



August 19, 2025

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400001
Scrip Code : 507205

To,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G,
Bandra-Kurla Complex, Bandra (East),
Mumbai-400 051.
Symbol : TI

Sub: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript of Earnings Conference Call held for Q1 FY26 results

Dear Sir/Madam,

With reference to our letter dated August 06, 2025 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the earnings conference call with analysts and investors held on Tuesday, August 12, 2025 to discuss the Q1 FY26 results.

The same is available on the website of the Company at www.tilind.com.

Kindly take the above on record and acknowledge receipt.

Thanking you,

Yours faithfully,

For **Tilaknagar Industries Ltd.**

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Company Secretary & Compliance Officer

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Tilaknagar Industries Limited

Q1 FY26 Earnings Conference Call Transcript

August 12, 2025

Moderator: Ladies and gentlemen, good day and welcome to Tilaknagar Industries Conference Call.

I now hand the conference over to Mr. Siddharth Rangnekar from CDR India. Thank you and over to you, sir.

Siddharth Rangnekar: Thank you. Good morning, everyone and thank you for joining us on Tilaknagar Industries Limited's Q1 FY26 Earnings Conference Call. We are joined today by Chairman and Managing Director, Mr. Amit Dahanukar, President, Strategy & Corporate Development, Mr. Ameya Deshpande and Chief Financial Officer of the company, Mr. Abhinav Gupta.

We shall commence with views from Mr. Dahanukar on the strategic performance and financial highlights followed by the brief commentary from Mr. Deshpande on the acquisition of Imperial Blue business division. This shall be followed by an interactive question and answer session. Before we commence, I would like to state that some of the statements made on today's call could be forward looking in nature and a disclaimer to this effect has been included in the results presentation that was shared with you earlier and which is also available on the stock exchange website.

I would now like to invite Mr. Dahanukar to make his opening remarks. Over to you.

Amit Dahanukar: Good morning, everyone. Happy to have you all join us on this earnings call to discuss the Q1 FY26 results. I will first provide a brief update on the current quarter's performance which will be followed by Ameya taking you through the recently announced acquisition of Imperial Blue.

After a challenging yet rewarding year, I am pleased to share that we have sustained a strong industry-leading growth trajectory supported by consistent and progressive changes in excise policies in some of our key states. During Q1, our volume performance was strong with growth at 26.5% YoY. Our NSR increased from . 1,182 per case in Q4 FY25 to Rs. 1,193 per case this quarter. The southern region has seen strong growth momentum in Q1 with market share improvement for TI in each of the key markets. We continue to be the 3rd largest IMFL P&A player in Telangana and Karnataka, both states where Whisky contributes more than 80% of IMFL consumption. Karnataka continues to see strong growth momentum in the P&A segment for the entire industry on the back of excise duty reduction during the middle of previous fiscal.

On the portfolio front, our luxury and super-premium portfolio is showing promising signs. Monarch Legacy Edition Brandy, our first luxury foray, is now available in Maharashtra, Goa, and Puducherry. Q1 has also seen the commencement of our distribution of Samsara brands on the back of our usership agreement with Spaceman Spirits Lab, our investee company. Spaceman's premium portfolio, featuring Samsara Gin, Sitara Rum and Amara Vodka, is well positioned to be a key growth driver with our super-premium segment.

As part of our strategy, we will leverage our extensive and efficient distribution network to scale the reach of Spaceman Brands across select Indian states and international markets, unlocking significant value over the coming quarters. In terms of our strategic investment into Spaceman, you would have also seen the disclosure last week wherein we have announced our investment of more than Rs. 10 crore in Spaceman, taking our shareholding to 21.36% from 12.98%. This investment was a part of the previously announced investment round in September 2024, along with an additional secondary acquisition which we have made from some of the early shareholders. Our agreement with Spaceman gives us the option to further invest or acquire additional stake from shareholders at a pre-determined valuation, subject to Spaceman attaining pre-agreed milestones.

Our mass prestige portfolio, led by Mansion House and Courier Napoleon, continues to deliver strong performance. We remain committed to ensuring that Brandy's share of voice reflects its leadership in market share. As mentioned previously, we are stepping up our A&SP investments, which are already beginning to shift consumer perception positively. In line with this strategy, we have recently collaborated with one of South India's biggest superstars for Mansion House Packaged Drinking Water, showcasing its scale, strength, and sincerity. With continued focus on marketing and innovation, we are confident in positioning Brandy as a more aspirational and inclusive category. While Brandy continues to be our dominant category in the current portfolio, we have also made an entry into the semi-premium Whisky segment in the recent past with the relaunch of Mansion House Whisky in a new avatar. In addition to initially launching Mansion House Whisky in some northeastern states, we are now available in Telangana and some east India states like Odisha and West Bengal.

