



**Allied Blenders
& Distillers**

**ALLIED BLENTERS &
DISTILLERS LIMITED**

IPO NOTE

June 2024

ISSUE HIGHLIGHTS

- Incorporated on October 8, 2008, Allied Blenders and Distillers (“ABDL”) is the largest Indian-owned Indian-made foreign liquor (“IMFL”) company and the 3rd largest IMFL company in India, in terms of annual sales volumes between Fiscal 2014 and Fiscal 2022 and had estimated market share (in terms of sales volume) of 11.8% in the Indian whisky market for Fiscal 2023. Their product range includes 5 main categories: **Whisky, Brandy, Rum, Vodka and others**.
- Company’s flagship brand, **Officer’s Choice Whisky** was launched in 1988 with their entry into the mass premium whisky segment. *Officer’s Choice Whisky* has been among the top selling whisky brands globally in terms of annual sales volumes between 2016 and 2019. Officer’s Choice Whisky including Officer’s Choice Blue is currently ranked 3rd among the largest selling whisky brands globally in 2021
- As of December 31, 2023, their **product portfolio comprised 16 major brands of IMFL** across whisky, brandy, rum and vodka. Certain of their brands, such as, **Officer’s Choice Whisky, Sterling Reserve, Officer’s Choice Blue and ICONiQ Whisky**, are ‘**Millionaire Brands**’ or brands that have sold over a million 9-litre cases in 1 year.
- Their whisky brands include blends of **Scotch malts from the Highland, Lowland and Speyside regions**.
- The company owns and operate their distillery located in Rangapur, Telangana. Their manufacturing network includes 1 owned distillery, 9 owned bottling units and 23 non-owned manufacturing units.
- The company has established market leadership in the alcoholic beverages market in India with **sales across 30 States and Union Territories**, as of December 31, 2023. They have 12 sales support offices and pan-India route-to-market capabilities covering all channels and alcohol permitted States and Union Territories.
- As of March 31, 2023, their products were **retailed across 79,329 outlets** in India. In addition, as of December 31, 2023, they exported their products to 14 international markets, including countries in the Middle East, North America, Africa, Asia and Europe.

BRIEF FINANCIAL DETAILS*

(₹ IN Cr)

	As at Dec’ 31,		As at Mar’ 31,		
	2023(09)	2022(09)	2023(12)	2022(12)	2021(12)
Share Capital	48.82	48.82	48.82	47.11	47.11
Net Worth as stated	409.26	407.08	406.10	404.10	381.78
Borrowings	798.11	792.05	780.82	846.91	954.74
Revenue from Operations	5,911.14	5,389.04	7,105.68	7,196.92	6,378.78
Revenue Growth (%)	9.69%	-	(1.27)%	12.83%	-
EBITDA as stated	186.20	145.81	196.06	207.55	213.00
EBITDA Margin (%)	7.27%	6.14%	6.23%	7.73%	9.07%
Net Profit for the period/year	4.23	2.88	1.60	1.48	2.51
Net Profit (%)	0.17%	0.12%	0.05%	0.05%	0.11%
EPS - Basic & Diluted (₹)	0.17 [^]	0.12 [^]	0.07	0.06	0.10
ROE (%)	1.03% [^]	0.71% [^]	0.39%	0.37%	0.66%
ROCE (%)	24.35% [^]	18.80% [^]	25.87%	25.13%	26.45%
NAV (₹)	16.76	16.68	16.64	16.55	15.75
Net Debt / Equity	1.88	1.89	1.85	2.05	2.39

Source: RHP, *Restated Consolidated, [^] not annualised

Issue Details

Fresh Issue of Equity Shares aggregating upto ₹ 1,000 Cr and Offer for Sale of Equity Shares aggregating upto ₹ 500 Cr

Issue size: ₹ 1,500 Cr

No. of shares: 56,191,894 – 53,391,667 Shares

Face value: ₹ 2/-

Employee Reservation: Equity shares aggregating upto ₹ 3 Cr

Price band: ₹ 267 - 281

Bid Lot: 53 Shares and in multiple thereof

Employee Discount: ₹ 26/- per share

Post Issue Implied Market Cap = ₹ 7,518 – 7,860 Cr

BRLMs: ICI Securities, Nuvama Wealth, ITI Capital

Registrar: Link Intime India Pvt Ltd

Issue opens on: Tuesday, 25th June’2024

Issue closes on: Thursday, 27th June’2024

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	28-06-2024
Refunds/Unblocking ASBA Fund	01-07-2024
Credit of equity shares to DP A/c	01-07-2024
Trading commences	02-07-2024

Issue Break-up

	No. of Shares		₹ In Cr	% of Issue
	@Lower	@Upper		
QIB	28,033,706	26,637,010	748.50	50%
NIB	8,410,112	7,991,103	224.55	15%
-NIB2	5,606,741	5,327,402	149.70	-
-NIB1	2,803,371	2,663,701	74.85	-
RET	19,623,595	18,645,907	523.95	35%
EMP	124,481	117,647	3.00	-
Total	56,191,894	53,391,667	1,500.00	100%

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2 =NII Bid Above ₹ 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII - Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	53 Shares	742 Shares	3,604 Shares
Minimum Bid Lot Amount (₹)	₹ 14,893 [^]	₹ 2,08,502 [^]	₹ 10,12,724 [^]
Appl for 1x	3,51,810 Applications	3,590 Applications	7,180 Applications

Listing: BSE & NSE

Shareholding (No. of Shares)

Pre-issue	Post-Issue [~]	Post-issue [^]
244,113,665	281,578,969	279,711,739

[~]@Lower price Band [^]@ Upper Price Band

Shareholding (%)

	Pre-Issue	Post-Issue
Promoter	100.00%	80.91%
Public	0.00%	19.09%
Total	100.00%	100.00%

BACKGROUND

Company and Directors

The Company was incorporated as 'You and Me Properties Private Limited' on October 8, 2008. Kishore Rajaram Chhabria, Bina Kishore Chhabria, Resham Chhabria Jeetendra Hemdev, Oriental Radios Pvt Ltd, Bina Chhabria Enterprises Pvt Ltd, Officer's Choice Spirits Pvt Ltd and BKC Enterprises Pvt Ltd are the Promoters of the company. Currently Promoters, in aggregate, hold 244,113,665 Equity Shares in the company, representing 100% of the pre-offer issued, subscribed, and paid-up Equity Share capital of the company.

