

SOM DISTILLERIES AND BREWERIES LIMITED

(Formerly Known As Som Distilleries Breweries & Wineries Limited)

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SDBL/BSE/NSE/2024-25

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To,

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

Dear Sir/ Madam,

Pursuant to Regulation 30 of Listing Regulations, please find attached Earnings Conference Call transcript of Thursday, 30th day of January, 2025 with regard to the unaudited financial results for Q3 FY2025.

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

Om Prakash Singh
Company Secretary & Compliance Officer



“Som Distilleries and Breweries Limited Q3 FY25
Earnings Conference Call”

January 30, 2025



**MANAGEMENT: MR. DEEPAK ARORA - CHIEF EXECUTIVE OFFICER -
SOM GROUP OF COMPANIES
MR. NAKUL SETHI - DIRECTOR - FINANCE &
STRATEGY - SOM DISTILLERIES AND BREWERIES
LIMITED**



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Moderator: Ladies and gentlemen, good day and welcome to the Som Distilleries and Breweries Limited 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 the conference call, please signal an operator by pressing “*” and then “0” on your touchtone phone. Please note that this conference is being recorded.

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

Deepak Arora: Thank you. Good afternoon, everyone. And thank you for joining us to discuss our Q3 FY25 Performance Call.

It's always a pleasure to connect with valued investors and analysts. And I extend a warm welcome to each one of you on behalf of Som Distilleries and Breweries Limited. Looking at the quarter going ahead, we demonstrated resilience on the value front and adaptability and managed to deliver strong volume performance.

Our volumes, we achieved a total of 50 lakh cases, with beer volume growing to 47 lakh cases a 4.7% year-on-year growth. Our IMFL has grown to 3.4 lakh cases, 25% year-on-year growth during the quarter. Key brands such as Hunter, Black Fort and Power have continued to perform well. And our recent launches like Legend and Woodpecker are also gaining good traction in the market.

The beer realization for Q3 FY25 was INR 560 as compared to INR 518 the previous quarter in Q3 FY24. And this is mainly influenced by higher sales of the power brand, particularly in the states of MP and Karnataka. And also, the introduction of Legend in Karnataka. Growth in beer has been driven by Legend Beer which was introduced by us in Karnataka which recorded 7 lakh cases in Q3, totaling to 18 lakh cases till 9 months. A major highlight going forward in this quarter was the acceptance of our premium brand Woodpecker. Since its launch Woodpecker has seen a good amount of success particularly in Karnataka where it has been well received. The innovative twist cap beer crafted with premium ingredients has set a new benchmark for quality and convenience in the Indian beer market. We continue to innovate in this forum, and the two variants of Woodpecker, which is Glide, which is the lager beer, and Crest, which is the strong beer, are steadily building their market share and contributing positively to our endeavor to premiumize our portfolio.

Production capacity of all facilities was significantly utilized during nine months, where SDBL stood at 73%, Woodpecker stood at 65%, and the unit at Odisha stood at 64%. In the lean season, our capacity utilization stood at the following, which is 58% for SDBL, 60% for Hassan, and 34% for the Odisha plant.



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Price of raw materials was stable during Q3 as well as the nine months in all our production facilities. As we move towards our premium offerings, we are also making strategic investments to support our future growth. The CAPEX execution at our Odisha facility is progressing well and remains on track for a timely completion. Expansion will enhance our production capabilities ensuring we are well positioned to meet the increased demand during the peak beer season.

Another milestone this quarter has been the upgrade of our credit rating of our subsidiary, Woodpecker Distilleries and Breweries Private Limited from BBB+ to A-. As a group, we have added 37% debt reduction over nine months as compared to last year nine months, showing our finance prudence and positive cash flow.

We remain optimistic about the upcoming summer season and the opportunity it presents for growth. We are heavily focused on expanding our footprint in high potential markets, such as UP, Rajasthan, Delhi, Jharkhand, and the Northeast, while we are also continuing to innovate and premiumize our portfolio, cater to evolving consumer preferences. This includes beer and IMFL both.

Now I would like to hand over the call to Mr. Nakul Sethi, who will help in providing further insights into our financial performance for the quarter. Over to you, Nakul.

Nakul Sethi:

Thank you, sir. And good afternoon to everyone on the call.

It's a pleasure to take you through the "Financial" and "Strategic Highlights" for Quarter 3 and Nine Months FY25.

