January 28, 2026

Som Distilleries & Breweries Odisha Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based – Term Loan	17.63	17.63	[ICRA]BBB+ (Stable); reaffirmed
Long-term Fund-based – Cash Credit	20.00	20.00	[ICRA]BBB+ (Stable); reaffirmed
Short Term –Interchangeable* - Other	(5.00)	(5.00)	[ICRA]A2; reaffirmed
Long Term/ Short Term – Unallocated	12.37	12.37	[ICRA]BBB+ (Stable)/[ICRA]A2; reaffirmed
Total	**50.00**	**50.00**	

**Instrument details are provided in Annexure-I; *with cash credit limit sanctioned by Punjab National Bank*

Rationale

For arriving at the ratings, ICRA has taken a consolidated view of Som Distilleries & Breweries Limited (SDBL) and its subsidiaries, Woodpecker Distilleries & Breweries Private Limited (WDBPL) and Som Distilleries & Breweries Odisha Private Limited (SDBOPL), together referred to as the company (or the Group/ SDBL). The entities have strong financial and operational linkages as they sell products under the same brands and share a common management.

The reaffirmed ratings reflect SDBL's established business position and extensive experience of its promoters in the Indian alcoholic beverages (alcobev) industry, primarily in the beer and Indian-made foreign liquor (IMFL) categories. The company's business has been supported by its well-established brand presence across both categories, in key markets of Madhya Pradesh (MP), Orissa and Karnataka. Over the years, SDBL has witnessed a strong growth momentum in revenues and net profits, reflected in its compounded annual growth rate (CAGR) of 26% and 47%, respectively, over FY2021-FY2025, backed by established and growing brand presence, diversified product portfolio and healthy demand in the industry. In FY2025, the revenues grew by 13% on a YoY basis, backed by healthy volumes in beer and steady demand for the IMFL segment. While changing product mix and regulatory changes led to a flattish growth in H1 FY2026, the operating profit margin (OPM) improved to 13.8% as against 12.6% in FY2025, backed by stable input prices and operational efficiencies. Going forward, ICRA expects the company to report steady growth momentum, while maintaining a 11-12% OPM level on the back of steady volume growth, stable input prices and cost rationalisation initiatives undertaken.

ICRA has also taken note of SDBL's plans to undertake a sizeable debt-funded capex of Rs. 570 crore over FY2026-FY2028, towards setting up a brewery, distillery and other manufacturing capacities in Uttar Pradesh (UP), to expand its presence in the North India and support future growth in revenue and earnings. The greenfield project is being set-up under its wholly owned subsidiary, Woodpecker Greenagri Nutrients Private Limited (WGNPL), and is expected to be completed in a phased manner by September 2027. While this capex is expected to increase SDBL's leverage levels, resulting in the moderation of debt coverage metrics for the interim period, they are expected to be durably maintained in commensurate with the current rating level. Improving cash flow generation, moderate debt repayment tenor and expectation of equity infusion by promoters for part funding of the project is expected to support the capital structure and debt coverage metrics, with expected DSCR being more than 1.8 times for the next three fiscals. Nonetheless, timely commissioning of the project without any significant cost overruns and satisfactory ramp-up of operations will be monitored.

The ratings, however, are constrained by the working capital-intensive nature of operations, along with the intensely competitive and highly regulated alcobev industry. SDBL is exposed to geographical concentration risks with 80-85% of its revenues being derived from top-three states of the country. However, its established brand presence and healthy market share in these states provide some comfort. The ratings also factor in the vulnerability of the company's margins to volatility in raw material prices, which include barley, glass and aluminium. Further, any adverse outcome of the ongoing litigation with Madhya Pradesh State Industrial Development Corporation (MPSIDC) pending before the High Court, will remain a key monitorable.

The Stable outlook on the long-term rating reflects ICRA's opinion that the company will benefit from its sizeable capacities, significant market share and continuing healthy demand for beer in the key states where it operates.

Key rating drivers and their description

Credit strengths

Long operational track record and extensive experience of promoters in the alcobev industry – SDBL has maintained a long operational track record in operating as a key player for manufacturing extra-neutral alcohol (ENA), beer, Indian made Indian liquor (IMIL), and IMFL since the mid-1980s. The company is being promoted by the Bhopal-based Arora family, who have an extensive experience of more than three decades in the alcobev industry. The Group's other company, Som Distilleries Private Limited (SDPL) is engaged in manufacturing ENA, IMFL and IMIL while SDBL is involved in manufacturing and selling of beer and IMFL.

