



RKL/SX/2025-26/43

August 7, 2025

BSE Ltd.
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Mumbai – 400 001

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot no. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051

Scrip Code: 532497

Symbol: RADICO

Subject: Transcript of Earnings Conference Call

Ref: Disclosure under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

Dear Sir/Madam,

In continuation to our letter no. RKL/SX/2025-26/36 dated July 24, 2025 and pursuant to Regulation 30 of the Listing Regulations, please find enclosed herewith the Transcript of Earnings Conference Call for Analysts and Investors held on August 1, 2025 for the Quarter ended June 30, 2025

The transcript is also being disseminated on the Company's website at <http://www.radicokhaitan.com/investor-relations/>

This is for your information and records.

Thanking You,
For Radico Khaitan Limited

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Encl: A/a

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Radico Khaitan Limited

(BSE: 532497; NSE: RADICO)

First Quarter FY2026

Earnings Conference call

August 1, 2025

Management Participants:

Mr. Abhishek Khaitan, Managing Director

Mr. Dilip Banthiya, Chief Financial Officer

Mr. Amar Sinha, Chief Operating Officer

Mr. Sanjeev Banga, President – International Business

Presentation:

Moderator: Ladies and gentlemen, good day and welcome to Radico Khaitan Limited Q1 FY26 Earnings Conference Call, hosted by DAM Capital Advisor Limited.

As a reminder, all participants' 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 this conference call, please signal an operator by pressing "*", then "0" on your touch-tone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Sanjay Manyal from DAM Capital Advisor Limited. Thank you and over to you, sir.

Before we begin our presentation, I would like to remind you that some of the statements made in today's conference call may be forward-looking in nature and may involve risks and uncertainties. Kindly refer to the last slide of our earnings presentation for the detailed disclaimer.

Sanjay Manyal: Thank you. Good afternoon, everyone. We would like to thank Radico Khaitan Management Team for providing DAM Capital with the opportunity to host Q1 FY26 Earnings Call.

We have with us the Senior Leadership Team from Radico Khaitan, Mr. Abhishek Khaitan – Managing Director, Mr. Amar Sinha – Chief Operating Officer, Mr. Dilip Banthiya – Chief Financial Officer and Mr. Sanjeev Banga – President, International Business.

I hand over the call to Mr. Abhishek Khaitan for his opening remarks. Over to you, sir.

Abhishek Khaitan: Good afternoon, ladies and gentlemen. Thank you for joining us on our Q1 FY26 Results Conference Call.

Before we begin discussions on Q1 FY26 results, I would like to provide a brief update on the UK-India FTA. The negotiations between the two governments have been finalized and a Comprehensive Economic and Trade Agreement has been signed. In line with expectations, duty on bulk scotch has been reduced from 150% to 75%. We have estimated our Scotch requirements valued at over Rs. 250 crores in FY26 and we expect significant cost advantages from this development. Thereafter, the duty will be reduced in nine equal installments to settle at 40% in

the 10th year. In three years, we expect the import of scotch of Radico to cross Rs. 400 crores.

Moving on to the Quarter Performance. The first quarter of FY26 has set a strong and encouraging tone for the year ahead. Building on the momentum from the second half of last year, we have seen sustained strength in our performance. Our strategic focus on brand premiumization continues to resonate with consumers across markets. In Q1, we delivered our highest-ever quarterly volumes, net sales and profitability. IMFL volumes grew by an impressive 37.5%, led by strong demand for our premium portfolio. A stable raw material environment and a favorable product mix supported healthy year-on-year margin expansion.

We entered FY26 with important brand milestones that further strengthen our premium portfolio. One of the key highlights was the launch of Morpheus Super Premium Whisky, which marks our foray into the fast-growing super premium whisky segment. This is a high-margin category where we were not present. With this launch, we are not only leveraging the equity of the Morpheus brand but also broadening our presence in the upper end of the whisky category. Initial response has been very positive, with growing tertiary offtake and strong consumer feedback on both the product and its packaging. We are planning to launch in 10 states in the second half, which covers 70% of this industry.

Another notable launch is The Spirit of Kashmir, a luxury vodka that builds on our leadership in the vodka space. It addresses a clear gap in the market by introducing a premium Indian offering in a segment traditionally dominated by imported brands. Distilled with exceptional purity and backed by a compelling brand story, The Spirit of Kashmir aspires to scale globally and position India on the world luxury vodka map. This launch reflects our continued ambition to build world-class homegrown brands with international appeal.