For the quarter, we posted a consolidated income of INR 3,027 million, achieving a robust 13.6% year-on-year growth. Our EBIDTA for the quarter stood at INR 379 million, reflecting an 18.3% increase compared to the same period last year. This translates to an EBITDA margin of 12.5%, showcasing our ongoing focus on cost optimization and operational efficiency. Net profit for the quarter increased by 19.5% to INR 215 million, reflecting our ability to deliver sustainable profitability in the middle of dynamic market conditions. For the nine months ended December 31, 2024, our total income stood at INR 11,074 million, marking a significant growth of nearly 23% compared to the same period last year. Our EBITDA for this period reached INR 1,379 million at a margin of 12.5% up from INR 1,096 million for the corresponding period last year.

Profit before tax grew by nearly 30% to INR 1,112 million and PAT increased by 21% to INR 807 million for the nine-month period. A nine-month volume was approximately 178 lakh cases of beer, up 18% over the same period last year. The overall IMFL portfolio grew by 14% on a year-on-year basis.



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As of 31st December 2024, our total debt was INR 1,110 million with cash and cash equivalents of INR 230 million, reflecting a net debt of INR 880 million.

Thank you for your continued support and confidence in our company. With that, we now open the floor for questions. Thank you so much.

Moderator: Thank you very much. We will now begin the question-and-answer session. Participants who wish to ask a question may press “*” and “1” on your touchtone telephone. If you wish to remove yourself from the question queue, may press “*” and “2”. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we'll wait for a moment while the question queue assembles. We have the first question on the line of Aditya Singh from Multibagger Stocks. Please go ahead.

Aditya Singh: Good morning, team. Congratulations on a great set of numbers. My question was that, could you please tell me the excise policy that we have on different states that we have on each of our products?

Deepak Arora: The excise policy sir comes at various times of the year. It's all published there. So, you've got to be more specific on what excise policy, which state because there it is...

Aditya Singh: The excise policy because in the quarter sheet I am seeing that this time the excise policy was quite less than expected.

Deepak Arora: Sorry sir, I don't understand your question. Less means?

Aditya Singh: That was the only question. I will get the back in the queue, you okay.

Deepak Arora: If it can be more specific, it will help.

Aditya Singh: No, I will get back to you in the queue.

Deepak Arora: Yes, sure.

Moderator: Thank you. We have the next question from the line of Upanshu Das from Tracxn Technology. Please go ahead.

Upanshu Das: Very good afternoon, sir. So, first of all, very congratulations on a very good set of numbers. So, my first question is, so do you think that, means we are hearing some kind of news of the ban of alcohol at some of the key cities at Madhya Pradesh. So, do you really think that it can hamper our turnover in the medium to long term? Can you shed some light on that?



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Deepak Arora: I am glad you asked that question. Let me make that clear that the ban at Madhya Pradesh is encapsulating areas of where the religious temples are there, which already had a very controlled environment for liquor consumption. So, we don't see that affecting the liquor consumption as there were already a very muted consumption already. So, if you look at the number of shops, I think there are only approximately 47 shops which have been closed down out of a universe of 3,500 shops. . So, I don't see a material impact of that on the consumption pattern in the state.

Upanshu Das: Okay, so very good to hear on that. So, I have my last question. So, means I am closely monitoring that our company, Som Distilleries have been trying to raise some funds from various fund houses like the Kotak Securities or the SK Securities. But I am very sad to say that for a very long time we are not able to raise funds and get the desired result. So, can you please elaborate on this issue that being a company of such a good fundamentals and at present it is present at such a tremendous valuation. So, why are we not able to raise the funds?

Deepak Arora: Sir, let me make it clear, thank you for asking that question. As I already mentioned in my address, that we are actually looking at, we have actually done a debt reduction of 37%, which shows that we have good enough cash flows to sustain our growth story. And secondly, we are not actively looking at raising any funds right now, because of our cash flows. So, our cash flows are sustainable and they are, as we, another number which you will be pleased to know is that our realization in the beer has gone up from INR 518 to INR 560. That's a 10% increase. So, which is a very healthy sign which shows that our existing products, by optimizing their prices, we are able to generate enough cash flows that we don't need fundraise to fuel our growth story. So, I would like to humbly say that we are not actively looking at raising funds for any use because our cash flows are very healthy right now.

