



Associated Alcohols & Breweries Limited

14th August, 2025

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 11th August, 2025 on Earnings Presentation Q1 FY 2025-26.

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 11th August 2025 on Earnings Presentation for the Quarter ended 30TH June 2025 of FY 2025-26.. A copy of the said transcript along with audio recording is also available on the website of the company www.associatedalcohols.com

This is for your information and record.

Thanking You

Yours Faithfully,
For Associated Alcohols & Breweries Limited

Abhinav Mathur
Company Secretary & Compliance Officer

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**“Associated Alcohols & Breweries Limited FY 2026
Virtual Earnings Conference Call”**

August 11, 2025



**MANAGEMENT: MR. ANSHUMAN KEDIA – WHOLE-TIME DIRECTOR &
CHIEF EXECUTIVE OFFICER, ASSOCIATED ALCOHOLS
& BREWERIES LIMITED
MR. TUSHAR BHANDARI – WHOLE-TIME DIRECTOR &
CHIEF FINANCIAL OFFICER, ASSOCIATED ALCOHOLS
& BREWERIES LIMITED
MR. ANKIT NAGORI – DEPUTY GENERAL MANAGER,
ASSOCIATED ALCOHOLS & BREWERIES LIMITED**

**MODERATOR: MR. RAHUL DANI – MONARCH NETWORK CAPITAL
LIMITED**



Associated Alcohols & Breweries Limited
August 11, 2025

Moderator: Ladies and gentlemen, good day, and welcome to the Q1 FY '26 Earnings Conference Call of Associated Alcohols & Breweries Limited, hosted by Monarch Network Capital Limited.

As a reminder, all participants' lines will be in listen-only mode during the presentation. There will be an opportunity to ask the questions once the management 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. Rahul Dani from Monarch Network Capital Limited. Thank you, and over to you, sir.

Rahul Dani: Good evening, everyone. On behalf of Monarch Network Capital Limited, it's our pleasure to host the senior management of Associated Alcohol & Breweries Limited.

We have with us Mr. Anshuman Kedia – Whole-Time Director & CEO, Mr. Tushar Bhandari – Whole-Time Director & CFO, Mr. Ankit Nagori – Deputy General Manager. We also have Go India Advisors, the IR team on the call.

Without wasting much time, I will hand over the call to the Management for opening remarks, and then we will move to Q&A. Thank you, and over to you, sir.

Anshuman Kedia: Thank you, Rahul. Good afternoon, everyone, and thank you for joining us on the Q1 FY '26 Earnings Conference Call of Associated Alcohol & Breweries Limited. Our Financial Results and Investor Presentation have been uploaded to the Exchanges. I hope you have had a chance to go through them.

We began FY '26 with a clear sense of direction to build on the strong foundation we laid last year with continued focus on premiumization, geographic expansion and strengthening our operational backbone. AABL continues to establish itself as a rising player in the Indian alcoholic beverage industry, backed by an integrated business model and a growing portfolio of distinctive brands.

The industry landscape itself is evolving rapidly. India's premium alcobev segment is benefiting from strong tailwinds, rising incomes, increased urbanizations and shifting consumer aspirations, all driving demand for quality-led craft-centric products. Premium categories are now growing faster than the broader IMFL market, and that opens significant headroom for value creation. We are aligned to this shift.

Over the past year, we made strong progress in building out our premium portfolio. Our two most recent launches, Hillfort Blended Malt Whiskey and Nicobar Gin are a testament to that. Both have struck a chord with consumers looking for authenticity, flavor and elevated experiences.



The positive market response reinforces our belief in a product-led strategy. More recently, we introduced Central Province vodka, which is off to a promising start. We have also refreshed Titanium vodka with a new model packaging, keeping it in step with evolving consumer tastes and reinforcing its presence in the prestige segment. Looking ahead, we are gearing up to expand this portfolio further.

One exciting addition is Culture, our new ready-to-drink brand. It will be first launched in Madhya Pradesh. Thereafter, we are planning to take it to metros soon. Culture is designed for today's consumer, someone who values light, flavorful and convenient formats. The RTD market in India currently pegged at around \$72 million, is expected to grow at over 20% CAGR in the next few years. We believe Culture is well positioned to tap into this growing demand.

Beyond RTDs, we are preparing to enter new premium segments, including brandy and tequila, to further strengthen our presence in high-growth, high-margin categories. These launches are a part of our broader ambition to offer a well-rounded premium IMFL portfolio that can cater to diverse consumer preferences across regions.

Our entry into Maharashtra and Uttar Pradesh marks a significant step forward, positioning us in two of the country's most prominent IMFL markets. Maharashtra alone accounts for over 10% of India's IMFL demand, making it a critical part of our long-term growth story. These are markets where premiumization is clearly visible, and we see significant potential to scale.

As a part of our phased pan-India rollout, we continue to introduce proprietary brands, particularly in the premium segment across key high potential states. At the same time, we are reinforcing our operational efficiency. The commissioning of a new malt plant, which will soon be fully operational, marks an important step towards backward integration, helping us ensure quality, manage costs and support innovation, all of which are key to scaling premium whiskeys in the years ahead.