Our broader premium portfolio continues to deliver strong results. Royal Ranthambore, operating in the Bottled in India Scotch category, has delivered an exceptional 90% growth this quarter. The brand continues to gain strong consumer acceptance, with discerning whisky enthusiasts increasingly choosing it for its craftsmanship, rich blend profile, and premium packaging.

Magic Moments, our flagship vodka brand which crossed 7 million cases last year, posted another solid quarter with 20% volume growth.

After Dark Whisky entered a dynamic new phase in 2022 with the introduction of After Dark Blue, designed to resonate with a younger, contemporary audience. Since then, the brand has maintained its strong upward trajectory. This brand sold 1.9 million cases last year and is on track to double that volume in this fiscal.

Our luxury and semi-luxury brands delivered nearly 50% year-on-year value growth during the quarter. We are on track to achieve our guidance of Rs. 500 crores revenue from luxury and semi-luxury brands in FY26.

These results are a testament to the strength of our strategy and the disciplined execution by our team. We remain sharply focused on driving profitable, sustainable growth through continued premiumization, deeper market penetration, innovation-led approach, and operational efficiency.

The Indian AlcoBev industry is undergoing a structural shift from traditional consumption patterns to a more lifestyle-driven category. With rising affluence, evolving preference, and increasing demand for elevated experiences, we see substantial long-term opportunity in the premium and luxury segments. At Radico Khaitan, we are well-positioned to capitalize on this transformation.

Given the strong growth momentum, we are poised to deliver 20% plus overall volume growth in FY26 with robust contribution from the prestige and above category. This coupled with enhanced profitability and a persistent focus on cash flow generation will drive long-term value creation for our shareholders.

With this, I would now like to hand over the call to our CFO for a detailed operational and financial review. Thank you everyone and over to you, Dilip.

Dilip Banthiya:

Thank you, Abhishek. Thank you everyone for joining us on this call today.

During Q1 FY26, we reported total IMFL volume of 9.72 million cases, representing a growth of 38% on year-on-year basis. This is the highest ever volume recorded by Radico Khaitan in a quarter. Prestige and above category volume grew by 41%. In value-terms, the prestige and

above category registered 43% growth. Non-IMFL revenue grew by 12% on year-on-year basis.

Regular category volumes which were impacted due to certain state-specific industry-related issues and ongoing strategic rationalization of the portfolio have now returned to a sharp growth trajectory from Q3 of last year. This momentum is expected to sustain in next quarters also.

We continue to see strong traction for our brand portfolio in Andhra Pradesh and have gained market share from 10% in the first half of FY25 to over 28% in Q1 of current financial year, which is highest in the industry.

Gross margin during the quarter was 43% as compared to 41% in Q1 of last year and 43.5% in Q4 of last year. Gross margin improved on year-on-year basis due to the ongoing premiumization in the IMFL business, coupled with relatively stable raw material scenario. Gross margin remained broadly stable on quarter-on-quarter basis due to higher bulk alcohol sale in this quarter.

EBITDA margin expanded from 13.0% in Q1 LY to 15.3% of this quarter. Despite higher marketing spend, we have seen economies of scale benefits. We are optimistic that the pricing scenario for ENA and grain will remain stable going forward during FY26. We are on track to achieve our margin expansion guidance.

Net debt reduced by Rs. 164 crores since March '25, mainly on account of profitability and working capital reduction. With limited Capex going forward, we expect to be almost debt-free by FY27.

Going forward, our focus will remain on driving profitable growth, enhancing cash flow generation, and improving working capital efficiency, all of which will contribute to continued debt reduction.

With this, we will now open the lines for Q&A.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question comes from the line of Aditya Soman from CLSA. Please go ahead.

Aditya Soman: Good evening and thanks for the opportunity. Sir, two questions from me. Firstly, in terms of the marketing spend, you indicated that marketing spend has gone up, which is to be expected when you are

launching premium brands. But can you give us a sense of where these marketing spends are being spent in terms of obviously in-store marketing, any social media activity, or anything of that sort?