Brief Biographies of Directors

Kishore Rajaram Chhabria is a Chairman and Non-Executive Director on the Board of the Company. Prior to joining the company, he was previously associated with Shaw Wallace & Co Ltd and B.D.A. Ltd.

Bina Kishore Chhabria is a Non-Executive Director and Co-Chairperson on the Board of the company. She has been a Director on the Board of the company since 2010.

Resham Chhabria Jeetendra Hemdev is a Whole-Time Director (Vice Chairperson) on the Board of the company. She has experience in various fields, including business strategy for organization.

Shekhar Ramamurthy is a Whole-Time Director (Executive Deputy Chairman) on the Board of the company. Prior to joining the company, he was associated with United Spirits Ltd and United Breweries Ltd. He has over 33 years of experience in various roles, including marketing, corporate planning and sales.

Alok Gupta is a Managing Director on the Board of the company. Prior to joining the company, he was associated with Autometers Ltd, McDowell & Co. Ltd, Whyte and Mackay Ltd., United Spirits Ltd and Essar Capital Advisory India Pvt Ltd.

Maneck Navel Mulla is a Non-Independent, Non-Executive Director on the Board of the company. Prior to joining the company, he was associated with Mulla & Mulla and Craigie Blunt & Caroe and M Mulla Associates. He has over 2 decades of experience in the field of law.

Arun Barik is an Executive Director on the Board of the company. Prior to joining the company, he was associated with Seagram Distilleries (P) Ltd and Mason & Summers Alcobev Pvt. Ltd. He has over 27 years of experience in various fields, including manufacturing.

Balaji Viswanathan Swaminathan is an Independent Director on the Board of the company. Prior to joining the company, he was associated with BSR & Co., ICICI Bank, Westpac Banking Corporation, Standard Chartered Bank and SAIML Pte. Ltd. He has over 27 years of experience in various fields, including finance

Rukshana Jina Mistry is an Independent Director on the Board of the company. She has been a practising chartered accountant for over 32 years.

Vivek Anilchand Sett is an Independent Director on the Board of the company. Prior to joining the company, he was associated with Ispat Industries Ltd, Tata Sons Ltd, Tata Realty and Infrastructure, Nectar Life Sciences Ltd and New Silk Route Advisors Pvt Ltd.

Paul Henry Skipworth is an Independent Director on the Board of the company. Prior to joining the company, he was associated with L Capital Advisory Services UK Ltd, The Glenmorangie Co Ltd, Artisanal Spirits Co PLC, Jas Hennessy (Far East) Ltd, LVMH and LEK Consulting. He has over 15 years of experience primarily in the field of corporate strategy, consulting and general management in the wine and spirits industry.

Vinaykant Gordhandas Tanna is an Independent Director on the Board of the company. Prior to joining the company, he was associated with Diageo Plc. He has over 16 years of experience in various fields, including business development.

Narayanan Sadanandan is an Independent Director on the Board of the company. Prior to joining the company, he was associated with State Bank of India, SBI Capital Markets Ltd and SBI Pension Funds Pvt Ltd. He has over 35 years of experience in various fields, including capital market, banking, and fund management.

Mehli Maneck Golvala is an Independent Director on the Board of the company. Prior to joining the company, he was associated with Kalyaniwalla & Mistry LLP. He has over 39 years of experience in the field of taxation laws

Key Managerial Personnel

Ritesh Ramniklal Shah is the Company Secretary and Compliance Officer of the company. He has been associated with the company since June 15, 2015. Prior to joining the company, he was associated with Firestorm Finance & Trading Pvt Ltd, Shaw Wallace & Co Ltd, United Spirits Ltd and Mcdowell Holdings Ltd.

Ramakrishnan Ramaswamy is the Chief Financial Officer of the company. He has been associated with the company since May 5, 2010. Prior to joining the company, he was associated with Essel Propack Ltd and Jubilant Oil & Gas Pvt Ltd.

Bikram Basu is the Chief Strategy and Marketing Officer of the company. He has been associated with the company since March 3, 2015. Prior to joining the company, he was associated with Pernod Ricard India (P) Ltd.

OFFER DETAILS

		No. of Shares [^]	WACA per Equity Share on a fully diluted basis (₹)
Fresh Issue			
<i>Fresh Issue</i>	(₹ 1,000 Cr)	Upto 37,465,304 [~] – 35,598,074 Equity Shares ^{^*}	–
The Offer for Sale by:			
Promoter Shareholders:			
<i>Bina Kishore Chhabria</i>	(₹ 375 Cr)	Upto 13,345,196 Equity Shares	0.03
<i>Resham Chhabria Jeetendra Hemdev</i>	(₹ 125 Cr)	Upto 4,448,399 Equity Shares	0.05

([~] at lower price band and [^]at upper price band); WACA=Weighted Average Cost of Acquisition; * with effect of employee allocation

SHAREHOLDING PATTERN

Shareholders	Pre-offer		Fresh Issue and Offer for Sale Shares [^]	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
<i>Promoter</i>	244,113,665	100.00%	17,793,593	226,320,072	80.91%
Total for Promoter	244,113,665	100.00%	17,793,593	226,320,072	80.92%
<i>Public</i>	0	0.00%	35,598,074	53,391,667	19.09%
Total for Public Shareholders	0	0.00%	35,598,074	53,391,667	19.09%
Total Equity Share Capital	244,113,665	100.00%		279,711,739	100.00%

([^] at upper price band)

OBJECTS OF THE ISSUE

Objects	Amount (₹ Cr)
• Prepayment/scheduled re-payment of a portion of certain outstanding borrowings availed by the Company;	720.00
• General Corporate Purposes	[•]
Total	[•]

BUSINESS OVERVIEW



Allied Blenders and Distillers Ltd (“ABDL”) is the largest Indian-owned Indian-made foreign liquor (“IMFL”) company and the 3rd largest IMFL company in India, in terms of annual sales volumes between Fiscal 2014 and Fiscal 2022. They are one of the only 4 spirits companies in India with a pan-India sales and distribution footprint, and a leading exporter of IMFL, and had an estimated market share (in terms of sales volume) of 11.8% in the Indian whisky market for Fiscal 2023.

The company is engaged in the manufacturing, marketing and sale of alcoholic beverages in India and abroad. Their manufacturing network includes 1 owned distillery, 9 owned bottling units and 23 non-owned manufacturing units. Their product range includes 5 main categories: whisky, brandy, rum, vodka and others.

