

Som Distilleries & Breweries Limited

August 20, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 100.00 Crore	Regulator [^]
Long Term Rating	IVR BB+/ Stable (Rating Downgraded; Removed from watch with Negative Implications; Stable Outlook assigned)	RBI
Short Term Rating	IVR A4+ (Rating Downgraded; Removed from watch with Negative Implications)	RBI
[^] Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

Infomerics Ratings has downgraded the rating assigned to the bank facilities of Som Distilleries & Breweries Limited (SDBL) and removed it from Rating Watch with Negative Implications, while assigning a Stable Outlook. The downgrade is primarily driven by the prolonged suspension of operations at its Bhopal plant, which has continued to weigh on the company's business and financial performance. The extended shutdown has significantly constrained revenue generation and cash flows, leading to a continuous deterioration in the company's operational and financial profile. Further, under-absorption of fixed costs and ongoing debt-servicing obligations are likely to exert additional pressure on profitability and liquidity. The rating action also factors in the deterioration in the company's operating performance during Q1 FY2027, reflecting the adverse impact of the continued suspension on revenues, profitability, and overall financial health.

The rating continues to derive comfort from SDBL's established track record, experienced promoters, strong brand presence and healthy financial risk profile, marked by a comfortable capital structure and healthy debt coverage indicators. These strengths are partly offset by regulatory risks, intense competition, input price volatility, geographical concentration and the working capital-intensive nature of operations.

Rating Outlook: Stable

The 'Stable' outlook reflects Infomerics' expectation of growth in scale from Madhya Pradesh market and improvement in profitability over the medium term while maintaining adequate debt protection metrics.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Consolidated
Parent/ Group Support	Not applicable

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

Strengths

- **Demonstrated long track record of operations under experienced promoters**

Incorporated in 1993, SDBL has an operational track record of over two decades in the production and sales of beer and Indian Made Foreign Liquor (IMFL) and has created an established presence in the sector. The company is managed by a Board consisting of eight Directors who have extensive experience in the alcohol industry which enables the company to build strong relationships with customers and suppliers.

- **Established brand presence**

SDBL sells its products under the brand name of Hunter, Woodpecker, Black Fort, and Power Cool which is well renowned across the country primarily in the key states where the company operates which is Madhya Pradesh, Karnataka and Odisha. SDBL has recently launched Mahavat Whisky in July 2025 which is a mid-premium brand in the whiskey segment in Bhopal and Delhi NCR region and a new brand in the beer segment in the name of Sunny beaches in October 2025. Both the new brands are receiving encouraging response in the market. SDBL enjoys a healthy brand recall which is likely to benefit the company in the form of increase in market share going forward.

- **Healthy financial risk profile characterised by comfortable capital structure and debt coverage indicators**

The capital structure marked by long term debt equity ratio and overall gearing continued to remain comfortable at 0.06x and 0.26x respectively as on March 31, 2026, as against 0.07x and 0.22x respectively as on March 31, 2025. The company has a strong net worth base of Rs.819.18 crore as on March 31, 2026. Total indebtedness as reflected by TOL/ATNW also stood comfortable at 0.79x as on March 31, 2026. Further, the company has been regularly infusing equity to support the operations and towards funding of the capex pertaining to setting up of brewery and distillery unit in UP – preferential equity of Rs.21.94 crore infused in FY26 (preferential equity of Rs.90.03 crore infused in FY25, Rs.101.22 crore infused in FY24 pursuant

to rights issue, preferential issue and conversion of warrants, Rs.27.20 crore infused in FY2023 pursuant to conversion of warrants). With decrease in overall profitability, the debt coverage indicators marked by ICR moderated to 3.90x in FY26 from 15.93x in FY25. Total debt/EBITDA and Total debt/NCA also moderated from 0.97x and 1.18x respectively as on March 31, 2025, to 2.47x and 3.82x respectively as on March 31, 2026.

Key Rating Weaknesses

- **Moderation in scale of operations along with profitability**

TOI on a consolidated basis declined by ~15% y-o-y to Rs. 1,229.32 crore in FY26 from Rs. 1,442.90 crore in FY25, primarily due to temporary licence-related disruption at SDBL's Bhopal facility and subdued beer demand in Karnataka, a key operating market. Consequently, operating profit declined to Rs. 85.71 crore from Rs. 176.20 crore, with EBITDA margin moderating to 6.97% from 12.21%, due to higher input costs and supply-chain disruptions. The increase in prices of key inputs such as glass, barley and aluminium cans, amid the West Asia conflict, further pressured margins, with limited ability to pass on cost increases to consumers. Higher depreciation and finance costs also resulted in PAT margin declining to 0.84% from 7.22%.