Meanwhile, our ethanol business remains stable. We secured full allocations with rice and maize prices cooling off. Margins are expected to hold steady. The integrated nature of our business allows both ethanol and beverage alcohol to support each other, creating efficiencies and driving resilience.

On the partnership front, our long-standing relationship with Diageo continues to remain strong. We support them across franchisee and job-work formats. As we move ahead in FY '26, we do so with solid fundamentals and a sharper premium focus, broader market reach and a deeper understanding of evolving consumer preferences. We believe our strategy grounded in innovation, operational excellence and brand building will continue to guide our journey and help us participate meaningfully in India's alcobev transformation.

With that, I will hand over to Mr. Tushar Bhandari – our Whole-Time Director and CFO, to take you through the financial and operational highlights.



Tushar Bhandari:

Thank you, Anshuman, and good afternoon, everyone.

Let me begin with a quick update on the external environment:

As mentioned, we recently entered Maharashtra, one of the India's most significant IMFL consumption market. The recent changes in the state excise policy are something we are watching closely. It's still early to fully assess the impact, but we are evaluating pricing adjustment across channels to limit any disruption and maintain growth momentum.

The UK India Free Trade Agreement could also influence the India alcobev industry, while it supports the premiumization strategy. We are mindful that it could lead to increased competition. We are monitoring the situation closely and will approach any such development with measured caution.

Coming to our performance for the quarter:

We have had a solid start to the year. Momentum has been strong across both volume and value, especially in our premium and above segment. Our rich product mix has helped support margins.

From the cost perspective:

The input environment has improved. Price of key raw material like rice and maize, which remained high last year, have now stabilized. Packaging costs, especially glass have also come down. We anticipate that the key raw material price will hold steady, barring any unforeseen volatility. These factors, along with our tight precautionary discipline and efficient supply chain helped drive an improvement in gross margin this quarter. We continue to stay focused on driving operational efficiency.

Let me now walk you through the key numbers of Q1 FY '26:

Net revenue stood at Rs. 276 crores, up by 6% year-on-year. Gross margin was 40%, showing a healthy improvement. EBITDA stood at Rs. 37 crores, up by 32% year-on-year with the EBITDA margin at 14%. PAT at Rs. 24 crores with a PAT margin of 9%. For the full year, we have planned a CapEx of about Rs. 100 crores, primarily to support the maturation project and continued with operational upgradation across our facilities.

Here's a quick look at segment-wise performance:

Proprietary IMFL revenue, Rs. 41.3 crores, up by 21% year-on-year. IML revenue Rs. 73 crores, up by 17%. Merchant ENA was at Rs. 36 crores. Ethanol was at Rs. 57 crores. And the volume, proprietary IMFL 5.67 lakh cases, up 31% year-on-year. Licensed IMFL 3.87 lakh cases, Merchant ENA, 5 million liters; ethanol 8 million liters.



Looking ahead, our focus remains on scaling our premium portfolio. The malt plant will soon be operational and is a major step towards backward integration, improving quality control and enabling innovation. The groundwork is also being laid for our maturation facility, which will support in-house aging, a key level for long-term brand building. With the upcoming launch of RTD products, our entry into Maharashtra and Uttar Pradesh, and our sharper focus on premium category, ABL is in a strong position to tap growth across segments and geographies.

With disciplined execution and financial prudence, we remain committed to delivering sustainable and profitable growth with the quarters ahead. With that, we can now open the floor for questions.

Moderator: Thank you very much. We will now begin the question and answer session. Our first question comes from the line of Bharat Mani from Moneybee Investment Advisors Private Limited. Please go ahead.

Bharat Mani: Hello. Congrats for a good set of numbers. My first question would be on the RM side. Like in the opening commentary you said the RM prices, the feedstock and the glasses have kind of stabilized and moderated. But the gross margins on Q-on-Q level have increased by 3%. So, could you just explain a little bit why was that increase?

Tushar Bhandari: So, the grain prices are on the stable format. But on the Q-on-Q, there is a slight increase. But if you take about the entire year perspective last year to this year, so this year on Q1 the base price is around Rs. 22,000 to Rs. 23,000 as compared to last year, which was average at around Rs. 2,400.

Bharat Mani: Yes. But the Q4 was around Rs. 2,000, Rs. 2,500, if I am not wrong, right?

Tushar Bhandari: Yes, that's the maximum we got.

Bharat Mani: Okay. So, that's what I am saying. So, the gross margins have reduced by 3% on a Q-on-Q level. The gross margins in Q4 FY '25 was around 43% and Q1 FY '26 is around 40%. So, why has there been a reduction if the rice prices have reduced?

Tushar Bhandari: I will just check and get back to you on that.

Bharat Mani: Okay. So, the second question would be on the IMFL proprietary business. So, there has been a 30% volume growth on a Y-o-Y basis, so could you just explain what were the drivers of this growth? Was there the expansion into UP and Maharashtra? And if you could just talk about how has been the response in those two states and about the existing states as well.

