

Allied Blenders and Distillers

Crafting a comeback with barrel-proof execution



ABD's P&A story has enough
potential for longevity

Margin progression impressive
so far; levers exist for
further expansion

Initiate with BUY -
TP of INR 730 (18.7% upside)

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Crafting a comeback with barrel-proof execution

Allied Blenders & Distillers (ABD) is among the leading pan-India spirit players in India both in terms of volume (3rd largest) and value (4th largest). Its portfolio comprises of four key brands (c.95% of its volume), including the flagship brand Officer's Choice whisky (OCW accounts for c.50-55% of its volume, among the top 5 whisky brands globally in volume terms), which enjoys leadership position/best-in-class profitability in the mass premium segment, and ICONiQ White whisky (c.28% of overall volumes in 1HFY26, fastest-growing whisky brand globally) in the Prestige & Above (P&A) segment. In the past, key concerns/challenges have been: a) relatively lower salience/success in the fast-growing P&A segment and slowdown in the mass premium segment and b) profitability and balance sheet metrics being weaker than peers.

Over the last 2 years, with further strengthening of the professional management team and availability of growth investment (post IPO), innovation intensity has been stepped up and interventions on extracting cost efficiencies have been made. Increased efforts are yielding promising results – a) Double-digit sales growth for the past 5 quarters led by ICONiQ White whisky (c.55% of P&A volume), b) Increased participation in the premium/luxury IMFL segment through launch of eight brands under the ABD Maestro portfolio, c) strong uptick in margins–1HFY26 gross margin (GM)/EBITDA margin at 43.8%/12.4% (vs. 37%/7.3% in FY23), and d) increased capex investment (INR 5bn+ over FY25-27E) in backward integration.

Going ahead, recovery in growth in certain brands (OCW, Sterling Reserve), scale-up in ABD Maestro and moderation in working capital intensity will be key monitorables. Interventions are underway to revamp erstwhile brands and expand reach of the ABD Maestro portfolio. Repayment of dues from Telangana (INR 1bn received in October) has started and gradual moderation vs. FY25 peak levels should happen, in our view.

We initiate with a BUY rating and a Mar'27 TP of INR 730 (18.7% upside), valuing ABD at 47x Mar'27 EPS (discount to target multiple of UNSP/Radico). Upside risk - Price hikes in Telangana and faster scale up in ABD Maestro; downside risks include weak execution in P&A and adverse regulatory change in key markets.

P&A story has enough potential for longevity with strong momentum in ICONiQ White (key volume driver)...: ABD's P&A salience to overall sales has improved by 660 bps to 53% over FY23-1HFY26 led by ICONiQ White whisky. Launched in Sep'22 in the prestige & semi-premium whisky segment (market size of 120mn cases) at an attractive price point with superior blend, the brand has delivered exceptional performance – clocked 5.7mn cases in FY25, thereby becoming the fastest-growing spirit brand globally (in CY23/24). Momentum has strengthened in 1HFY26 (volumes at c.4.9m cases) and seeing MoM improvement in markets where it was launched < 1 year back and even in markets like Maharashtra as per our checks. This apart, launch of variants with differentiated blend (ICONiQ Winter) and expanding global footprint, will help drive strong double-digit growth over FY26-28E.

...along with scale-up of ABD Maestro: ABD is increasing its participation in the high-margin, fast-growing super-premium & luxury segment (3%/21% of industry volume/net contribution) through subsidiary ABD Maestro Pvt Ltd. The entity has a separate professional team to ensure sharper focus and already houses a portfolio of eight brands spanning across segments. Given 7-8x higher realisation/case and much better gross margin (c.55%) vs. the company average, a successful scale-up in this portfolio can help de-risk the P&A portfolio and also be a key value driver for ABD (not baked in our est.).