On the legal front, with respect to the trademark litigation, it gives me great pleasure to reiterate that the Honourable Bombay High Court has upheld TI's ownership of Mansion House and Savoy Club trademarks, ensuring continued, uninterrupted, and exclusive sale under these brands.

Before I hand over to Ameya to take you all through the Imperial Blue acquisition, I will briefly talk about our financial performance:

We saw a strong 31% YoY growth in net revenues, adjusted for the subsidy income of Rs. 38.6 crore, the growth was still robust at 20.5%. EBITDA in Q1 stood at Rs. 94 crore. Adjusted for subsidy income, this stood at RS. 56 crore, a YoY growth of 25%. EBITDA margin stood at 15.1%, an expansion of 55 basis points compared to last year, despite higher than usual legal costs on account of the trademark litigation which was at its peak during this period. On the input side, ENA and Glass prices have remained stable and we are hopeful of a continued conducive input cost environment. Our focus drive on cash flow management continues and we now stand at a net cash level of Rs. 163 crore, showcasing our balance sheet strength.

I would also like to provide an update on the recent announcement we have made regarding our wholly owned subsidiary Prag Distillery, while we recently received extension of the validity of the Letter of Intent for expansion of our bottling capacity from the Government of Andhra Pradesh, we have now received approval from our

Board of Directors to go ahead with the expansion for an investment of around Rs. 59 crore. This investment includes the Rs. 34 crore on account of the license fees and interest to be paid to the Government. Post this expansion, Prag capacities would have increased to around 36 lakh cases per annum and increased from around 6 lakh cases per annum as of today.

I will now handover to Ameya to take you through some of the salient points around our recently announced acquisition of Imperial Blue.

Ameya Deshpande: Thank you and a very warm welcome to everyone joining us today.

As you would be aware, we have on the 23rd of July, 2025 executed definitive agreements with Pernod Ricard India to acquire the Imperial Blue business division on a slump sale basis for a lump-sum consideration basis enterprise value of approximately EUR 413 million. This amount includes a normalized working capital of approximately EUR 70 million and a deferred consideration of EUR 28 million payable at the end of 4 years, i.e. in FY 2030. The consideration payable to Pernod would be subject to certain closing adjustments and the deal is subject to regulatory approvals.

IB is the 3rd largest Whisky brand in India by volume with 25+ years of brand heritage. It sold more than 22 million cases across 27 states and union territories along with a strong international footprint. The acquisition of IB is a significant strategic step for Tilaknagar Industries as it will not only broaden the product and geographical footprint but also serve as a launch pad for TI's premium portfolio foray.

On the financials front, IB clocked a net revenue in excess of Rs. 3,000 crore for the trailing 12 months ending March 2025. We foresee a good number of operational synergies to play out post the acquisition which will enable us to increase EBITDA margins in the IB business division as well as at a combined level. As a part of the transaction, TI will be getting 16 manufacturing units of which 2 units will be owned. Further, TI will enter into a TSMA with Pernod whereby the seller has agreed to help in smooth transitioning of the business post-closing. We will also be entering into a long-term supply agreement with Chivas Brothers for the Concentrated Alcoholic Beverage (CAB), an essential raw material for manufacturing the IB products.

In terms of financing the acquisition, we are looking at an optimal mix of equity and debt. We have already announced the board approval for a preferential issue of almost Rs. 2,300 crore. The balance will be funded through debt and further expect to reduce debt over time such that the Net Debt to EBITDA falls below 1.0x by FY29. Since the deal has not yet closed and remains subject to confidentiality obligations, we are unable to share additional details currently and hence we kindly request that participants refrain from asking any further questions related to this matter.

With that, I would now request the operator to open the call for Q&A.

Moderator: Thank you very much. We will start with the question-and-answer session. The first question is from the line of Abneesh Roy from Nuvama Wealth.