And then secondly, could you elaborate if there's any sort of stocking up before the Maharashtra duty change or anything of that sort in this quarter's numbers? And just a broader question on that, if you can quantify the impact or potential impact from Maharashtra on your numbers. Thanks.

Abhishek Khaitan: See, as far as the marketing spend goes, we have always maintained that our marketing spend is in the range of about 7% to 8% of our IMFL revenue. And that we have seen in the last couple of years also, so I think we will be maintaining that. And as the marketing spend goes, our main focus on marketing is more on digital space. Second is on the shop visibility, on trade, and also, on events. So, basically, these are our basic marketing spend where we concentrate in terms of priority. So, digital, on trade, events, these are our marketing spends.

The second question about Maharashtra, the state contributes only 4% to 5% of our volumes. And there has been no stocking in this quarter, as far as our volume growth goes, so there is no effect on the stocking part. With this, we do not expect much of effect on our profitability going forward.

Aditya Soman: Understand, very clear. And if I may just follow up on the marketing spends. So, is there any sort of shift in marketing now that you are, as you mentioned, as you are focusing more on digital, is that a marked shift? And is that a big competitive advantage for you on shifting or using more digital platforms? Or do you see all the other marketers use that as well?

Abhishek Khaitan: See, it all depends. See, marketing is all relative. Sometimes if you want to market, you market in IPL, etc. So, in Radico, like last seven years we have outperformed the industry. Like right now we have done a huge promotion across eight airports where we have taken positions for our luxury brands, where for months we have taken like dedicated spaces showcasing India's luxury brands, like especially going on Bombay, Delhi right now. So, I think every company follows a different marketing strategy. But our thing is, we think global, act local. So, our lot of marketing spend goes state specific, because each culture, each state in India is different. South India is different, North is different. So, we go as per the regions.

- Aditya Soman: Understand. Very clear. I will come back in the queue for more questions. Thank you.
- Moderator: Thank you. The next question comes from the line of Dhiraj Mistry from ICICI Securities. Please go ahead.
- Dhiraj Mistry: First of all, congratulations on a very good set of numbers. Sir, my first question is regarding volume growth, that we have seen very 40% plus volume growth. If we adjust for let's say reopening of Andhra Pradesh or let's say North of India, what would be a normalized volume growth during the quarter?
- Dilip Banthiya: So, if we adjust apple-to-apple Andhra Pradesh, then the volume growth in P&A category is higher. And overall volume growth is around 12%.
- Dhiraj Mistry: Got it. And I think this low base would continue till December quarter, if I am not mistaken, right?
- Dilip Banthiya: Yes, this base effect will be Q2 and Q3 partly.
- Dhiraj Mistry: Partly Q3 also? Sir, thank you very much. And second question is in terms of margin that, now that non-IMFL business has been doing very well, what kind of margin we are witnessing in non-IMFL business right now? And is there any further scope of improvement of margin in that business?
- Dilip Banthiya: Yes. So, the point is, in the quarter the non-IMFL business as a total kitty is around 7.5% to 8%. And IMFL margins are upward of 18%. Going forward, with the grain and other commodities showing some softening trend, we expect improvement in non-IMFL margins as well.
- Abhishek Khaitan: If you see, last year our margins were 13.8%, for the quarter and now, it is 15.3%. So, I think for the next three years, we expect, unless something very drastically happens on the commodity side, a margin expansion of 125 to 150 basis points year-on-year for the next three years. So, we come to the late teens.
- Dhiraj Mistry: Okay. So, sir, your earlier guidance was somewhere around 100 basis points of margin expansion, now you are increasing that to 125 to 150 basis points. Is that correct?
- Abhishek Khaitan: Yes, that is correct. Because our premium brands are doing exceptionally well. Plus, you have seen with the volume growth and

with everything, the operating leverage comes into play because you do not need to increase so much of manpower, other fixed costs. And we are seeing superb traction. And what is happening, like even if you see, we control 60% of the vodka market in the country. And globally, vodka is 28%. Whereas in India, it will be only about 3.5% to 4%. So, we are seeing a gradual shift happening to vodka, where Radico is in the biggest advantage space. And vodka always gives you a higher margin than any other product. So, I think if God willing everything goes well, and we do not experience any major [raw material] shortages which happened last to last year, we feel that 125 to 150 basis points is possible.