Margin progression impressive; levers exist to drive further expansion and bridge the gap vs. peers: Despite being under-indexed in the P&A segment, ABD's GM compression over FY19-24 was lower vs. peers and surpassed pre-Covid peak margins in 1HFY26 (43.8%, +c.500 bps vs. FY19-24 average), led by RM stabilisation, optimised mix (in OCW), savings on packaging costs and rate renegotiated with vendors post IPO. Gains from ongoing backward integration projects (PET bottle, malt plant, distillery), India-UK FTA and uptick in ICONiQ profitability are yet to payout. This will provide fuel for brand investments as well as drive margin expansion over 2HFY26-28E (factoring c.330 bps expansion to 15.7% vs. guidance of 17% by FY28E).

Turnaround signs still incipient but promising: We bake in 12% sales CAGR (lower vs. mgmt. guidance of mid-teens) over FY25-28E led by: a) strong double-digit growth in ICONiQ resulting in sales CAGR of 20% in P&A segment (vs 6.5% over FY23-25) and b) modest recovery (vs. decline currently) in OCW. GM expansion to continue which, along with lower interest cost, should drive EBITDA/PAT CAGR of 21%/31% over FY25-28E.

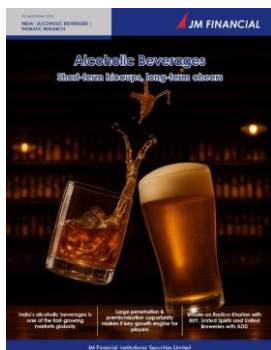
Recommendation and Price Target		Financial Summary						(INR mn)	
Current Reco.	BUY	Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E		
Current Price Target (12M)	730	Net Sales	32,977	34,918	39,628	43,861	48,676		
Upside/(Downside)	18.7%	Sales Growth (%)	5.7	5.9	13.5	10.7	11.0		
Key Data – ABDL IN		EBITDA	2,421	4,306	5,368	6,436	7,705		
Current Market Price *	INR615	EBITDA Margin (%)	7.3	12.2	13.4	14.6	15.7		
Market cap (bn) *	INR172.0/US\$1.9	Adjusted Net Profit	61	1,949	2,713	3,406	4,376		
Free Float	19%	Diluted EPS (INR)	0.2	7.0	9.7	12.2	15.6		
Shares in issue (mn)	279.7	Diluted EPS Growth (%)	280.8	2,687.1	39.2	25.5	28.5		
Diluted share (mn)	279.7	ROIC (%)	2.2	15.2	13.8	15.3	17.5		
3-mon avg daily val (mn)	INR385.0/US\$4.3	ROCE (%) – pre tax	15.8	21.2	18.6	20.6	23.6		
52-week range	720/279	ROE (%)	1.5	20.0	16.7	18.8	21.3		
Sensex/Nifty	84,818/25,899	P/E (x)	2,460.4	88.3	63.4	50.5	39.3		
INR/US\$	90.4	P/B (x)	36.9	11.1	10.0	9.0	7.9		
Price Performance		EV/EBITDA (x)	74.4	41.9	33.8	28.1	23.4		
%	1M	6M	12M						
Absolute	-0.4	44.9	64.4						
Relative*	-1.5	40.9	58.0						
*To the BSE Sensex		Dividend Yield (%)	0.0	0.6	0.8	1.0	1.3		
Source: Company data, JM Financial. Note: Valuations as of 11/Dec/2025									
JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.									
Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.									
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We initiate coverage on Allied Blenders & Distillers with a BUY rating and target price of INR 730 (47x FY28E). ABD is the 3rd-largest (by volume) and 4th-largest (by value) pan-India spirits player; is strengthening its business through professionalized management, higher innovation, cost efficiencies and extensive expansion plan (capex of INR 5.2bn over FY25-27E). These efforts are driving double-digit P&A growth with substantial margin improvement. Key monitorables ahead include recovery in OCW and Sterling Reserve, scale-up of ABD Maestro and easing working capital. We are building in revenue CAGR of 12% over FY25-28E led by 20% CAGR in P&A and modest recovery in OCW. Gross margin expansion to continue which, along with lower interest cost, should drive EBITDA/PAT CAGR of 21%/31% over FY25-28E.

