

IPO ANALYSIS

Sector: Alcoholic Beverages
Issue Price: INR 267 to INR 281
Issue Size: INR 1,500 Crores
Issue Opens/Closes: June 25 / June 27

IPO Basics

Promoters: Kishore Rajaram Chhabria, Bina Kishore Chhabria, Resham Chhabria Jeetendra Hemdev, Bina Chhabria Enterprises Private Limited, BKC Enterprises Private Limited, Oriental Radios Private Limited and Officer's Choice Spirits Private Limited

Selling Shareholders: Bina Kishore Chhabria and Resham Chhabria Jeetendra Hemdev

Lead Managers: ICICI Securities, Nuvama Wealth, ITI Capital

Registered Office: Mumbai

Registrar: Link Intime India Pvt Ltd

Listing: BSE and NSE

IPO Capital Structure

Fresh Issue	3,55,98,074 equity shares upto INR 1,000 Cr
Offer for Sale	1,77,93,595 equity shares upto INR 500 Cr
Total Issue as % of total capital (Post-Issue)	19.08%
Post Issue No. of Shares	27,97,11,739
Post Issue Market Cap	INR 7,518 – 7,860 Cr
Face Value	INR 2
Issue Route	Book Build Issue
All values calculated at upper band	

Financial Snapshot (INR in crs)

Y/E Mar	FY22	FY23	9MFY24
Equity Share Capital	47.11	48.82	48.82
Reserves	356.99	357.28	360.43
Net worth	404.10	406.10	409.26
Revenue from Ops	7,196.92	7,105.68	5,911.14
Growth (%) YoY	12.83%	(1.27)%	9.69%
EBITDA	207.55	196.06	186.20
EBITDA (%)	7.73%	6.23%	7.27%
Net Profit	1.48	1.60	4.23
Net Profit (%)	0.05%	0.05%	0.17%
Basic EPS	0.06	0.07	0.17
Diluted EPS	0.06	0.07	0.17
RONW (%)	0.37%	0.39%	1.03%
ROCE (%)	25.13%	25.87%	24.35%
NAV (INR)	16.55	16.64	16.76
P/E (Based on Upper Band)			4,014.28
Average Industry P/E			62.10
P/B (Based on Upper Band)			16.89

Shareholding Pattern

Holders	Pre-issue	Post Issue
Promoters	100.00%	80.91%
Public	0.00%	19.09%
Total	100.00%	100.00%

Particulars	Retail Category	NII bid between Rs 2 lakhs- Rs 10 lakhs	NII bid above Rs 10 lakhs
Minimum Bid Lot (Shares)	53	742	3,604
Minimum Bid Lot Amount (₹)	₹14,893	₹ 2,08,502	₹ 10,12,724
No of Applications for 1x	3,51,810	3,590	7,180

Allied Blenders and Distillers Limited

June 24, 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 third largest IMFL company in India, based on annual sales volumes from Fiscal 2014 to Fiscal 2022. The company had an estimated 11.8% market share in the Indian whisky market for Fiscal 2023. ABDL's product range includes whisky, brandy, rum, vodka, and other spirits.
- ABDL's flagship brand, Officer's Choice Whisky, launched in 1988, is a significant player in the mass premium whisky segment. This brand, including its variant Officer's Choice Blue, was among the top-selling whisky brands globally from 2016 to 2019 and ranked third in 2021.
- By December 31, 2023, ABDL's portfolio included 16 major IMFL brands, with notable ones like Officer's Choice Whisky, Sterling Reserve, Officer's Choice Blue, and ICONiQ Whisky achieving 'Millionaire Brand' status, selling over a million 9-litre cases annually. The company's whisky brands feature blends of Scotch malts from the Highland, Lowland, and Speyside regions.
- ABDL operates a distillery in Rangapur, Telangana, with a production capacity of 600 lakh litres of extra neutral alcohol (ENA) per year. Their manufacturing network comprises one owned distillery, nine owned bottling units, and 23 non-owned manufacturing units. They distribute products across 30 States and Union Territories in India and export to 14 international markets.
- As of March 31, 2023, ABDL's products were available in 79,329 outlets across India. The company maintains 12 sales support offices and a pan-India distribution network. ABDL has invested significantly in brand awareness and has received awards from recognized institutions such as The Spirits Business London and the International Taste Institute.
- The company's strategic initiatives include partnerships with sports teams in the Indian Premier League and the Pro Kabaddi League, and regional football leagues in West Bengal and the Northeast. ABDL's Board of Directors, including the Whole-Time Director and Managing Director, brings extensive industry experience, driving strategic business initiatives and premiumization efforts.
- Promoted by Kishore Rajaram Chhabria, Bina Kishore Chhabria, Resham Chhabria Jeetendra Hemdev, and several entities, the promoters hold 100% of the pre-offer issued equity share capital of the company. ABDL continues to grow under the guidance of its experienced board and professional management team.

