mani:** Okay. So the other question was, I was looking at a PPT and it was written 32% increase of dispatch from the Bhopal facility. So could you just tell me in what states you saw this 32% dispatch?
- Nakul Sethi:** So we have seen a lot of increase in MP, Jharkhand, Delhi, three states.
- Bharat Mani:** Okay. And the U.K. facility, which you were talking about the INR 600 crores capex. So when do you expect that to come on stream?
- Nakul Sethi:** Let me answer this question by July, so that we have the exact numbers or the time line in our mind.
- Bharat Mani:** Yes. No problem. So have you taken any price hikes like this quarter? Or do you expect any price hike going into quarter 1?
- Nakul Sethi:** Diwakaran sir, can you please answer that?
- Diwakaran Suryanarayana:** Yes. So on the back of the duty increase in Karnataka, there was an opportunity for us to round up our prices on the higher side. Karnataka, we took a price increase, and we took a price increase in the nearby state Pondicherry and Kerala. We took a price increase in Odisha as well when the duty went up. So I think therefore, the potential margins are looking good.
- Bharat Mani:** But you just said that the excise duty has been reversed. So do you expect the price to move down a little or.



**Diwakaran Suryanarayana:** It's already come in place. Around the fourth week of May it started I can say. So we'll get to see the impact of that on the consumer prices in the next couple of weeks. And then that impact should flow to us from the second, third quarter onwards.

**Bharat Mani:** Okay. Okay. So just one last question. So monsoon is kind of early about like two weeks or so, especially in the South. So do you see any kind of effect in the demand in the South?

**Diwakaran Suryanarayana:** Yes, it's very uncertain monsoon. I mean, uncertain weather. One day, it's hot, one day, it's kind of rainy and cloudy and things like that. But beer consumption on the whole in the South, it's not as skewed as the North. I mean it's a little more flatter than the North. So the weather does play a role, but I don't think it will have a big impact.

**Bharat Mani:** Okay. Okay. Just one last question, if I could. So what is the volume growth guidance for FY26, if you could?

**Diwakaran Suryanarayana:** We should expect, I think, conservative level at least 20%, 22% growth.

**Bharat Mani:** Okay. On the volume side, you're saying.

**Diwakaran Suryanarayana:** Yes, you can say that's the revenue side as well.

**Moderator:** We take the next question from the line of Utkarsh Jain from Mili Capital.

**Utkarsh Jain:** Utkarsh Jain from Mili Capital -this was regarding volume growth. Did you say 20% volume growth or revenue growth?

**Diwakaran Suryanarayana:** Yes, revenue growth, you can say.

**Utkarsh Jain:** Can you guide for volume growth and average selling price we expect in FY26?

**Diwakaran Suryanarayana:** I think there will be a difference of say about 18% volume growth.

**Moderator:** Next question is from the line of Nishid Shah from Ambika Fincap Consultants Private Limited.

**Nishid Shah:** Congratulations on a good set of numbers on a year-on-year basis. And I understand that there is a seasonality in the last quarter. My question is, do you benchmark on your performance parameters, especially the EBITDA with the leaders in the market like United Breweries?

**Nakul Sethi:** I think they are the industry leaders. And obviously, they play a very significant part in the whole scheme of things. But obviously, we would not like to benchmark against them because our growth is different. Our key states are very different from their states. So obviously, we would not like to comment on UB's performance or the way they operate.

**Nishid Shah:** I'm not asking you on how they are performing. I'm asking about your EBITDA level and their EBITDA level, which is a published number. So where is the difference? And how do you bridge that? And when do you come to the level...your volumes are substantially higher, why your EBITDA margin.



**Nakul Sethi:** Our EBITDA margins are much higher than their. So I mean, you can look at those numbers and make your own judgment.

**Nishid Shah:** And how about funding on the INR 600 crores expansion in UP?

**Nakul Sethi:** I have already answered that question earlier.

**Nishid Shah:** Maybe I joined late.

**Nakul Sethi:** So I've already told that this project would be done in phases. And initially, we are targeting about INR 350 crores of funding, and that would be done through internal accruals and fresh term debt funding.

**Nishid Shah:** You already have INR 151 crores of debt?

**Nakul Sethi:** So I don't think that there is a problem in taking more debt. And most of the existing debt is the working capital debt. What I think about INR30 crores, INR35 crores is only the term debt, which is there on the book currently.