Tushar Bhandari: Okay. So, basically, earlier also we have said that our focus has always been now going forward is on our proprietary brand and the premiumization portfolio. So, this growth primarily has come from a mixed bag from across different states. So, to name a few, the growth has come from;



one is the premium launch of Central Province Vodka in Madhya Pradesh, so that volume has been added. The volumes have increased in the Kerala market. And certain amount of volume increase has come from UP market.

Maharashtra market, not major volume increase has come because as soon as we launch the Maharashtra market, the new policy of MML Maharashtra policy has come out with. So, which we are just evaluating and we are seeing what the competition is doing and then putting our price accordingly and moving forward. Because till now, there's no clear picture on Maharashtra policy, how the competition will fare. So, primary contribution has come from Madhya Pradesh market, Kerala market and slight of it has come from UP market.

Bharat Mani: Okay. So, the second question would be, the Hillfort and Nicobar Gin, so FY '25 you did a volume of 10,000 cases. So, what is the volume that you did in Q1 FY '26? And what is the target for this year?

Tushar Bhandari: So, Q1 FY '26, we have just done around 2,000, 2,500 cases, which will increase substantially. So, we have targeted around 15,000 to 20,000 cases this year.

Bharat Mani: Okay. Just one more question, is there any update on the tequila launch? I guess, there were some regulatory approval that you had which was in process, so could you just give me an update on that?

Tushar Bhandari: So, in that tequila launch, there were some regulatory issues from the Mexican government, which was taking time. But now we are going ahead, and we are in process of importing the tequila. So, I think around next two to three months we can target and launch tequila. We have already placed a purchase order of importing the tequila.

Bharat Mani: Okay. Just one last question, if I could. So, there has been an excise duty in Karnataka followed by Maharashtra, so do you expect any other states to go forward and put any hike in excise duty? Or what is the on-ground scenario as of now?

Tushar Bhandari: See, we cannot say anything per se in terms of excise duty because we are dealing with so many governments altogether. So, what government, what step, at what time takes the steps, we cannot say. But see, we have to be dynamic and adjustable as per the market change in scenario, like whatever has happened in Maharashtra, it's become a setback for almost all the companies, and primarily for the big players which are there. So, it's difficult for them to operate or to strategize. So, they might give up on the margins which they were getting.

So, it can be an opportunity for us that if we give a higher margin to distributors or retailers, so our brands might click. But we are just assessing that how things are going to function. And even the MML policy is not clear yet. So, there can be an opportunity for a local or an Indian player to enter into the MML segment also if there is an opportunity available there.



So, we can see it as an opportunity right now. But depends on state to state, how they are going to play, then we are going to take a call. Because see now within this complete year, within this year end, we will have a portfolio of all the premium brands across the category. So, we can play in each and every category depending on the market scenario and price it accordingly.

Bharat Mani: Okay. Just before I get back in the queue, so the gross margins which I had asked earlier, so did you get a chance to look at the data?

Tushar Bhandari: We will just get back to you. Just give me a minute.

Bharat Mani: Okay. I will get back in the queue. Thank you.

Moderator: Thank you. Our next question is from the line of Karan Kamdar from Choice Institutional Research. Please go ahead.

Karan Kamdar: Hello, sir. Sir, I wanted to ask about the margins once again. So, I see that our OPEX margins have improved, rather OPEX as a percentage of sales has declined almost 50 basis points. What has improved?

Moderator: Sorry to Interrupt Karan, sir, your voice is not clearly audible.

Karan Kamdar: Sorry about that. So, I am saying, OPEX has reduced, operating expenses as well as power. So, what could be the reason for that? And will it sustain in the upcoming year? Or is it like a onetime impact?

Tushar Bhandari: No. So, the operating expenses have reduced because the efficiencies have come in and it's sustainable over the years to come. And the power has reduced because the turbine, we are using the turbine fully because now almost all the plants are up and running at full capacity, so that's why the power is also reduced. That should sustain in times to come.

Karan Kamdar: Okay. So, this kind of EBITDA margin of 14-odd-percent is sustainable for the year? Or do you think we will still go back to 12% or 11% kind of a number?

Tushar Bhandari: Everything would depend on the grain prices. Right now, we are expecting grain price to stabilize because the crop is good and the maize cultivation acreage is also increasing. Like in Madhya Pradesh, there has been an increase of 5%. And over the years, people are being more educated and cultivating more maize, because the requirement is huge in terms of ethanol and alcohol industry as well. So, with that, if the price of grain stabilizes or stays here, then the margins are sustainable. But in the times to come, as we are entering the bigger states, okay, we would have to invest certain amount of money in development of team and in marketing activities. So, it should be around this range only if the grain price stabilizes.



