

SOM DISTILLERIES AND BREWERIES LIMITED

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(BSE : 507514, NSE : SDBL)



SDBL/BSE/NSE/2025

20.11.2025

To,

The Manager, Listing Department, NATIONAL STOCK EXCHANGE OF INDIA LIMITED 'Exchange Plaza' C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051. cm1ist@nse.co.in <u>Security ID: SDBL</u>	Dy. General Manager, Department of Corporate Services, BSE LIMITED, First Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400001. corp.compliance@bseindia.com <u>Security ID: 507514</u>
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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 Monday, November 17, 2025, with regard to the Unaudited Financial Results for Q2 FY2026.

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 Q2 FY26 Earnings Conference Call”

November 17, 2025



**MANAGEMENT: MR. DIWAKARAN SURYANARAYANA – CHIEF
OPERATING OFFICER
MR. NAKUL SETHI – DIRECTOR (FINANCE &
STRATEGY AND WHOLE-TIME DIRECTOR)**



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Moderator: Ladies and gentlemen, good day, and welcome to the Som Distilleries & Breweries Limited Q2 and H1 FY26 Earnings Conference Call.

As a reminder, all participants' 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 the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note this conference is being recorded.

I now hand the conference over to Mr. Diwakaran Suryanarayana. Thank you, and over to you, sir.

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

Q2 performance, we have achieved a total income of INR 2,700 million, which is roughly INR 270 crores. And our EBITDA is INR 405 million, which is roughly INR 40 crores with a year-on-year growth of 15.1%, a margin of 15%. Net profit at INR 195 million, which is INR 19.5 crores, a 7.2% margin.

Overall, the beer volume performance is 36 lakh cases, but the volume has been down by roughly about 19%, mainly driven by underperformance in the state like Karnataka, where we had issues related to the taxation and the beer industry slumping over Q4 of last year. It continued in Q1, and it continues to be the same in Q2 as well. So, that was the main thing that led to the drop in volume. We definitely expect a much higher, much better recovery during Q3 and Q4, mainly coming from states like Odisha and Karnataka.

Karnataka, we are very confident. October performance is better than Q2. And we also introduced a brand called Sunny Beaches, which has really done well for a brand which is just as old as a month. We have already achieved roughly about 5,000 outlets. Our brand is available in the market, and it has taken share from various brands. And it is really encouraging to see that. And so therefore, we are very confident Q3 and Q4 will be better in terms of volume performance.

Our IMFL performance has done 4.1 lakh cases in Q2, a growth in the IMFL segment coming from our legacy brands, which is Black Fort and Milestone, etc. And also, very good encouraging performance by Mahavat in places like Madhya Pradesh and Delhi, which we rolled out recently.

Our realization per case is INR 607, which is up from INR 531 of last year same quarter. It basically is coming from both a good mix of cans as well as a good state mix, in states like



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Madhya Pradesh and Jharkhand has contributed substantially to increase the realization. Similarly, on IMFL, our realization is INR 939 per case.

So, our outlook continues to be portfolio expansion. We will focus on brands like Woodpecker and the new brands that we have launched, in Mahavat in IMFL and also looking at other premium liquor in the single malt segment. And also, we will be consolidating our drive in terms of market share in states like Odisha and Karnataka.

Good news is that in the last quarter, we had mentioned that in Tamil Nadu, we have entered, and we are making a dent in that market as well. In a short period of 6 months, we have gained almost 2% of the overall market. But in the available market, we are close to about 3.5%, 4% available districts of the State of Tamil Nadu. So, it's all an encouraging sign overall. Q3 and Q4 will be better. Q2 obviously has been subdued a little bit in terms of the consumption as well.

Overall, the industry has suffered, many big players like UB have suffered. So, it has been a little tough, but we are overcoming all those issues in Q3 and Q4. So, our priorities will continue to be expansion with better portfolio of brands and including premiumization, and innovation will continue to be our focus and delivering better stakeholder value.

I now hand over to my colleague, Mr. Nakul Sethi, who will highlight and give details about the financial performance of the company. Thank you. Nakul, over to you.