Upanshu Das: But I am saying this that don't you think that if you are getting some kind of a big mutual fund, I mean, in the shareholding, so it can positively impact all the shareholders and the company in the longer run. It can give some kind of credibility to the company.

Deepak Arora: The biggest credibility is our numbers, I would say. And it's up to the market to decide then how do they perceive it. We can deliver good numbers and good performance and while we will actively work on your suggestion, but we see no problem with the company going ahead miles. We don't see any problem.

Upanshu Das: Okay, yes, thanks a lot and wish you all the very best for the coming quarters and years.

Moderator: Thank you. We have the next question line of Karan Kamdar from DRChoksey Finserv Private Limited. Please go ahead.

Karan Kamdar: Good afternoon, sir. Thank you for taking my question Sir, my question is on the volume front So, two of our brands have been like losing volumes for like last two quarters, so just wanted to



understand that when can we see a pickup or is there is this a thing that will continue for the upcoming quarter?

Deepak Arora:

Let me take that. That's good question I would say for the last two quarters if you see on the volume front you're right, but if you see on the value front we have been gaining, that's primarily because we have taken a lot of price increases. A brand like Power Cool, although has lost a couple of lack cases in the quarter, partly because of the season, but it has shown a 11.7% growth in the value on the nine months. So, that has been the case and there has also been a shift in Karnataka excise policies which has led to a change in the price brackets. People consuming a certain section of price band have moved to a lower or a higher price band which has affected the other brands. But we continue to grow in terms of the total value, we have a good 17.6% growth over last year.

Karan Kamdar:

Got it sir. Sir, so on the new brand that we've launched and that has almost covered up the gap also that we've lost in terms of these two brands. So, can you please give me a color on the new brand and what are our plans for that brand?

Deepak Arora:

Yes, so as we said there has been some uptake on the prices particularly in our key stage like Karnataka. So, that has been partly covered by the introduction of Legend Beer, which has basically grown to 7.3 lakh cases this year. So, this is also a function of adapting to your consumers and ensuring that they do not suffer. So, Legend has been well accepted as a brew in the State of Karnataka and it has clocked 18 lakhs cases till now already. So, it is already a millionaire brand in its first nine months of the year. That just shows the brand acceptance which has happened, partly fueled by the fact that there has been instability at the price level in the state of Karnataka. So, we are trying to accommodate all our consumers at all the price points. And it reflects in the product quality and the pricing, which we have done for Legend.

Karan Kamdar:

Got it, sir. Thank you so much. That is it from my side.

Moderator:

Thank you. We have the next question from the line of Janvi Dodai from Rise Equities. Please go ahead.

Janvi Dodai:

Hi, sir. Good afternoon. Congratulations on a great set of numbers. Just wanted to ask regarding UBL lately posted, set out a press release that they have been facing issues with the Telangana Government. And I think we also received an approval from Telangana lately. So, in the states that we supply, I just wanted to specifically understand that if we're facing a delay from the Government's end in clearance of dues?

Deepak Arora:

We currently do not operate in Telangana. So, we do not have any dues there or any and whatever previously we used to operate have all been cleared.



Janvi Dodai: Okay and sir in other states have the number of days increased for us in terms of clearance of dues from the Government's end Karnataka, MP, Delhi?

Nakul Sethi: No ma'am, all the states continue functioning as normal and we have not experienced any increase in debtor days.

Janvi Dodai: Okay. And also, sir, one last question. So, in Karnataka, lately, the price increase that they've taken, so for the premium segment, they've taken a lesser increase compared to the beers priced at 100 to 130 bucks. So, what sort of consumption pattern change are we seeing? Are people up sizing their patterns or people are shifting to cheaper beers?

Deepak Arora: Not really. It is too early to say as it came into effect, I think on the 20th or 23rd of January. We are progressing on, we are monitoring the matter and I mean, it will take us a month or so to actually realize what is the consumer feedback on the sudden increase in prices. But of course, it's not a small jolt in terms of pricing where they've taken a 40% increase on the price affordability, which is detrimental to the consumer and detrimental to the society where you are actually making low alcohol beer more taxed, more expensive. So, we'll have to see how the consumer reacts. It's too early to say that.

Janvi Dodai: Okay. Sir, just to follow up on this. I remember in the last concall, Power Cool with an MRP of INR 100, we started with an MRP of INR 100, which you mentioned had started retailing at INR 130. That was already a price hike that we'd taken in the state in Karnataka on the MRP. So, now again, taking a price increase in that would, it's like from INR 100 to almost INR 130 and then again a INR 30- 40 increase on that would know take the volumes down massively?

