



# Associated Alcohols & Breweries Limited

CIN: L15520MP1989PLC049380

---

06<sup>th</sup> May, 2024

To,  
The Department of Corporate Services  
BSE Limited  
PJ Tower, Dalal Street,  
Mumbai - 400 001  
**Scrip Code: 507526**

To,  
The Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, G Block  
Bandra Kurla Complex,  
Mumbai - 400 051  
**NSE Symbol: ASALCBR**

**Sub: Transcript of Investor Conference Call held on 03<sup>rd</sup> May, 2024 on Earning Presentation**

Dear Sir / Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find attached herewith transcript of Investor call held on 03<sup>rd</sup> May, 2024. A copy of the said transcript along with audio recording is also available on the website of the company [www.associatedalcohols.com](http://www.associatedalcohols.com)

This is for your information and record.

Thanking You

Yours Faithfully,  
**For Associated Alcohols & Breweries Limited**

**Sumit Jaitely**  
**Company Secretary & Compliance Officer**



“Associated Alcohols & Breweries Limited  
Q4 FY '24 Earnings Conference Call”

May 03, 2024



**MANAGEMENT:** **MR. ANSHUMAN KEDIA - WHOLE-TIME DIRECTOR – ASSOCIATED ALCOHOLS & BREWERIES LIMITED**  
**MR. TUSHAR BHANDARI -- WHOLE-TIME DIRECTOR – ASSOCIATED ALCOHOLS & BREWERIES LIMITED**  
**MR. ANKIT AGRAWAL -- CHIEF FINANCIAL OFFICER – ASSOCIATED ALCOHOLS & BREWERIES LIMITED**

**MODERATOR:** **MS. PRIYA SEN -- GO-INDIA ADVISORS**



**Moderator:** Ladies and gentlemen, good day and welcome to the Q4 FY '24 Earnings Conference Call of Associated Alcohol and Breweries limited, hosted by Go-India Advisors. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Priya Sen from Go-India Advisors. Thank you and over to you, Ms. Priya.

**Priya Sen:** Thank you, Muskan. Good afternoon, everybody and welcome to Associated Alcohol and Breweries is limited Earnings Conference Call to discuss the Q4 and FY '24 Results. We have on the call Mr. Anshuman Kedia, Whole-Time Director, Mr. Tushar Bhandari, Whole-Time Director and Mr. Ankit Agrawal, Chief Financial Officer. We must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risks that the company faces.

May I now request Mr. Anshuman Kedia to take us through the company's business outlook and performance, subsequent to which we will open the floor for Q&A. Thank you and over to you, sir.

**Anshuman Kedia:** Thank you, Priya. Good afternoon, ladies and gentlemen. Thank you for joining us today for our Q4 and FY '24 Earnings Conference Call.

In this call, I am accompanied by Mr. Tushar Bhandari, Whole-Time Director and Mr. Ankit Agrawal, CFO of the company. I will take you through the broad view and then will hand it over to Mr. Tushar Bhandari for more details about the business and Mr. Ankit Agrawal for the financial highlights. At the outset of the call, I would like to inform you that the Board of Directors have recommended a dividend of 20% i.e. INR2 per share for FY '24, an increase of 100% in comparison to FY '23. This dividend is subject to the approval of the shareholders in the ensuing AGM. I hope you have had the chance to view our financial results and earnings presentations, both of which are readily available on the exchange.

As we reflect on the past fiscal year, it's evident that the landscape of the alcohol beverage industry has undergone significant shifts, influenced by our dynamic consumer preferences and emerging market trends. In the face of these changes, our company has remained resilient and adaptive. We've embarked on a strategic journey focused on the premiumization of our product portfolio and geographic expansion.

With an eye towards sustainable growth and market leadership, it is worth noting that these efforts have already begun to yield promising results. [inaudible 0:03:15] One noteworthy development has been the expansion of our product portfolio to include ethanol as a segment. This strategic extension not only broadens our revenue streams but also enhances our margin potential.



Moreover, our commitment to geographical expansion has enabled us to tap into new markets, diversify our consumer base and fortify our position as a formidable contender in the industry. Amidst this expansion, we have remained steadfast in our dedication to delivering quality products at competitive prices. Our recent introductions of two exclusive IMFL proprietary brands, Central Province Rum and Nicobar Handcrafted Gin, underscore our commitment to cater in to diverse customer preferences and capturing opportunities in the premium and super-premium segments.