Nakul Sethi:

Thank you, Diwakaran, and good afternoon to everyone on this call. It's a pleasure to take you through the financial and strategic highlights for Q FY26 and the half year FY26.

The financial performance for Q2 FY26, we reported a total income of INR 2,700 million. This was a decrease of 7.2% year-on-year. The gross profit margin expanded to 41.06% in Q2 FY26 from around 40% in the corresponding quarter of last year.

Our EBITDA for the quarter was INR 405 million, showing a growth of 15% compared to the same period last year with a margin of 15% as against the 12.1% reported last year in the same quarter.

Our PBT rose to INR 274 million in Q2 FY26. The PBT margin improved to 10.17% in Q2 FY26 as compared to 8.94% in Q2 FY25. Our net profit for the quarter was INR 195 million with a margin of 7.2%.

Similarly, for the first half of FY26, our total income stood at INR 8,001 million with a gross margin rising to 37.61% from 35.90% last year. We also reported a strong EBITDA margin at 14%, marking a growth of 12.5% as compared to the same period last year.



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For half year FY26, the PBT stood at INR 858 million, registering a 4.6% growth year-on-year with a margin of 10.73% as compared to INR 820 million in Half Year 1 FY25 where the margin was at 10.2%. Our net profit for H1 FY26 was INR 616 million with a margin of 7.7%.

The key highlight for the quarter was the progress we have made on the Phase-1 of our greenfield projects in Farrukhabad, Uttar Pradesh, which remains on track for completion by FY27. This integrated facility under our wholly-owned subsidiary, Woodpecker Greenagri will ensure that our brands are easily available in UP and Northern region of the country, thereby enhancing the sales and market reach of our beer brands. In Phase-2, we are also proposing to set up a distillery at the site to further strengthen the company's production capabilities and product portfolio.

Before we proceed to the Q&A session, I would like to express my sincere gratitude to all our stakeholders for their support and confidence in our business. Thank you.

Now I would request the Q&A session to be open, please.

- Moderator:** The first question is from the line of Mukund Agarwal from VMC Advisors. Please go ahead, sir.
- Mukund Agarwal:** Good afternoon, sir. What would be your H2 revenue guidance? Also, if you could give a realistic target for the investors as from the last 3 quarters, your words have nowhere been close to the numbers which were given as guidance.
- Nakul Sethi:** See, the guidance is given based upon our expectations for the quarter, but some things are also beyond our control, including the government regulations. We are in an industry where the government plays a very important role. So, having said that, we are expecting that we should do better than what we have done in the first half of the year. But as of now, we could look at adding another INR 800 crores of revenue for the remaining 6 months.
- Mukund Agarwal:** Okay. Also the margins which were posted in this quarter were one of the highest among all of it. Can we see such margins to be sustained in future?
- Nakul Sethi:** Yes. We have done very well in terms of our returnable glass bottle management. Let's hope that we continue to post margins like this, let's hope, that's what I can say right now.
- Mukund Agarwal:** Okay. Also after the results came out, Mr. Arora came out in an interview at ET Now. And he said that from the last couple of years, growth came from the beer segment, and now you guys are focusing on the IMFL. So, if you can give some highlight on that.
- D. Suryanarayana:** So, we have informed in the last quarter gathering that we are going to focus on the premium side of the IMFL business. As a start, we have done the brand called Mahavat, which we have



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launched in Madhya Pradesh and recently carried it to Delhi as well. And we have plans to put the same brand in the entire Northern India within this quarter or latest by next quarter. That is one.

And also, the second one will also come from our efforts on the single malt segment, which is going to bear fruits very soon. And we expect that also to be rolled out in various markets, including key lighthouse markets like Mumbai. It will kind of gather speed by end of this quarter, probably by Q4, we will get into that. So, that's all going to be high revenue and high margin efforts in the IMFL

Like Nakul has said that once the beer thing is set up, we are also focusing on installing the IMFL bottling unit in Uttar Pradesh as well. That's also going to add to our availability in the State of Uttar Pradesh. And therefore, overall revenue is going to go up from the list.