In Q1FY27, revenue declined by 31.13% y-o-y to Rs. 609.19 crore, primarily due to suspension of the license at the Madhya Pradesh plant. EBITDA margin declined to 2.46% from 7.95%, while PAT margin moderated to 0.26% from 4.76% in Q1FY26. Going forward, elevated raw material and packaging costs amid global economic headwinds are expected to continue exerting pressure on profitability.

- **Vulnerability to regulatory changes in the liquor industry along with competition from unorganised players**

The liquor industry in India is governed by strict government regulations and license regime that differ from state to state. India's states each have their own regulatory controls on the production, marketing and distribution, and even pricing of alcohol. Further, high taxation and duties also make the industry dynamics complex. The business risk profile thus remains vulnerable to any changes in the license authorisation policy, taxes and duty structure. The business is exposed to intense competition due to presence of many established players in the beer industry with well recognised brands.

- **Susceptibility of profitability to volatile input prices**

The prices of the key raw materials for the company – barley and glass bottles are volatile in nature and SDBL has to keep stocks in sufficient quantities to remain competitive in the market.

Also, barley being an agro commodity, the production of the same is seasonal and is susceptible to vagaries of nature. As such SDBL's margins remain exposed to volatility in the raw material prices.

- **Working capital intensive nature of operations**

SDBL's operations are working capital intensive due to high debtors and inventory holding, especially during the peak season. The company has to extend a credit of around 45 to 60 days to its key customers. Further, there are also delays in realisations from Canteen Stores Department (CSD). The inventory days varies during the year based on peak and lean season. However, the company enjoys a credit of around 30-45 days from its raw material suppliers which imparts some comfort.

Liquidity – Adequate

The liquidity profile of the company is expected to remain adequate in the near to medium term on the back of its expected sufficient cash flow from operations vis-à-vis its debt repayment obligations of Rs. 18.10 crore – Rs. 31.57 Crore during FY2027-FY2029. The average utilisation of fund-based limits remained moderate at 55% during the last twelve months ended October 2025 indicating a sufficient cushion.

Rating Sensitivities

Upward Factors

- Growth in scale of operations with improvement in overall profitability and cash accruals on a sustained basis.
- Sustenance of the capital structure with improvement in debt coverage indicators
- Improvement in working capital management and operating cycle thereby resulting in improvement in the overall liquidity position of the company

Downward Factors

- Moderation in scale of operations and/or moderation in profitability on a sustained basis.
- Moderation in the capital structure with deterioration in overall gearing to over 1x.
- Elongation in the working capital cycle leading to deterioration in the liquidity.
- Any material time/cost overrun in the ongoing project thereby impacting the business and financial risk profiles

About the Group

SDBL operates through its subsidiaries, namely Woodpecker Distilleries & Breweries Private Limited (WDBPL) and Som Distilleries & Breweries Odisha Private Limited (SDBOPL). SDBL holds a 78.87% stake in WDBPL, while SDBOPL is a wholly owned subsidiary.

WDBPL operates a manufacturing unit in Hassan, Karnataka, having an installed capacity of 14 mcpa of beer and 1.2 mcpa of IMFL. SDBOPL operates a manufacturing unit in Cuttack, Odisha, with an installed beer capacity of 9 mcpa. Accordingly, on a consolidated basis, the Som Group has an aggregate installed capacity of 38.2 mcpa of beer and 2.4 mcpa of IMFL.

In January 2025, SDBL incorporated another subsidiary, Woodpecker Greenagri Nutrients Private Limited (WGNPL), to establish a greenfield brewery and distillery project at Khimsepur, Farrukhabad, Uttar Pradesh. The brewery commenced operations in June 2026, further expanding the group's manufacturing footprint and production capacity.

About the company

Incorporated on March 26, 1993, Som Distilleries and Breweries Limited (SDBL) is the flagship company of the Bhopal-based Som Group. The company is primarily engaged in the production of beer and the blending and bottling of Indian Made Foreign Liquor (IMFL). SDBL's manufacturing facility is located in Raisen, Madhya Pradesh, with an installed capacity of 15.2 million cases per annum (mcpa) of beer and 1.2 mcpa of IMFL. SDBL is listed on the NSE and BSE.