Deepak Arora: Not really because if you see the beer consumption pattern across the country and across Karnataka, especially Karnataka is a well-to-do state in terms of the GDP contribution. So, I don't see a much impact there. Also the price increase in the total of INR 100 from INR 100 to INR 130 is not exact, not all INR 30 has come to the company. There have been two price increases on the excise by the Government. So, you can safely say that more than 50% of the increase has gone actually to the Government in terms of the revenue. So, that is the case. Also the price has gone up for everybody. But I don't see a problem in terms of the current pricing in terms of how they are perceiving, I mean it's at the end of the day the consumer has to decide what he wants to do. But I don't see a massive change in terms of the industry. There will be certain jolts to start with but I think in the medium run the consumers should get adjusted to the price.

Janvi Dodai: Right. And so in terms of licensing for new states, so whenever we plan for a new geography, what are the sort of entry barriers that we come across? And what are our plans in terms of new geographies?



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Deepak Arora: So, we are actively scouting for opportunities where there is a more conducive environment in terms of stability of policy. We're already looking at some states which are growing higher, like UP. UP has a very stable policy as of now. I also mentioned Northeast. Northeast is another where the Government of India is actually focusing. So, there will be a consumption story happening because of the amount of money being pumped into the Northeast. And so we are looking at actively these two markets where we can actually, where the pie is growing substantially and we want to be part of that growing pie. As far as the Government's attitude towards this is concerned, we are a net contributor to the state exchequer. So, every Government would want more and more exchequer to come in whether through new products, whether through new factories, whether through anything else. So, I don't see a problem there either that there is some issue on getting into states which are growing and because we directly are linked to the estate exchequer, we contribute revenue to the state exchequer. So, while we may not get incentives, but we do contribute to the state exchequer.

Janvi Dodai: Great. Thank you so much. Thank you for answering all the questions.

Moderator: Thank you. We have the next question from the line of Jitaksh Gupta from Tikri Investments. Please go ahead.

Jitaksh Gupta: Hi sir. Good afternoon. Thank you for the opportunity. I have two questions. The first is, as we can see the recently the volume for Black Fort has gone down while Legend has gone up. So, can you help me understand a company's plan with these two brands? And also after the capacity expansion at Odisha, what will be the new capacity post expansion? So, these are my two questions.

Nakul Sethi: Currently we are at 35.2 million cases, that's 3.52 crore cases combined capacity. And after the Odisha's capacity comes on stream, the capacity will rise up to 3.82 crore cases.

Jitaksh Gupta: Okay, sir. Your plan with the new brand Legend and Black Fort, since Black Fort volume is going down?

Deepak Arora: Yes, so Black Fort the volume is going down. You're correct on that aspect. We plan to increase the base of Black Fort by launching it in new states. So, we are actively pursuing that because Black Fort was primarily participating in Karnataka and Madhya Pradesh. So, we are looking at arresting that growth by launching in new states. As far as legend is concerned, Legend has shown a very, very positive trend in the market and the consumers are actually liking it, otherwise we won't have had these sales. So, we are going to focus on keeping the bandwidth growing on Legend and increasing the base for Black Fort because it is at the price points which it is, it is kind of saturated at that price point, the industry is actually not growing on those price points. We are looking at increasing the base, we are trying to add more states so that we can



reverse this trend and we are also looking at Woodpecker, adding to the premium portfolio which should add to the total portfolio of the group. So, while some segments do get redundant due to excise changes, but some get the benefit. So, we are trying to play in all the segments so that such changes, the company, the group is insulated from that. So, that's why we're playing a portfolio game where some brands sometimes degrow, but the other brands take over that degrowth, maintain the healthy growth story for the group.

Jitaksh Gupta: Understood sir. And sir, just one last question. Can you please repeat the utilization of each plant for Q3 and 9 months?

Deepak Arora: Yes, of course So, the during the nine months SDBL was at 73%, Woodpecker was at 65% and Odisha is at 64%. These are all above industry averages by the way and in the lean season SDBL was at 58, Hassan was at 60, and Odisha was at 34.

Jitaksh Gupta: Okay sir, understood. That's it from my side.