- Mukund Agarwal:** Okay. And by when can we expect the UP plant to start and show revenue on the top line?
- Nakul Sethi:** So, we expect that by maybe June of next year, we should have the UP plant running.
- Mukund Agarwal:** June, basically 2026?
- Nakul Sethi:** June 2026, yes.
- D. Suryanarayana:** See, this will definitely be a long-haul game, the IMFL business. It's not going to be a short-term thing. And we are going to focus on the premium segment. We are quite strong in the economy and regular segment in State of Madhya Pradesh and CSD and in State of Odisha, we are quite okay. But in the premium segment is where the opportunity is and that we will continue to focus to harness all the opportunities that are there.
- Mukund Agarwal:** Okay. So, what it seems in your first phase of investment of INR 350 crores, and as Nakul ji is saying that by next year June, the plant should be running. So, if you talk about the next 9 months after that, what can be the difference in the top line, which we might be able to see because of the CapEx?
- D. Suryanarayana:** See, once we set up a plant in UP, and it's operational commercially, it will add to the availability in the State of UP. Also, it will also help us cater to the neighboring states from where there is huge demand, but we are not able to cater, because of our capacity constraints during peak months in the State of Madhya Pradesh, the plant that we have. So, obviously, the opportunity is big.

And if you are putting INR 350 crores investment, obviously, we should expect sizable results. And our effort in terms of preparing the ground for it is already on in the last 3, 4 months, and it



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will continue to be focused upon, and we will make it as robust as possible, so that the expected results are coming from the State of UP mainly and then the neighboring state.

Mukund Agarwal: Okay. And also in the books, the interest cost has risen up sharply, but the debt in the books have not been showing. So, what is the difference? Why is there such a difference?

Nakul Sethi: CC limits are close to about INR 156 crores. So, this year, because we have invested close to about INR 90 crores in the Woodpecker Greenagri plant, due to which there was higher utilization of CC limits. So, whatever surplus would have come, that was going to that UP plant. So, that's why the interest cost is higher, so we have not taken bank debt as of now, which we take pretty soon now.

Mukund Agarwal: What kind of debt are we expecting to take?

Nakul Sethi: We should be taking about close to about INR 200 crores of term debt.

Mukund Agarwal: Okay. So, it's going to be taken in one go or will it be divided into a couple of parts?

Nakul Sethi: No, it will be divided over the next, say, 6 months or so.

Mukund Agarwal: Okay. Also, like promoter holding right now shows 40%, so what would be the promoter holding, including the benami shares, which were attached by the High Court?

Nakul Sethi: Number one, the matter is under litigation. So, we can't answer that, we cannot accept whatever he is saying that his share are our shares.

Mukund Agarwal: Okay. But what percentage of shares is attached irrespective?

Nakul Sethi: That is not the promoter shares which are attached, right?

Mukund Agarwal: No, that's fine. But even it's not the promoter share, I just want to know what is the percentage of share which is attached with the High Court?

Nakul Sethi: This is an investor call on the company, right. It is not to do with the promoters or somebody else's case which is going on in the court.

Mukund Agarwal: Okay.

Nakul Sethi: And the company cannot answer this on some third party's behalf. So, this is not the correct forum to answer or for you to ask this question also.