**Nishid Shah:** Basically going for debt, right?

**Nakul Sethi:** It's going to be a mix of debt and equity or internal accrual.

**Nishid Shah:** Have taken a decision or you have not taken a decision yet?

**Nakul Sethi:** No, we have taken a decision.

**Nishid Shah:** Sorry?

**Nakul Sethi:** Because we have already spent close to INR 40 crores on the project so far.

**Nishid Shah:** We need to spend INR 300-odd crores this year, right?

**Nakul Sethi:** Yes, sir, it will be taken care, not to worry.

**Nishid Shah:** But what I'm asking is a specific question that are you going to go only for debt or equity? And if you are going for equity, what is the method and have you appointed an investment banker?

**Nakul Sethi:** Sir, I have already cleared I'm not raising any fresh equity from the market. I last year posted INR 180 crores of EBITDA. That will take care of whatever money is needed for the project, which will come through internal accruals. Rest of the money which is required will take through term debt.

**Nishid Shah:** equity Issuance, right?

**Nakul Sethi:** Okay, sir, I hope I'm clear now.

**Nishid Shah:** So I think you have been vague on this. I'm clearly asking there is no equity issuance, then that you are not denying?





- Nakul Sethi:** I told you there is no equity issuance. Why are you shouting, sir?
- Nishid Shah:** Because you are not hearing now. That's why I'm telling you.
- Nakul Sethi:** I told you there is not equity issuance.
- Moderator:** We take the next question from the line of Rajeev Khanna, an Individual Investor.
- Rajeev Khanna:** Thank you so much for creating an excellent infrastructure. Wish you all the very, very best. I just wanted to know how is your market share in the various markets that you operate in?
- Nakul Sethi:** Diwakaran , sir?
- Diwakaran Suryanarayana:** Yes. See, we are number one player in Madhya Pradesh. So we are number two, number three player in Karnataka. We are number two in Delhi. We are almost number one in Jharkhand, almost, close to number one, going neck to neck with a leader. We are number two in Odisha. So I think although we are much smaller than the market leader, we are a very, very close Competitor in almost all markets where we play.
- Rajeev Khanna:** Sir, I must congratulate you creating one of the best infrastructures. I would request you to go all out and as aggressively as possible to gain market share. Your market cap can go double or triple from the current levels if you continue to be very, very aggressive. Congratulations. Only question a little cause of concern was maybe I missed out the earlier part. Your top line has not grown in the March quarter. Is there any specific reason for that?
- Diwakaran Suryanarayana:** Yes, which we explained, I think, before you joined the call. That's an impact of the excise duty increase in Karnataka. A very, very unreasonable excise duty increase that was for the industry, but it fell more on brands, which are our kind of portfolio. So therefore, the impact came. And that has got corrected in the fourth week of May this year. So hopefully, that will change our prospects for the coming quarters.
- Rajeev Khanna:** The only question, if you could. Are you gaining market share in almost all these markets? Or are you at stable levels?
- Diwakaran Suryanarayana:** Like I said, we are number two, number three and number one in some markets, and we'll continue to focus on that. And we are strengthening our portfolio. We are a portfolio company, you know that, and we have 3 big brands and all of them are millionaire brands, right? And we know the market, how it works, and we are growing, and we'll continue to focus on both the top line and the bottom line.
- Moderator:** We take the next question from the line of Ajay Mehta, an Individual Investor.
- Ajay Mehta:** Nakul and Diwakaran sir, I think it was a very good performance that you demonstrated right across your financial parameters and the volume parameters. So I had a couple of questions, my first question was now you're supplying to Tamil Nadu also where the beer will get supplied, right, to Tamil Nadu also from your Hassan facility.



So does that mean that you're going to have extra capacity utilization in your Karnataka plant or you're going to use the existing capacity itself to venture out on this part of the business, the supply to Tamil Nadu basically?

**Diwakaran Suryanarayana:** Yes. So in anticipation of our growth prospects in the markets that our Hassan plant services, including the state of Tamil Nadu, we have done a capacity expansion. And I think we have sufficient capacity to give to Tamil Nadu, which we already started.

**Ajay Mehta:** Okay. And what is the volume growth, what is the contribution from Tamil Nadu we are looking at to the overall top line and your bottom line volume from this particular new territory that you are entering?