Abneesh Roy: Firstly, congrats on very good growth. I wanted to understand on the demand side, you have done quite well, highest ever Q1 volumes in the last 9-10 years. But when we see a lot of other discretionary segments, there is a challenge and now, we have seen job addition in the IT sector going slow. TCS, for example, 12,000 job losses have happened and across the IT sector, there is a challenge and South India clearly is the hub of IT sector jobs. So, from an outlook perspective, would you be slightly concerned on your current business and the market share gains, if you could talk about it, what has really led to this kind of performance? Near term, I think you will

continue to do well. If you could talk about what are the key drivers for the market share gains. Thanks.

Amit Dahanukar: Abneesh, I think, we are not seeing any let up in demand, I think, as you would have seen from the Q1 volume numbers, growth in excess of 20%, quite robust uptake over there and we are not seeing any visible slowdown in any of the southern states as of now. And I would like Ameya to address in terms of market share gains, perhaps he will add more insights state-wise.

Ameya Deshpande: Abneesh, in terms of market share gains, we have seen significant market share gains across all key states, whether it is a state like Karnataka, which saw an excise duty reduction in the second half of last financial year. We have literally seen market shares over there grow significantly. That's predominantly on account of good growth that the Prestige and Above segment has seen in the industry. And we have kind of told those kind of growth as such. Just talking especially about Karnataka, we today are more than 2% of the overall IMFL market and when it comes to P&A IMFL, we are almost one-fourth of the entire market. So, that is the kind of growth that we have seen in market share. Now, similar, let's take, for instance Telangana; Telangana, we have seen more than 50 basis points of YoY kind of growth in market share. All of which are on the back of a very strong consumer franchise from a brand perspective. Obviously, we are investing more, even in terms of A&SP and so on and so forth. Good amount of growth coming from there as well, as well as the newer brands that we are launching. Mansion House Whisky is doing fairly well in the Northeast. It's a combination of multiple things in terms of a market share growth.

Abneesh Roy: Last question, in Maharashtra, what kind of presence you have and post the very sharp tax hike, if you could speak on the industry and for you, how do you see next 2-3 quarters? Thanks.

Amit Dahanukar: Maharashtra recently they have come out with an MML policy- Maharashtra Made Liquor which would be available for distilleries and bottling units in Maharashtra. We are still examining because the circular has come out very recently. We are examining the eligibility criterion, but that could perhaps be an interesting segment for us to operate in provided, of course, we are eligible.

Ameya Deshpande: And in terms of our presence in the state, as it stands with the current portfolio, we are extremely small in Maharashtra, it's low single digit saliency for us as a part of our overall portfolio.

Abneesh Roy: So, that part of the business, do you see any challenge and you also mentioned whether you will be eligible for MML. This will be decided essentially by the government, are the rules clear? Does that make it possible for you to understand whether you are eligible or not or it's completely government discretion?

Amit Dahanukar: Right now, we have not examined the circular in detail. I would refrain from making any comment regarding our eligibility.

Abneesh Roy: And what kind of impact do you think on the Maharashtra business? I know it's small, but still, if you could talk about ex of the MML, because that's not in your hand. Once the eligibility comes, then it will be clear. Ex of that, do you see double digit decline, volume decline for your part of the business? You are small, but still the challenge is there, right?

Ameya Deshpande: Yes, but we haven't really examined the impact of the revised duty structures, from that perspective, really not in a position to answer this question. And in any case, like you mentioned yourself, it's not needle moving, really.

Abneesh Roy: But your prices would have changed. I am just asking whether your prices have been passed on because of the taxes that would have been done, right?

Ameya Deshpande: Yes. Basically, there will be an impact on business on account of price increase. But nothing significant.

Moderator: Thank you. Next question is from the line of Naitik Mutha from NV Alpha Fund. Please go ahead.

Naitik Mutha: Thanks for taking my question. I wanted to know, first, if I adjust for the subsidy income during the quarter and I do that same for the last year's Q1, I see there's a drop in gross margin. Is my understanding correct one? And if yes, then what effect to this drop in gross margin if I adjust for the subsidy income?

Ameya Deshpande: You are comparing which quarter to which?

Naitik Mutha: YoY, so, Q1 FY25 to Q1 FY26.

Ameya Deshpande: This is on account of a reduction in the NSR in Andhra that we have seen. This is on account of that.

Naitik Mutha: This will continue, the current gross margin if I adjust for the subsidy, that rate will continue for the coming quarters because the prices have corrected?

Ameya Deshpande: Yes, you can use this as the base for any incremental uptick in margins going forward.