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- Mukund Agarwal:** Okay.
- Mukund Agarwal:** That's all from my side, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Nagraj, an individual investor. Please go ahead.
- Nagraj:** Sir, I just wanted to know what is the financial implication on the listed entity due to converting Woodpecker Greenagri Limited into a fully owned subsidiary? And what is the reason for converting this to a fully-owned subsidiary? This is my first question.
- Nakul Sethi:** I will answer that. The main reason for converting it into a wholly owned subsidiary was to give maximum benefit to the shareholders, because all the profits will accrue to the main holding company, that is SDBL
- Nagraj:** Okay. That is good. Nice to hear. And my second question is, what is the projected IMFL share in terms of sales expected during this year and next year due to introduction of Mahavat whisky and planned single malt whisky very soon?
- Nakul Sethi:** Diwa, can you answer that, please?
- D. Suryanarayana:** Yes. See, IMFL as a category is a huge segment. It is probably 10% to 20% higher than the beer segment in terms of size of volume. And our focus is going to be in the northern side of India with our Mahavat whiskey and Bhimbetka will be in the key metro cities, right? So, we will obviously, first, we are going to seed the brand into relevant outlets, right, and relevant markets, and make sure the volume is repeated and there is sufficient awareness created for the brand in the channel, et cetera.
- And we will do all the necessary to make sure that the repeats happen regularly and the volume drop size per outlet is going to go up. End of the day, it is our ambition that like how we are sitting in beer at almost 10% market share in the markets where we are available, in a period of time, starting with 1%, we can even go up to 5%, 7% in the next 3 to 5 years. It's a huge market.
- Nagraj:** Sir, what is the present share, IMFL segment contributing in the company's sales?
- D. Suryanarayana:** So, because since we are concentrated majorly with IMFL in Madhya Pradesh and CSD and to an extent in Odisha, we cannot keep measuring the overall India against that. It's quite difficult. In those markets, we have reasonable share.
- Nagraj:** I am not asking region specific. What is the IMFL sales contribution presently compared to the company sales?



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- D. Suryanarayana:** 11% of our revenue comes from IMFL.
- Nagraj:** Okay. Can we expect this to go to 15% this year and 20% next year?
- D. Suryanarayana:** It's quite possible. 15% is possible. Currently, I will not be able to say, but 15% is possible within a matter of 2 to 3 years.
- Nagraj:** Okay. Yes. Thank you. Good luck to you.
- D. Suryanarayana:** Thank you. Thank you, Mr. Nagraj.
- Moderator:** The next question is from the line of Shivam Singh, an individual investor. Please go ahead.
- Shivam Singh:** Sir, IMFL realization for this quarter was INR 939. For last year, it was INR 1,038. Sir, we are looking for premiumization, but our realization is going down. Can you explain how that is going down?
- D. Suryanarayana:** So, like we answered the earlier question, the IMFL is just about 11% of our revenue today, right? And it is concentrated in a few states, right? In that state, wherever we have introduced Mahavat, which is a premium whiskey, we have just seeded the brand. It's just about 4 to 5 months old in Madhya Pradesh.
- And Delhi, we just rolled out. So, premiumization is a long-term game, right? So, we have started that. And hopefully, the mix of Mahavat and once we launch the single malt whiskey, all these things will contribute to better revenue.
- And as far as comparison to previous quarter is concerned, it's combination of which brand was in demand in those markets, like in Madhya Pradesh, where particular SKU is selling at a lower realization. If that demand has gone up and the other demand is slightly lower, the mix has changed a little bit. But it is not a thing which is a permanent thing and this can be corrected.
- Shivam Singh:** Okay, sir. And sir, our capacity utilization is going down, but our gross margin is going up. So, when we recover volume, will our gross profit increase even further?
- Nakul Sethi:** It is a question of how we ramp up our sales. So, if we run in a very normative 5%, 10%, then we can expect our gross margin to improve. But if we are looking at growth as what we are, then the gross margin would definitely be a little lower than what we are currently at.
- Shivam Singh:** But sir, if the utilization improves, then our fixed cost is not improving. So, our margin should improve, right?