Company’s flagship brand, **Officer’s Choice Whisky** was launched in 1988 with their entry into the mass premium whisky segment. **Officer’s Choice Whisky** has been among the top selling whisky brands globally in terms of annual sales volumes

between 2016 and 2019. Over the years, they have expanded and introduced products across various categories and segments. As of December 31, 2023, their **product portfolio comprised 16 major brands of IMFL** across whisky, brandy, rum and vodka. Certain of their brands, such as, **Officer's Choice Whisky, Sterling Reserve, Officer's Choice Blue** and **ICONiQ Whisky**, are '**Millionaire Brands**' or brands that have sold over a million 9-litre cases in one year.

The annual sales volumes for the Millionaire Brands:

(in million cases)

Particulars	9 months ended December 31,		Year ended March 31,		
	2023	2022	2023	2022	2021
Whisky					
- Officer's Choice Whisky	14.56	14.42	18.89	17.55	15.54
- Officer's Choice Blue	3.40	4.38	5.56	5.81	5.84
- Sterling Reserve	3.85	4.00	5.30	3.75	2.97
- ICONiQ Whisky*	1.43	-	-	-	-

* Details of ICONiQ Whisky only for the nine months ended December 31, 2023, since it became a millionaire brand in September 2023

They also sell packaged drinking water under their *Officer's Choice, Officer's Choice Blue* and *Sterling Reserve* brands.

The sales volume according to category of IMFL for the periods indicated:

(in million cases)

Particulars	9 months ended December 31,		Year ended March 31,		
	2023	2022	2023	2022	2021
Whisky	23.63	23.26	30.59	27.49	24.60
Brandy	0.65	0.67	0.91	0.55	0.67
Rum	0.28	0.44	0.61	0.32	0.20
Vodka	0.03	0.12	0.13	0.04	0.05
Gin*	-	-	-	-	-
Volume Total	24.59	24.49	32.24	28.40	25.52

* Launched in January 2024, i.e., subsequent to December 31, 2023

The revenue from contracts with customer – Sale of goods (IMFL):

(₹ Cr)

Particulars	9 months ended December 31,				For the Financial Year					
	2023		2022		2023		2022		2021	
	Revenue (₹ Cr)	% to Revenue	Revenue (₹ Cr)	% to Revenue	Revenue (₹ Cr)	% to Revenue	Revenue (₹ Cr)	% to Revenue	Revenue (₹ Cr)	% to Revenue
Whisky	5,575.83	96.95%	5,160.41	97.85%	6,777.10	97.36%	6,973.43	98.86%	6,224.58	98.82%
Brandy	123.34	2.14%	58.94	1.12%	102.61	1.48%	41.88	0.60%	41.37	0.66%
Rum	43.01	0.75%	37.90	0.72%	66.10	0.95%	27.88	0.40%	22.39	0.36%
Vodka	4.34	0.08%	11.90	0.23%	12.84	0.18%	5.19	0.07%	6.56	0.10%
Others*	4.78	0.08%	4.13	0.08%	2.34	2.64%	5.25	0.07%	4.04	0.06%
Total	5,751.30	100.00%	5,273.28	100.00%	6,960.99	100.00%	7,053.63	100.00%	6,298.93	100.00%

Revenue from contracts refers to revenue from contracts with customer – Sale of goods (IMFL); Others primarily includes sales made at retail store in Mumbai.

The company has established market leadership in the alcoholic beverages market in India with a market share of 8.2% in IMFL market by sales volumes in Fiscal 2023, with sales across 30 States and Union Territories, as of December 31, 2023. Over the years, they have developed an extensive pan-India sales footprint and as of December 31, 2023, they have 12 sales support offices, and pan-India route-to-market capabilities covering all channels and alcohol permitted States and Union Territories. Their pan-India distribution network has enabled them to support the growth in annual sales volumes of their products. As of March 31, 2023, their products were retailed across 79,329 outlets in India. In addition, as of December 31, 2023, they exported their products to 14 international markets, including countries in the Middle East, North America, Africa, Asia and Europe.

Over the years, ABDL has invested in strengthening their brand awareness and the goodwill of their brands. Their key brands have been awarded at recognised award functions including at the Design and Packaging Masters, The Spirits Business London, Monde Selection Bruxelles, International Taste Institute-ITQI Brussels, DMAasia ECHO, exchange4media Indian Digital Marketing Awards, Adgully Digixx, Afaqs Marketers Xcellence, Product of the Year awarded to Officer's Choice Whisky at the Channelier FMCG Awards 2022, Among others.

They have adopted a lifestyle approach towards their brand positioning by focusing on building awareness, enhancing the appeal of their products sold under various brands, ensuring affordability of their products, maintaining the quality of products sold and building consumer engagement. Their brand building initiatives have in the past included partnerships with teams participating in the Indian Premier League, the Pro Kabaddi League and partnerships with regional football leagues for their focus markets of West Bengal and the Northeast.

The company owns and operate their distillery located in Rangapur, Telangana that is spread over 74.95 acres with a built-up area of over 25,000 sq. mtr. Their in-house distillation capacity of extra neutral alcohol (“ENA”), the key material used in the manufacture of their products, is 600 lakh litres per year. They also have extensive bottling capabilities across India. As of December 31, 2023, they relied on 32 bottling facilities, including bottling facilities owned and operated by them and contract bottling facilities both on exclusive and non-exclusive basis, for bottling their products. As of December 31, 2023, they owned and operated 9 bottling units, and had entered into arrangements with 5 third-party bottling facilities where the entire licensed capacity is utilized by them.

Over the years, ABDL has developed relationships with third-party bottlers and as of December 31, 2023, they have entered into 18 bottling agreements on a non-exclusive basis including 1 where they have entered into a royalty arrangement.

The company has an experienced and distinguished Board of Directors who have helped grow their operations and also provides them with strategic leadership and guidance. Their operations have been professionally managed. The Whole-Time Director (Executive Deputy Chairman) has been instrumental in implementing strategic business initiatives and focusing on identifying opportunities and drive growth and value. Further, their Managing Director focussed on business growth initiatives including premiumization of portfolio and distribution of brands in premium segment. Their senior management team includes individuals who possess industry experience across sectors with significant business expertise in consumer goods, sales and marketing, manufacturing and finance matters.