Key Financial Indicators (Consolidated):

For the year ended/ As on*	31-03-2025	31-03-2026	Q1FY27
	Audited	Audited	Unaudited
Total Operating Income	1442.90	1229.32	609.19
EBITDA	176.20	85.71	14.96
PAT	104.50	10.36	1.56
Total Debt	171.38	211.82	-
Tangible Net Worth (TNW)	787.12	819.18	-
EBITDA Margin (%)	12.21	6.97	2.46
PAT Margin (%)	7.22	0.84	0.26
Overall Gearing (times)	0.22	0.26	-
Interest Coverage (times)	15.93	3.90	3.32

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Financials (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026	Q1FY27
	Audited	Audited	Unaudited
Total Operating Income	793.70	689.79	38.93
EBITDA	96.02	48.89	1.06
PAT	57.73	23.99	1.52
Total Debt	44.89	91.53	-

For the year ended/ As on*	31-03-2025	31-03-2026	Q1FY27
Tangible Net Worth (ATNW)	563.06	559.28	-
EBITDA Margin (%)	12.10	7.09	2.72
PAT Margin (%)	7.27	3.37	3.91
Overall Gearing (times)	0.40	0.16	-
Interest Coverage (times)	20.63	4.95	0.52

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Applicable Criteria

[Rating Methodology for manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Consolidation of companies](#)

[Policy for Placing Ratings on Rating Watch](#)

Status of non-cooperation with previous CRA: Brickwork Ratings India Private Limited through its press release dated November 20, 2025, continued the rating of "Som Distilleries & Breweries Limited" in the 'Issuer Not Cooperating' category on account of inadequate information received from the entity to carry out the review.

Any other information: Not applicable



Rating History for last three years

Sr. No.	Instruments/Facilities	Current Ratings (Year 2026-27)				Rating History for the past 3 years					
		Type (Long Term/ Short Term)	Amount outstanding (Rs. Crore)	Rating	Rating	Date(s) & Rating(s) assigned in 2025-26			Date(s) & Rating(s) assigned in 2024-25		Date(s) & Rating(s) assigned in 2023-24
					June 29, 2026	March 31, 2026	Feb 12, 2026	Dec 30, 2025	Mar 07, 2025	Sep 23, 2024	-
1.	Fund based facilities	LT	90.00	IVR BB+/ Stable	IVR BBB/ RWN	IVR BBB+/ RWN	IVR A-/ RWN	IVR A-/ Stable	IVR A-/ RWD	IVR A-/ Stable	-
2.	Non-fund based facilities	ST	10.00	IVR A4+	IVR A3+/ RWN	IVR A2/ RWN	IVR A2+/ RWN	IVR A2+	-	-	-

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator [^]	Complexity Indicator
Term Loan	-	-	-	Feb 2026	1.71*	IVR BB+/ stable	NA	RBI	Simple
Term Loan	-	-	-	April 2026	2.92*	IVR BB+/ stable	NA	RBI	Simple
Cash Credit	-	-	-	-	66.00	IVR BB+/ stable	NA	RBI	Simple
Cash Credit	-	-	-	-	15.00	IVR BB+/ stable	NA	RBI	Simple
Cash Credit	-	-	-	-	4.37	IVR BB+/ stable	NA	RBI	Simple
BG	-	-	-	-	10.00	IVR A4+	NA	RBI	Simple

*as on Oct 31, 2025

[^]Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details:

<https://infomericstorage.blob.core.windows.net/uploads/Len Som Distill and Brew20 Aug26 6507619022.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not applicable

Annexure 4: List of companies considered for Consolidated/Combined analysis:

Name of the entity	Extent of Consolidation	Rationale for Consolidation
Som Distilleries & Breweries Limited	Full Consolidation	Parent

Name of the entity	Extent of Consolidation	Rationale for Consolidation
Woodpecker Distilleries & Breweries Private Limited	Full Consolidation	Majority Owned Subsidiary
Som Distilleries & Breweries Odisha Private Limited	Full Consolidation	Wholly owned subsidiary
Woodpecker Greenagri Nutrients Private Limited	Full Consolidation	Wholly owned subsidiary

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* \$	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11a	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts \$	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	+



22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side Regulator such as IRDAI, PFRDA @

Footnotes:

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

\$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

+ To be finalized following a discussion with the regulatory authorities.

Note: For activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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About Infomerics

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