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- Nakul Sethi:** No, no, no. It's not a question of fixed cost. It's a question of how many new glass bottles, as a total percentage of the bottle used.
- Shivam Singh:** Okay, sir. And sir, regarding Karnataka, we lost market share when the excise duty was high. Sir, how much of the market share have we been able to regain again?
- D. Suryanarayana:** So, we have roughly lost about 5%, 5.5% in half 1 of this year vis-a-vis half 1 of last year. But October, we have gained back about 0.5%, right? In November, it looks like we are going to gain back over 1% vis-a-vis the previous quarter. So, it is improving. The launch of Sunny Beaches beer, which is one of those mild beers has received good response from the market.
- Like I said in the beginning of my presentation, we have already reached about 5,000 outlets in terms of availability and almost 4,500 outlets have repeated the brand. So, we are expecting this to create a huge scale in terms of volume for us. And therefore, our revenue and market share in the State of Karnataka will start picking up from Q3 and Q4. We will see bigger results in Q4, because the season will pick up.
- Shivam Singh:** And sir, regarding entry into Andhra, are we doing something about it?
- D. Suryanarayana:** Andhra, we have participated in the tender. And end of September, beginning of October, they have sent a notification saying that the Government has approved it, but we have officially still not heard from them. So, we are waiting for that, and our people are following up on the matter.
- Shivam Singh:** Okay, sir. Thank you, sir. That is it from my side.
- Moderator:** Thank you. The next question is from the line of Manoj Kumar, an individual investor. Please go ahead.
- Manoj Kumar Pal:** Thank you very much, sir, for giving me the opportunity. My question is that regarding the raw material price stability and the packaging material were stable in this quarter. In spite of this that IMFL realization was low compared to the last year-on-year basis. So, any specific reason that why that IMFL realization was less? This is my first question.
- D. Suryanarayana:** This question about IMFL realization being low was answered in the previous investor's question.
- Manoj Kumar Pal:** No. But sir, what was the reason that realization was less?
- D. Suryanarayana:** The mix of within the available brands that we have, not the premium one. The premium one is very small. It's very early for us to discuss about premium brands, although it is very promising for the future, right? But in the available brand mix and the price mix that we have, the lower



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price mix were in higher demand during the Q2. And therefore, the realization is slightly lower. But all said and done, it's a question of demand and supply. And it's also a question of what exactly is getting demanded by the consumers, and that is what we are catering to. We are not pushing unnecessarily brands that are not acceptable to the consumer.

Manoj Kumar Pal:

Okay. Okay, sir. And my second question is what was the revenue contribution from the Mahavat side in this quarter? Because in this quarter, the Mahavat was fully available in Delhi and MP. So, if you share that one, what was the contribution in the total revenue or the million cases, means number of cases sold of Mahavat.

D. Suryanarayana:

See, it's very, very small. Beer and IMFL business, as you all know, it's extremely competitive business, right? We are first focusing on making it available, making it aware to the consumers that is available, and we do a lot of trial programs in the channels that are relevant and then build the brand slowly. So, it is a very insignificant part of our total volume as of now.

Like we said, once we focus into many states, including Madhya Pradesh, Delhi, UP, Rajasthan, et cetera, this brand will start contributing 2% to 3% in the next 1, 2 years, maybe 3% to 4% or 5% in the next 2, 3 years to our overall mix of volume.

Manoj Kumar Pal:

Okay. And sir, my next question is, does the company have any strategy for the brand outreach in the general public like advertisement or sponsoring some events like that. Do we have any strategy like that in coming days?

D. Suryanarayana:

This question was answered in the previous quarter as well. Our strategy is completely dependent on what we do in the channel. That is where the consumers go and buy their brands, take it home and drink or take it elsewhere and drink or sit on premise or bar and drink. That is where our brands are going to interact with the consumers.

And second place where we interact with the consumers is on the large consumption occasions, like an event happening where we co-sponsor our brands and make our brands available to the consumers, whether it is beer, whether it is IMFL, we make it available to the consumers. These are 2 big things. Of course, we are also active in relevant social media channels with our relevant brands, and it's a seasonal thing, and we keep doing that.

Manoj Kumar Pal:

Okay, sir. Thank you. That's all from my side.

D. Suryanarayana:

Thank you, Mr. Manoj.

Moderator:

Thank you, sir. The next question is from the line of Ashish, an individual investor.



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Ashish:

So, it was quite similar. I am basically from Mumbai. And having gone through your presentation and your product profile, now there are several retail products in the IMFL and all. So, the big question is, firstly, is Maharashtra even the vision of the brand company, number one, because I personally feel Maharashtra is a huge consuming state.

But second question is, again, very similar to there are no form of endorsements for these brands, because none of these brands come as a recall value, at least as far as the Mumbai, Maharashtra region is concerned. So, how is that perception going to break into the minds of people? What is the thought of the company on that?

D. Suryanarayana:

Yes. So, a part of the probable answer for your question was given in the previous question asked by the other investor. But however, I will repeat for more clarity. You see, Maharashtra for us is a big state. And we are doing only very very little in that state, basically because of the very very tough route to market and very very very tough channel behavior, right? We are very slow.