COMPANY BRANDS AND PRODUCTS

• Premium



Sterling Reserve Blend 10 Whisky



Kyron Premium Brandy



Sterling Reserve Premium Cellar Brandy



X&O Barrel Premium Whisky

• Semi-Premium



Sterling Reserve Blend 7 Whisky



Sterling Reserve B7 Whisky Cola Classic Mix



Srishti Premium Blended Whisky

• Deluxe



Officer's Choice Blue Whisky



Jolly Roger Rum



ICONiQ White International Whisky

• **Mass Premium**



Officer's Choice Whisky



Officer's Choice Star



Officer's Choice Brandy



Officer's Choice Rum



Class 21 Vodka



Cheval Fort Café Rum

Officer's Choice

Officer's Choice is the flagship brand, launched in 1988. Officer's Choice Whisky including Officer's Choice Blue is currently ranked 3rd among the largest selling whisky brands globally in 2021.

Under the *Officer's Choice* franchise, ABDL has a presence in 5 different segments within the industry: Officer's Choice Blue, a deluxe segment whisky, Officer's Choice Whisky and Officer's Choice Star, both mass premium segment whiskies, Officer's Choice Brandy, a mass premium segment brandy, and Officer's Choice Rum, a mass premium segment rum.

As of December 31, 2023, ABDL produces 29 SKUs of the various products under the Officer's Choice brand. In Fiscal 2021, 2022 and 2023, and in the 9 months ended December 31, 2022 and December 31, 2023, they sold 2.23 crore cases, 2.42 crore cases, 2.59 crore cases, 1.99 crore cases and 1.89 crore cases of products under the Officer's Choice brand.

Sterling Reserve

Sterling Reserve is company's award winning blended whisky brand, launched in 2017 to enter the premium and semi-premium segments of the industry with their 2 blends, Sterling Reserve Blend 10 Whisky in the premium segment and Sterling Reserve Blend 7 Whisky in the semi-premium segment. In 2019, Sterling Reserve was the fastest growing spirits brand globally by sales volume, growing at a rate of 131% was the fastest growing spirits brand by volume in India in Fiscal 2021 with 2% growth whereas other whisky brands in the segment de-grew. As of December 31, 2023, ABDL produces 16 of the various SKUs under the Sterling Reserve brand.

Kyron Premium Brandy

Kyron is the company brand under which they produce their premium brandy. Kyron premium brandy is mainly popular in the key southern Indian markets. Their Kyron brand is also closely associated with the fashion scene, with a presence at Fashion Weeks at different cities. The Kyron Premium Brandy is manufactured with ingredients like select grain ENA, rare matured French grape spirit, nature identical food flavours and caramel. As of December 31, 2023, they produce 4 SKUs of the Kyron Premium Brandy, in volumes of 750 ml, 375 ml, 180 ml and 90 ml.

Jolly Roger brand: ABDL produces rum in the deluxe segment under the Jolly Roger brand. The Jolly Roger Rum is blended with ENA and special spirits, nature identical food flavours and caramel. As of December 31, 2023, they produce 4 SKU's of Jolly Roger Rum, in volumes of 750 ml, 500 ml, 375 ml and 180 ml.

Class 21 vodka: ABDL manufactures vodka in the mass premium segment under their Class 21 brand. Class 21 vodka is a grain vodka. It is manufactured with ingredients like grain ENA, demineralized water and nature identical food flavours. The blend is subjected to an activated carbon treatment process to bring about a delicate, clean and crisp vodka profile. As of December 31, 2022, they produce 3 SKUs of Class 21 Vodka, in volumes of 750 ml, 375 ml and 180 ml.

Srishti Premium Blended Whisky is a blend of rare Scotch malts paired with select Indian grain spirits and its unique expression is rounded off with curcumin. As of December 31, 2023, they produce 3 SKUs of Srishti Premium Whisky, in volumes of 750 ml, 375 ml and 180 ml. It was launched in October 2022.

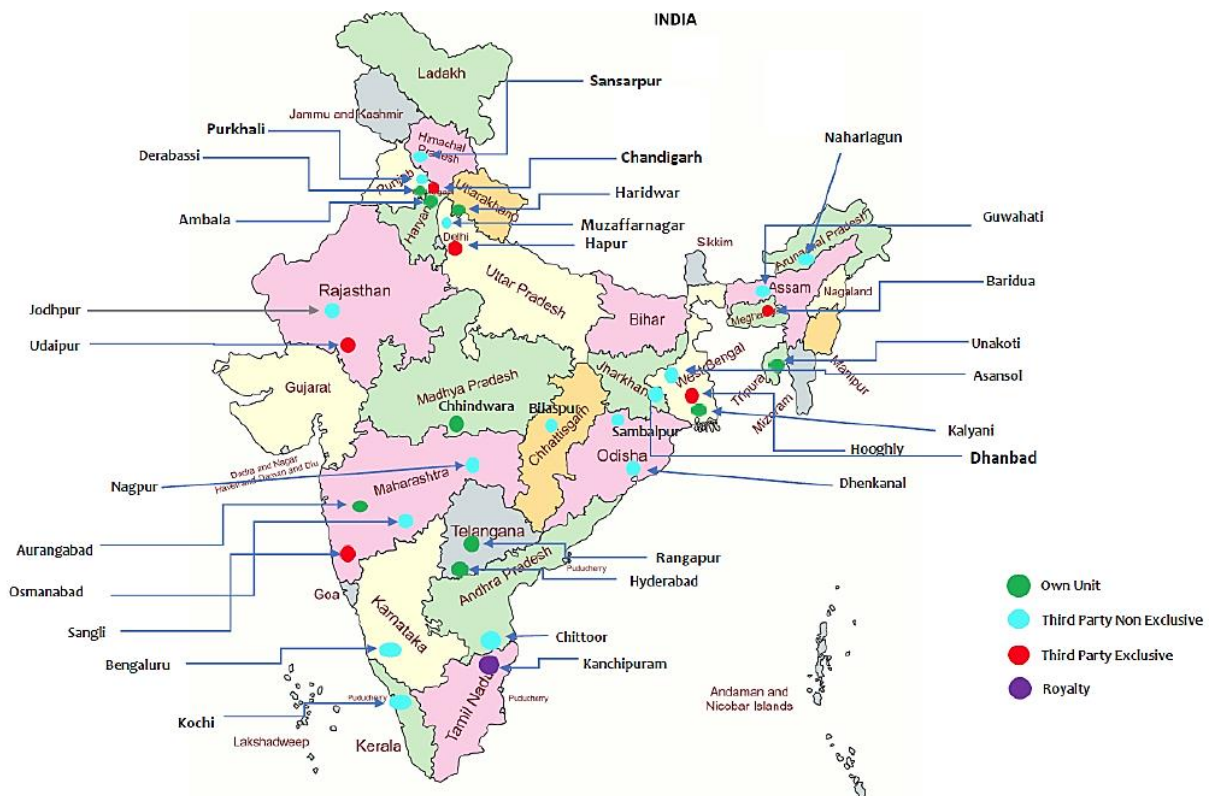
X&O Barrel Premium World Grain Whisky is a premium blend of Scotch malts matured in American bourbon barrels and the Indian grain spirits. As of December 31, 2023, they produce 3 SKUs of X&O Barrel Premium World Grain Whisky, in volumes of 750 ml, 375 ml and 180 ml.