Furthermore, our emphasis on innovation continues to drive our success, as we continually refine our product offerings to meet evolving consumer demands. This dedication to excellence coupled with our operational efficiencies has solidified our standing as the preferred choice of grain-based DNA supplier. As we navigate through complexities of the market, we are confident in our ability to sustain momentum and rise value for our shareholders.

Now, I would like to request Mr. Tushar Bhandari to take us through the strategic updates.

**Tushar Bhandari:**

Thank you, Anshuman. As you are likely aware, our primary focus continues to be advancing premiumization within the alco and beverage industry. Operational efficiency stands at a cornerstone of our strategy, complemented by our commitment to develop value-added products.

We have already established a formidable market presence in a key regions such as Madhya Pradesh, Kerala and Delhi, and we are steadfast in our determination to expand into new territories. To facilitate this expansion, we have recently established a subsidiary in Uttar Pradesh. While plans are underway for the step-up of bottling plants and distilleries, our current priority lies in laying the groundwork for these developments and evidenced by our successful operations thus far.

Our [inaudible 0:05:47] operation is now operational, with regional sales meeting our initial expectations. As we warm up capacity utilization, we anticipate further enhancement in margin. Despite facing challenges such as fluctuating raw material prices, we have remained vigilant and are focused on operational efficiency and cost control.

While certain key raw materials have experienced upward trends and stabilized at higher levels, we have implemented necessary price adjustments wherever feasible to mitigate the impact of increased costs. Across all the business segments, our performance reflects substantial growth. Looking ahead, we anticipate sustained double-digit revenue growth, particularly within our premium product segment.

We also foresee continued expansion in our B2C segment with robust year-on-year growth projections for both the IMFL category 15%-18% and the licensed IMFL segment 12%-15%. Our premium product line is poised for impressive year-on-year growth rates of around 18%-20%, reflecting sustained consumer interest and demand. In the B2B segment, we've expected steady progress in line with the inflation rate.

Furthermore, we remain dedicated to strengthen partnerships with key industry players such as Diageo. We aim to navigate market dynamics effectively and sustainably through strategic alliance and proactive risk management strategies.

Now I will hand over to Mr. Ankit Agarwal to discuss the financial and operational highlights.

**Ankit Agrawal:**

Thank you Tusharji. Good afternoon everyone. Allow me to provide a concise view over the financial performance for the quarter and March 2024. I will take you through the financial performance of Q4 first and then we will move to FY '24 financials and then we can open the floor for questions and answers. In Q4 FY'24, our net revenue from operations saw an increase of 31%, reaching INR242 crores compared to INR184 crores in the previous year, recording the highest sale in a quarter in the history of the company. Our EBITDA stood at INR18.5 crores with an EBITDA margin of 8%, which is in line with the FY '23, despite a significant increase in grain prices.

The EBITDA margin has fallen in comparison to Q3 '24 due to some one-off costs on the material front, which is not expected in future. Profit after tax for the quarter amounted to INR12.3 crores, reflecting a commendable 25% increase year-on-year with a PAT margin of 5%. Segment-wise performance for the quarter exhibit growth across the board. IMFL proprietary brand sales stood at INR27.6 crores with IMFL licensed brand revenue grew at 10% year-on-year, totalling to INR62.9 crores. IMFL revenue for Q4 reached to INR49.1 crores. Merchant ENA revenue experienced a surge growing by 28% year-on-year, amounting to INR22 crores. Ethanol revenue for the quarter stood at INR43.1 crores.

Moving on to FY'24 performance, our net revenue from operations stood at INR760 crores against INR700 crores, showing a stable growth of 8% Y-o-Y. EBITDA reached at INR76.7 crores, an increase of 23% Y-o-Y with a 10% margin. Profit after tax for the period amounted to INR50.6 crores, indicating 22% year-on-year growth with a PAT margin of 7%.

On the operational front, IMFL proprietary sales for FY'24 stood at INR15.65 lakhs cases, amounting to INR109.9 crores. IMFL licensed segment brand sales reached to INR18.19 lakhs, cases, amounting to INR218 crores. Merchant ENA sales volume experienced a surge of 26% year-on-year, totaling to 24 million liters. That concludes my update on the financial performance. Now we can open the floor for questions and answers.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Ishan Thakkar from Fort Capital. Please go ahead.