We are very clear that we do not want to invest our investors' money in markets where we find a huge risk, right? So, we are very selective about where we operate. And therefore, you will not see us very much visible in the State of Maharashtra or Mumbai for the least. Having said that, we are trying to create a route to market for ourselves with the launch of single malt and also launch of Woodpecker in Mumbai very soon, maybe in the next 2 to 3 months.

So, we are in discussion with various partners there, who are willing to support us. And we will be available and visible in that market as far as Woodpecker and single malt is concerned, point number one.

Point number two is that our brands are traditionally dependent on the channel behavior. Consumers go there, right? And we don't need to be highly visible like a Kingfisher or Budweiser in order to gain market share.

One of the very big examples that we have for that is how we created the brand Power Cool in the State of Karnataka, wherein within a matter of 1.5 years or 2 years, we've made that brand into a 5 million cases brand, right? There was no huge inputs, whether digitally or electronically or in the press.

Ashish:

Which brand was this?

D. Suryanarayana:

From 2021 to 2024, right, we created 5 a million cases brand. How was it created? Basically, offering consumers what they wanted in the channel at the right price, with the right quality and packaging, right? So, we did create. Like I was explaining about Sunny Beaches is kind of



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repeating the story done by Power Cool a few years back. Sunny Beaches is repeating today the same story. We are getting the same kind of volume throughput with Sunny.

We are not going bang-bang into putting huge money into advertising and things like that. We are doing very sincere efforts in the channel, you know how the costs are. If you are going to go and invest in advertising, it's going to cost a huge amount of money. But at the same time, relevant brands like Woodpecker, for example, or a Bhimbetka, we will not hesitate to invest, where the margins are better.

Ashish: Okay. And are you all also targeting the airport channels like the duty free and all that because.

D. Suryanarayana: Yes, yes, yes. That was a question asked in the previous quarter, and I promised at that time that you will hear some good news about it. And we worked on both pro markets.

Ashish: Because you have the biggest perception.

D. Suryanarayana: Absolutely. Absolutely. Like you asked a very relevant question about how are you creating awareness for our brand, and the airport is a big channel for that, right? So, last time, we had promised that we will make some progress when we hear in this quarter. I am very happy to tell you that we have already placed a brand in T1 and T3 in Delhi, in one of the outlets there, which is called Tonino, it is available. Woodpecker is available there. And we are in close pursuit with Bangalore Airport, both T1 and T2 to make sure our brands should be available by end of December at least.

Ashish: Okay. That's it from my side.

Moderator: Thank you. The next question is from the line of Sidhant from Alpha Capital. Please go ahead.

Sidhant Daga: So, what will be the capacity for the UP plant, which is coming up?

Nakul Sethi: It is close to about 10 million cases per annum.

Sidhant Daga: Okay. Okay. And what are the utilizations currently for the existing plants right now?

Nakul Sethi: For half year, for Bhopal, we are at about 80%, about 40% each for Woodpecker, the Hassan and the Odisha plant.

Sidhant Daga: Okay. And sir, next question. As a percentage, what is the advertisement spend which we do? And are we going to increase it in the near future for Woodpecker and Mahavat brands?



