Management Discussion

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Thank you. Uh, good evening, ladies and gentlemen. On behalf of the board and the management of Som Distilleries& Breweries Limited, I welcome you to our earnings conference call for the 2nd quarter and half year ended 30th September 2026. Thank you very much for taking the time to join us. Before I discuss the operating and financial performance, I would like to place on record our sincere appreciation to our shareholders and all our stakeholders for their continued trust, patience, and support during what has been an exceptionally challenging period for the company.

The temporary suspension of operations at our Bhopal facility placed considerable pressure on our business. And affected our reported performance. We recognize that this period has tested the confidence of our stakeholders. Their continued support and understanding have been very important to us. The most important development is that operations at our Bhopal facility have been restored and production and dispatches have commenced recommenced. This is a significant milestone. It restores a key manufacturing base and enables us to rebuild supply strengthen our market presence in Madhya Pradesh and work towards normalizing volumes and capacity utilization.

Together with our facilities at Bhopal, Hassan, and Odisha, the company now has installed capacity of 48.2 million cases in beer and 5.1 million cases in minor spirits. This manufacturing footprint provides a stronger platform for regional market access and growth. Our immediate priority is to improve utilization of the capacity we have already commissioned And convert it into sustainable earnings. The recovery in Karnataka and Odisha provided support during the first half, while Tamil Nadu has emerged as an important market for us.

As operations normalize, we will focus on restoring supply in our core markets, deepening distribution, and progressively scaling the ultra-processed facility. Beer remains the principal contributor to our business, accounting for 98.97% of our total volume. And 93.18% of revenue in half year 26-27. Our established brands including Hunter, Power Cool, and Black Fort remain central to our strategy in core markets. We are also developing differentiated offers offerings such as Woodpecker, Sunny Beaches, and Legend.

In IMFL, the rollout of Marwad across Madhya Pradesh, Delhi, and Uttar Pradesh is an important step in broadening our portfolio and strengthening our presence in mid-premium segment. Our priorities are clear, which is rebuild volumes following the Bhopal restart, ramp up the Uttar Pradesh brewery, improve utilization across all plants, strengthen procurement packaging cost management, deepen distribution and improve product mix, and maintain discipline in working capital and capital allocation.

With this, I would like to hand over to Mr. Nakul Sethi, who will Brief us on the financials. Thank you. Over to you, Anukul.

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
Thank you, sir. Good evening, everybody. The first half of financial year '26-'27 was significantly impacted by the disruption at Bhopal, which constrained production and dispatches from one of our key manufacturing locations. The resulting shortfall in volumes, lower capacity utilization, and under-absorption of fixed costs affected revenue and profitability. In addition, elevated prices of key raw materials and packaging inputs, including bottles and cans, placed further pressure on gross margins.

For the 6 months ended 30th September 2026, consolidated total income stood at 454.7 crores compared with 800.1 crores in the corresponding period last year. A decline of approximately 43%. Gross profit was 149.7 crores against 300 crores, while EBITDA stood at 32.91 crores compared with 112.5 crores in H1 FY25-26. Profit after tax was 1.7 crores against 61.56 crores in the corresponding period. Our EBITDA margin was, uh, 7.24% for the first half as compared to 14.07% in H1 FY25-26, while PAT margin approximately 0.4% as against 7.7% in the previous year.

Total volumes for the first half was 77.47 lakh cases. Lower by approximately 39% year on year. The second quarter reflected these pressures as well. We recorded total volume of 31.6 lakh cases and total income of 185.9 crores. EBITDA for the quarter was 17.7 crores and profit after tax was 0.14 crores. These numbers are clearly below our expectations. We believe it is important to be transparent about the extent of the impact and the factors that led to it. For FY26-27, our guidance is to achieve turnover approximately 1,000 crores with an EBITDA margin of nearly 10%.

We are working towards this through the restoration of Bhopal operations, ramp-up of the UP facility, improved capacity utilization across the network, stronger market availability, and a continued focus on costs and product mix. We are also mindful of the need to maintain balance sheet discipline. Our gross debt increased by 100 crores during Q2, and gross debt-to-equity ratio stood at 0.44 as compared as on September 2026, compared to 0.30 at March '26. With the major capacity additions now in place, our emphasis will be on setting these assets improving operating cash flows, and ensuring disciplined deployment of CapEx.