Moderator: Thank you. We have the next question from the line of Rishikesh from Robo Capital. Please go ahead.

Rishikesh: Thank you for the opportunity. Am I audible?

Deepak Arora: Yes, sir.

Rishikesh: Thank you. So, firstly, if you could indicate what sort of revenue growth and EBITDA margins are we looking for in FY26 and FY27?

Nakul Sethi: At this point, we will be not in a position to give out the estimate for the next two years. Maybe after we finish the year, then we can give you the guidance.

Rishikesh: Okay, given that we are expanding capacity and do we have any sort of visibility that you can share of whether we can do say around INR 2,000 crores of revenue by say FY27? Could you give any comments on that?

Nakul Sethi: I think we can look at that kind of growth by FY27.

Rishikesh: Okay, got it. And what sort of volume growth do we expect for Q4 season, assuming there would be good volume growth in Q4?

Deepak Arora: So, the CAGR has always been at 9% for the industry. Again, it is based on seasonality as well, how the weather plays out. So, but it will be, I think, over last year it should be a bare minimum 9% more than previous Q4.



- Rishikesh:** Okay and lastly your EBITDA margins, would it be fair to expect that EBITDA margin would be in similar range what we are doing currently?
- Nakul Sethi:** I think this year we have delivered more EBITDA margin as compared to last year. So, I think we should be able to maintain these kind of margins going forward.
- Deepak Arora:** As our bottle pool is going up and we are recycling more and more bottles, we look at it because that's a major cost, so we look at that table from a midterm perspective, so we don't see any changes in that.
- Rishikesh:** Got it. Thank you very much.
- Deepak Arora:** Thank you.
- Moderator:** Thank you. We have the next question from the line of Rudransh Kalra from MB Investment. Please go ahead.
- Rudransh Kalra:** Hello.
- Deepak Arora:** Yes, sir.
- Rudransh Kalra:** Yes, my question is like, what are your projections for growth in the upcoming years, like a couple of years, if you would want to give a couple of years?
- Deepak Arora:** I think that question has come a couple of times. So, if you look at the industry standard, right, the industry has been growing at 7% to 9%. Well, we have been delivering numbers much above that, right? And the whole idea is to continue that growth momentum in the coming years. Of course, the base has grown tremendously for us by our numbers. We continue to, as I said, there are two avenues for growth for us. One is consolidating market share in the existing markets where we are playing where we are very confident of doing the same. And also opening up new markets from our production footprint standpoint. So, the minute we get that and we get those activated, we see no problem in growing in double digits for the coming years.
- Rudransh Kalra:** Thank you so much. That will be all from my side.
- Moderator:** Thank you. We have the next question from the line of Rahil Shah from Crown Capital. Please go ahead.
- Rahil Shah:** Yes, hi. My questions have been answered. Thank you so much.



- Moderator:** Thank you. We have the next question from Hiten Boricha from Sequent Investments. Please go ahead.
- Hiten Boricha:** Yes, thank you for the opportunity. So, only one clarification question. You mentioned a Q4 volume growth will be around 9%. Is that what I heard?
- Deepak Arora:** No, I had mentioned the industry is growing at 9% CAGR. So, someone had asked me that, what do you see that Q4 will grow more than the industry average or less than the industry average? That I had answered that no. Last year Q4 would be at 9%. Last year, whatever the last year Q4 growth for the industry was plus 9% is what we expected it to grow at, was my submission on that.
- Hiten Boricha:** Okay. But we are maintaining a guidance of INR 1500-1600 crores this year, right sir?
- Deepak Arora:** Yes. So, we are actually above the CAGR. So, we are maintaining that.
- Hiten Boricha:** Okay, thank you.
- Moderator:** Thank you. Participants who wish to ask a question may press “*” and “1” on your touchtone telephone. We have the next question from line of Manu from BMS. Please go ahead. Mr. Manu, can you hear us?
- Manu:** Hi, good afternoon. Can you hear me?
- Moderator:** Yes. You may go ahead with the question.
- Manu:** Hi, sir. I think we have been quite strong in the beer market. And I think our number for the IMFL also is growing. What's the plan around it? And is there more focus on IMFL market as well?
- Deepak Arora:** I am glad you asked that question. Yes, we are now because of our distribution strengths and the point of sales being the same for the liquor industry, we are actually now planning to transition to a complete AlcoBev company, which encompasses the IMFL and beer operations both. So, we have been testing our products where our distribution strength has been the strongest and we are very happy to inform that yes, that has led to an increase in the IMFL performance. And that has given us confidence that yes, we can go ahead in this market and premiumize our portfolio and play the portfolio game in terms of a total AlcoBev's perspective. Not just a beer company, not just an IMFL company. We want to be a 360 degree AlcoBev company. And the numbers in IMFL are encouraging us to transition to that phase.
- Manu:** Yes, all right. So, are you also planning to launch more brands around it or expand the current?