Key Risks:

- Heavily reliant on whisky sales, especially Officer's Choice, which significantly impacts business and financial health.
- Dependence on sales in West Bengal, Telangana, and Uttar Pradesh. Reduction in these states could materially affect business and financial health.
- Significant sales to state-controlled agencies (54.06% in 2021, 54.28% in 2022, 47.14% in 2023). Disruptions could adversely affect business and finances.

Particulars	No. of shares at Lower band (Cr.)	No. of shares at Upper band (Cr.)	Issue Size Amount (Rs. Cr.)	% Of Issue
QIB	2.80	2.66	748.50	50.00%
NIB	0.84	0.80	224.55	15.00%
-NIB2 (Bid above ₹ 10 Lakhs)	0.56	0.53	149.70	-
-NIB1 (Bid between ₹ 2 to 10 Lakhs)	0.28	0.27	74.85	-
Retail	1.96	1.86	523.95	35.00%
Employee	0.01	0.01	3.00	-
Total	5.62	5.34	1,500.00	100.00%

An Indicative Timetable Post Issue Closing

Particulars	Tentative Date
Finalization of Basis of Allotment	June 28, 2024
Refunds/un-blocking of ASBA Accounts	July 01, 2024
Credit of Equity Shares to DP Ac	July 01, 2024
Trading Commences	July 02, 2024

Investors are advised to refer disclosures made at the end of the research report.

BACKGROUND**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

Rukhshana 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 law

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

Fresh Issue		No. of Shares [^]	WACA per Equity Share on a fully diluted basis (₹)
<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	[•]

Brands



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.

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: Launched in 1988, Officer's Choice is ABDL's flagship brand and ranked 3rd globally among whisky brands in 2021. It includes Officer's Choice Blue, a deluxe whisky; Officer's Choice Whisky and Officer's Choice Star, mass premium whiskies; Officer's Choice Brandy; and Officer's Choice Rum. As of December 31, 2023, 29 SKUs are produced under this brand. Sales volumes were 2.23 crore cases (2021), 2.42 crore cases (2022), 2.59 crore cases (2023), 1.99 crore cases (2022 Q3), and 1.89 crore cases (2023 Q3).

Sterling Reserve: Launched in 2017, Sterling Reserve is an award-winning blended whisky brand. It includes Sterling Reserve Blend 10 (premium) and Blend 7 (semi-premium). Sterling Reserve was the fastest-growing spirits brand globally in 2019 and in India in 2021. As of December 31, 2023, 16 SKUs are produced under this brand.

Kyron Premium Brandy: Kyron, a premium brandy, is popular in southern India and associated with fashion events. It is made with select grain ENA, French grape spirit, food flavors, and caramel. As of December 31, 2023, 4 SKUs are produced: 750 ml, 375 ml, 180 ml, and 90 ml.

Jolly Roger Rum: ABDL's deluxe segment rum brand, Jolly Roger, is blended with ENA, special spirits, food flavors, and caramel. As of December 31, 2023, 4 SKUs are produced: 750 ml, 500 ml, 375 ml, and 180 ml.

Class 21 Vodka: Class 21 is a mass premium grain vodka, treated with activated carbon for a clean profile. As of December 31, 2022, 3 SKUs are produced: 750 ml, 375 ml, and 180 ml.

Srishti Premium Blended Whisky: Launched in October 2022, Srishti blends rare Scotch malts with Indian grain spirits and curcumin. As of December 31, 2023, 3 SKUs are produced: 750 ml, 375 ml, and 180 ml.