- Karan Kamdar:** Got it, sir. And one question, if I can squeeze in on the IMIL side. We have seen a lot of growth there, so what contributed to that kind of growth? And is that growth sustainable?
- Tushar Bhandari:** See, IMIL growth primarily we have seen because there has been certain increase in the consumption because of the new variant which was introduced in IMIL. That is one product with a lesser strength and one product with lesser capacity like the 90 ml was introduced this year, so that's why the growth is there. But I think we would see a stable growth of around 3% to 5% in IMIL. And it's a completely tender-based process, we cannot do much about it. So, our focus is right now only in our IMFL product, of our own IMFL premium product. So, that's where we are looking at driving the growth from.
- Karan Kamdar:** Okay, got it. That's it from my side. Thank you very much, sir.
- Moderator:** Thank you. Our next question is from the line of Kush from Niveshaay Investment Advisor. Please go ahead.
- Khush Shah:** Hi. So, my question would be related to the RTD launch has been delayed, can you elaborate on the reason? And how we plan to compete with established players in this category?
- Tushar Bhandari:** See, as we have also mentioned in the presentation that the delay was primarily because of the import of the equipment. So, now we have received the equipment, now we are in the process of registration. So, as soon as the registration will happen within a month's time, we will first initiate the launch in the state of Madhya Pradesh. And then we will go to other major states where the consumption of RTD is higher.
- See, to be competitive as per the peers which are there, so the only thing which we can do is that we can add more unique flavors. And as we have also shown in, you must have received our annual report, so we have tried to make the packaging more attractive and more appealing to our consumers. So, these are the two things. And we are adding more flavors and we are giving more choices to the consumers. These are the two primary things, and we are maintaining the quality. So, our liquid also, we would be using the best liquid in our RTD. So, these are three things which continue apart from the marketing and promotional activity, which we will be doing across. So, this is the strategy to take the growth on the RTD.
- Khush Shah:** Okay, sir. Sir my next question would be, with the change in improved contract terms for IMFL license to contract manufacturing, how will this affect top line trajectory and margins?
- Tushar Bhandari:** Pardon me? Yes, can you repeat it, please?
- Khush Shah:** Yes. So, the change in Inbrew contract terms from IMFL license to contract manufacturing, so what would be the effective top line trajectory and margins?



- Tushar Bhandari:** So, that will come effective from next month onwards, okay? There will be a slight impact on the top line because the revenue would go in their books. But we are trying and compensating from the increase in sale of our product portfolio, and that should be the focus going forward. So, we are concentrating on that. And apart from this, we are in talks with Inbrew in a couple of other agreements also and expanding their product range across the country. So, if that materializes, most of the things will get compensated in that. But definitely, we have to be focused in our own products, that's what we are doing.
- Khush Shah:** Why has been Inbrew taken in line?
- Tushar Bhandari:** See, any which way if Inbrew has taken it back, we will be the primary driver of the sales force here. And for that, we will get a certain percentag.. Plus we will be getting also the job-work revenue from them. They have taken it back because of their own particular reasons which are known to them, which I cannot disclose it here. So, that's the only purpose why they have taken it.
- Khush Shah:** Okay. Sir my last question would be our working capital is well managed, what are the key drivers behind this?
- Tushar Bhandari:** See, primarily, the working capital is being well managed because of the efficiency of the main money which is coming in from the state of Madhya Pradesh, okay, from the government. It will completely depend on the states and states you enter and what the payment cycle is there on those states. So, it will completely depend on that. So, for example, Delhi, whatever products we sell, we sell it after the duty and the payment cycle is better there. So, we get the duty in advance.
- And Madhya Pradesh, we do not have to invest in duty. So, that's why the major business is Madhya Pradesh and Kerala, which is there. So, that is the major reason of working cycle being lesser. But as there will be a substantial increase in sale in, say, for example, Uttar Pradesh, Uttar Pradesh what we are looking at becomes an equally bigger state than Madhya Pradesh or Kerala. So, then the working capital cycle might change a bit. But we will try and do other things in which we will increase the efficiency of working capital cycle.
- Khush Shah:** Okay. So, sorry, my last question would be, will the contract manufacturing arrangement for Inbrew cover the same product previously under the IMFL license business?
- Tushar Bhandari:** Yes, it will have the same product, plus there will be other products also which they will be launching.
- Khush Shah:** Okay, sir. Thank you for taking my questions.
- Moderator:** Thank you. Our next question is from the line of Nishita from Sapphire Capital. Please go ahead.