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- Nakul Sethi:** As Diwa mentioned that all our promotion and advertisements are mainly done at the point of sales. So, that's where the main expenditure is done. So, Diwa, can you answer it?
- D. Suryanarayana:** Yes, yes, of course, I will do. The question about what is the percentage of revenue, is that the question?
- Sidhant Daga:** Yes. And what is the percentage of revenue and are we planning to increase it in the near future?
- D. Suryanarayana:** See, brands like Woodpecker and Mahavat, as and when we are going to put in single malt, we will require a lot more investment, right, which we are prepared to invest, right? So, therefore, it will increase the percentage of our marketing spend on the overall revenue, right? If you ask me what is the percentage today, it will be roughly in the range of about 2% to 3%.
- Sidhant Daga:** Okay. Thank you. That's all.
- D. Suryanarayana:** Thank you.
- Moderator:** Thank you. The next question is from the line of Jitaksh Gupta from Tikri Investments. Please go ahead.
- Jitaksh Gupta:** Sir, just one question regarding the other cost. So, this quarter, it was around INR 58 crores versus last quarter, it was INR 70 crores. So, sir, why there is a drop in the other cost? And what will be the other cost in H2?
- Nakul Sethi:** See, other cost is a huge component. It could include the transportation charges, rebates, commissions, and promotional expenses. So, it can vary from quarter-to-quarter. So, normally, this quarter, it was 21% of our sales, while the last quarter last year, it was about 24%. So, I think it's fair to assume that they will be in the region of about 21% to 23%. That's how it varies.
- Jitaksh Gupta:** Okay, sir. Thank you.
- Moderator:** The next question is from the line of Shivam Singh, an individual investor.
- Shivam Singh:** Sir, what is the quantum of related party transactions that we are doing? Because like Woodpecker, there are other private limited companies of the promoter in the same industry, right?
- Nakul Sethi:** So, there is only one company that's Som Distilleries Private Limited from which we buy ENA, which we use for the blending of IMFL. So, I think, that is about maybe close to about INR 20 crores, INR 21 crores in a year.



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- Shivam Singh:** Okay, sir. And one more thing I wanted to ask. Sir, regarding the working capital days and regarding the trade payables and trade receivables. Sir, there is a lot of difference in this quarter. What is the reason for that? Like trade payables have reduced a lot, but trade receivables have increased.
- Nakul Sethi:** So, I will have to look at the trade payables, trade receivables you said have increased.
- Shivam Singh:** Sir, trade receivables for this quarter was INR 3 crores or INR 4 crores. Sir, it was INR 4 crores. While in the same quarter previous years, it was INR (12.35) crores. And trade payable this year is INR (52.65) crores. Last year, it was INR (10.45) crores. So, there is at least INR 70 crores of difference in trade payables and receivables from last year.
- Nakul Sethi:** No, no, no. It's better that we convert it into days. Maybe connect with me directly after this call, then you bring it up.
- Shivam Singh:** Sure, sir. I will connect with you offline then.
- Nakul Sethi:** Thank you, sir. That is it.
- Moderator:** Thank you. The next question is from the line of Nagraj, an individual investor. Please go ahead.
- Nagraj:** Sir. Good afternoon. I just want to know what is the efforts the company is making to attract PMS, HNIs, ultra HNIs, and institutional investors to buy more of our company's stake so that retail investors will be benefited in the long term.
- Nakul Sethi:** Our focus now is that we want to consolidate our position in the beer industry. And the thing which we want to focus on more is to have better corporate governance and compliance, because we believe that as we grow bigger, the investor confidence will come from these kind of things which we ought to do.
- Nagraj:** Sir, what I feel as an individual investor is, this is a different work in the company, compared to running the business. Can we hire some consultants who can promote our company's performance and vision in the next coming few years to HNIs, PMS, institutional investors and ultra HNIs, so that they will start buying our company share, that was my question. We can take some consultancy help, so that we can understand better what the company is doing now to improve and what we intend to do in future.
- Nakul Sethi:** Okay. We will take your feedback into account, sir.
- Nagraj:** Thank you, sir.



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Nakul Sethi: Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the Management for the closing comments.

D. Suryanarayana: So, it's been a tough quarter, but we are very, very hopeful of Q3 and Q4 combined, and overall closing the year like Nakul had said, with around INR 1,600 crores, it looks like. The UP plant also is giving us a lot of hope, and that will be a big news, big performance in FY27. And we will continue to focus our efforts in terms of driving profitable sales.

And driving growth in markets where we have not been doing well in the last 2 quarters, that is Karnataka and Odisha. There will be much more focus there, and we are beginning to see results coming in October, and we will see better results coming there.

So, we are committed to delivering consistent value to our stakeholders in the overall sense. And we thank you, investors as well as analysts from the market to have spent their valuable time and to hear us out. And we are a company which is focused and hands-on with what's happening in the market, and we will continue to deliver better results and better value for the money that you are investing in our company. Thank you very much.

Nakul Sethi: Thank you.

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