

HOW ONE WORD COST BIRA 91 ITS FIZZ- THE Rs 80-CRORE LESSON IN COMPLIANCE

By Sugandha Bhardwaj

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Bira 91 was once one of India's most exciting consumer-brand stories. Young, irreverent and distinctly different from traditional beer brands, it built a cult following and became a symbol of India's new-age craft beer movement. By FY23, Bira 91 was selling around 9 million cases, while parent B9 Beverages reported consolidated revenue of about INR824 crore. Then came the IPO ambition. As part of preparations for a proposed public listing, the company converted from B9 Beverages Private Limited to B9 Beverages Limited. On paper, it appeared routine. Just one word disappeared, "Private." But alcohol in India is regulated state by state. The change meant labels, registrations, licences and approvals had to be revisited across several markets. What looked like a corporate formality became an operational nightmare. Founder Ankur Jain later said the process resulted in a 4-6 month re-registration cycle, with sales effectively stopping in several markets despite continuing consumer demand. And then came the numbers. Around Rs 80 crore of inventory reportedly had to be written off. Consolidated revenue dropped from about Rs 824 crore to Rs 638 crore in FY24. Net losses widened to approximately Rs 74.8 Cr. Sales volumes fell substantially. A company preparing itself for an IPO suddenly found itself fighting for liquidity, distribution and operational continuity. The difficulties continued.



\n\n By 2026, production had been suspended, creditors were pursuing unpaid dues, the business was undergoing restructuring, and founder Ankur Jain had stepped down from the board and relinquished control.\n\n But perhaps the most fascinating part of the Bira story is this-\n\n Consumers did not suddenly stop liking the beer.\n\n The case demonstrates something every founder, CXO and investor should remember...\n\n Growth is not only about product, branding, funding and market share.\n In a highly regulated business,\n\n COMPLIANCE IS PART OF THE BUSINESS MODEL.\n\n A corporate decision that appears harmless in a boardroom can affect licences, labels, inventory, warehouses, distribution, cash flow and eventually the survival of the enterprise.\n\n Bira's difficulties cannot be attributed to one word alone.\n\n But that one word exposed just how expensive the gap between corporate strategy and regulatory execution can become.\n\n The lesson?\n\n Before changing the name on the letterhead, understand what that name means on every licence, label, warehouse shelf and government register.\n\n Sometimes, the smallest administrative decision can create the biggest business consequence.\n\n #Bira91 #BusinessStrategy #Compliance #CorporateGovernance #IPO #Leadership #RiskManagement #IndiaBusiness\n

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