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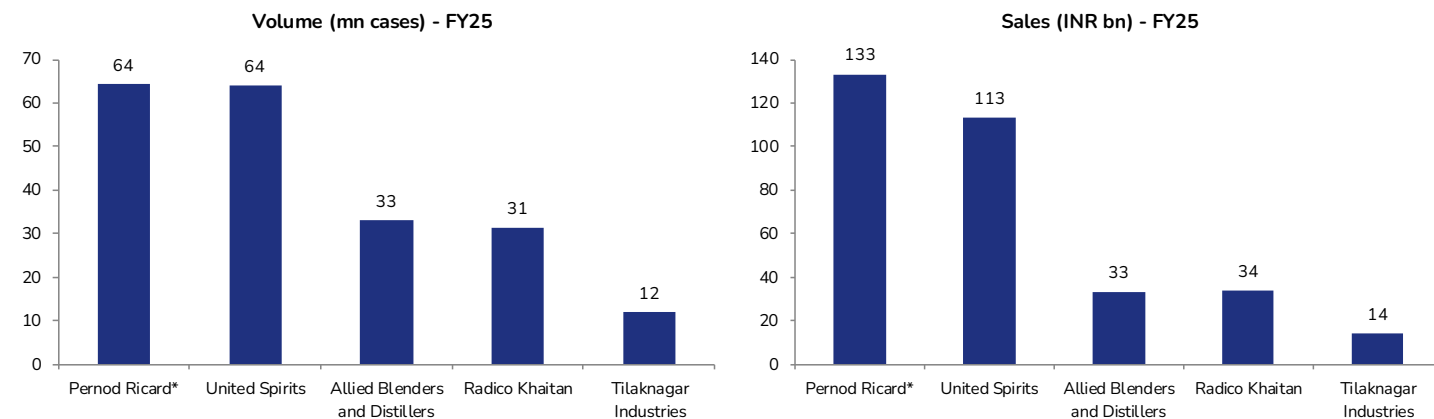
United Breweries



Radico Khaitan

Focus Charts

Exhibit 1. ABD is one of the leading pan-India spirits players – 3rd Largest by volume and 4th largest in value terms (as on FY25)...



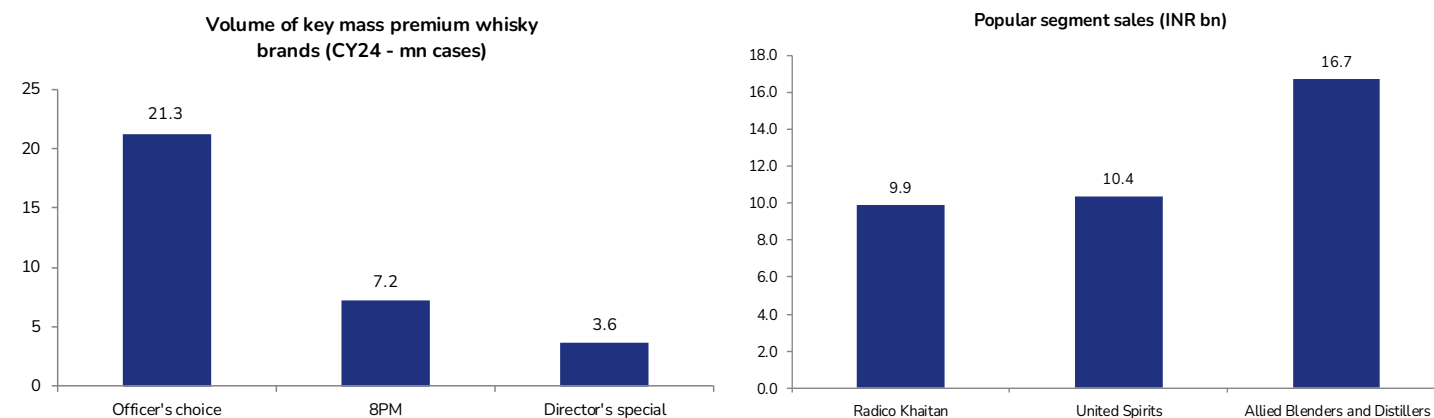
Source: Company, JM Financial, *Note: Data for Pernod Ricard is as per internal estimates