Dhiraj Mistry: Got it. And last question is on Morpheus volume that we have launched. So, as per my thinking is that this category is very profitable in a way. Also, in a way it can drive very good volume growth. So, what's the internal aspiration for this Morpheus whisky? What kind of volume growth do you envisage in next two to three years period of time? Which would be the key focus states for that brand?

Amar Sinha: So, first of all, I must tell you that the segment itself, as of today this is a 17 million cases plus segment. The growth rate is approximately 15%, a strong double digit growth rate of this segment. All the key states, like say, for example, Karnataka, Maharashtra, Rajasthan, Haryana, Delhi, these are all big states, UP. These are all very big states for the segment.

Having said this, like we said, we have launched it technically in the super premium whisky segment, but here we were always unrepresented. This was the only [whisky] segment we were unrepresented. And this is the first launch in this segment that we have done starting from UP. The response that we have seen in terms of primary sales, the response that we have seen at the tertiary level, whichever outlet we have gone to say about 1,000-plus outlets, every shop has shown strong tertiary demand by the consumer. So, the first feedback is extremely positive. And we are very optimistic that we will see the same response across India.

Now, having said this, we must also reiterate that this has been launched as the most expensive super premium whisky in terms of price positioning or consumer price. It is Rs. 150 more than the most expensive competitive brand in this segment. With this launch, Radico has made a foray into the largest contribution pool of the IMFL

segment. The blend is unique. It's a mix of imported scotch malts, the finest Indian grain spirits and is aged in bourbon barrels. We hope that this is a complete winner in the segment. And we are very optimistic that we will carve out a dominant position in the next couple of years for this brand.

You would also know that Royal Ranthambore launched three years back at a price higher than the largest selling scotch whisky. Today, it is growing at a rate between 90% to 100% year-after-year. And it's become a brand that is being demanded by the consumer in practically every corner of this country. Demand is flowing in from overseas as well.

So, Ranthambore is a sure shot winner that we see. Morpheus Whisky is something that shows great traction. And Abhishek talked about The Spirit of Kashmyr, I think that's a brand to look out for in the luxury vodka segment, which was long dominated by international brands. This is a matter of pride for India to launch a product in this segment. And we have ambitions to take this brand global.

Dhiraj Mistry: Very well said. Sir, just last question on this part, that we do not have any capacity constraint in the luxury segment, we have enough capacity to cater the demand.

Abhishek Khaitan: See, as far as the single malt goes, we have spent a lot of money, we have tripled our capacity a few years ago. I think as the liquid flows, we would be able to cater to the demand. And if the demand is more we will keep investing in single malt space. As far as the other brand goes, we do not have any capacity constraint because we have done our Capex of Sitapur, which is the largest plant of Asia. So, I think capacity would not be a constraint for us.

Dhiraj Mistry: Got it. Once again, congratulations on a good set of numbers. Just one thing, what would be the due from Telangana market? And that would be my last question. Thank you.

Amar Sinha: So, let me tell you, in Telangana our overdue is roughly Rs. 90 crores and we are the lowest in the industry. There has been slow progress. But the good thing about Telangana is that whatever supplies we are making now in the recent times, we are getting our money on time. And I am sure that Telangana government will very soon clear the balance as well.

- Dhiraj Mistry: Thank you. That's it from my side.
- Moderator: Thank you. The next question comes from the line of Harit Kapoor from Investec. Please go ahead.
- Harit Kapoor: Good evening. So, my first question is on After Dark. I remember this being a fairly old brand in your portfolio now, while you had launched this along with another brand called Regal Talons and you were kind of doing the regional play here. But in the last two to three years, this brand seems to have really exploded in terms of growth. Could you just take us through as to what have been the variables to have driven this significant growth in this brand over the last, say, two and a half years? That'd be very helpful. That's my first question.
- Amar Sinha: So, good question. We were expecting this to come. See, in fact, After Dark was a sleeping giant in our stable. And a couple of years back we were always eyeing the semi-luxury, luxury segments, the premium segments. So, we were working very hard on those segments because we wanted to earn profit for our shareholders. But what we have seen of late is that this has emerged as the largest segment of the Indian IMFL industry. Its 70 million cases, industry growing at about 15% to 16%. And we feel that there is a big opportunity because we are practically represented with our range of products, with Morpheus Whisky now being launched, we are now represented in almost every category and segment of the IMFL industry.
- So, one fine day while we were looking at promoting the luxury and semi-luxury, we thought we should not overlook this because we already had a brand. We repositioned it with excellent packaging, a change in the look and feel with upgradation in the blend. And ever since then the brand has not looked back.
- In the first year itself, we did 9 lakhs. In the second year, we grew by more than 100% to 1.9 million. And in the current year, FY26, we hope to double our volumes very easily. The brand is showing great traction. It is in the segment which is currently held by brands like IB and McDowell's. And I think it is emerging as a competitive force in this segment. We are very optimistic that we will be a good player in this industry with this brand.
- Harit Kapoor: Just to follow up, is the aspiration now national for After Dark? Is it across markets? I just wanted to get an update on that.