Naitik Mutha: Got it. Sir, the second question is, how much of the subsidy that we are getting from Maharashtra Government is still sort of remaining? If you could mention about that.

Ameya Deshpande: As we have mentioned earlier as well, this is not something that we can respond to. Yes, there is some additional subsidy that is expected, but frankly not in a position to quantify anything.

Naitik Mutha: Got it. And we book it as we receive it, this is the cash that we receive and then we book it in our P&L?

Amit Dahanukar: Yes, that is correct.

Naitik Mutha: Got it. So, my next question is, in terms of the Northeast, if you could give me the market size and the potential that we can realize from there, from the Whisky that we have launched recently?

Ameya Deshpande: As it stands, our East and Northeast saliency as a total percentage of overall volumes is in the early to mid-single-digit range. Obviously, with Mansion House growing in these states, we do expect to increase the saliency for this region as such. Now, if you go to see Mansion House Whisky, purely in a couple of states from East and Northeast, the segment itself is a decent 6 million case market. There is a big play over there at that price point within Whisky. But in terms of where we get to by the end of it, that we will see over time. But yes, we do see East and Northeast playing an important role for us with our own portfolio as well as with the impending acquisition of IB.

Naitik Mutha: Right. And what would be our share currently out of the 6 million market roughly?

Ameya Deshpande: It will be in low single digits as of now.

Naitik Mutha: And my last question is, just wanted one clarification on the acquisition. Rs. 3,000 crore revenue you mentioned, that is net of excise duty or it includes excise duty?

Ameya Deshpande: No, it's net of excise duty.

Moderator: Thank you. Next question is from the line of Shirish Pardeshi from Motilal Oswal. Please go ahead.

Shirish Pardeshi: Good afternoon and thanks for the opportunity and congratulations. Just one question, on the integration you did mention that 6 months' timeline is required for in Imperial Blue integration. What are the things at what stage we are if you can just give some sense?

Ameya Deshpande: See, the thing is that because we are still awaiting closure of the transaction, there is little information that we can provide on this front, except for the fact that there is a Transition Services Agreement, which also includes manufacturing within this whereby the seller would assist us in undertaking business as usual till the time all registrations and everything come into our hands. Along with that, there are certain other things which form a part of the slump sale where we are getting certain resources from them. But again, reiterating the same fact that because of confidentiality restrictions, not in a position to respond to those either, with regards to business as usual from a liquid perspective, we do have a long-term supply arrangement with Chivas Brothers for procuring the CAB, which is an important ingredient of Imperial Blue.

Shirish Pardeshi: I got that what you are saying. You mentioned that it's 6 months' timeline. Are you optimistic or are you pessimistic or do you really think in 6 months everything will get in your hand? That's the only question I have.

Ameya Deshpande: I think as we move along, we will know. But yes, you can consider that 6 months is the integration time that we are looking at.

Moderator: Thank you. Next question is from the line of Suvaan Mittal from MFC. Please go ahead.

Suvaan Mittal: Thank you for the opportunity. I have only two questions lined up. On a QoQ basis, from Q4 to Q1, our EBITDA margin has decreased adjusted subsidy from 16.6% to 15%. Even though our gross margins have increased on a QoQ basis, like by 49 to 51. If you give some color, why the increase in gross margin is not translated to EBITDA?

Ameya Deshpande: Firstly, let me just clarify the gross margin has come down from 47.1% to 46.9%. Even in the gross margin you need to adjust the subsidy income, so that's the first thing. Secondly, with respect to why the reduction in EBITDA margin from 16.6% to 15.1%, as you would know that there have been higher legal costs that we had to undergo in this quarter. As well as A&SP reinvestment rates were slightly more than what they were in the previous quarter and add to that the fact that a little bit of operating leverage came into play. That's the reason why you're looking at a slightly lower EBITDA margin.

Suvaan Mittal: Okay, sir. Thank you. My second question being, when should the capacity increase in the Prag Distillery be expected to be completed and will it somewhere benefit us in our logistics costs? Because our major business is in Andhra and we have an increasing capacity of a sizable amount over there.

Amit Dahanukar: Prag, we are confident that within 12 months, we will be operating at the expanded capacities.

Suvaan Mittal: And any benefit you foresee on the logistics costs?

Ameya Deshpande: No, this will be more in the bottling charges itself, that there will be benefits that come through. We are not quantifying the benefits. We have done the workings at our end, but we are not disclosing the workings. But these are significant benefits that we get on account of using our own hold-your-own subsidiary or our own unit as a bottling unit.