With these opening remarks, I will now request the moderator to take the proceeding forward and open the floor for questions. Thank you.

Questions & Answers

Operator
[Operator Instructions] The first question is from the line of Shivangi Bhardwaj. An individual investor, please go ahead.

Unidentified Participant
Thank you for the opportunity. Uh, first of all, congratulations on getting the Bhopal plant online. Uh, I have questions on the same plant. Uh, same, uh, same plant. Uh, I just wanted to understand, sir, uh, what are we expecting in terms of, uh, have we lost any market share, uh, uh, because of, of what, because of the plant situation? Uh, what are we expecting, uh, in that terms? And how are we How are we planning to get our numbers back considering the season that we are entering is not very much favorable to, uh, beer as a product? However, it is very much favorable to IMFL as a business. So how are we thinking about the product mix to get the numbers back? Uh, if you can show some shed some color on these 2.

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Yeah, see, uh, MP, uh, Uh, facility there, which is SDBL, uh, has been a big contributor for our overall business. And, uh, that not being functional for about 8-9 months has had an impact on us that you are aware. And we are now very, uh, you know, uh, clear that, you know, we since we've got back the license and we have started production and dispatches, uh, our brands had huge, uh, market share and franchise in, in the state of Madhya Pradesh. And we have had more than, you know, 4 decades of experience in that state, particularly both in manufacturing and distribution.

And our, you know, organization structure, our processes, and our ability to connect with the customers, etc., has been very solid from the beginning. And we believe that, you know, our consumers and customers are just waiting for this to happen. And, uh, some good news is spread across now, and the stocks have started moving there. And since we had over 45% market share, we think, you know, we'll be able to recover that in a matter of 3 to 6 months, reach that level probably by February. You are right that we are stepping into off-season now, particularly in the central and north areas.

You know, where the winter sets in and the consumption drops. But still, nevertheless, on a base, uh, on a base year basis, like last year basis, I think we would aim to grow, uh, over a period of next 3 to 6 months. And IMFL, of course, will be, uh, will be also a kind of, you know, priority for us because that gives us a better revenue and better margins. We will focus on that.

Unidentified Participant
Thank you so much, sir. So is it fine to assume that within next 2 quarters, uh, we will be back to the earlier numbers, but in, in the next 2 quarters we're going to see some hit on our balance sheet?

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Yeah, that's the belief. That's the belief. That's the belief.

Unidentified Participant
And are we also trying to improve our product mix in the terms that are we trying to move towards IMFL, uh, and trying to increase our margin? So is that also a plan that, uh, that is there?

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Yeah, it is. As you are aware, as you are aware, uh, prior to, uh, the shutting down of this SDBL plant, we did have, uh, the launch of Mahavat Whiskey in Madhya Pradesh, and it had received good response at that point in time. Unfortunately, this setback for the last 9 months, we could not progress much on that. We will revisit that entire plan now and focus on that during the next 2-3 months. And get. And also in the pipeline, like we have said, once the SDBL facility opens up, we also have the plans to, uh, you know, uh, you know, work on the, on the single malt, uh, initiative that we have already taken, right? So that also will be there. So along with beer sorry,

Unidentified Participant
uh, sir, I'm just, uh, just one final follow-up. What is going to be our metric for success for IMFL, uh, if you can, uh, Let me know about that. That would be helpful.

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Can you repeat the question?

Jitaksh Gupta - Analyst, Tikri Investments
Yes, sure. So, uh, are we, uh, what kind of indicators are we tracking to say that, uh, our brand has, uh, been a success? So if you can shed some color on that, when will we say that, uh, you know, let's say that this much market share has our brand captured, so it's successful, or maybe these many, uh, cases we have sold. So what is that metric, if you can, uh, help me understand that?

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
It's a, it's a vast market, right? And in that vast market, when we launched and we did about 3 to 4 months of business with, with the brand, we did see a lot of we did, uh, uh, you know, uh, get placed

in more than 1,500 to 2,000 outlets, and we did get repeat orders from them. And repeat order percentage was quite at a, at an encouraging level when we, uh, when we had to stop the business because of the license issue. That gives us the confidence that, you know, we can go back with renewed vigor in the market and get back the business.