- Nishita:** Hi. Sir, I just wanted an update on the malt maturity facility that you are doing and how much revenue is expected from the malt plant, and when will the commencement start there?
- Tushar Bhandari:** See, the malt maturity plant has almost been commissioned. Right now we are running a few trials on the malt maturity. And within a month's time, it will be up and running. The first initial revenue would start coming out from one and a half years from today because we will have to mature the liquid for at least for one, one and a half years. And the more we mature, so for example, if you mature for two years, if you mature for three years, so that's how the revenue will start kicking in.
- Nishita:** Okay. And like what is the revenue growth that you are expecting once the revenue comes in?
- Tushar Bhandari:** So, see, revenue would come in two different formats. One is that if we will be selling the pure mature malt, okay, after one and a half years, then the revenue would be completely different. But our objective is to convert into our own IMFL product. So, if we are able to achieve that over next two years, we are able to have what we are targeting, have a presence in almost 10, 12 states, have a good volume of premium brands. Then we would be looking at making our own single malt and selling that. We would like to consume most of it internally in our own products. So, that will include our single malts, certain amount of malt which is going in our Central Province whiskey, amount of malt which is going in our own Hillfort whiskey. So, if we are able to do that, then there will be a substantial growth in the revenue.
- Nishita:** Okay. Understood. Thank you very much.
- Moderator:** Thank you. Our next question is from the line of Rajveer Tandon from Ventura Securities. Please go ahead.
- Rajveer Tandon:** Sir, my first question would basically be that, you have given a volume growth of 30% in the IMFL segment, the proprietary segment. But in your PPT you have given a full year forecast of about only 20% revenue growth for that segment. Do you see any declines coming in or how is it?
- Tushar Bhandari:** No, we do not see any decline coming here. We would see a growth at a higher trajectory only. But over the years, we would be somewhere around 25% to 30% growth in terms of our own IMFL proprietary brands.
- Rajveer Tandon:** So, you are telling that's over the period of two, three years?
- Tushar Bhandari:** Yes.
- Rajveer Tandon:** Okay. And my second question was regarding the tequila product that you are launching, how is the progress going on the approvals from the Mexican government?



- Tushar Bhandari:** Pardon me, how has it progressed?
- Rajveer Tandon:** Going from approvals from the Mexican government because it was stuck, right?
- Tushar Bhandari:** See, approvals are still under process. But irrespective of that, we are going ahead and importing the tequila and we would be selling it here. So, the only thing is that we will not be able to call it tequila, we will be able to call it the agave spirit. Registration process will be on. And as soon as we get the registration or the number, we will incorporate it in our packaging because we do not want to lose on the opportunity because the opportunity is right now.
- Rajveer Tandon:** Yes, yes. So, it will be something like Pistola is selling, right?
- Tushar Bhandari:** Pistola is selling from Indian Agave Spirit. We will be actually calling it -[inaudible- 30:35]
- Moderator:** Thank you. Our next question is from the line of Shubham, an independent investor. Please go ahead.
- Shubham Dhasmana:** Hello, sir. So, sir, I wanted to know how we are promoting our brand, our newly launched products, how are we promoting that?
- Tushar Bhandari:** So, Shubham, to promote our brand we are primarily working on a bottoms-up approach. We are working at the lower end of the market, which is primarily where the consumption happens. So, if you see the consumption pattern, 70% of the regular consumers have got a fixed shop or got a fixed bar. So, if I take an example of a Mumbai city, the consumer generally from office goes to a particular bar, has his couple of drinks and then takes a train and goes to office. So, these are the people who have got their fixed bars or fixed shops.
- So, we try and influence at that level, and we try and give CSM schemes to the salesmen there. So, that's what we are doing, one, because we are sure of our quality. And if the customer tries the product once, then we are sure that out of 10 customers, two will be able to convert. Because what we are trying to do is we are giving value for money to the consumer, that's what we are doing.
- Plus we are doing bar promotional activity. We are doing bar education activity. We are doing activities for bar tenders. Because, see, to develop a brand in premium category where only established players are there, it's very difficult. But we are not doing the large-scale activity which is like, say, advertisement, branding or brand endorsement or team takeovers. We are not doing that right now, because right now we have to work on the bottom end of the pyramid. So, that's where we are spending the more money and time.
- We are also in process of doing bar takeovers wherein there will be a bar tender on our board who would be going to the premium bars and educating the bar tenders there, making cocktails



from our brands, telling customers more about our brands and educating the customers. That's what we are doing right now.

- Shubham Dhasmana:** Okay. And my second question is, sir, when can we expect our products in Mumbai?
- Tushar Bhandari:** So, right now the products we have already launched are gin and Hillfort whiskey in Thane. And soon, it will be available in Mumbai region. The only reason was that as soon as we launched in Thane, it clicked and it was doing really well. And then this MML, Maharashtra Made Liquor policy came in, so we had to change our price structure. So, we were just waiting what competition is doing or what the big players are doing and pricing their products at. And then we will price the products, so which is almost done. Saturday, our Maharashtra team was here in Indore. We had a detailed discussion. And now from Tuesday, Thursday onwards, we are planning to start in Mumbai as well. Mumbai and then will be followed by Pune, which will be followed by Nagpur region.
- Shubham Dhasmana:** Okay. Thank you for taking the questions.
- Moderator:** Thank you. Our next question is from the line of Dhruv Shah from Ambika Fincap Consultants Private Limited. Please go ahead.
- Dhruv Shah:** Hi. This is Dhruv here. I have a few questions. Anshuman, can you just give us a feedback on how has been the response for CP Vodka, which we just launched?
- Anshuman Kedia:** So, Dhruv, the response for CP Vodka is really great. And in the first month we launched in Madhya Pradesh, we took a market share of around about 5% to 6%. So, that speaks of the quality. Because in this price range category where we have launched, there is no other vodka which is using triple distilled ENA. And this is the popular category where the volumes lie. So, we are very focused on this particular category.
- So, right now we have launched in Madhya Pradesh, and we are working out economics how to launch in other states also. And in this also we are planning to launch our Hipster, which is the PET bottle, which we assume that will become a great hit. So, in the first month itself, we have covered a market share of 4% to 5%. And in Madhya Pradesh, we are targeting to around take a 15%, 16% market share, which will be followed by other states as well.
- Dhruv Shah:** So, our realization is at a discount to someone like our Magic Moments?
- Tushar Bhandari:** So, Magic Moment is a higher price. So, in Magic Moment price category, we have already redefined and we are launching our Titanium Vodka in Magic Moment price category. This would be in the White Mischief price category in the popular range.



