Som Distilleries & Breweries Limited

June 29, 2026

Rating Action

Total Bank Loan Facilities Rated	**Rs. 100.00 Crore**	**Regulator^**
Long Term Rating	**IVR BBB/RWNI** (Rating Downgraded and continued under watch with Negative Implications)	**RBI**
Short Term Rating	**IVR A3+/RWNI** (Rating Downgraded and continued under 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 continues rating under watch with Negative Implications. The downgrade is driven by the rejection of application for the grant of an Excise License for its Bhopal plant for FY 2026–27 by the Excise Department. This rejection is expected to materially impact revenues, cash flows, and debt servicing ability.

Besides the rating continues to derive comfort from the company's long track record of operations under experienced promoters and established brand presence majorly in Madhya Pradesh, Karnataka and Odisha. Further, the ratings also factor in the moderation in business performance during FY26, along with a healthy financial risk profile characterized by a comfortable capital structure and healthy debt coverage indicators. These strengths are, however, partly offset by vulnerability to regulatory changes in the liquor industry, exposure to intense competition from unorganised players, susceptibility of profitability to volatility in input prices and exposure to geographical concentration risk. Additionally, the working capital–intensive nature of operations continues to exert pressure on liquidity.

Rating watch: RWNI

The rating remains on Rating Watch with Negative Implications due to persistent regulatory uncertainty and its potential adverse impact on credit risk profile of the company. Infomerics will continue to closely monitor developments related to the licence reinstatement and the company's ability to normalise operations.

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 level witnessed a y-o-y decline by ~15% from Rs.1442.90 crore in FY25 to Rs.1229.32 crore in FY26 on account of temporary licence-related disruption at SDBL's Bhopal's facility coupled with subdued demand for company's key product i.e., beer across Karnataka, one of the company's key operating regions which adversely affected sales volumes and overall performance in FY26. The company's operating profit witnessed a sharp decrease from Rs.176.20 crore in FY25 to Rs.85.71 crore in FY26 resulting in decrease in EBITDA margin from 12.21% in FY25 to 6.97% in FY26. The moderation in operating margin is on account of inflationary pressures resulting in adverse movement in input costs coupled with supply chain disruptions. Further, the ongoing West Asia conflict had led to increase of prices of key inputs like glass, barley and aluminum cans which have added to the decrease in EBITDA margin in FY26 owing to limited flexibility with the company to pass on cost increases to consumers. With the continuing global economic headwinds, the cost of key raw material and packaging material are expected to further increase in the coming quarters thereby creating pressure on margins. With decrease in EBITDA coupled with increase in depreciation provision and finance cost, the PAT margin moderated from 7.22% in FY25 to 0.84% in FY26.

- **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-vised 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 Company

Incorporated on March 26, 1993, Som Distilleries and Breweries Limited (SDBL) is the flagship company of the Bhopal-based Som Group and is engaged in the production of beer and the blending and bottling of IMFL. The company's manufacturing unit 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.

SDBL operates through its subsidiaries, Woodpecker Distilleries & Breweries Private Limited (WDBPL), in which it holds a 78.87% stake, and Som Distilleries & Breweries Odisha Private Limited (SDBOPL), a wholly owned subsidiary. WDBPL operates a unit in Hassan, Karnataka with beer capacity of 14 mcpa and IMFL capacity of 1.2 mcpa, while SDBOPL operates a unit in Cuttack, Odisha with beer capacity of 9 mcpa. On a consolidated basis, the group has an installed capacity of 38.2 mcpa of beer and 2.4 mcpa of IMFL.

SDBL incorporated another subsidiary in the name of Woodpecker Greenagri Nutrients Private Limited (WGNPL) in January 2025 to establish a greenfield brewery and distillery project in Khimsepur, Farrukhabad, Uttar Pradesh. The brewery got operational in June 2026.

Key Financial Indicators (Consolidated):

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

**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
	Audited	Audited
Total Operating Income	793.70	689.79
EBITDA	96.02	48.89
PAT	57.73	23.99

Total Debt	44.89	91.53
Tangible Net Worth (ATNW)	563.06	559.28
EBITDA Margin (%)	12.10	7.09
PAT Margin (%)	7.27	3.37
Overall Gearing (times)	0.40	0.16
Interest Coverage (times)	20.63	4.95

**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	Date(s) & Rating(s) assigned in 2025-26			Date(s) & Rating(s) assigned in 2024-25		Date(s) & Rating(s) assigned in 2023-24
					March 31, 2026	Feb 12, 2026	Dec 30, 2025	Mar 07, 2025	Sep 23, 2024	-
1.	Fund based facilities	LT	90.00	IVR BBB/ RWNI	IVR BBB+/ RWNI	IVR A-/ RWNI	IVR A-/ Stable	IVR A-/ RWDI	IVR A-/ Stable	-
2.	Non-fund based facilities	ST	10.00	IVR A3+/ RWNI	IVR A2/ RWNI	IVR A2+/ RWNI	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 BBB/RWNI	NA	RBI	Simple
Term Loan	-	-	-	April 2026	2.92*	IVR BBB/RWNI	NA	RBI	Simple
Cash Credit	-	-	-	-	66.00	IVR BBB/RWNI	NA	RBI	Simple
Cash Credit	-	-	-	-	15.00	IVR BBB/RWNI	NA	RBI	Simple
Cash Credit	-	-	-	-	4.37	IVR BBB/RWNI	NA	RBI	Simple
BG	-	-	-	-	10.00	IVR A3+/ RWNI	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_Distilleries_29june26_d00c65cd2f.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

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) *	SEBI
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/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
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 ~	Refer foot note
15	Issuer Ratings #	Refer foot note
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	SEBI
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)	RBI
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 Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

 # 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.

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

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

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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