**Ishan Thakkar:**

Thank you for the opportunity. So as you mentioned earlier in the commentary that there was some one-off cost-related material cost impacted. So what was that?

**Tushar Bhandari:**

So there was a slight increase in the grain price. So the raw material price had increased. And we tried to mitigate by making an efficient procurement system. And at certain places wherever we could take the price hike, we tried to mitigate the price hike of the raw material with that.

**Ishan Thakkar:**

Okay, So what is our average grain price for Q4 FY'24?



- Tushar Bhandari:** Sorry, I didn't get you.
- Ishan Thakkar:** Average grain price?
- Ankit Agrawal:** Average grain price. So see, we have used majorly maize in FY'24. So it will be around INR22,000.
- Ishan Thakkar:** And sir, for the Merchant ENA, we have been mentioning that the margin has been somewhere around 8% to 9%. But for Q4 FY'24, it was only around 4%. So please give some comments on that.
- Ankit Agrawal:** So that's the reason. So there is a one-off item in the material side, which we discussed about. And the reason for that is because material side, in the raw material front, we have a one-off hit, which we have to take, which we are not expecting in the future. That is the reason the ENA margin has gone down this quarter.
- Ishan Thakkar:** And sir, also IMFL proprietary brand, they have seen a decrease in volume by 6%.
- Tushar Bhandari:** IMFL proprietary brand, we have not seen a decrease in the volume. So the volume in IMFL proprietary brand is almost the same as compared to last year. Because the industry has not grown substantially, that's why. And plus, apart from that, now the growth will come in the coming years as we expand the number of states.
- Ishan Thakkar:** Okay, thank you.
- Moderator:** Thank you. The next question is from the line of Majid Ahamed from Smart Sync Investment. Please go ahead.
- Majid Ahamed:** Thanks for the opportunity. So my first question is, could you please provide a current utilization rate of the ethanol plant? Also, what revenue contribution do we expect from the ethanol segment in FY'25? And that's part of my question as well. And additionally, have any tenders been submitted to [ONC 0:13:45] or private limited in FY'24?
- Tushar Bhandari:** Mr. Marjit, your voice is cracking. I could just get the first question is, what is the utilization of ethanol plant? And post that, whatever you ask, we could not hear you clearly. Can you please repeat your question?
- Majid Ahamed:** Okay, sir. So the second part of that question is, what revenue contribution do we expect from the ethanol segment in FY'25? And additionally, have we any additional tenders been submitted for supplying to ONC or private limited in FY'24?
- Tushar Bhandari:** So, Mr. Majid, I'll just answer your question one by one. So at present, as the ethanol plant has just started, so the ethanol plant is on the trial mode and we have achieved almost 40% capacity utilization. We have orders in hand of the full capacity, so that is not an issue for us. We have tied up with all the ONCs for whatever we produce of selling those.
- Majid Ahamed:** What is the revenue contribution?