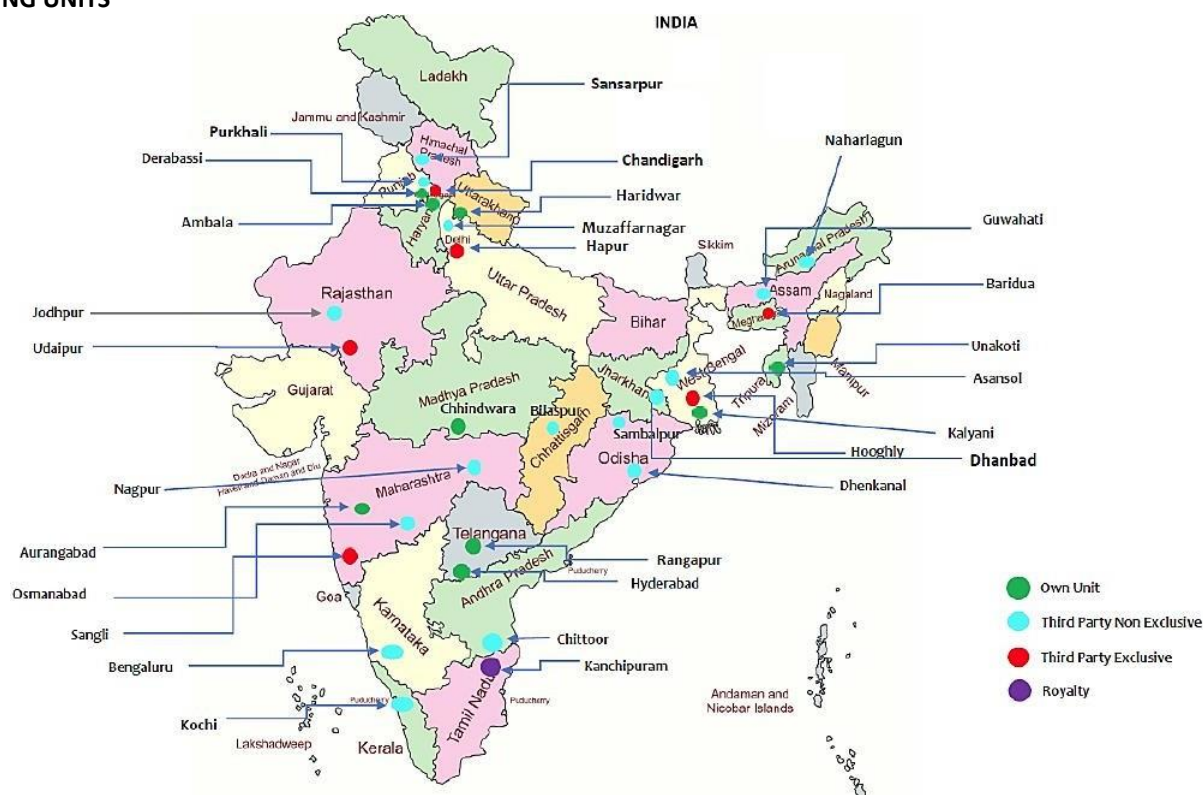
X&O Barrel Premium World Grain Whisky: This premium whisky blends Scotch malts matured in bourbon barrels with Indian grain spirits. As of December 31, 2023, 3 SKUs are produced: 750 ml, 375 ml, and 180 ml.

ICONiQ White International Whisky: Launched in September 2022, ICONiQ White blends imported Scotch malts aged in bourbon oak casks with Indian grain spirits. As of December 31, 2023, 3 SKUs are produced: 750 ml, 375 ml, and 180 ml.

Cheval Fort Café Rum: Introduced in August 2023, Cheval Fort Café Rum is infused with coffee notes for a smooth experience. As of December 31, 2023, 2 SKUs are produced: 750 ml and 50 ml.

Zoya Special Batch Premium Gin: Launched in January 2024, Zoya is a premium gin made from grain and natural spirits, with juniper and 12 botanicals. Currently, 1 SKU is produced: 750 ml. Initial sales began in Haryana.