Moderator: We will move to our next participant. Next question is from Rishabh Gang from Sacheti Family. Please go ahead.

Rishabh Gang: I just wanted to understand what are the possibilities for expansion in the EBITDA margin for the existing business and what can be the drivers for the same?

Ameya Deshpande: See, as we keep premiumizing, obviously that will have an impact on EBITDA margins. Along with that, there are certain cost optimization initiatives that we are undertaking. Something that we have been speaking about over the past 3 quarters. These are yet to be fully baked in. It's happening and will continue to happen over the next couple of quarters. There will be certain level of savings or other margin expansion that you will see on that account as well. As we keep launching the newer brands, more premium brands across categories, you will see a little bit of an impact upfront from an A&SP reinvestment rate perspective as well. But from a long-term perspective, we do look at margins to hit our guided margins of around 16% to 17% or even beyond.

Rishabh Gang: And what optimization that you mentioned? If you can just give some more flavor on in which line item this optimization will happen.

Ameya Deshpande: This will be predominantly in the COGS. These relate to the packing material optimizations that we are undertaking, including on the logistic side of it.

Rishabh Gang: And whenever the legal costs decline, that will also help in the EBITDA margin, correct?

Ameya Deshpande: Yes, that's right.

Moderator: Thank you. Next question is from the line of Anjali Bajaj from Naredi Investments. Please go ahead.

Anjali Bajaj: Thank you for giving me the opportunity. My question is regarding to how will you raise the money for Imperial Blue, either internal accruals or through debt?

Ameya Deshpande: There is already a disclosure that we have made with respect to the equity fund raise. The board has approved a preferential issue to the tune of almost Rs. 2,300 crore. It goes into shareholders' approval shortly. And fairly soon, we will have the funds raised through equity. Along with that, we are also raising debt for the balance portion. It's an optimal mix that we are using when it comes to funding this transaction of nearly 1:1.

Anjali Bajaj: And my second question is what is the subsidy policy from government? Company will receive further quarter also? will you give me detailed reply on the subsidy matter?

- Ameya Deshpande:** No, I think we have responded to the question already. There is nothing further that we can add to that in terms of a response related to this. Essentially, all that we can say is that the subsidy relates to the industrial promotion subsidy that has been provided by the government of Maharashtra under the package scheme of incentives 2007.
- Amit Dahanukar:** And we are accounting for subsidy as it is received.
- Moderator:** Thank you. Next question is from the line of Aaditya Singh from Multi-Bagger. Please go ahead.
- Aaditya Singh:** First of all, congratulations on a great set of numbers. I had only one question. And the question was regarding the tax incident. When can we see the tax incident coming back?
- Abhinav Gupta:** Our appeal with additional income tax is still under discussion. We don't have any update on that. For prudent purpose, we suggest that from 1st July, you may assume full incident of tax And as and when we have an update from CITF, we will get back.
- Aaditya Singh:** And if I can just ask another question. If the tax incident comes back, how can we still manage to be one of the biggest players in the IMFL or AlcoBev industry?
- Ameya Deshpande:** I think when it comes to our own cash flow generations, these are extremely strong irrespective. We are a growing business. We run the business in an asset like model. I think from an ongoing perspective, there is no concern on growth just because tax incident comes up upon. That's par for the course. That's the way business works. We are not concerned about that aspect.
- Moderator:** Thank you. Next question is from line of Arpit Shah from Stallion Asset. Please go ahead.
- Arpit Shah:** Congratulations on a landmark acquisition you guys have completed. It's quite a leap in terms of where we were almost 7-8 years back from a debt-ridden balance sheet to a debt-free balance sheet and now going again to a very large acquisition. I just wanted to understand once we have gone at a price of Rs. 4,100 – Rs. 4,200 crore for the acquisition, what was our valuation metrics or what was our guiding principle in coming to this number and how should we look for a payback for this number going ahead? If you can allude qualitatively or quantitatively, how should we look at it?
- Ameya Deshpande:** I think just to answer your question on the valuation metrics, obviously as a part of the entire valuation process, we did look at multiple valuation methods right from DCF to Trading Multiples, preceding transaction multiples, so on and so forth. But having said that, we won't be unfortunately be able to get into details in terms of how did we arrive at the numbers that we did. Given the scale of the business and given how much this adds to our own existing business in terms of even synergies and providing us a presence pan-India and across categories, we felt that the value that was paid was the right value.
- Arpit Shah:** Would it be fair to say that the margins that this portfolio has would be closer to what we make on the brandy side or it will be low double-digit or high single-digit margins?
- Amit Dahanukar:** While we can't specifically comment on margin profile, I think the management and the board both believe that I think we have paid a fair price for the asset and we are going ahead with the funding also in a prudent way. And the company feels that the potential acquisition is very transformative in nature and really can reshape the

identity of a company from a regional brandy player to a national player with presence in 2 of the largest categories in IMFL.