Exhibit 2. ...with wide portfolio of brands, strong manufacturing and distribution capabilities

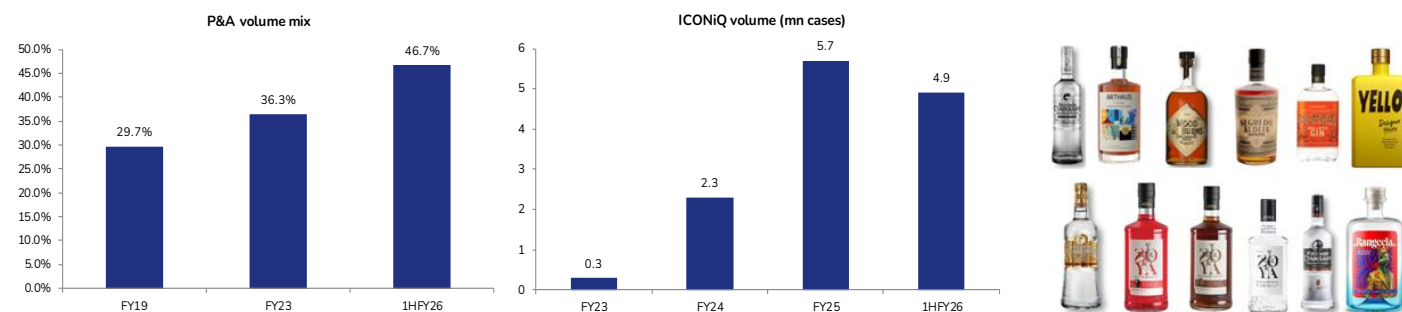
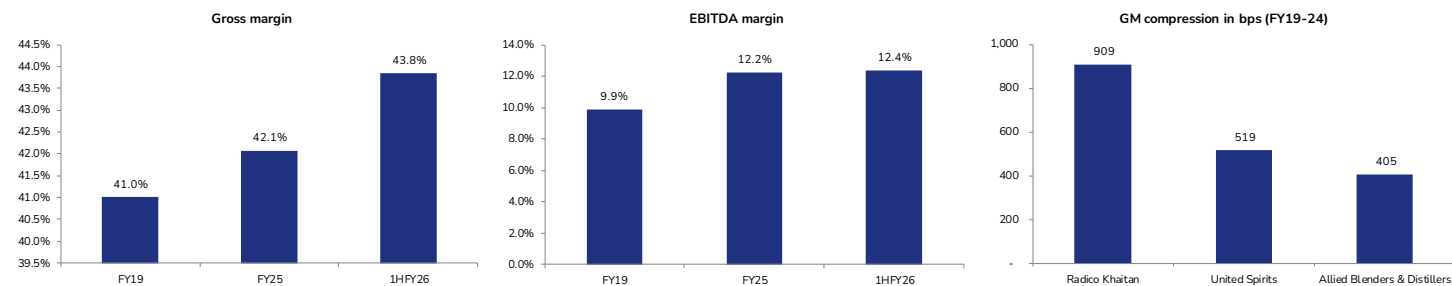
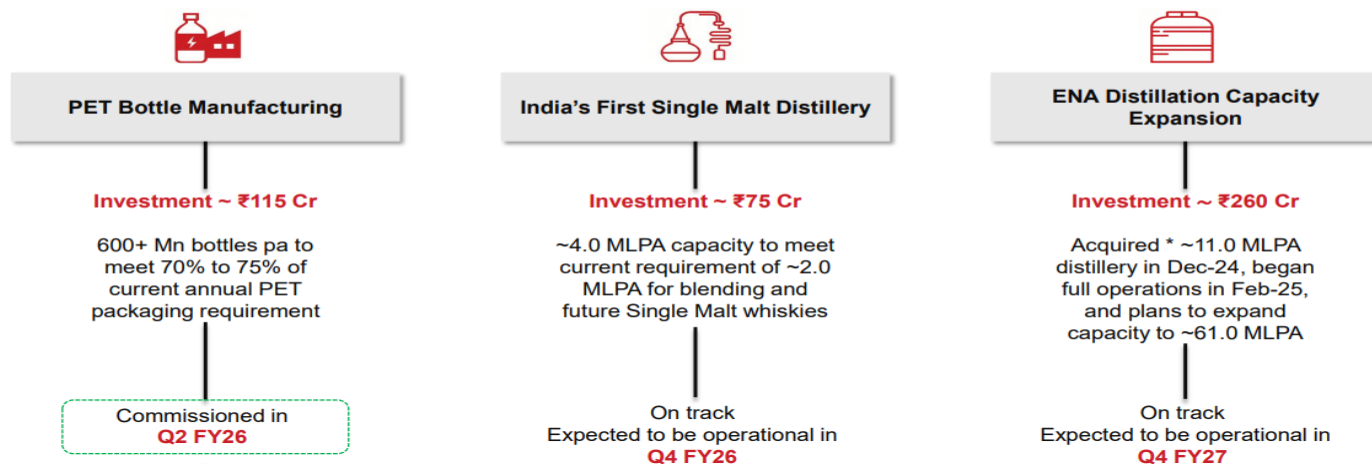