- Dhruv Shah:** Okay. And sir, on the brandy part, when do we plan to launch? Because we are entering the season for brandy. So, do we expect sometime during Diwali we should launch a premium brandy?
- Tushar Bhandari:** Definitely, during Diwali the brandy would be launched. The blend is ready, the glass bottles and everything packaging material is ready. And just before the Diwali, we will launch it. Our focus was to launch it before Onam in southern markets, which we are slightly delayed on. But before Diwali, we will launch it.
- Dhruv Shah:** Okay. Right. And Tushar, you mentioned that we have achieved the full allocation in ethanol. So, should we expect, from next quarter onwards, around 9 million liters per quarter in ethanol?
- Tushar Bhandari:** Yes.
- Dhruv Shah:** Right. Okay. And just the last question, when do we expect to launch in Goa and Puducherry? That's what we have mentioned in our presentation.
- Tushar Bhandari:** Dhruv, the Goa tie-up plant is operational. We started our operation last week there. So, right now we are making it for Pondicherry. Pondicherry, we will start supplying in coming week, we will start supplying. And Goa also around first week of next month, we are targeting to start our supply. The tie-up unit is already operational now there.
- Dhruv Shah:** Okay, great. Thank you so much. Also, congratulations for great set of numbers. Thank you so much.
- Moderator:** Thank you. Our next question is from the line of Mohit Rajani from Dolat Capital. Please go ahead.
- Mohit Rajani:** First of all, congratulations on a very good set of numbers. And my first question is, like, are you planning to add any new manufacturing facility as we have reached the full capacity with ethanol plant?
- Tushar Bhandari:** So, Mohit, we have also conveyed in an earlier con calls also. So, we are not planning to increase our ethanol capacity right now. See, we have been and we will be primarily an alcobev company. And our focus would always be in increasing our own IMFL proprietary brand, that's where we want to focus right now. At the time when we set up our ethanol plant, the opportunity was right, the margins were very good at that point of time. And it gave us an economies of scale because in the same premises, we could double our capacity. So, our overheads were very less in the same capacity. But we are not looking at expanding our capacity in ethanol.
- Definitely, we might increase our ENA manufacturing capacity if whatever ENA we are selling outside is used for in-house consumption. Then we will look at increasing in ENA manufacturing capacity for which we have already taken license, one step license and central pollution approval



we have already taken in place. So, we have covered most of the major steps which are required. So, over one year to two years' time, which we will have to increase our ENA capacity because our product for our own proprietary brands is increasing, then we will expand our ENA capacity.

Mohit Rajani: Okay. And one more question, like in Maharashtra and Goa like how is the distributor onboarding progressing? And like what are the early consumer traction are you seeing there in those regions?

Tushar Bhandari: So, Maharashtra, we are seeing a very good response, especially for Hillfort whisky we have seen a very good response. Wherever we launched in Thane, we are continuously getting repeat orders. But the only initial setback was there, as I said, that as soon as we launch, the MML policy was there, so there was a pause of around 15 to 20 days. Now it will again start now. So, Thane, we will start. Mumbai, we have already taken on board one distributor. Pune, we are in process of taking a distributor, which should be finalized this week. And then Nagpur, we are looking at.

So, these three regions cover almost around 60% to 70% of the market of Maharashtra. So, we are primarily concentrating on these three regions after we expand to other states. In Goa, we are almost in the final stage of finalizing a distributor, so our Goa distribution will also start the first week of next month.

Mohit Rajani: And like could you also share the planned marketing spend as a percentage of sales going forward?

Tushar Bhandari: So, see, right now, our percentage spend is 1% of the revenue, which we would be looking at increasing if we are able to expand and get full volume at the states we are entering like Maharashtra, UP, Goa and in future we are planning to enter, say, Orissa market as well. So, if that happens full fledgedly, then we are looking at a market spend of around about 5% in the initial years.

Mohit Rajani: Okay. Thanks a lot.

Moderator: Thank you. Our next question is from the line of Pawan Vinod Katariya from Bullseye. Please go ahead.