- Amar Sinha: So, as far as we are concerned, After Dark is already available in 14 states. And now we are going to take it across 24 states in the next six months. We are going to launch it national.
- Abhishek Khaitan: I want to add on the After Dark is when we repositioned it, repackaged it, rebleded it, we started with selective states. But whichever state it has gone, the response is so good that now in this current fiscal, we will take it all India. So, the brand is showing a very fast movement.
- Harit Kapoor: Second question was on the state-wise regulation. So, we have seen Maharashtra being negative for the industry. Andhra Pradesh, Uttar Pradesh over the last six, eight months actually positive. Just wanted to get a sense check on, are there any other states where the regulatory environment has been this side or that side over the last say quarter or so that might have kind of missed us because really all the news has been taken up by Maharashtra and UP and Andhra?
- Amar Sinha: See, first of all, it's very important to state that UP and Andhra today are faring well with their excise policies. It's giving every player operating in this country an opportunity to be present in every segment and category. So, the excise policies are extremely good and favorable to the industry, whether Indian or foreign players.
- Having said that, as far as Maharashtra is concerned, yes, we see that there is going to be an increase in the consumer price for the brands. But then we have always seen in the past that like what we saw in Karnataka, they experienced that the consumer price of their brands in Karnataka were the highest in the country. And then when they started seeing growth in adjoining states, then they realized that they need to rework on them, which they did.
- Now, in Karnataka, premium brands have started growing and doing pretty well. We used to be only 4% of our premium portfolio in Karnataka last year. Today, our premium portfolio, the saliency is 15%. So, as far as Maharashtra is concerned, we feel that it is too early to comment on what the outcome will be. But in this business, water finds its level. I think every state government does not want today to lose on revenue. So, I am sure if it does not work, they will relook at the entire strategy or the policy. But we are hopeful that Radico will find a way to maneuver through the intricacies of this policy.
- Harit Kapoor: Couldn't agree more. The last question was on CAPEX. So, for this year, Dilip ji, what is the kind of number that we are looking at for FY26?

- Dilip Banthiya: So, now our Capex average run rate will be around Rs. 150 crores to Rs. 160 crores annually for next two years.
- Harit Kapoor: And is this largely maintenance or there's some addition as well?
- Dilip Banthiya: Yes, it is related to the brand and malt.
- Harit Kapoor: Got it. Wish the team all the best. Thank you.
- Moderator: Thank you. The next question comes from the line of Abhijeet Kundu from Antique Stock Broking. Please go ahead.
- Abhijeet Kundu: Congrats on a really great set of numbers. Very strong outperformance. My question was, one, what was the thought process behind your super premium whisky launch? I mean, the name of the whisky has been Morpheus. Morpheus was more about Morpheus brandy. So, what was the thought process behind naming whisky as Morpheus? One was that.
- And secondly, in Maharashtra, we are not still very clear. At least, I am not still very clear about how the duty structure has been, because what we are made to know is that the tax increase has been higher in the entry level prestige and above and mid-level prestige and above. So, just some color on that I wanted to get from you. These two are my questions.
- Amar Sinha: So, let me tell you what's happening, first I will answer the Maharashtra bit of the question. See, the fact is the changes have taken place which are drastic in terms of policy. But practically, most brands that sell in huge numbers are still thinking of pricing their products between Rs. 200 to Rs. 250 to the consumers. And this price band is not unique. It's been there at some point in time, either in Maharashtra or in Karnataka or in any part of the country.
- So, as I said, that yes, the changes are drastic. But then we need to see it's too early to comment as to how the market will react. But we are hopeful that the Maharashtra market is very sensitive, because it's surrounded by states like say, for example, Daman, Madhya Pradesh, Rajasthan, Goa. So, if the policy does not work internally, the brands from other states are going to flow in, the government will lose revenue, and then they will take corrective action. So, as I said, you know, the water will find its level. But today, what we see that most large selling brands are trying to price them between Rs. 200 to Rs. 250 rupees a nip, which will work. Let's see what happens.