- Tushar Bhandari:** So the revenue contribution would be somewhere around 25%.
- Majid Ahamed:** Okay, sir. Then my second question is, can you provide an approximate breakdown of the contribution in percentage terms to the input cost? Specifically, I'm interested in knowing how much of the input cost is added to the grains versus ethanol.
- Tushar Bhandari:** I cannot hear your question, please. Your voice is breaking. I guess you should use rather than loudspeaker, if possible.
- Majid Ahamed:** Yes, sir. So, sir, my question is, can you provide an approximate breakdown of the contribution in percentage terms? Specifically, because I'm interested in knowing how much of the input cost is attributed to grains, bottles, and other raw materials.
- Tushar Bhandari:** So, see, grain contributes a major portion of our input cost. And apart from the grain, there is other packaging materials, which is glass bottle, caps and all. So grain price, which is ENA, almost contributes to almost 30% to 40% of the production cost.
- Majid Ahamed:** What about others? Bottles and other raw materials? For others, bottles and other raw materials, can you give any percentage?
- Tushar Bhandari:** You're talking about ENA you're talking about the finished goods. So ENA is completely grain. Grain constitutes of almost 80% to 85%. And when it comes to other IMFL products, so it contributes to almost around 50% of the cost.
- Majid Ahamed:** Okay, sir. My last question, sir, is regarding a recently announced wholly owned subsidiary in Utt ar Pradesh, what segment is the company planning to expand into and what is the competitive landscape there?
- Tushar Bhandari:** So basically, we've seen a huge opportunity in the market of Uttar Pradesh and our sales also been growing in Delhi. So looking into that opportunity, we are planning to set up a distillery and a bottlery in the state of Uttar Pradesh. So for that, we are in process of acquiring land and we've already received an LOI. So we are in process of setting up a plant there to cater to the northern markets.
- Majid Ahamed:** Okay, sir. Thank you, sir. All the very best.
- Tushar Bhandari:** Thank you.
- Moderator:** Thank you. The next question is from the line of Imran from Longbow India Capital. Please go ahead.
- Imran:** Yes. Hi. Good afternoon, gentlemen. I have a couple of questions on the raw material side. Number one is, what kind of mix have you seen in the last quarter, in terms of a mix of, let's say, broken rice and the other raw material?
- Tushar Bhandari:** So basically, the rice price has gone up substantially. So in the last few quarters, we have switched to completely 100% corn. The advantage to us is that we have used a multi-feed grain-

based plant. So depending on the cost economics, we can switch our raw material. So what had happened in the first quarter, initially last year, is that we were using 20%, around 20%, 30% rice. But due to a lot of ethanol plant coming in the industry, the government had procured the rice and were giving it to ethanol plant.

So the rice shortage was there and the price shot up substantially. So post that, we completely moved to maize. And depending on the price, if the rice comes down, we can switch back to rice.

**Imran:** Right. So 100%, close to 100% maize.

**Tushar Bhandari:** Yes, right. 100% maize.

**Imran:** And, last quarter, I think I have asked this question on the yield that you get from maize. You said 400 liters per ton. And this quarter, I think you made ethanol. So what kind of actual yields that you witnessed in the last quarter?

**Ankit Agrawal:** So mix you are talking about, the ethanol and the ENA both mix yield you are talking about? Because we normally track it on a separate basis.

**Imran:** See, if you can provide on a separate basis, it would be super helpful. But if you think it's competitive, then maybe you can just give a blended number.

**Tushar Bhandari:** It's a competitive number because we invest a lot on efficiency. So we are the most efficient plant in the market. So as per that, but it's somewhere around 400%.

**Imran:** Even on a mixed basis, it's 400%, you said, right?

**Tushar Bhandari:** No, not on mixed basis. Yield will come in ethanol later because there is more percentage of alcohol in ethanol. ENA is 97% alcohol and ethanol is 99% alcohol.

**Imran:** That's right. Right. Okay. Thank you. I'll call back in the queue. Thanks.

**Moderator:** Thank you. The next question is from the line of Vinay Rokadia, an individual investor. Please go ahead.

**Vinay Rokadia:** Hello. Yes, good afternoon, sir. I had just a couple of questions. In the last call, we have mentioned that we'll be planning to enter new states like Maharashtra, Goa, Pondicherry and Karnataka. So can you just brief about at what stage are we? Regarding the approvals and the plan about it.

**Tushar Bhandari:** Yes. So in last quarter, as we had told you that we'll be entering few new states. So the policy came in, the new policy came in, in most of the states in the month of March. And we've applied for documentation in Goa, Karnataka, Maharashtra, UP and Pondicherry. But as you know that in few states, elections are still going on. So post the election, most of the excise formalities would get completed. And we believe by second quarter onwards, we will be present in these states.