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Deepak Arora: Yes, so to be more specific, in the coming quarters, we will be launching more products in the IMFL space. We will be leveraging our existing distribution strengths to push those products and create some sort of standing in the IMFL sector.

Manu: Sure. Sir, my understanding is that the beer as much is an urban phenomenon and do you see that playing out and how does that work out in the rural areas?

Deepak Arora: I don't see that as an urban phenomenon anymore. I think with the demographics of our country and with the social media in place, there's nothing known as an urban or a rural phenomenon now. It's more about the pocket size. So, you got to really understand the demographic from the pocket size perspective that what pocket size suits which part of the state in the country. And Karnataka is a living example of that. When we started, we started at a INR 100 MRP beer, today we are at INR 130, going up to INR 150. So, the pocket size has definitely increased, but the idea of trials only can start with by attending the consumer at his pocket base, not at the base level of saying that, okay, beer cannot be less than INR 200 or INR 150 rupees. That's not how the trials happen. I see a lot of money getting pumped in the rural sector because of good prices for the farmers. So, I see that going up. I don't see any reason why the rural phenomena will not be having a higher growth rate than the urban phenomena. In fact, the urban phenomena is kind of flat, is what our numbers tell us. So, the future is the rural phenomenon.

Manu: Sure, thank you, sir. Sir, one more question. So, I think my understanding is some of the raw materials are imported. And do you think that's sustainable? And are you looking at sourcing locally as well?

Deepak Arora: Yes. I am glad to inform that there are a couple of new furnaces coming up in India due to the demand supply situation. And we are very confident that the imports (beer bottles) will get cut down and we will start sourcing it locally. Because our delta is higher than the industry average, we tend to insulate ourselves by ensuring that we have foreign suppliers so that we don't come under any sort of pressure due to the scarcity of supplies. That has always been the case, whether it was barley, whether it was glass bottles. So, we have always maintained that strategy.

Manu: Thank you, sir, all the best. Thank you.

Moderator: Thank you. We have the next question from the line of Rohit Deshmukh from Vishwai Investments. Please go ahead.

Rohit Deshmukh: Hello.

Deepak Arora: Yes, sir.

Rohit Deshmukh: Sir, are there any plans for expansion or entering new markets in this year or next year?



- Deepak Arora:** Yes, I had addressed that in my earlier comment, that we are looking at expanding our footprint in markets like UP and the Northeast, which is on our agenda. The fact that we are increasing capacity in Odisha is also a testament to that because this is the second round of expansion which has happened in Odisha in three years. So, trying to reach a critical mass scale where we can actually derive profitability through economies of scale. So, while we do that and as the cash flow is also improving, we would have to, whether we like it or forcefully, we'll have to expand to new territories. There is no question, and we are very, very confident that with our portfolio, we'll be able to do well in markets which I mentioned, in the UP and Northeast.
- Rohit Deshmukh:** Okay. And sir, are there any recent regulatory changes that could impact the business and how are you addressing them?
- Deepak Arora:** Not really, it's a state subject, so it varies from state to state, but I don't see any regulatory hurdles as such right now. I don't see that.
- Rohit Deshmukh:** And my last question is that, are you seeing success in premium products offering?
- Deepak Arora:** Yes, with our launch of Woodpecker beer in Karnataka, I am happy to say we have been very successful in spreading the product and getting repeats from the customers, which has given the retail a lot of confidence. So, with the coming season, we should definitely see better numbers there.
- Rohit Deshmukh:** Thank you so much. That's all from my side.
- Deepak Arora:** Thank you.
- Moderator:** Thank you. That was the last question. I would now like to hand it over to the management for closing comments.
- Deepak Arora:** Thank you everybody for joining the call. We are committed to growing the company forward and we thank you for all your questions and support and look forward to seeing you in the next quarter.
- Moderator:** Thank you. On behalf of the Som Distilleries and Breweries Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.