Source: Company, JM Financial

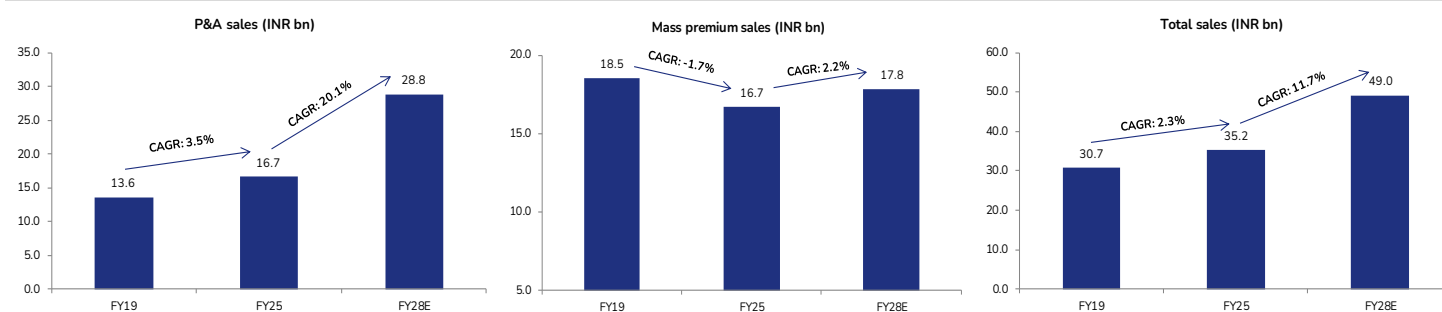
Exhibit 3. Enjoys leadership in mass premium segment through Officer's Choice (among top 5 selling whisky's by volumes) with best-in-class profitability (gross margin >40%)