- Vinay Rokadia:** Okay. And just another question regarding the new product launch. So can you just throw some light on that also? What do we plan regarding that?
- Tushar Bhandari:** So in past two quarters, okay, we've launched two products. We've launched Central Province Premium Rum, so which is done fairly well and has got well accepted in the market. So that was the product. And then the company also tried to introduce a super-premium product, which is a handcrafted gin. So it's on a super-premium side for the first time, the company has launched a product in a super-premium side with a price point of around INR2500 to INR2700 a bottle.
- And it has been very well accepted in the market. The blend has been complimented by most of the people. It has also won a few awards of the best blend and best packaging. So we are looking forward one of the leaders in our portfolio. But that sale will come substantially increased when we enter into the major cities like Bangalore, Delhi and Maharashtra.
- Vinay Rokadia:** Okay, thank you, sir. I will join back in the queue.
- Tushar Bhandari:** Thank you.
- Moderator:** Thank you. The next question is from the line of Hrushikesh Shah from Alchemy Capital Management. Please go ahead.
- Hrushikesh Shah:** Hello, sir. Congratulations on a great set of numbers. First question I had was on the ethanol segment side. The plant became operational in Q4. So for how much period was the plant operational?
- Ankit Agrawal:** The plant got operational in the middle of the Jan. So it was almost two and a half months it was operating.
- Hrushikesh Shah:** So on a full year basis, for example, for FY '25, what kind of revenue are we looking from the ethanol segment?
- Ankit Agrawal:** Around INR300 crores.
- Hrushikesh Shah:** Around INR300 crores. Okay. And on premiumization, the Nicobar Gin you were talking about in super premium, what kind of traction are we looking at?
- Tushar Bhandari:** Basically, we are -- till now, wherever we've launched, we've got a very super -- a very positive response on the blend and the packaging front. We are targeting to enter the metro cities, which is Delhi, Bangalore, Mumbai and other cities, where the sale of a super-premium product is much higher. And we are targeting to enter restaurants and bars. So we are very hopeful about this brand. And we are looking forward to the attractive sales numbers in the coming months.
- Hrushikesh Shah:** So have we launched or are we planning to launch it?
- Tushar Bhandari:** We have already launched in Madhya Pradesh and Chhattisgarh right now. The process of excise formalities is pending in most of the states. So as I said that will be done in the first quarter due to election code of conduct, most of the states the files have not been approved.

So post the election is done across. So we will get an approval and by June onwards we expect it to be present in most of the states.

**Hrushikesh Shah:** And sir, how do we look at our EBITDA margin improvement going forward?

**Ankit Agrawal:** So EBITDA, there should be an EBITDA improvement because this year we have received the price hike in most of the products. Plus with the ethanol coming on with the full capacity, we expect a better utilization of our fixed costs. So that will also give us an increase in the EBITDA margin in the next year.

**Tushar Bhandari:** Sir, apart from that, our premium products launch would also add to the EBITDA margin. And we have got another two products lined up. One product will be launching in next quarter and second quarter and the other product will launch in the third quarter.

**Hrushikesh Shah:** Will that product also be super premium or how will that be?

**Tushar Bhandari:** Yes, on the premium category side.

**Hrushikesh Shah:** Sir, can you give a break up of your EBITDA margin if possible?

**Ankit Agrawal:** So it's there in the investor presentation. If you see so we have given these products why is EBITDA margin in that. You get the comparison over there.

**Hrushikesh Shah:** Yes. Sir, one last question. For the UP plant which we are going to set up the bottling plant and distillery plant, will that be for captive use only or we will be selling ENA from there too?

**Tushar Bhandari:** So the objective is to use the maximum of the plant for captive use. That has been the company's focus for last 5 years. And we have been able to achieve that for quite a while now, but whatever the additional capacity would be there we would be selling also because we are known in the country for the quality ENA and that should not be an issue for us.

**Hrushikesh Shah:** And this plant will be in the distillery?

**Tushar Bhandari:** Distilleries are all value-added products.

**Moderator:** Thank you. The next question is from the line of Alisha Mahawala from Envision Capital. Please go ahead.

**Alisha Mahawala:** Hi, sir. Good evening. Thank you for the opportunity. Sir, while you did touch upon that there was RM inflation, the gross margins are at a multi-quarter low. Has the price of maize gone up that significantly versus previous quarter? If you could quantify that for us, it will be helpful?

**Ankit Agrawal:** Your voice is not clear. I am not able to understand your question properly. If you can repeat it a little slower, that will help.