And of course, it's a huge that was just the beginning. With 4 months is not a time for any brand to get established and start giving volumes. That was the beginning. So when we saw the beginning was good, we hope that, you know, in the next 6 months to 1 year, we could have established and got about 5-6% of the total market.

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
And we hope to get that in the 6 months to 1 year.

Unidentified Participant
Thank you so much, sir. Uh, one last question. Uh, as I can recollect, our strategy is to build organic demand for our products. Are we now rethinking about some A&P budget, or are we still going to follow the same strategy that we've been following?

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
See, we've, we've been extremely cautious about what we do with our A&P budget. Right, and we will continue to behave that way. And but nevertheless, our strength has always been, uh, you know, giving good quality products and ensuring availability and accessibility to the consumers. That will be our primary focus. And of course, we will engage with the consumers as and when required in the channel. Thank you so much.

Unidentified Participant
Thank you for sharing the information. That's it from my side.

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Thank you. Welcome.

Operator
Thank you. The next question is from the line of Nagaraj, an individual investor. Please go ahead.

Unidentified Participant
Sir, good evening. Congratulations for opening the Bhopal plant. I just want one information. What is the CapEx plan for UT Phase 2? The schedule for completion and funding arrangements? Are we planning any fundraising through rights or QIP?

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Nakul, for you.

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
I think we'll evaluate the second phase of the project, uh, in March of the next year. The timing and all we already have got the sanction letters from banks for that second phase. That would be about 210 crores or so, but we will evaluate within the next 6 months the exact launch of the phase as well as the, uh, whether we want to go in for debt or equity, we'll decide that at that point of time.

Unidentified Participant
Okay. And my second question is, have you booked all the losses for Bhopal plant in Q2, or anything is left out to be booked in Q3?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
As of now, all losses have been booked.

Unidentified Participant
My next question is, uh, do we have any plans to convert the Assam plant to a fully owned subsidiary in line with UP and Odisha plant?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
That is in the works, sir. We'll keep you updated about when we do it and how we do it.

Unidentified Participant
So that will be very helpful for the shareholders. Yes, sir. And my last question is Can I just throw some light on the reason for drop in realization from 607 to 550? Do you hear, sir?

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Yeah,

Unidentified Participant
yeah, yeah,

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
yeah. You know, a considerable part of our business was coming from Madhya Pradesh. You know, this is compared to last year same quarter, right?

Unidentified Participant
Yeah.

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
And in that, in that, uh, you know, a substantial part of the Madhya Pradesh volume was coming from cans, right?

Unidentified Participant
Okay.

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
So therefore, can, we are realizing higher than bottles.

Unidentified Participant
Okay, okay. And how is sales picking up in UP?

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
UP, it's still initial stages. You know, when we, uh, started, uh, it was end of quarter 1, which is almost ending of season in UP, and, uh, And, you know, it is just, you know, we have about, uh, placed in about, uh, 1/3 of the market now.

Unidentified Participant
Okay.

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Right, of the total market. And then we've been able to get into about, uh, close to 2,000 outlets, right? And there are, there are repeat purchases happening, and it is looking encouraging, but it will take a little, uh, a little more time for us to say for sure that, uh, how much capacity we can utilize from the plant, etc. It will take some more time. I think we are stepping into off-season as well. So we got very little window to, to kind of push the brand now, and probably from January, February onwards it should pick up for us.

Unidentified Participant
Have you achieved around 20-25% capacity utilization?

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
No, no, not yet.

Unidentified Participant
Thank you, all the best.

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Thank you, thank you, Mr. Nagaraj.

Unidentified Participant
Thank you.

Operator
Thank you. The next question is from the line of Sunil Jatakia from Bfly India Opportunities Fund. Please go ahead.

Sunil Jatakia - Analyst, Bfly India Opportunities Fund
Thank you for the opportunity and, uh, congratulations on restarting of, uh, Bhopal plant, sir. Uh, so my first question is, uh, uh, in Q1 you had alluded about the, uh, 25 crore of, uh, finished stock lying in the Bhopal plant, beer and IMFL. So, uh, can you just let me know how much of that, uh, Has been already expired and how much of a P&L write-off we need to take in Q3 FY27?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
As of now, when we, when we are speaking, there have been no write-offs on the product.