Coming back to your first question, which is Morpheus name. See, first of all, it's important to say that Morpheus brandy is the only product in the premium segment of brandy which enjoys a market share of over 60%. The brand equity for this category is extremely strong. In fact, five years back, we decided to make brandy a national product. So, we extended Morpheus to other parts of the country, to the north, west and east.

Today, we are the only national premium brandy in the IMFL category. For three successive years, we have sold more than 1.2 million cases. And the growth continues to be seen in our current year as well. So, that's the kind of equity with all marketing, all activation that we have done for the Morpheus brandy.

We were deeply inspired by the brand positioning 'Dare to Dream'. And that's what we wanted to extend to Gen Z and the younger generation, because that's a subject matter, which is dear to the heart of all youngsters today. And Morpheus whisky is positioned in that super premium segment, which is now almost becoming the entry segment of all affluent consumers. So, that was the inspiration we view.

With Morpheus Brandy we said 'Dare to Dream'. With Morpheus Whisky we are saying 'Be Your Dream'. So, I think that's where it comes from. And that the campaigns have worked out very effectively for it. The initial response, as I said, is very encouraging. We are very hopeful that this is a serious challenger in the IMFL premium whisky segment in the times ahead.

Abhijeet Kundu: Understood. And another thing, I do not know whether you would be able to comment on this or not, but what would be the value contribution of your luxury segment, including Royal Ranthambore? I mean, across the board, all your whisky and vodka offerings taken together, what would be the value contribution?

Dilip Banthiya: As we have guided in Q4 of last year, from the luxury segment, the contribution to the IMFL business was around 10%, which is roughly Rs. 350 crores. And this year, we are going to cross more than Rs. 500 crores from luxury and semi-luxury.

Amar Sinha: And the value [growth] of semi-luxury and luxury is 50% right now in this quarter.

- Abhijeet Kundu: And the gross profit margin would be substantially higher as compared to, obviously, I mean, the lower segments, the P&A segment?
- Amar Sinha: Much higher. The important point here is that most of our luxury and semi-luxury brands are still at the nascent stage. So, the future seems to be very bright for these brands based on the traction that we are seeing.
- Abhijeet Kundu: Yes, because this 50% growth could go on for like the next few years. I mean, the kind of underlying demand, which is there, and there is not much serious competition, so to say. I mean, there is, but you have carved out a very strong product offering there and have outperformed.
- Abhishek Khaitan: Actually, I have always believed in one statement that to make the first million is tough, after that millions follow. So, same thing in alcohol, like say Royal Ranthambore if you are targeting next year half a million cases. So, when so many people are drinking it becomes a brand and people want to drink the same brand. Same thing has happened with Jaisalmer. Rampur has not touched the surface only. So, I think luxury and semi-luxury, which I am super confident is 'The Spirit of Kashmir', and there are one or two more brands which are in the offering in the near term. So, I think the luxury, semi-luxury story has just begun.
- Amar Sinha: And the innovation pipeline is very strong at Radico. So, a lot of products are being worked upon.
- Abhijeet Kundu: Sir, that is great to hear. And what has been the response of Sangam? Sangam, I believe, would be in the product offering of Monkey Shoulders, is that right to say? I mean, because it is a confluence of many malts, so would that be the product offering?
- Abhishek Khaitan: Yes, you are right. The price of Sangam would be about Rs. 5,000 and the response is fantastic. It is available in 13 states. It is showing great traction. The response is very good from the consumer side. There is quite a bit of repeat demand. So, we feel that the brand is poised to grow in the years ahead.
- Abhijeet Kundu: Great to hear. Thanks.
- Moderator: Thank you. The next question comes from the line of Pankaj Kumar from Kotak Securities. Please go ahead.