ICONiQ White International Whisky is a blend of imported Scotch malts aged in bourbon oak casks, blended with select matured malts and finest Indian grain spirits. The fruity and nutty aromas of the blend complement its woody character. As of December 31, 2023, they produce 3 SKUs of ICONiQ White International Whisky, in volumes of 750 ml, 375 ml and 180 ml. It was launched in September 2022

Cheval Fort Café Rum is a distinct new blend of rum infused with very quality coffee notes for a smooth experience. As of December 31, 2023, they produce 2 SKUs of Cheval Fort Café Rum, in volumes of 750 ml and 50 ml. It was launched in August 2023

Zoya Special Batch Premium Gin: ABDL has recently launched a gin product in the premium segment, in January 2024 with initial sales in the state of Haryana. Zoya Special Batch Premium Gin is made from 100% grain and natural spirits, with juniper and 12 botanicals to give it a beautiful, fresh and unique finish. Currently, they produce 1 SKU of Zoya Special Batch Premium Gin, in volumes of 750 ml.

MANUFACTURING UNITS



As of December 31, 2023, ABDL relied on 32 bottling facilities, including bottling facilities owned and operated by them and contract bottling facilities both on exclusive and non-exclusive basis. Their distillery is located in Rangapur, Telangana and is spread over an area of 74.95 acres and a built – up area of over 25,000 square meters. They possess a pan - India footprint of bottlers with an optimal mix of owned and third - party bottling facilities. In Fiscal 2023, 51.40 % of their production was from their own bottling facilities and the remaining from contract or leased units.

Capacity and Capacity Utilization

Facility	Fiscal 2023			Fiscal 2022			Fiscal 2021		
	Licensed Capacity (cases)	Actual Production (cases)	Capacity Utilisation (%)	Licensed Capacity (cases)	Actual Production (cases)	Capacity Utilisation (%)	Licensed Capacity (cases)	Actual Production (cases)	Capacity Utilisation (%)
Owned Bottling Facilities	26,298,852	16,677,126	63.41%	26,480,432	17,284,999	65.27%	27,055,432	14,797,750	54.69%
Facility	For the 9 months ended December 31, 2023			For the 9 months ended December 31, 2022					
	Licensed Capacity (cases)	Actual Production (cases)	Capacity Utilisation (%)	Licensed Capacity (cases)	Actual Production (cases)	Capacity Utilisation (%)			
Owned Bottling Facilities	19,339,687	13,019,371	67.32%	19,724,139	12,562,696	63.69%			
Third party facilities with exclusive bottling agreements	5,677,500	3,318,379	58.45%	6,577,500	3,898,222	59.27%			

The licensed capacity, actual production and capacity utilization of the distillery facility located at Rangapur, Telangana:

Facility	Fiscal 2023			Fiscal 2022			Fiscal 2021		
	Licensed Capacity (Lakh Litres)	Actual Production (Lakh Litres)	Capacity Utilisation (%)	Licensed Capacity (Lakh Litres)	Actual Production (Lakh Litres)	Capacity Utilisation (%)	Licensed Capacity (Lakh Litres)	Actual Production (Lakh Litres)	Capacity Utilisation (%)
Distillery Facility located at Rangapur	547.50	516.75	94.38%	547.50	526.50	96.24%	547.50	315.88	57.69%

Facility	For the 9 months ended December 31, 2023			For the 9 months ended December 31, 2022		
	Licensed Capacity (Lakh Litres)	Actual Production (Lakh Litres)	Capacity Utilisation (%)	Licensed Capacity (Lakh Litres)	Actual Production (Lakh Litres)	Capacity Utilisation (%)
Distillery Facility located at Rangapur	434.70	432.26	99.44%	412.50	403.23	97.75%

REVENUE FROM OPERATIONS

Particulars	For the 9 months ended December 31,		For the year ended 31,		
	2023	2022	2023	2022	2021
Revenue from contracts with customer	5,889.11	5,369.73	7,079.00	7,169.88	6,358.66
Indian made foreign liquor (IMFL)	5,751.30	5,273.28	6,960.99	7,053.63	6,298.93
- Whisky	5,575.83	5,160.41	6,777.10	6,973.43	6,224.58
- Others	175.47	112.87	183.89	80.20	74.35
Extra neutral spirit (ENA)	81.03	45.95	52.84	41.34	29.49
By-products	56.78	50.50	65.17	74.91	30.24
Other operating revenue	22.04	19.31	26.68	27.04	20.12
Royalty	0.19	0.34	0.44	0.44	0.60
Export entitlements	11.11	7.82	11.81	13.70	10.40
Scrap and other sales	10.74	11.15	14.44	12.91	9.12
Total	5,911.14	5,389.04	7,105.68	7,196.92	6,378.78

(₹ Cr)

Sales volume according to category of IMFL:

Category	9 months ended December 31, 2022			9 months ended December 31, 2022			Fiscal 2023			Fiscal 2022			Fiscal 2021		
	No. of Cases (Million)	Revenue (₹ Cr)	% of Revenue	No. of Cases (Million)	Revenue (₹ Cr)	% of Revenue	No. of Cases (Million)	Revenue (₹ Cr)	% of Revenue	No. of Cases (Million)	Revenue (₹ Cr)	% of Revenue	No. of Cases (Million)	Revenue (₹ Cr)	% of Revenue
Whiskey	13.04	3,002.30	94.55%	12.39	2,723.37	95.88%	30.59	6,777.10	95.38%	27.49	6,973.43	96.90%	24.60	6,224.58	97.58%
Brandy	0.37	69.61	2.19%	0.39	38.40	1.35%	0.91	102.61	1.44%	0.55	41.88	0.58%	0.67	41.37	0.65%
Rum	0.20	26.58	0.84%	0.22	18.34	0.65%	0.61	66.10	0.93%	0.32	27.88	0.39%	0.20	22.39	0.35%
Vodka	0.02	2.54	0.08%	0.08	8.27	0.29%	0.13	12.84	0.18%	0.04	5.19	0.07%	0.05	6.56	0.10%
Others	-	74.30	2.34%	-	52.02	1.83%	-	147.03	2.07%	-	148.54	2.06%	-	83.89	1.32%
Total	13.63	3,175.33	100.00%	13.08	2,840.40	100.00%	32.24	7,105.68	100.00%	28.40	7,196.92	100.00%	25.52	6,378.78	100.00%