Sunil Jatakia - Analyst, Bfly India Opportunities Fund
Okay, so, so the finished stock which was lying worth 25 crore, nothing has been write-off, right? It's all good? Nothing has expired? Okay, okay. Perfect. Uh, the second question, uh, is on the, uh, our annual license renewal for the MP plant is due on March 22nd, right? So given the situation what we have faced, how do you think how smooth the renewal would be and how you want to manage the administrative friction?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited

No, I think it's a it's going to be a A regular process, I mean, as we have been doing for the last 30-odd years. So I don't think that that's going to be a problem at all.

Sunil Jatakia - Analyst, Bfly India Opportunities Fund
Okay, so it's going to be smooth, you mean to say, right? I mean,

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
yeah,

Sunil Jatakia - Analyst, Bfly India Opportunities Fund
what has happened in the past is not going to have any implication on the renewal of the license?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
No.

Sunil Jatakia - Analyst, Bfly India Opportunities Fund
Okay, good, good. Uh, so third question is on the UP plant. Uh, The, the production has just commenced, right, in the month of June. So as of in Q2, what was the capacity utilization of that plant, sir? It was very slow. Okay.

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
Uh, and I think, uh, we'll have some meaningful capacity utilization by in the next 3-4 months.

Sunil Jatakia - Analyst, Bfly India Opportunities Fund
Okay. So sir, at what level of utilization do you think UP plant would turn Sorry, at what utilization level do you think, uh, UP would be turning EBITDA positive?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
I think about it would be at 20 to 25% capacity utilization.

Sunil Jatakia - Analyst, Bfly India Opportunities Fund
And when do you think we can reach there, sir?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
I think in the next, uh, 4 to 5 months.

Sunil Jatakia - Analyst, Bfly India Opportunities Fund
4 or 5 months. So you so Q4 FY27, we would be positive, you want to say? Q4 would be positive?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
Yeah, yeah. Q4 or FY27.

Sunil Jatakia - Analyst, Bfly India Opportunities Fund
Okay, okay, perfect. So last question is on the overall EBITDA margin, which has been collapsed

from around 11-12% to 2.5-3% because of a reason, of course. Uh, so now that Bhopal is getting back to normal, um, what do you think, by which quarter do you expect, uh, going to normal EBITDA margin of 11-12% which you used to generate earlier in a normal course of business?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
Yeah, I mean, we are currently for the first half, we are at 7%.

Sunil Jatakia - Analyst, Bfly India Opportunities Fund
Okay, the console basis,

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
figure of 2-3%, I don't know. But on a consolidated basis, we are at 7%, and we are hopeful that we should end the year at around 10%.

Sunil Jatakia - Analyst, Bfly India Opportunities Fund
10%, okay. Yeah,

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
okay,

Sunil Jatakia - Analyst, Bfly India Opportunities Fund
perfect. All the best, and I'll, I'll get back to the queue, sir. Thank you.

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
Thank you.

Operator
Thank you. The next question is from the line of Mudit, an individual investor. Please go ahead.

Unidentified Participant
Uh, good afternoon. Uh, first of all, thank you, uh, for Bhopal plant being operational. I have a couple of questions. When I was looking at the, uh, an annual report for '26, it says that the Woodpeckers Green Agri-Nutrients has a is owned 100% by the listed and listed entity. But in the AR report of 2025, it says Woodpecker Green Agri Nutrient, uh, 26% is owned by the listed entity. So which one is, uh, true, is right? I think there's a typo in one of these reports.

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
No, no, no. So initially when it was set up,

Unidentified Participant
yeah,

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
at that time, towards the when the initial capital was set up, it was 26%. But yeah, after the increase

in capital, subsequent preferential issue, it became 100% owned subsidiary.

Unidentified Participant
Okay, so if, uh, so that means that all the revenue and the profit of the subsidiary is, uh, consolidated into the listed entity, right?

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Yes.

Unidentified Participant
Okay, perfect. Thank you very much.

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Welcome.