**Diwakaran Suryanarayana:** So specifically, you know the challenges in the route to market, etcetera. we are negotiating all those things there. And it's a government market. I mean, and also the retail is managed by the government itself, right?

So it is not so easy to give a forecast for that market. But we are confident that wherever we are going from the past experience that we have had, wherever we are going, the first year between 1 and 3 years, we are confident of getting about 7% to 8% market share between 1 and 3 years.

**Ajay Mehta:** Okay. Okay. And lastly, one more question, sir, one view that I had was, like Woodpecker and all as a brand is more of a premium brand, right? So from a distribution perspective, there's a think tank in the process to distribute it through more an organized player like Tonic or Madhuloka all, which are much more established distributor, right, in terms of catering to the youngsters and the affluent people, who would like to have beer.

So do you have distribution through those channels also. Because, for example, I stay in Bangalore, whenever I try to find, let's say, the Woodpecker or other beer, right, that you have, Legend, I don't find it in Bangalore in a good distribution shop. I have to go to a very small, let's say, retailer to get those. So is there any view on that also?

**Diwakaran Suryanarayana:** Yes. Thank you for actually patronizing our brands. I mean we are so happy to hear that from you. And I'm also Bangalorian. I work out of Bangalore. So I can very clearly tell you that out of the two shops that you named or two group of retail shops that you named, one is Tonic. Tonic our, brand Woodpecker is available as we speak. It's available in all their three units.

As far as Madhuloka is concerned, we do have certain issues in terms of our commercial expectations from each other. So therefore, we are not intending to place our brands there. Whereas the brands of Legend, etcetera, is available across all the shops. Of course, it's not available in Tonic.

**Ajay Mehta:** I wish you all the best for FY26 and so forth.

**Moderator:** We take the next question from the line of Anand Agarwal from Balaji Investments.

**Anand Agarwal:** Yes. So as I have gone through the balance sheet, I mean, so I can understand that there is a capex of around INR 120 crores has been incurred and that is, I mean, almost completed. So can



you just guide me with this capex and what kind of growth with this asset turnover you are looking for with this capex?

**Nakul Sethi:** Sir, can you please be specific.

**Anand Agarwal:** Yes. My question is, I mean, I've gone through the balance sheet in which the company has incurred capex of INR 120 crores. And I think that is being done. So I just want to understand for which this capex is done and what would be the revenue growth with this capex?

**Nakul Sethi:** Capex were done for both Woodpecker and for the Odisha plant. So Odisha plant advantage of this capex will come from this current year onwards. And like Diwa sir had mentioned, we are looking at about 20% revenue growth that's going to come from the capacity utilization mainly.

**Anand Agarwal:** For the whole year?

**Nakul Sethi:** Yes sir, for the whole year.

**Anand Agarwal:** Okay. So overall, I mean, 20% revenue growth for whole year. I mean for the combined entity, I mean for consolidated Som, right?

**Nakul Sethi:** Yes.

**Anand Agarwal:** Okay. And one more question on the margin front on a similar margin front or there is any betterment in the margins due to the decrease in the raw material prices?

**Nakul Sethi:** Sir, I think we expect that the margin, we should be able to maintain at the same level as last year.

**Moderator:** We take the next question from the line of Rohit Deshmukh of Vishwai Investment.

**Rohit Deshmukh:** Okay. Sir, my first question is actually the September quarter is generally good for the Som Distilleries till now. So after this excise duty, is there any effect on the coming September quarter?

**Diwakaran Suryanarayana:** Nakul, you want to take that?

**Nakul Sethi:** **September** Quarter is one of our leanest quarters, it's not one of our strongest quarters. Our strongest quarters are generally Q1 and Q4.

**Moderator:** Ladies and gentlemen, that was the last question. I would now like to hand the conference over to the management for closing comments.

**Nakul Sethi:** Diwa sir, please?

**Diwakaran Suryanarayana:** Yes. Thank you all of you for taking out your time and attending this discussion. And I hope we have been able to answer all your questions. And Nakul and I are always there. If anything, anybody wants to call, you can call and talk to us. Thank you so much.



*Som Distilleries & Breweries Limited*  
*May 30, 2025*

**Moderator:** On behalf of Som Distilleries & Breweries Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

**Diwakaran Suryanarayana:** Thank you.