COMPETITIVE STRENGTHS

- **Among the largest IMFL companies in India with a diversified and contemporary product portfolio**

ABDL is the largest Indian owned IMFL company and the 3rd largest IMFL company in India, in terms of annual sales volumes between Fiscal 2014 and Fiscal 2022. 4 of their brands, namely, *Officer's Choice Whisky*, *Sterling Reserve*, *Officer's Choice Blue* and *ICONiQ Whisky*, are 'Millionaire Brands'. As of December 31, 2023, their product portfolio comprised 16 major brands of IMFL with 10 brands of whisky that include their flagship *Officer's Choice Whisky*, *Sterling Reserve Whisky* and *ICONiQ White International Whisky*, 3 brands of rum, 3 brands of brandy and 1 brand of vodka, respectively. Further, they have also recently launched a gin product in January 2024. The company possess an overall market share of 8.2% in IMFL market by sales volumes in Fiscal 2023.

Over the years, they have introduced contemporary brands that appeal to consumer tastes and preferences. Their whisky brands include blends of **Scotch malts from the Highland, Lowland and Speyside regions**.

- **Strong brand recognition**

The company has developed a well-recognized product portfolio and transformed into multi-product and multi-brand company with presence across various categories and segments of the IMFL industry in India. They entered the premium and semi-premium whisky segments with the launch of *Sterling Reserve Blend 10* and *Sterling Reserve Blend 7* in Fiscal 2018. *Officer's Choice Whisky* is the market leader in the mass premium segment with a market share of 20.9% in terms of annual sales volumes in Fiscal 2023.

- **Strategically located, large scale and advanced manufacturing facilities with a sophisticated research and development centre**

Company's distillery is located in Rangapur, Telangana and is spread over an area of 74.95 acres and has a built - up area of over 25,000 sq. mtrs. Their in - house distillation capacity of extra neutral alcohol ("ENA") is 600 lakh litres per year. In addition, they also have extensive bottling capabilities with an optimal mix of owned and third - party facilities with a pan-India presence across 22 States and Union Territories, as of December 31, 2023. As of December 31, 2023, they owned and operated 9 bottling units, and had entered into arrangements with 5 third - party bottling facilities where the entire licensed capacity is utilized by them. Over the years, they have developed relationships with third - party bottlers and as of December 31, 2023, they have entered into 18 bottling agreements on a non-exclusive basis including 1 where they have entered into a royalty arrangement. As of December 31, 2023, their products are bottled across 32 bottling facilities.

Their research and development capabilities include *Product innovation, Raw material evaluation and control, Flavour compounding, Sensory evaluation and Packaging material evaluation*. In addition, their research and development is also focussed on innovation in packaging and their packaging material is also evaluated to ensure that it conforms with all the requisite standards.

- **Access to extensive pan-India distribution network with ability to scale**

The company has access to a pan -India multi - channel distribution network and are one of only 4 spirits companies in India with a pan -India sales and distribution footprint. As of March 31, 2023, their products are retail ed through across 79,329 outlets across India. They are a leading exporter of IMFL and as of December 31, 2023, their products were exported to 14 countries. Their export markets include countries such as the United Arab Emirates, Haiti, Oman, Hong Kong and Qatar.

- **Well positioned to capture tailwinds in the Indian IMFL industry**

Greater social acceptance for drinking amongst women as well as in Tier II and Tier III towns is expected to open up newer profitable consumer segments. Rapid increase in urban population, a sizable middle-class population with rising disposable income, and a growing economy are driving consumption of alcohol in India.

India's high population growth rate is adding 13 million drinking age adults every year out of which 3 million to 5 million people approximately end up consuming alcohol in some form. These factors will also result in consumers choosing to upgrade to more quality offerings. Backed by their extensive portfolio of offerings across the mass premium segment, they are well positioned to capitalize on the shift towards premiumization of consumption.

- **Experienced Board and senior management team and supported by a committed employee base**

ABDL has an eminent and experienced Board of Directors. Their Independent Directors provide them with strategic guidance, and they have been able to leverage their experience to grow their operations. They have an experienced and professional senior management team with significant industry experience. Their senior management team has demonstrated ability to develop and build brand recognition and deliver growth and profitability. They have 3,627 employees which includes 67 production workers, 1 sales consultant, and 2,690 contract workers, as of December 31, 2023.

KEY BUSINESS STRATEGIES

- **Increase market share of Officer's Choice Whisky across regions**

Officer's Choice Whisky is the market leader in the mass premium segment with a market share of 20.9% in terms of annual sales volumes in Fiscal 2023. Flavoured local alcoholic beverages, popularly known as country liquor or Indian made Indian liquor was close to 1/3rd of the alcoholic beverage market by volume in Fiscal 2023. Country liquor market was estimated at 35 crore cases in Fiscal 2023. However, the market is projected to be range bound 44.5 crore cases by Fiscal 2028.

The company can address the requirements of large segments of audiences that currently consume country liquor or economy brands and are looking to upgrade. Given the positive change in attitude towards alcohol beverages with higher social acceptance and rising income levels, they intend to further expand penetration of Officer's Choice Whisky in States such as Karnataka and Uttar Pradesh.

The mass-premium segment requires large scale operations, multiple units across various States, a strong distribution network, and the ability to deliver products cost-efficiently while maintaining product quality to match consumer expectations. Officer's Choice Whisky is best positioned for this role and there is a natural barrier to new entrants given the significant entry barriers and complexities.