**Alisha Mahawala:** So, am I audible now?



- Ankit Agrawal:** Yes.
- Alisha Mahawala:** Okay. The gross margins that we have reported in this quarter are at a multi-quarter low. While you did mention earlier in the call that it was because of inflation in raw materials, but has the maize price gone up that significantly in one quarter to have this kind of an impact? If you can just quantify how much has it gone up, it will be helpful?
- Ankit Agrawal:** So, like I know to speak about in our initial conversation as well, there is some specific one-time item which we have taken in this quarter which was not there in the previous quarter. It is not purely because of increase in the maize price. Maize prices have increased.
- So, last quarter which was around INR23,000, it has become INR25,000 in the Q4, but there is also an exceptional item which is there in the gross margin because of which the gross margin is lower.
- Alisha Mahawala:** The decline on Q-o-Q basis is almost 10% versus that what we are saying for maize is just 2%, 3%. So, if you can just share some color on what are these one-time incremental hits that you have taken on the gross margin side?
- Ankit Agrawal:** So, that will be - I will not be able to give you the specific details, but what I can tell you is these exceptional is a one-time nature which we have to take in the Q3 because of some issues which will not be coming in the future.
- Alisha Mahawala:** Okay , okay And we have seen a very sharp volume decline in IMIL. If you could just explain the reason for that?
- Tushar Bhandari:** So, there is a sharp volume decline in IMIL because as you are aware that the IMIL is 100% controlled by the government. Government comes out with the tender of all the districts which are available in Madhya Pradesh and you have to bid for the districts and the lowest bidder gets that particular supply in that district. So, the government capping requirement had reduced.
- So, a maximum area allotted to an individual from FY23 had reduced in FY24. So, that is the reason, but whatever the max limit was there we have been able to get that maximum allotment limit from the government, but on the contrary irrespective of the volumes being lower, we have been able to take a price hike and irrespective of the volume decreasing substantially, the company's top line has grown. So, that is shown in the efficiency and the efforts put by the company to grow the top line.
- Alisha Mahawala:** Also, for FY25 going forward, is this the maximum volume function for IMIL?
- Tushar Bhandari:** See, we cannot.- for 22 or for 25.
- Alisha Mahawala:** For the current year because the policy would have been out?
- Tushar Bhandari:** Volume would be similar because the government has not changed that maximum cap which can be allotted to an individual in FY25 also. The tender has already gone through. So, volume

would be similar as per the increase in the market whatever the increase in the market would be there, we will be able to achieve that whatever 3%, 4%, 5% would be there, we will be able to achieve that only the volume increase.

**Alisha Mahawala:** Understood. So, next question is on the IMFL volumes. We have seen a very healthy growth of 27% CAGR and we have mentioned as aspiration also that we expect this business to witness a 12% to 15% growth in IMFL because these are IMFL licensed products. What states do we supply to and has there been any increase in the states that we have been supplying to in the last 3 years or any additions expected in the next 1 or 2 years?

**Tushar Bhandari:** So, see at present we are supplying to almost 5 states which are MP, CG, Delhi, Kerala and West Bengal. And we have seen a steady growth in these states and in the coming year we are planning to enter Goa, Karnataka, Maharashtra and Pondicherry. And now, see, the thing is, in IMIL sorry IMFL, you will see a greater increase as we enter the number of increase in the number of states.

So, the volumes would get from there and plus apart from that we are now entering into the premium brand category also. Like, as I said, that we have launched a premium handcrafted gin which is priced at around INR2,500 to INR2,800 a bottle. So, that is the super-premium category. And that will also contribute to our margin and top line also.

**Priya Sen:** Sorry, just to clarify, I was referring to IMFL licensed.

**Tushar Bhandari:** So, IMFL licensed, we are available in only Madhya Pradesh right now. And in other states, we have plans to grow with our own brands. And we don't have any plans to get licensed brands at present. And because we want to keep our focus clear on our own brands and aggressively grow those. Plus, apart from that, IMFL licensed brand in Madhya Pradesh, just to give you a snapshot. So, IMFL licensed brand in Madhya Pradesh, we took approximately around six years back. And when we took the entire portfolio, the sale of those brands was around about 6,000 cases per annum. And last year, we've closed at around 1.8 million cases.

**Priya Sen:** And there is scope for this to continue to grow in double digits for the next three to five years.

**Tushar Bhandari:** Not exactly. There is a scope of improvement on the lower double digit side.

**Priya Sen:** Understood. And the last question is with respect to the ethanol plant that we have recently commissioned. What are the kind of realizations that we're expecting on this for the quantity that we've tied up?