Ameya Deshpande: And if I am to give any comfort with regards to the financials and stuff, one thing is very clear that this is a Cash-EPS accretive transaction for us without getting into numbers, obviously that's something that we will get into post-closing but needless to say, this is a Cash-EPS accretive transaction for us.

Arpit Shah: Got it. If you can just comment qualitatively, what are the kind of synergies we have between the brandy and the Whisky portfolio and how should we look at it in terms of synergies going ahead in terms of qualitatively, in terms of distribution, raw materials or anything of that sort?

Ameya Deshpande: See, IB is a pan-India player with a pretty strong distribution and presence in Southern India. That's a known fact and that is something that I think has tremendous synergistic benefits for us as well. So that is one piece of it. The second piece of it is that obviously from a team perspective or rather from an organization set-up perspective we are present in many of the states that IB sells in today. These are the kind of synergy benefits that we get in terms of margin kickers from where the IB financials would be right now.

Arpit Shah: Got it. And in terms of volume growth for the last couple of years it has been almost flatish because the focus was not there for them to scale up this brand. How should you look in terms of volume growth going ahead at least for this brand? Are there low-hanging fruits where we can scale up the volumes really fast?

Amit Dahanukar: See, I think as part of the Amaya's opening remarks we have shared a few details with regard to the transaction. I am afraid at this stage since we are between signing and closing, we can't comment or share further details at this stage.

Moderator: Thank you. Next question is from the line of Daksh Malhotra from Aadriv Global. Please go ahead.

Daksh Malhotra: Thank you for the opportunity. And once again congratulations on the acquisition of Imperial Blue, quite a landmark deal. I had a couple of questions. First, in just continuation to the previous one, I understand that while we are closing, we can't disclose the existing margins. But can you sort of give some guidance and given that we know the revenue is ballpark Rs. 3,000 – Rs. 3,200 crore for Imperial Blue what can be the consolidated margin once the transaction is done probably for FY26 or FY27?

Ameya Deshpande: Sincerely, we are very sorry but we are not guiding towards the combined business as it stands today. We will be more than happy to answer any questions once the closing happens.

Daksh Malhotra: Okay, fair enough. Also, for the transaction we have done an equity fundraise but the discount to the existing price was quite substantial. Usually the trend is probably 10%-12%-15% from the CMP that to sort of fundraise. Can you just sort of elaborate on the reasons behind giving such a heavy discount to the floor price?

Ameya Deshpande: I think it wasn't a discount to the floor price if anything it was at the floor price and the pricing for the pref-issue was purely determined by the SEBI minimum pricing that works for preferential issues which was essentially 10 trading days or 90 trading days VWAP whichever is higher, and we went by that pricing. Frankly, it just so happened that it was at a significant discount but that was the pricing method.

Moderator: Thank you. Next question is from Nishita from Sapphire Capital. Please go ahead.

Nishita: I just wanted to know what revenue guidance and margin guidance you are giving for FY26 and FY27?

Ameya Deshpande: In terms of the revenue guidance, you are looking at mid to high teen kind of revenue growth for FY26 followed by around mid-teen kind of growth for FY27. With respect to margins, the margin guidance that we are providing towards is around 15%-16.5% for FY26 and for FY27 onwards you can look at 15.5%-17.5%.

Nishita: And this is without taking into consideration the effect of the acquisition. Once you can give us the number, the margin guidance can change?

Ameya Deshpande: Yes. This is steady state business, pre-acquisition.

Moderator: Thank you. Next question is from line of Pranav Malhotra from Starship India. Please go ahead.

Pranav Malhotra: Congratulations on a good set of numbers. My question was pertaining to the NSR. What NSR do we expect for the year considering like it's come to Rs. 1205 this time? As like you have product launches in H2, could you also throw some light on that? Like the new product launches that you have and if your NSR will improve going forward?