Operator
Thank you. The next question is from the line of Dikshita Gupta from Tigris Investments. Please go ahead.

Jitaksh Gupta - Analyst, Tikri Investments
Hi sir, thank you for your time and, uh, congratulations on Bhopal plant. So a couple of questions. So in H1 Uh, so, uh, in Q2, if we exclude Bhopal plant, so the sales from Bhopal plant, we did almost, uh, 35, uh, lakhs cases versus 35 lakhs cases, uh, same quarter last year. So just, uh, wanted to understand which market has performed, uh, good for us, or is there any reason for, for the performance? Because, uh, excluding Bhopal, we just, uh, lost 4 lakh cases. So can you explain a bit about this?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
Divya sir, can you please repeat?

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Yeah, yeah, yeah. So, uh, you want to know which market has contributed to the Q2 performance?

Jitaksh Gupta - Analyst, Tikri Investments
Yes, Q2 performance, because last year we did 35 lakh cases versus this year 31 lakh cases. So excluding Bhopal, we just lost 4 lakh cases. So just trying to understand, uh, which market has performed well for us and, uh, what situation changed for in any specific market.

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
You know, uh, Odisha, Karnataka, and Tamil Nadu have contributed immensely to the, to the volume in this quarter and this entire half year. In the, in the absence of mother products.

Jitaksh Gupta - Analyst, Tikri Investments
Okay. And is there any specific market where the performance was, uh, above expectations? Like in presentation you have mentioned Tamil Nadu has performed well. So just trying to understand what, uh, strategy we are using or what is working for us in Tamil Nadu.

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
See, like I think a couple of quarters back also we were mentioning that, you know, uh, our aim is to

get about 5 to 6% market share in Tamil Nadu in a period of 1 to 2 years' time. Right,

Jitaksh Gupta - Analyst, Tikri Investments
so you are saying we have reached

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
No, no, we have not reached yet. So the quarter of second quarter, we have almost touched about 4% market share in Tamil Nadu. Okay, so third quarter, fourth quarter onwards, we are expecting it to go up higher. That is one. And Karnataka is performing well in terms of volume growth. We are getting a very good growth. Odisha is also growing well, both the industry and our own volumes. These are all have contributed to the overall performance in, in the absence of Madipuri plant.

Jitaksh Gupta - Analyst, Tikri Investments
Okay. And the second question is regarding the Bhopal plant. So in H2, uh, what is the utilization we are expecting and, uh, what is the revenue we are expecting for the entire year at consolidated level?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
So I think, uh, at a consolidated level, we are expecting that, uh, towards the second half we should generate about 550-odd crores of net revenue.

Jitaksh Gupta - Analyst, Tikri Investments
This includes Bhopal plant revenue from Bhopal as well,

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
right?

Jitaksh Gupta - Analyst, Tikri Investments
And so what is the utilization? Sorry.

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
So let me come to that. So

Jitaksh Gupta - Analyst, Tikri Investments
Yes.

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
I think when we have the call next quarter, then we can discuss about the utilization level of Bhopal, because right now, uh, we are entering the lean season, uh, for both, uh, UP and Bhopal. So I think we'll be able to give you a better picture, and when we declare the quarter 3, sir.

Jitaksh Gupta - Analyst, Tikri Investments
Okay, sir. And then my next question is regarding the Carlsberg arrangement which we had. So the license got renewed for another 3 years. So can you explain like, uh, what is the allotted or, uh, allotted cases we sell to Carlsberg and the margins we make from the Orissa plant?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
No, sorry, we cannot disclose that.

Jitaksh Gupta - Analyst, Tikri Investments
Oh, okay, sir. And so lastly, uh, on IMFL side, uh, can you update like which product are we targeting and how much revenue we are targeting for, uh, for them for H2 and for the entire year?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
So I think as Diva sir has, uh, answered in one of the previous questions, IMFL is an important segment for us. And if you compare to last year, about, I think about 14 to 15% of our revenue was from IMSL. But, uh, having said that, uh, obviously in the short to medium term, we'll want about between 15 to 20% of the revenue coming from IMSL. So that's what we are aiming at.

Jitaksh Gupta - Analyst, Tikri Investments
Okay sir, that's it from my side. Thank you.