**Tushar Bhandari:** The realization is around INR70, around INR72 a liter.

**Priya Sen:** And we should be able to do 8% to 9% EBITDA margins?

**Tushar Bhandari:** Yes.

**Priya Sen:** And we're expecting full utilization because you said that the volume is tied up with the OMCs in the current financial year, in FY25.

- Tushar Bhandari:** We've already been allotted a tender for the full financial year.
- Priya Sen:** Okay, great. Thank you so much.
- Tushar Bhandari:** Thank you.
- Moderator:** Thank you. The next question is from the line of Gunit Singh from Counter Cycle. Please go ahead.
- Gunit Singh:** You mentioned that in Q4 there was one operation with two deterioration of margins. And just to point out, we used to do about 15% to 16% margins through FY17 till FY22. So in that sense, I know that New Ethanol plant has lower margins of about 8% to 9% as compared to what we did previously. So I mean, in light of all this, what kind of margins are we looking at for FY25?
- Ankit Agrawal:** For FY25, we are looking for a double digit margin in FY25.
- Gunit Singh:** Sir, are we saying no double digit or near 15% to 16% range that we used to do?
- Ankit Agrawal:** We are looking for somewhere mid-double digit, not higher or not lower. It should be somewhere in between.
- Gunit Singh:** Alright, sir. And we would be adding about INR300 crores from the New Ethanol plant in FY25, right?
- Ankit Agrawal:** And apart from Ethanol, I mean what are we looking at for FY25 in terms of other segments overall on a consolidation level?
- Tushar Bhandari:** Yes, so we are looking at a double digit growth, somewhere around 15% to 16% growth we are looking at.
- Gunit Singh:** Alright, sir. That's all from my side. Thank you.
- Tushar Bhandari:** Thank you.
- Moderator:** Thank you. The next question is from the line of Dhruv Shah from Ambika Finance. Please go ahead.
- Dhruv Shah:** Hi, thanks for the opportunity. Tushar ji, my question is pertaining to IMFL proprietary because last 3-4 quarters we have been emphasizing on IMFL, but if we see there's been no volume growth with this year, neither on the revenue side neither on the volume cases. So when we say that we want to grow at 15%-20%, can you just give us a break up on the volume part and the realization, how much are we expecting?
- Tushar Bhandari:** So basically, see, the thing is that this year onwards we will see a decent volume growth because as we have added the number of brands also, that will give us a growth and we are seeing a good traction in the states where we are already present right now and the new states where we are entering. So there also we will see an increased volume. So that will also add to an overall



increased volume and the average realization of IMFL proprietary brands right now stands at around somewhere around INR780.

So that we are expecting it to go up to around about say INR900 or INR850 this year onwards and in the coming year because now we've got products lined up as I already mentioned that we have got gin which is about to get launched in the month of June in most of the major states and seen a good traction. In Q2 we have got a blended malt which has been lined up to be launched in a premium category and in Q3 we are planning to launch a RTD ready to drink which is a volume business. So we have strategized our entire year and you will see definitely effect coming in this year starting from the first quarter itself.

**Dhruv Shah:** Tushar ji one follow-up you mentioned that you want to take the realization up from 780 to 950 so that's 15% growth so your guidance is basically on realization so are you expecting that volume growth will be stagnant or low single digit?

**Tushar Bhandari:** So I had mentioned that my revenue would grow by 15% so that is apart from the ethanol total overall revenue I am expecting it to grow.

**Dhruv Shah:** So I am only questioning on the IMFL proprietary so our guidance is 15%-20% on IMFL proprietary and right now you said that my realization will grow up from 780 to 950 so that's a 15% growth so are we expecting the volume growth in the IMFL proprietary will be flat or low single digit?

**Tushar Bhandari:** We are expecting around 15%-20% growth in IMFL proprietary brands.

**Dhruv Shah:** So that's my question what will be the volume guidance in that?

**Tushar Bhandari:** That's what I said volume guidance would be somewhere around 15% to 20% growth from the existing volumes.

**Dhruv Shah:** Okay. Got it sir. Thank you so much.

**Moderator:** Thank you. The next question is from the line of Devesh Jhavar an individual investor please go ahead.

**Devesh Jhavar:** Good afternoon sir. My first question is regarding the launch of premium products in the upcoming quarters, what kind of margin profile are we looking at from this segment going forward and secondly given the company's planned capex of around INR270 crores how will it be financed specifically the breakdown of internal accruals and debt financing?