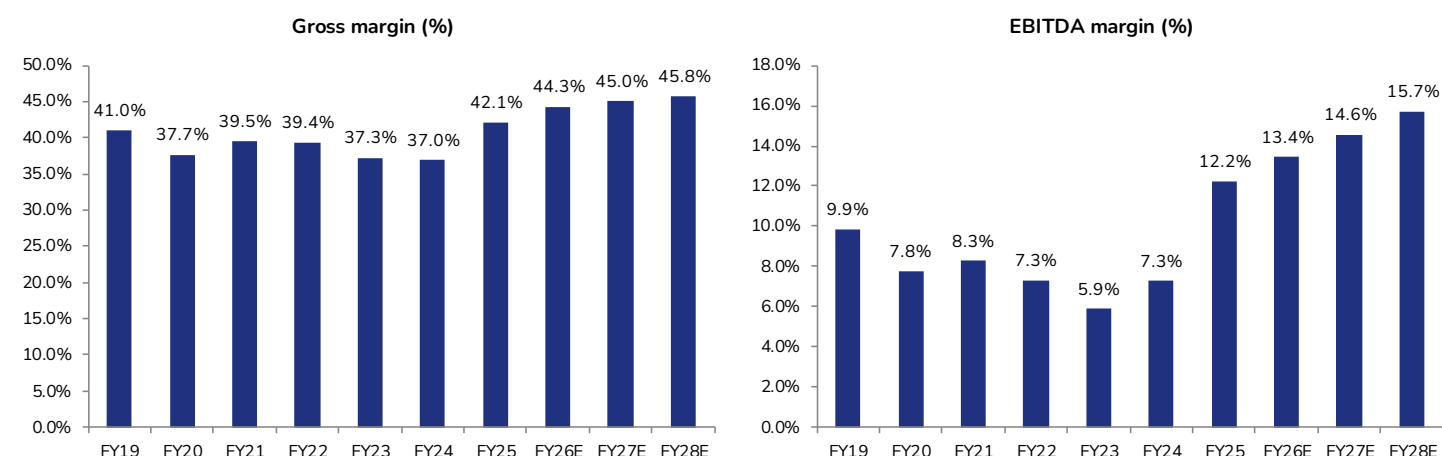
Source: Company, JM Financial

Exhibit 4. Scaling up presence in fast growing P&A segment through ICONiQ (in Prestige & Semi-premium) and ABD maestro portfolio (in premium & luxury segment)

Exhibit 5. ABD's Gross margin compression over FY19-24 was lower vs. peers, was able to recoup the loss and further expand over FY25-1HFY26, resulting in healthy uptick in EBITDA margins over the same period

Exhibit 6. Backward integration project underway, management expects c.300bps gross margin expansion over 1HFY26-28E from the same
Strategic Investments to Optimize Supply Chain and Enhance Gross Margins by ~300 bps over 2 years


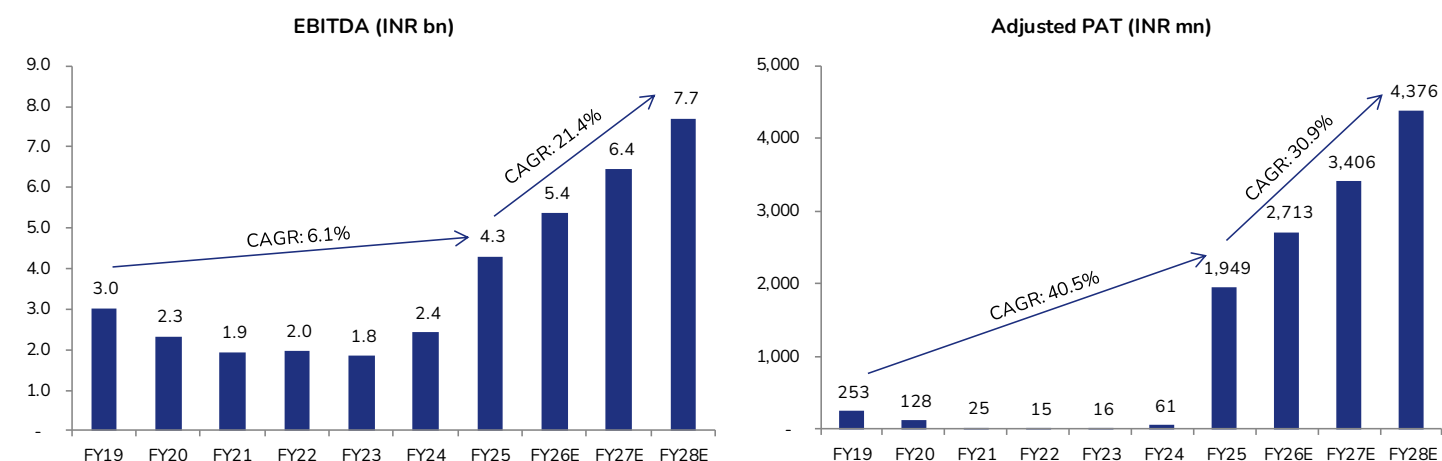
Source: Company, JM Financial. *MALLP – Minakshi Agro LLP.