Well-established brand presence in key markets – SDBL enjoys a well-established brand presence in its key markets of MP, Orissa and Karnataka, supported by its diverse product portfolio across beer, rum, whisky, vodka and brandy. With 90% of the top line being derived from the beer segment, the company has key millionaire brands (sales volume >1 million cases per annum) such as Hunter, Black Fort and Power Cool, primarily sold in MP and Chhattisgarh, while Woodpecker is its established brand in the state of Karnataka. In the IMFL segment, SDBL has key brands across whisky – Milestone, Bhimbetka, Pentagon, Legend; vodka – White Fox, Milestone; rum – Black Fort XXX, Pentagon; and brandy – Milestone and Legend. In H1 FY2026, SDBL has launched two new brands: Mahavat, a mid-premium segment whisky, in MP and Delhi, and Sunny Beaches, a competitively positioned mild beer in Karnataka.

Healthy growth in revenue and profitability – Since FY2023, the Group has witnessed a strong scale-up in its top line reflected in a CAGR of 58% over FY2023-FY2025, supported by healthy demand across categories and established brand presence in key markets. Moreover, the company has sustained its operating profitability at 11.5-12.5% despite volatility in input prices and changing regulatory environment. In FY2025, the revenue growth of 13% on a YoY basis was supported by 9% YoY growth in beer volumes and improving realisations in the IMFL segment as a result of premiumisation across the industry. In H1 FY2026, the revenue growth remained flattish owing to slight moderation in beer volumes and IMFL realisations because of higher excise duties and changing product mix. However, OPM improved notably to 13.8% in H1 FY2026 from 12.6% in FY2025 due to operational efficiencies achieved through efficient returnable glass bottle management. Going forward, the company's growth momentum is expected to be supported by healthy demand for its established brands, new launches and expansion into the Northern region expected over the medium term.

Credit challenges

Vulnerability to changes in raw material prices – SDBL's margins remain exposed to volatile raw material prices, particularly of barley and glass bottles for the beer business, and of ENA and glass bottles for its IMFL business. However, the key input price was largely stable through FY2025 and H1 FY2026, supporting sustenance of its OPM in that period. The company's ability to receive commensurate price increase of final products remains crucial to profit margins.

Working capital intensive nature of operations – SDBL's operations are working capital intensive due to high debtors and inventory holding, especially towards March of each year, which is its ongoing peak season. Moreover, the planned expansion of facilities and greenfield project could further increase its working capital requirement. Against this backdrop, it remains dependent on enhancement of working capital limits and timely infusion of proposed equity.

Exposed to geographical concentration risk – The company derives 80-85% of its total sales volume from its key states of MP, Karnataka and Odisha. Hence, it is exposed to high geographical concentration risk. In recent years, MP contributed 40-45% of total sales, followed by Karnataka (30-35%) and Odisha (15-20%). However, the Group established brand presence and healthy market share in these markets provides some comfort. Moreover, SDBL's plans to penetrate into the Northern market and its ability to diversify its revenues across regions remains a key rating sensitivity.

Intense competition in highly regulated alcohol industry – The liquor industry is intensely competitive due to numerous small players. It is a highly regulated industry with the state government controlling sales and distribution, making the company susceptible to changes in Government policies. Any change in Government policies with respect to production and distribution of liquor, taxation and state excise duty or any material change in the duty structure may impact the liquor industry and, subsequently, the company.

Liquidity position: Adequate

SDBL's liquidity is adequate on account of healthy cash generation from business worth Rs. 120-130 crore annually. The company has been utilising 75-80% of its cash credit limit on an average in the last 12 months ending in September 2025, while maintaining an average buffer of Rs. 20-30 crore. SDBL also maintains Rs. 15-20 crore of free cash in the business at any point of time. Against this, SDBL has scheduled capex of about Rs. 570 crore over FY2026-FY2028, along with maintenance capex of Rs. 50-60 crore per annum, to be funded through a mix of debt, equity/ unsecured loans from promoters (interest-free) and internal accruals. Further, it has debt repayment liabilities of Rs. 25-65 crore per annum over the next two fiscals, which can be adequately funded from its healthy cash flow generation.

Rating sensitivities

Positive factors – ICRA could upgrade its ratings if the company improves its earnings while maintaining its credit metrics on a sustained basis, supported by growing geographical presence and strengthening brand position. Further, improvement in the liquidity position will also be a positive rating trigger.

Negative factors – ICRA could downgrade the ratings in case of a substantial decline in revenue and profitability, or a stretch in liquidity and debt coverage metrics. In terms of specific credit metrics, DSCR of less than 1.6 times on a sustained basis could be a negative rating trigger.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financials of SDBL, WDBPL and SDBOPL.