Ameya Deshpande: So, you are looking at the NSRs per case to increase from the current stage which is around Rs. 1,193 per case. Right now, that the base has been set from a pricing perspective including the AP impact you can consider an increase on the per case NSRs as such. The range would be anywhere between 1%-2% growth in NSR per case on a yearly basis on existing business.

Pranav Malhotra: Right, so around Rs. 1,190 – Rs. 1,200?

Ameya Deshpande: Yes.

Pranav Malhotra: My next question was regarding the revenue contribution of your royalty brand. Like, could you please share that number?

Ameya Deshpande: No, that's not a segregation that we provide currently. Having said that, it's a fairly small part of our revenues, very small.

Pranav Malhotra: Right. But the growth expected there is really high. Considering that you have increased the stakes from Rs. 13 crore to Rs. 20 crore the revenue growth there can be really high, right?

Ameya Deshpande: Yes. These are high NSR products. There is tremendous potential in that business in the entire Spaceman portfolio. So, that's fair to say that there is good growth potential over there but having said that we are not guiding for Spaceman portfolio currently.

Pranav Malhotra: And regarding the volume you have achieved 32 lakhs in this quarter, I believe. So, will this be the new base for this year? The run rate will be above 32 lakhs per quarter?

Ameya Deshpande: Yes, that's right.

Pranav Malhotra: Is it possible to give a yearly number like for the year how many cases is the management expecting to sell?

Ameya Deshpande: Like I mentioned in my earlier guidance statement as well, we are looking at high teen growth for this year.

Pranav Malhotra: So, like 13.5 to 14 million cases this year?

Ameya Deshpande: Yes. Closer to 14.

Moderator: Next question is from line of Heer Gogri from Choice Institutional Equities. Please, go ahead.

Heer Gogri: Congratulations for the good set of numbers. I wanted to understand, Imperial Blue business is it going to attract 50% excise duty or is it lower or any higher?

Ameya Deshpande: It would be kind of similar to our existing business.

Heer Gogri: Okay, got it. And the second question would be going forward; how do we look at the portfolio diversification? Currently, we were standing at 90% brandy heavy portfolio. And I think last quarter, you did mention we were looking at 80 to 20 diversification or 80 considering brandy. But now I think it is going to change with Whisky coming in and Imperial Blue Whisky, of course. What is the diversification going forward?

Ameya Deshpande: As you would see on slide #16 of the earnings presentation you will see that we have given a segregation of how the pro forma portfolio would look like. Essentially you are looking at two-thirds of the business being Whisky in steady state, current state business. Brandy having a more than 30% saliency on top of that.

Moderator: Thank you. Next question is from Amit Vora from Ginar Consultants. Please, go ahead.

Amit Vora: Thanks for the opportunity and congrats on a good set of numbers. Just two questions. You have mentioned that there were high legal charges. If you can quantify that for the quarter. I am sorry if I missed that if you have answered it.

Ameya Deshpande: No, I don't think we will quantify that but there was a 100 basis points increase on a YoY basis. Let me just leave it at that.

Amit Vora: Okay, just to understand because this is a one-off. That was the whole point to understand that. That's helpful. Second thing I understand you have mentioned that you don't want to give more details on the IB acquisition. Just something which is related to FY25 is on the margins. If you can just give a number on the EBITDA margins that IB has currently. Will it be possible?

Ameya Deshpande: No. I would if I could but I can't. Sorry. We will not be able to disclose the EBITDA number for the moment.

Amit Vora: Okay, just one thing. If you can just tell that it's profitable at both PAT and EBITDA level. Is that a fair assessment?

Ameya Deshpande: It's a carve-out so there is no concept of PAT over here but yes, it is profitable at EBITDA level.

Amit Vora: Perfect. We will wait for further details on once the acquisition is complete. All the best. Thank you.

Ameya Deshpande: Thank you.

Moderator: Thank you very much. As there are no further questions, I would now like to hand the conference over to the management for closing comments.

Amit Dahanukar: Thank you all for joining today's call and for your continued interest in our progress. As we look ahead, we are incredibly excited about the opportunities that lie before us in the coming quarters and years. While we fully recognize that the path ahead will present challenges, we are confident that we have identified the critical areas both short-term and long-term that will drive our success. We are equally excited to have you with us on this journey as we work to establish ourselves as one of India's leading pan-India IMFL players spanning multiple categories and premium price points. Thank you once again for your time and support. We look forward to reconnecting with you soon.

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