- **Introduce new products within the premium, semi-premium and deluxe segments to strengthen presence in other categories**

The deluxe segment is the largest segment for whisky market contributing 51% of the whisky market by volume in India at 12.4 crore cases in Fiscal 2023, showing consistent growth over the years and projected to reach 19.2 crore cases contributing 54% by Fiscal 2028. Their brand *Sterling Reserve Blend 7* has witnessed significant growth since its launch in Fiscal 2018. Going ahead, they intend to continue to introduce products in the premium, semi - premium and deluxe segments with an intent to provide the company with higher margins and greater profitability over time.

They intend to import Scotch in bulk to grow their portfolio that will be bottled in India and distribute certain bottled in origin products. Further, to expand the category offerings, they may launch products in portfolio where they are not presently present.

- **Continue to focus on improving operating efficiencies**

The company will continue to focus on reducing operating costs and improving utilization by investing in modernization of their manufacturing facilities with relevant technologies and production methods. They are focused on further integrating their operations and optimizing product planning across product categories. They intend to continue to adopt best practices and standards across their facilities, drawing on their expertise and experience in distillation and bottling. They continue to focus on creating economies of scale to gain increased negotiating power on procurement of raw and packaging materials and to realize cost savings.

- **Evaluate growth opportunities through selective acquisitions**

The company intends to selectively pursue strategic acquisitions and investments and other strategic alliance partnerships that are complementary to their growth strategy. They intend to search for opportunities to acquire or license third-party brands in India and overseas that will add value to their existing portfolio. They intend to search for opportunities to acquire or license third-party brands in India and overseas that will add value to their existing portfolio

- **Focus on environmental and social practices**

Company's sustainability initiatives are aimed at zero harm, zero waste and zero discharge. To achieve this vision, quality and compliance controls are being established and revamped right from the supply chain to the value chain. They intend to continue their growth into this area. They intend to reduce their consumption of fossil fuels and increase use of aseptic packaging, implementation of solar energy to power manufacturing operations and reduction in the use of water as part of their distilling and IMFL bottling operations.

- **Enhance brand awareness and engagement through digital marketing**

The company will want to evolve to a digital - first company and continuously engage with their consumers through a mix of relevant content and appropriate targeting. They have won several key awards for their digital activation in the past few years and will intend to capitalise on their digital marketing abilities innovatively and effectively in the future.

COMPETITION

ABDL faces intense competition in the IMFL market in India, from various domestic and multinational companies in India. Some of their key competitors include **United Spirits, John Distilleries, Radico Khaitan Ltd** and **Tilaknagar Industries**. They may face competition from larger competitors with significant resources and which benefit from economies of scale and scope. They continue to face competition in markets where they currently operate, as well as in markets where they expect to expand their operations and currently have limited or no experience.

INDUSTRY VIEW

IMFL is the largest segment of Indian alco-beverage market both in volume and value terms. IMFL segment recorded sales of 38.5 crore cases in Fiscal 2023 with a growth of 8% in volume as compared to Fiscal 2022 sales at 28 crore cases. IMFL market has recovered and grown to 39.5 crore cases in Fiscal 2023 as compared to pre-COVID levels of 35.5 crore cases in 2020. IMFL sales volume is projected to reach 52 crore cases by Fiscal 2028. IMFL sales by value is estimated at ₹ 220,662 crore in Fiscal 2023. Further, the IMFL sales value is projected to reach ₹ 371,339 crore by Fiscal 2028. During the period between Fiscal 2023 and Fiscal 2028, IMFL sales value is expected to grow at a CAGR of 9% and sales volume is expected to grow at a CAGR of 5.7%.

Revenue and Profitability Metrics and Key Financial Ratios

Company Name	CAGR (FY20-23)	Revenue from Operations (₹ Cr)				Net Sales Margin (%)			
		FY2023	FY2022	FY2021	FY2020	FY2023	FY2022	FY2021	FY2020
United Spirits	(1.2)%	27,815	31,062	27,419	28,824	42.9%	45.5%	45.2%	46.1%
Pernod Ricard India	5.3%	25,029	22,741	19,423	21,424	44.9%	48.4%	48.0%	48.9%
Radico Khaitan	10.6%	12,744	12,471	10,504	9,418	41.8%	45.0%	49.9%	48.6%
Jagatjit Industries	37.2%	582	451	421	225	41.5%	43.8%	49.1%	58.5%
John Distilleries	14.1%	6,382	5,562	4,626	4,292	23.8%	30.0%	33.5%	30.1%
Allied Blenders & Distillers	(4.3)%	7,106	7,197	6,379	8,119	37.3%	39.4%	39.5%	37.7%
Tilaknagar Industries	18.5%	2,469	1,792	1,418	1,483	47.1%	51.2%	49.5%	46.0%
Globus Spirits	30.6%	2,822	2,344	1,672	1,267	41.1%	46.9%	46.9%	38.6%

Company Name	CAGR (FY20-23)	EBITDA (₹ Cr)							
		FY2023		FY2022		FY2021		FY2020	
		EBITDA	Margin	EBITDA	Margin	EBITDA	Margin	EBITDA	Margin
United Spirits	0.1%	1,665	15.7%	1,478	15.2%	1,027	12.6%	1,658	17.8%
Pernod Ricard India	(5.9)%	2,090	17.5%	2,219	22.5%	1,658	20.6%	2,511	27.8%
Radico Khaitan	1.0%	368	11.7%	410	14.3%	423	17.6%	357	14.7%
Jagatjit Industries	Na	47	9.3%	40	8.9%	42	10.5%	10	4.7%
John Distilleries	1.9%	56	4.9%	93	9.3%	92	10.9%	53	5.6%
Allied Blenders & Distillers	(7.8)%	196	6.2%	208	7.7%	213	9.1%	250	8.3%
Tilaknagar Industries	Na	145	12.4%	136	17.3%	66	11.9%	433	66.4%
Globus Spirits	25.4%	253	12.0%	335	21.2%	262	21.3%	128	11.0%

Company Name	PAT Margin (₹ Cr and %)							
	FY2023		FY2022		FY2021		FY2020	
	PAT	Margin	PAT	Margin	PAT	Margin	PAT	Margin
United Spirits	1126	10.6%	811	8.3%	362	4.5%	621	6.7%
Pernod Ricard India	1343	11.3%	1459	14.8%	1070	13.3%	1612	17.8%
Radico Khaitan	204	6.5%	249	8.7%	264	11.0%	228	9.4%
Jagatjit Industries	7	1.3%	1	0.2%	2	0.5%	(49)	(22.1)%
John Distilleries	(9)	(0.8)%	28	2.8%	44	5.2%	9	1.0%
Allied Blenders & Distillers	2	0.1%	1	0.1%	3	0.1%	13	0.4%
Tilaknagar Industries	72	6.2%	45	5.8%	(38)	(7.0)%	270	41.3%
Globus Spirits	122	5.8%	187	11.9%	144	11.7%	50	4.3%