About the company

SDBL, incorporated in 1993, is involved in brewing, fermenting, bottling, canning and blending beer and IMFL. SDBL is the flagship company of the Bhopal-based Som Group, which has two subsidiaries, WDBPL – owned 78.87% by SDBL and based in Hassan, Karnataka; and SDBOPL – owned 100% by SDBL and based in Cuttack, Orissa. On a consolidated basis, the company has a production capacity of 38.2 million cases per annum (mcpa) of beer and 3.9 mcpa of IMFL. The Group's key established brands are Hunter, Power Cool, Black Fort, Woodpecker in the beer segment and Legend, Milestone, Pentagon, Bhimbetka and White Fox in the IMFL segment. The company's shares have been listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) since September 1994.

Key financial indicators (audited)

SDBL – Consolidated	FY2024	FY2025	H1 FY2026*
Operating income	1,282.7	1,446.6	798.0
PAT	86.5	104.5	61.6
OPBDIT/OI	11.8%	12.6%	13.8%
PAT/OI	6.7%	7.2%	7.7%
Total outside liabilities/Tangible net worth (times)	1.0x	0.7x	0.6x
Total debt/OPBDIT (times)	1.3x	0.9x	0.9x
Interest coverage (times)	12.7x	16.4x	11.2x

*PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs crore *Results; Note: All financial ratios as per ICRA's calculation*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current ratings (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	28-Jan-2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long term	20.00	[ICRA]BBB+ (Stable)	18-Oct-2024	[ICRA]BBB+ (Stable)	20-Nov-2023	[ICRA]BBB+ (Stable)	04-Aug-2022	[ICRA]BBB (Stable)
				25-Jun-2024	[ICRA]BBB+ (Stable)	09-Aug-2023	[ICRA]BBB+ (Stable)	07-Apr-2022	[ICRA]BBB- (Stable)
				11-Mar-2025	[ICRA]BBB+ (Stable)	06-Apr-2023	[ICRA]BBB (Stable)	-	-
Term Loans	Long term	17.63	[ICRA]BBB+ (Stable)	18-Oct-2024	[ICRA]BBB+ (Stable)	20-Nov-2023	[ICRA]BBB+ (Stable)	04-Aug-2022	[ICRA]BBB (Stable)
				25-Jun-2024	[ICRA]BBB+ (Stable)	09-Aug-2023	[ICRA]BBB+ (Stable)	07-Apr-2022	[ICRA]BBB- (Stable)
				11-Mar-2025	[ICRA]BBB+ (Stable)	06-Apr-2023	[ICRA]BBB (Stable)	-	-
Interchangeable*	Short Term	(5.00)	[ICRA]A2	18-Oct-2024	[ICRA]A2	-	-	-	-
				11-Mar-2025	[ICRA]A2				
Unallocated	Long term/ Short term	12.37	[ICRA]BBB+ (Stable)/ [ICRA]A2	18-Oct-2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	20-Nov-2023	[ICRA]BBB+ (Stable)/ [ICRA]A2	04-Aug-2022	[ICRA]BBB (Stable)/ [ICRA]A3+
				25-Jun-2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	09-Aug-2023	[ICRA]BBB+ (Stable)/ [ICRA]A2	07-Apr-2022	[ICRA]BBB- (Stable) / [ICRA]A3
				11-Mar-2025	[ICRA]BBB+ (Stable)/ [ICRA]A2	06-Apr-2023	[ICRA]BBB (Stable)/ [ICRA]A3+	-	-

Source: Company, * with cash credit limit sanctioned by Punjab National Bank

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term Fund-based – Term Loan	Simple
Long-term Fund-based – Cash Credit	Simple
Short Term –Interchangeable - Other	Simple
Long Term/ Short Term – Unallocated	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	20.00	[ICRA]BBB+ (Stable)
NA	Term Loans	FY2020-2022	8.5-9%	March 2027	17.63	[ICRA]BBB+ (Stable)
NA	Interchangeable*				(5.00)	[ICRA]A2
NA	Unallocated	-	-	-	12.37	[ICRA]BBB+ (Stable)/ [ICRA] A2

Source: Company; * with cash credit limit sanctioned by Punjab National Bank

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Som Distilleries & Breweries Limited	NA*	Full consolidation
Woodpecker Distilleries & Breweries Private Limited	78.87%	Full consolidation
Som Distilleries & Breweries Odisha Private Limited	100.00%	Full consolidation

*Source: Company, *parent company*

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