**Tushar Bhandari:** Sorry, can you repeat your first question?

**Devesh Jhavar:** Yes, it's regarding in the investor presentation the company has mentioned that there is some launch of premium products in the upcoming quarters and there is already a premium super premium gin in that category. So what kind of margin profiles are we looking at from this segment going forward?

- Tushar Bhandari:** So basically at present the IMFL margin , EBITDA margin is around 10%. We are expecting it to grow to around mid-double digits in our IMFL contribution and second is how we will be able to finance the new expansion projects. So there are plans to finance the new expansion projects is through internal accruals, debt and we have raised recently.
- Ankit Agrawal:** So we have done a preferential allotment recently. So we will be using that to proceed for the setting up of the plan plus internal accruals and in case there is a need then we will go for that. But we don't foresee any debt requirement as such because we feel from the internal accruals plus the fund raised through this preferential allotment will help us in setting up of this plan.
- Devesh Jhawar:** So there would be no debt financing in this capex?
- Ankit Agrawal:** Debt financing might be there to a very lower extent, not a big debt sort of something which we are looking at the entire project will be funded for that. So debt will be there but it will be a very miniscule debt which company can easily manage. It will not be a huge debt.
- Devesh Jhawar:** Thank you, that's all from my side.
- Moderator:** Thank you. The next question is from the line of Imran from Longbow, India Capital. Please go ahead.
- Imran:** **Yeah , Hi , thanks** Sir, has there been any change in the animal feed prices in Q4 compared to Q3?
- Tushar Bhandari:** If you say as compared to Q3 there has not been a substantial change. But yes, definitely there has been a slight decrease over the years in the animal feed price because of multiple ethanol plants coming in the, ye ah, because multiple plants which enough.
- Imran:** Got it. And can you please confirm the maize prices in Q4? Because somehow I heard two different numbers. So can you please confirm what was the maize price last quarter?
- Ankit Agrawal:** Last quarter it was somewhere around INR25,000.
- Imran:** INR25,000?
- Ankit Agrawal:** Yes.
- Imran:** Okay, Thanks.
- Moderator:** Thank you. The next question is from the line of Hrushikesh Shah from Alchemy Capital Management. Please go ahead.
- Hrushikesh Shah:** Thank you for giving me a chance again. This was an accounting question. How do we account for our exercise duty? Because, for example, for US and United Spirits, 62% of their revenue is exercise duty and for us, it's negligible. So how do we account for our exercise duty?



- Ankit Agrawal:** So see, if you look, our major supply is in MP. And in MP, the exercise duty is borne by the retailers. Company is not required to pay the exercise duty. So that's why there is no material exercise duty in our books. Whatever exercise duty is coming, further supply outside state of MP.
- Hrushikesh Shah:** Then, second question for ethanol capacity. It is tied up for what period? 100% of our capacity is tied up for what period?
- Tushar Bhandari:** So it is tied up till December. January, sorry. January '25. Their quarter is different. So it's tied up for January and then again they'll launch a tender. So right now, there's a huge gap in demand and supply. The government requirement is to achieve 20% blend by 2025. And government has been able to achieve somewhere around 11% to 12% only.
- Hrushikesh Shah:** Right. So what do you think will be the estimated price in that tender?
- Tushar Bhandari:** I'm not too sure because the government has been aggressive in giving the price high. If the commodity price goes up substantially, then the government might also give us the price high. Right now, it's at somewhere around INR72. So government has made a clear focus that by 2025, anyhow, they have to reach 20% blend. So it will completely depend on the grain price, primarily.
- Hrushikesh Shah:** Thank you, sir.
- Tushar Bhandari:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, as that was the last question for the day, I would now like to hand the conference over to management for closing comments.
- Anshuman Kedia:** We trust that we have addressed all your enquiries satisfactorily. If you have any remaining unanswered questions, please do not hesitate to contact our investor relations agency, Go India Advisors. They will be more than happy to assist you further. Thank you, everyone, for joining us today. Thank you.
- Moderator:** Thank you. On behalf of Go India Advisors, that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.
- Tushar Bhandari:** Thank you.