Company Name	Return on Equity				Return on Capital Employed			
	FY2023	FY2022	FY2021	FY2020	FY2023	FY2022	FY2021	FY2020
United Spirits	18.8%	16.6%	8.9%	16.8%	23.0%	24.1%	17.9%	37.1%
Pernod Ricard India	30.9%	40.0%	32.5%	46.1%	43.9%	55.9%	46.3%	67.8%
Radico Khaitan	9.3%	12.3%	14.7%	14.7%	11.9%	17.0%	20.6%	19.7%
Jagatjit Industries	10.3%	1.5%	4.2%	(108.3)%	14.3%	11.4%	12.3%	0.3%
John Distilleries	(3.2)%	9.8%	17.0%	3.8%	5.4%	17.7%	22.5%	10.4%
Allied Blenders & Distillers	0.4%	0.4%	0.7%	3.4%	25.9%	25.1%	26.5%	28.8%
Tilaknagar Industries	14.9%	33.8%	68.9%	Na	22.2%	20.0%	8.0%	84.8%
Globus Spirits	13.8%	24.2%	24.4%	11.1%	19.8%	33.2%	31.7%	15.6%

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2023)

Company Name	Face Value	Total Income (₹ in Cr)	Closing Price as on May 30, 2024	EPS		NAV	P/E	RoNW (%)
				Basic	Diluted			
Allied Blenders and Distillers Ltd*	2	7,116.75	[•]	0.07	0.07	16.64	[•]	0.39
Listed Peers								
United Spirits Ltd	2	27,888.50	1,171.35	16.01	16.01	82.48	73.16	18.76
Radico Khaitan Ltd	2	12,753.32	1,580.00	16.48	16.48	165.13	95.87	9.98
Globus Spirits Ltd	10	2,830.30	732.15	42.43	42.39	307.83	17.26	13.78

Source: RHP; *Sourced from the Restated Consolidated Financial Information; All the financial information for listed industry peer mentioned above is on a consolidated/standalone basis.

Comparison of KPIs for the company with the listed peers- Consolidated

(₹ in crore, unless stated otherwise)

Particulars	United Spirits			Radico Khaitan			Globus Spirits			Allied Blenders and Distillers		
	FY23	FY22	FY21	FY23	FY22	FY21	FY23	FY22	FY21	FY23	FY22	FY21
Revenue from Operations	27,815.4	31,061.8	27,418.5	12,743.9	12,470.5	10,504.0	2,822.5	2,343.8	1,672.1	7,105.7	7,196.9	6,378.8
Total Income	27,888.5	31,097.3	27,888.5	12,753.3	12,477.9	10,518.0	2,830.3	2,350.5	1,678.7	7,116.7	7,208.2	6,397.8
EBITDA	1,665.0	1,478.4	1,665.0	367.8	409.6	422.9	253.4	335.2	261.8	196.1	207.6	213.0
EBITDA Margin	15.7%	15.2%	15.7%	11.7%	14.3%	17.6%	12.0%	21.2%	21.3%	6.2%	7.7%	9.1%
Profit after tax for the year/period	1,125.8	810.6	1,125.8	204.4	248.5	264.5	122.2	187.3	144.0	1.6	1.5	2.5
PAT Margin	10.6%	8.3%	10.6%	6.5%	8.7%	11.0%	5.8%	11.9%	11.7%	0.1%	0.1%	0.1%
Return on equity ("ROE")	18.8%	16.6%	18.8%	9.3%	12.3%	14.7%	13.8%	24.2%	24.4%	0.4%	0.4%	0.7%
Return on capital employed ("ROCE")	23.0%	24.1%	23.0%	11.9%	17.0%	20.6%	19.8%	33.2%	31.7%	25.9%	25.1%	26.5%
Annual Sales Volumes (Million Cases)	7.25	7.91	7.07	2.82	2.64	2.23	1.44	1.46	1.23	3.22	2.84	2.55
- Whisky sales volumes (%)	NA	78.6%	84.1%	NA	54.2%	51.8%	NA	NA	Na	94.9%	96.8%	96.4%
- Other sales volumes (%)	NA	21.4%	15.9%	NA	45.8%	48.2%	NA	NA	NA	5.1%	3.2%	3.6%
Working Capital Days (days)	62	69	86	90	74	78	8	2	8	31	10	12
Net Debt/Equity (times)	(0.0)	0.1	0.2	0.3	0.0	0.1	0.3	0.2	0.2	1.8	2.1	1.8
Net Debt/EBITDA (times)	(0.1)	0.2	0.8	1.6	0.2	0.4	1.0	0.4	0.5	3.8	4.0	3.8

Restated Statement of Cash Flows

Particulars	For the 9 months ended Dec'31		Fiscal		
	2023	2022	2023	2022	2021
Profit/(Loss) before tax	14.20	6.10	5.95	3.82	12.75
Adjustments Related to Non-Cash & Non-Operating Items	178.33	147.32	195.24	216.26	201.98
Operating Profits before Working Capital Changes	192.53	153.42	201.19	220.08	214.73
Adjustments for Changes in Working Capital	(44.34)	22.37	32.65	(35.78)	34.33
Net cash generated from operations before tax	148.19	175.79	233.84	184.30	249.06
Income tax paid (net)	(4.27)	(2.80)	(3.99)	(5.54)	(2.43)
Net cash generated from operating activities (a)	143.92	172.99	229.85	178.76	246.63
Net cash used in investing activities (b)	(29.23)	(14.68)	(18.39)	32.13	(59.37)
Net cash used in financing activities (c)	(112.58)	(154.06)	(202.85)	(255.77)	(216.05)
Net (decrease) / increase in cash and cash equivalents during the period (a+b+c)	2.11	4.25	8.61	(44.88)	(28.79)
Add: Cash and cash equivalents as at the beginning of the period	27.54	19.67	19.67	43.49	72.28
Effect of acquisition o subsidiary and assets held for sale	(0.03)	(0.72)	(0.74)	21.06	-
Cash and cash equivalents as at the end of the period	29.62	23.20	27.54	19.67	43.49

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