- Pankaj Kumar: Yes, thanks for taking my question and congrats on a very good set of numbers. Sir, the question is on the non-IMFL category. In this quarter, we have seen this is more than Rs. 400 crores kind of contribution. So, how do you see with 12% growth? And how do you see this as a segment contributing in the coming quarters and year ahead?
- Dilip Banthiya: So, at present, the run rate is around between Rs. 400 crores to 420 crores. In country liquor, we expect 4% to 5% growth. Other than that, the bulk spirit which will get converted into the branded business slowly and gradually in three to four years, so we expect a single digit growth in the non-IMFL from 2026 onwards.
- Pankaj Kumar: Sir, on this working capital that has basically improved in this quarter, so what led to that change? Is it largely driven by UP? And what has changed there?
- Dilip Banthiya: Yes. So, working capital - one, it is cyclical. We build stocks during the season which gradually get liquidated over the next six months. Secondly, yes, you are right - in UP, the excise duty has now been passed on to the wholesaler, so that is also gradually reducing the working capital stakes there.
- Amar Sinha: So, that's definitely resulted in the reduction of the working capital. But in any case, across the country, we are exercising huge discipline while the sales are growing.
- Pankaj Kumar: And sir, my last question, as you stated that one or two more brands which are there in the offering. So, which category you believe where we are not into, and we need to add these? And what is the time frame for these launches?
- Sanjeev Banga: See, in terms of the new brands, we are now with Morpheus Brandy as well available across on all segments. So, we are working on how we can further strengthen our participation and offerings in whether the brown spirit or white spirit. So, we are working on all of this. And in fact, all our products have been internationally also very well received. I will be happy to share that Rampur is the official partner of Michelin Guide for Dubai and Abu Dhabi as well. So, it shows the kind of recognition and acknowledgement that all the international players are putting on Rampur Indian single malt.
- Pankaj Kumar: Okay. Thank you. These were the questions.

Moderator: Thank you. The next question comes from the line of Anuj from Antique Stock Broking. Please go ahead.

Anuj: Hi, team. Congratulations on the great set of numbers. Two questions from myself. Earlier in the call you had mentioned optimism in the vodka segment, has there been any specific market indicators which has encouraged our expansion in the premium range with 'The Spirit of Kashmir'? Secondly, in the regular segment, in the previous quarter, you had mentioned that we had achieved 23% market share in Andhra Pradesh, how is that moved in this quarter? And how are we seeing the trend, per case realization for the regular segment shaping up in the coming quarters?

Abhishek Khaitan: See, to answer your first question, I think there would be no brand anywhere in the world which commands a market share of 58% to 60% in the vodka segment, which is Magic and now 'The Spirit of Kashmir', as Amar was saying earlier, it is going to compete with the imported multinational brands. And I think once you see the packaging, and more than the packaging, if you taste the blend, which I always tell is the heart of any of the products, I think this blend would be one of the best blends. And we are very confident that with the pricing what we have taken, it should make a big impact on the industry. Right now, we have started with the state of UP. And gradually, again, as we have done for Morpheus whisky, in the current year we will take it to 10 states.

As far as Andhra Pradesh is concerned, we are growing stronger and stronger. So, in the current quarter, our market share was 28% and the brands are doing exceptionally well. So, to have 28% is a big achievement anywhere. It's highest in the industry. We are clearly the number one. So, that is what we believe that hopefully Delhi, then the most awaited after the election is Bihar, they open up. Tamil Nadu opens up. So, I think like how Andhra has opened up, we are quite hopeful Bihar, if the government changes, it becomes wet. Delhi, definitely the policy has to change, where again it can be a very big moment for all the liquor companies, especially the national companies, especially for Radico. So, these three are the positives which can change the game like Andhra.

Anuj: Thank you. Great clarity. And good luck for the upcoming quarters.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments. Thank you and over to you.

Dilip Banthiya: So, thank you everyone for joining us. Moving forward, we will continue to deliver a strong prestige & above category volume growth, driven by our diverse brand portfolio. Secondly, we will further develop our luxury brand portfolio, which we see as a major contributor to our profitability. Furthermore, we are focused on ensuring that our capacities operate as efficiently as possible. This will enable us to generate cash, repay debt and return cash to the shareholders.

We look forward to interacting with you on our next earnings call. In the meanwhile, if you have any queries, please follow up or feel free to write to us. Thanks a lot.

Moderator: Thank you. On behalf of DAM Capital Advisors Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines. Thank you.

Note: This transcript has been edited to improve readability.

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