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
Thank you.

Operator
Thank you. The next question is from the line of Rajesh Agarwal from Manior. Please go ahead.

Rajesh Agarwal - Analyst, Manior
Sir, I have 2 questions. Going forward, how the what's your view the input cost pressures will be there? How that will behave? Any color?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
So I mean, uh, I mean, we have seen that the prices of cans have increased a bit, but there has been little stability. Glass bottles also, there was an increase in Q1, but now they have stabilized.

Rajesh Agarwal - Analyst, Manior
Okay.

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
Uh, so I think if the, you know, global situation continues to be stable, we have Stable outlook for all the input costs.

Rajesh Agarwal - Analyst, Manior
And other costs are in control?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
Yeah, yeah, because these are the major costs which impact.

Rajesh Agarwal - Analyst, Manior
Okay. And so, uh, once we get an operating leverage, you feel the realization also will improve?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
Yes, because, uh, the realization which we get in MP is much better what we get in, for example, Odisha. I think our revenues also I mean, per case realization also would inch up.

Rajesh Agarwal - Analyst, Manior
Okay. And how are the margins currently in IMFL? And, uh, IMFL may contribute 15-20%, you said, next, next year in revenue?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
Yes, next year.

Rajesh Agarwal - Analyst, Manior
Next year. Okay. And overall capacity utilization, you said you will guide us in the 3rd quarter?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
Yes, especially for the Bhopal plant.

Rajesh Agarwal - Analyst, Manior
Bhopal plant, okay. And so, and the CapEx in the current year and next year, how much will be the CapEx?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
So we have got a 2nd phase of UP which has to be done, but we'll, uh, you know, decide the exact timing of that, uh, In the next 5 to 6 months.

Rajesh Agarwal - Analyst, Manior
5 to 6 months. And, uh, okay. And there are any other pending issues, sir? I think, uh, the excise department, everything is sorted out, no?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
Yeah, everything.

Rajesh Agarwal - Analyst, Manior
So only one request, uh, if I have to reach the management, how do we reach any? Their numbers are not there or email ID, nothing is there. How do we reach the management?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
No, no, no, no, that's, that's not correct. You go to our website, you will have all the

Rajesh Agarwal - Analyst, Manior
But I tried, sir, I, I have to be honest, but I, I could not get through the line. It was a board number. I

mean,

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
if it is a silent period, then we don't interact with any

Rajesh Agarwal - Analyst, Manior
No, no, it was not a silent period. Uh, I was trying to reach, but I, I called many times, but I could not, uh, get through that line. So that was the only

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
And then we'll have somebody call you.

Rajesh Agarwal - Analyst, Manior
Okay, okay, okay. Thank you, sir. Thank you.

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
Thank you.

Operator
The next question is from the line of Rahul, an individual investor. Please go ahead.

Unidentified Participant
Hi, um, so we've just renewed our Carlsberg India contract manufacturing deal for 3 years. Uh, given that our strong volume rebound in Odisha and Tamil Nadu, why have we committed capacity to this low-margin third-party bottling instead of dedicating those lines to our higher-margin brands like Hunter, Woodpecker, and Mahawat?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
Divya sir, can you answer that?

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Yeah, so, you know, uh, we, uh, you're talking about specifically Odisha, I can answer that, right? So Odisha, Odisha, whatever capacity we have.

Unidentified Participant
Yeah.

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Right, that is almost equivalent to, uh, I can say, uh, about 35% of the total industry demand. So therefore, that 35% is, uh, you know, if you have to reach with our own brands, it will take a longer time. So if you sorry,

Unidentified Participant
sorry, go ahead, go ahead. Yeah,

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
so if you have to, uh, have better capacity utilization and keep the cost down, it is better to tie up with a brand which has also got substantial volume, and therefore it is good for us in the long run in the short and the long run. Yeah,

Unidentified Participant
right. And what is the ballpark margin difference in this third-party bottling versus our own brand? Not the exact numbers, but Like, is it in the is it in the order of like maybe

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
No, no, we would not like to answer that. We would not like to answer that.