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

(₹ Cr)

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

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	0.655
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 in India by sales volume from Fiscal 2014 to 2022. They boast 16 major IMFL brands, including 10 whiskies such as Officer's Choice, Sterling Reserve, and ICONiQ. Their portfolio also includes 3 rum brands, 3 brandy brands, 1 vodka brand, and a newly launched gin as of January 2024. ABDL held an 8.2% market share in the IMFL market by sales volume in Fiscal 2023, offering contemporary brands that appeal to diverse consumer preferences.

Strong Brand Recognition: ABDL has established a well-recognized product portfolio, transforming into a multi-product, multi-brand company. They entered the premium and semi-premium whisky segments with Sterling Reserve in Fiscal 2018. Officer's Choice Whisky leads the mass premium segment with a 20.9% market share by sales volume in Fiscal 2023.

Strategically Located, Large Scale, and Advanced Manufacturing Facilities with a Sophisticated R&D Centre: ABDL's distillery in Rangapur, Telangana, spans 74.95 acres with a built-up area of over 25,000 sq. mtrs and an ENA distillation capacity of 600 lakh litres annually. Their extensive bottling network includes 9 owned units and 23 third-party facilities across 22 states and UTs. As of December 31, 2023, ABDL used 32 bottling facilities. Their R&D focuses on product innovation, raw material control, flavor compounding, sensory evaluation, and packaging innovation.

Access to Extensive Pan-India Distribution Network with Ability to Scale: ABDL has a pan-India multi-channel distribution network, one of only four spirits companies with such reach. By March 31, 2023, their products were retailed through 79,329 outlets in India and exported to 14 countries, including UAE, Haiti, Oman, Hong Kong, and Qatar.

Well Positioned to Capture Tailwinds in the Indian IMFL Industry: Greater social acceptance of drinking among women and in Tier II and III towns is opening new consumer segments. Rising urban populations, a growing middle class with higher disposable incomes, and an expanding economy are driving alcohol consumption in India. With 13 million new drinking-age adults annually, ABDL is well-positioned to capitalize on the shift towards premiumization.

Experienced Board and Senior Management Team, Supported by a Committed Employee Base: ABDL's experienced Board of Directors and Independent Directors provide strategic guidance, leveraging their expertise for operational growth. The senior management team has significant industry experience and has driven brand recognition and profitability. As of December 31, 2023, ABDL employed 3,627 people, including 67 production workers, 1 sales consultant, and 2,690 contract workers.

KEY BUSINESS STRATEGIES

Increase market share of Officer's Choice Whisky across regions: Officer's Choice Whisky holds a 20.9% market share in the mass premium segment as of Fiscal 2023. ABDL aims to expand its footprint in states like Karnataka and Uttar Pradesh, targeting consumers shifting from country liquor to Officer's Choice Whisky. The segment's complexity and operational demands pose significant barriers to new entrants.

Introduce new products within the premium, semi-premium, and deluxe segments to strengthen presence in other categories: The deluxe segment dominates the whisky market with a 51% volume share in India as of Fiscal 2023, showing consistent growth and projected expansion. ABDL plans to launch products in premium categories, including importing bulk Scotch for bottling in India and expanding into new product lines.

Continue to focus on improving operating efficiencies: ABDL prioritizes operational efficiency through modernization and technology adoption across its manufacturing facilities. This includes integrating operations, optimizing product planning, and leveraging economies of scale for procurement efficiency while maintaining high product quality.

Evaluate growth opportunities through selective acquisitions: ABDL intends to pursue strategic acquisitions and partnerships that complement its growth strategy. This involves exploring opportunities to acquire or license third-party brands domestically and internationally, aiming to enrich its product portfolio.

Focus on environmental and social practices: ABDL is committed to sustainability with initiatives aimed at achieving zero harm, waste, and discharge. Efforts include reducing fossil fuel consumption, increasing aseptic packaging usage, implementing solar energy, and optimizing water usage in its distilling and bottling operations.

Enhance brand awareness and engagement through digital marketing: ABDL plans to strengthen brand visibility through targeted digital marketing campaigns. Recognized for its digital expertise, the company aims to innovate and engage consumers effectively through strategic digital initiatives.

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	4,014.28	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

(₹ in crore, unless stated otherwise)

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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