Pawan Katariya: Congratulations on the good set of numbers. Sir, I had a question regarding the distribution footprint. So, what has been our distribution footprint in Uttar Pradesh and Maharashtra? Maharashtra, you mentioned earlier.

Moderator: Sorry to interrupt, Pawan, sir, your voice dropped audio dropped low.

Pawan Katariya: So, I would like to understand what is the current distribution footprint for Uttar Pradesh and Maharashtra.



- Tushar Bhandari:** Pawan, if I heard you right, you are asking our distribution footprint in Uttar Pradesh and Maharashtra.
- Pawan Katariya:** Yes.
- Tushar Bhandari:** So, we are taking distributors on board. But eventually, our goal is to set up our own sales team in the states we enter, because our sales team, we believe that we will be able to drive them better. So, in Maharashtra also we have taken one of the senior persons on board from Diageo, so he's joined us. And he is driving the entire sales team, and he's taking distributors on board, he's taking state heads on board. But eventually, over the period of year, our goal is to set up our own team. In Uttar Pradesh, our own team is driving the sales there, and it is doing fairly well.
- Pawan Katariya:** Okay. And how quickly are we scaling up our on-trade HoReCa segment in bar, hotels and restaurants?
- Tushar Bhandari:** So, in HoReCa also, wherever it's relevant, we have already put a person in place. So, initially, we are working on with one person who is just working with HoReCa Chain. And if the demand increases and if the demand in the major cities like Mumbai, Delhi and say, Noida increases, then we will put a few more people on place. But right now, our major focus is to increase the demand at the shop level.
- Pawan Katariya:** Okay. So, which brands do you see gaining the strongest traction in these new states like Uttar Pradesh, you mentioned about MP, but Uttar Pradesh which brands are gaining the strongest traction?
- Tushar Bhandari:** Hillfort whiskey.
- Pawan Katariya:** Okay, Hillfort. Thank you, sir.
- Moderator:** Thank you. Our next question is from the line of Hitesh Kwatra, an individual investor. Please go ahead.
- Hitesh Kwatra:** I hope I am audible. Sir, my first question would be that, recently as we have read that India and UK have signed, like agreed on a trade deal and India plans to reduce the duties on imported drinks. What would be the like impact on our sales? What kind of impact do you foresee?
- Tushar Bhandari:** So, one, the thing is that the things are not clear yet when will happen, how it will happen. So, there are multiple thoughts going around the market on these issues. One is that if the duty reduces, will the multinationals reduce their price? Or if they do not reduce the price, if they keep the price as it is, and if they reduce the price, will the excise duties will be increased in respective states for these products? One thought is that.



Second is they reduce the price drastically and it becomes a competitive market across. Third major thing is, if they do not reduce the price and there are new products which will enter the Indian market in the name of scotch and they price themselves at a very low price and then sell it, so definitely there will be competition. I see a competition increase happening on that way. So, for that, you have to go for a backward integration, that is the best possible solution, which we have already gone into it by setting up our own malt plant.

Because see, quality-wise, Indian whiskeys or Indian malts is almost equivalent to any scotch or any other whiskey made across the world. And now Indian whiskeys have gained traction across the world and have gained the recognition by what happens in Japan, the maximum consumption is of Japanese Whiskey, not the scotch. So, we believe that time will come where the scotches, which will come at a cheaper price, will have to compete with us or we will have to compete with us. And if the quality is right, and we will be getting at a better price because we have got our own manufacturing. So, I think we will be able to face that challenge for sure. And we are preparing ourselves for that challenge.

Hitesh Kwatra:

Okay. So, good to hear that kind of you are preparing yourself in advance to the upcoming challenges of market. And one more thing, like I cannot see major growth in the top line in this quarter. Like last year, June saw a major growth in the top line as compared to the June '23 quarter. There is no major like top line growth in June '25. Margin has improved, like EBITDA has improved, I think operating margins and profitability, but the top line has not increased much as compared to the last year.

Tushar Bhandari:

Top line has not increased much because there has been a drop in the sale of ENA, okay? Because we are using that ENA in our own consumption. If that would have been converted, like last year, in the first quarter we did around 5 million liters, this year first quarter we did around 4 million liters. So, there's a short of 10 million liters that is being used in our own consumption.

And the increasing sale of our own products in other states would initially require expenses because we are taking team and we are taking seniors. So, now, again, one more thing which we are investing heavily on is manpower. We are taking good quality manpower from the industry, a manpower, because that will give you a greater advantage also because we are in the growing phase. So, we are investing there also, and we are paying them as per the industry standards. So, that's what we have to invest. So, that has also contributed, because once the sales start increasing then we will see the traction.

Hitesh Kwatra:

I think that would be all from my side as of now, thank you.

Moderator:

Thank you. Our next question is from the line of Vinay Rawal from Choice Equity Broking. Please go ahead.