Unidentified Participant
Right, right. Okay, okay. Um, and, and also, how, how do we plan so, so if, if we have a, uh, new IMFL brand, uh, portfolio under planning, if not right now, let's say eventually, how do we plan to solve the brand mortality problem? You see, all of our peers are, uh, are launching premium IMFL brands And they're spending a lot of money, a lot of A&P on it. So what is our strategy to avoid this brand fatigue and brand mortality in any new brand that we will launch or even from Mahabharat?

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
To answer that question, you know, if you look at the way we have behaved in the last 1 decade, 2 decades, or 3 decades with our IMF brand, even our own beer brands, if you see, you know, most of our beer brands are more than 2 decades, uh, plus in terms of the, uh, when we launched it, right? And even our IMFL brands are more than that, okay? So we have been cautious about the way we are going to go about our, our distribution and, uh, and consumer demand creation, etc. We've been very cautious and we'll continue to focus on that, and it has paid us results, you know. It has given us results in the last 2-3 years. Right, so we'll continue to focus that way.

Unidentified Participant
Perfect. Uh, yeah, that answers most of my questions. Uh, thank you and all the best for the coming quarter.

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Thank you, thank you so much.

Operator
Thank you. The next question is from the line of Mohit Pantul from Sama Partners. Please go ahead.

Mohit Pantul - Analyst, Sama Partners
Hello. Yeah, good evening and thank you for the opportunity. Am I audible?

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Yeah, you're audible.

Mohit Pantul - Analyst, Sama Partners
Okay, my question is that, uh, are we planning to file any compensatory claim as per the High Court directive against the MP government? If yes, what can be the quantum of the claim?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
No, we are not thinking on those lines.

Mohit Pantul - Analyst, Sama Partners
Okay, because we were like 9 months, we didn't were not able to produce anything.

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
No, no, we are not doing anything. Sorry, you still

Mohit Pantul - Analyst, Sama Partners
not okay.

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
No, no, we are not.

Mohit Pantul - Analyst, Sama Partners
Okay, so you're not going ahead with any claim against the government? All right. My second question is, does it make sense to have any insurance against this renewal risks in future? Uh, I'm, I'm not sure if any product is available from the insurance company, but because these are regulatory risks Does it make sense to have some insurance?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
I can't comment on that.

Mohit Pantul - Analyst, Sama Partners
Okay, okay. Those were the two questions from my side. Thank you so much.

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
Thank you.

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Thank you.

Operator
The next follow-up question is from the line of Nagaraj, an individual investor. Please go ahead.

Unidentified Participant
What are your plans for expanding Nandra and Telangana?

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
I think Diwakaran sir will answer the Andhra with.

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Mr. Nagaraj, We have already we already dispatched stocks to Andhra Pradesh by end of October.

Unidentified Participant
OK.

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Right so we have started our distribution there. And hopefully in the next 3-6 months' time, we'll be able to see some progress, good progress in that market. We also put a team there. We have a senior regional head who is managing that for

Unidentified Participant
Okay. Yep. And my next follow-up question is, see, like, when I asked earlier, earlier call, it was told that all the losses, whatever is booked in Bhopal, is already booked, but we have not made any provisions for the 2022 loss. It's likely to happen.

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
I have already I've already answered that.

Unidentified Participant
So there are no provisions to be made.

Nakul Sethi - Director of Finance & Strategy and Whole-Time Director, Som Distilleries & Breweries Limited
Yeah, yeah, I've already answered that in the previous question.

Jitaksh Gupta - Analyst, Tikri Investments
Okay. Yeah, thank you for the clarification. Yeah, I'll do it.

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Thank you.

Operator
[Operator Instructions] . As there are no further questions from the participants, I would now hand the conference over to Mr. Devankaran for closing comments. Over to you, sir.

Diwakaran Suryanarayana - Chief Operating Officer, Som Distilleries & Breweries Limited
Uh, thank you very much, and, uh, I sincerely appreciate on behalf of the management of Som Distilleries& Breweries for your valuable time and for the faith and continued trust on our, on our business. And we've had a difficult time in the past, and I'm sure, you know, you stood with us. And in the future, it's going to be a much better run than what we had in the last 2 quarters. And I hope and pray with pray and request all of you to stay with us and continue to support us. Thank you very much.

Operator
[Operator Closing Remarks]