- Vinay Rawal:** Hi, sir. Just a couple of questions. One is on the UP plant about which we have discussed in the Q2 as well. So, just wanted to get a quick update on that, how it has been progressing and how the company sees it being funded?
- Tushar Bhandari:** So, Vinay, the UP plant, if you are talking about, so plant we have already purchased the land and licensing and other process is under place. But by that time, once we start setting up a UP plant, we want to increase our sales, so that's what we are concentrating on. We are first looking at increasing our sales, that is the major thing which we have to look at right now. Second is the funding, funding would be mostly through internal accruals. And I think we have raised some preferential shares in regards to the UP plant.
- Vinay Rawal:** Okay. Understood, sir. And the second question is on the rounds of how much of A&P cost that we have currently incurred as a percentage of sales? And what is the percentage that we would see it settling at in the future as well?
- Tushar Bhandari:** Can you just repeat your question, please?
- Vinay Rawal:** Yes. I am saying what is the A&P as a percentage of sales? And how much it would be in the coming period as well, advertising and promotional expense, sir, to be clear.
- Tushar Bhandari:** Promotional expenses?
- Vinay Rawal:** Yes.
- Tushar Bhandari:** Promotional expenses, as I already said right now is 1% of our proprietary sales, which will increase to around 5%.
- Vinay Rawal:** And as a percentage of total sales? So, as a percentage of net sales, if you could just tell that?
- Tushar Bhandari:** It will be 5%.
- Vinay Rawal:** Okay, sure. Thank you.
- Moderator:** Thank you. Our next question is from the line of Gautami Agarwal from Niveshaay Investment Advisory. Please go ahead.
- Gautami Agarwal:** Sir, my question is that the Inbrew change in contract effect will be seen from the next quarter. So, in this quarter, why are the volume numbers for licensed partnerships fallen so much?
- Tushar Bhandari:** The industry has fallen, and we are in line with the industry, so that is the major reason. And plus, this year also the season was short, that is the reason. These are the two major reasons.
- Gautami Agarwal:** Okay, sir. And sir, if you could give me volume numbers for Hillfort and Nicobar individually for this quarter?



- Tushar Bhandari:** So, Nicobar, so if I put both of them together, it should be around about 2,000 cases.
- Gautami Agarwal:** Hillfort and Nicobar together?
- Tushar Bhandari:** Yes.
- Gautami Agarwal:** Okay, sir. Thank you, sir.
- Moderator:** Thank you. Our next question is from the line of Manoj Bhura from Adinath Financial Services Private Limited. Please go ahead.
- Manoj Bhura:** Good afternoon, Tushar ji. Yes. My question was regarding Inbrew. We have converted the system of franchisee sale to contract manufacturing again, so what will be the impact on top line and bottom line in the current financial year? This is my first question. And second question was regarding, we had our Kerala success story, then why we are not repeating the same in other states?
- Tushar Bhandari:** Okay. So, good to speak to you, Manoj ji. See, to answer your first question in terms of Inbrew. So, Inbrew, the mechanism has changed and would affect our top line to the extent of the Inbrew, which we were doing, that is the top line and the bottom line. But apart from that, it gives us more opportunity to be focused on our own growth, of our own brands. So, that's what we will be doing. So, in Inbrew, the contribution to us will come primarily in terms of the job-work manufacturing which we will be doing revenue from that, plus the ENA sale which we will be doing that is there. So, Inbrew had its own reason why it wanted to go on its own instead of a franchisee mechanism.
- But apart from that, being a very strong partner of Inbrew's, who has shown a potential substantial growth over the period of five, six years, whatever the business we did for them. So, we have grown their brand almost tenfold. So, looking at that partnership, we are in the process of other businesses and other partnerships with them. So, that is there. And plus apart from that, we will try and compensate the loss of the revenue top line and the bottom line by selling our own premium brands and focusing on that. So, now our approach will be more focused, one is that.
- Second is in terms of, as you said, the Kerala story to be replicated in other states. Definitely, we are looking at that. And soon, we will try and make a complete premium product portfolio, and we would be able to replicate, but it will take time. So, like Kerala also, it took us almost three to four years to be successful there. So, you need to have consistency and you just need to wait for the right opportunity. You need to have the good quality product and you need to innovate and you need to work ahead of the market, so that's what we are doing in other markets. So, a similar thing is repeated either in, say, Maharashtra or it's repeated in, say, Uttar Pradesh, then that will add substantially to the revenue, which we are working towards it.



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Manoj Bhura: Thank you, Tushar ji, for answering the question.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, I now hand the conference over to the management for closing comments. Over to you, sir.

Anshuman Kedia: Thank you once again for your participation and insightful questions. We sincerely appreciate your continued interest and support for Associated Alcohols & Breweries Limited. As we look ahead, our focus remains on expanding our premium book product portfolio, strengthening our presence in new geographies and sustaining operational efficiencies. For any further queries or information, please feel free to reach out to our Investor Relations team at Go India Advisors. We would also like to thank Monarch Network Capital team for arranging and facilitating today's call. On behalf of the entire management team, thank you once again for joining us. Stay safe, and have a wonderful day.

Moderator: Thank you. On behalf of Monarch Network Capital Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.