Exhibit 7. Sales growth to accelerate over FY25-28E vs. historical trend led by continued strength in P&A segment (primarily driven by ICONiQ)...

Source: Company, JM Financial

Exhibit 8. ...which along with backward integration-led margin expansion...

Source: Company, JM Financial

Exhibit 9. ..will drive EBITDA/PAT CAGR of 21%/31% over FY25-28E

Source: Company, JM Financial

Exhibit 10. Improved profitability to enable healthy cash generation as well as aid uptick in return ratios over FY26-28E

Particulars	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Operating cashflow (INR bn)	1.9	5.9	2.5	1.8	2.3	1.9	-6.8	4.8	4.3	5.1
Free cashflow (INR bn)	0.3	5.5	2.1	1.2	2.1	1.4	-8.1	1.3	2.8	3.6
RoE (%)	8.9%	3.8%	0.7%	0.4%	0.4%	1.5%	19.8%	16.5%	18.5%	21.1%
RoCE (%) – pre tax	15.9%	11.9%	11.2%	11.5%	11.6%	15.8%	21.2%	18.6%	20.6%	23.6%

Source: Company, JM Financial. Note: RoCE – pre tax calculation = EBIT (including other income) divided by average capital employed (total equity + gross debt).

Investment thesis

- **3rd largest pan-India spirits company (by volume) with leadership position in the mass premium segment and an improving P&A portfolio...:** Allied Blenders & Distillers (ABD) is the third-largest IMFL player in terms of volume and fourth largest in revenue terms (as on FY25). Its portfolio comprises strong brands like Officer's Choice whisky (leader in the mass premium segment with market share of c.35% and among the top 5 whiskies globally in volume terms) and ICONiQ White whisky (launched in FY23 in the P&A segment and the fastest-growing whisky in CY23/24). Together, they accounted for c.73% of ABD's overall volume in FY25 (as per our estimate). Success of ICONiQ White has led to P&A salience increasing to c.56% of overall IMFL sales in 1HFY26 (compared to 47.5% in FY24). Further, ABD is widening its presence in the P&A segment through a portfolio of premium/luxury brands under its subsidiary ABD Maestro.
- **...which along with strong supply chain capabilities makes it well-placed to tap the large and attractive opportunity in the IMFL segment:** Apart from building its portfolio, ABD is also strengthening its manufacturing capabilities. It has two large distilleries strategically located in Maharashtra (acquired in Dec'24) and Telangana with a combined capacity of 71mn litres p.a., and 34 bottling units spread across India. Moreover, it is expanding ENA capacity at its Maharashtra plant by 50 MLPA, post which two-thirds of its ENA requirement will be met in-house (vs. c.33% currently). Further, it recently commissioned the PET bottle manufacturing unit (will take care of c.70-75% of its PET bottle requirement) and is also in the process of setting up the first single malt distillery (capacity of 4 MLPA to be commissioned by 4QFY26E, which will enable its entry into the single malt segment in FY29E).
- **Officer's Choice whisky – leadership position in the mass premium segment with best-in-class profitability:** ABD, through its flagship brand Officer's Choice whisky, enjoys leadership position in the mass premium segment with a market share of c.35%. Covid impact, SKU rationalisation in less-profitable markets (conscious strategy undertaken in FY24/25) and challenges in key markets of Delhi, Andhra Pradesh and Telangana have resulted in volume moderating from the peak of 25mn-26mn cases pre-covid to c.18mn cases currently. Going ahead, with Telangana retail licence-related industry pipeline correction reversing along with improving macro, the growth trajectory in the mass premium segment should see some improvement over the medium term. We expect low-single-digit decline in FY26E and factor in c.4% sales CAGR over FY26-28E. While volume trajectory has been under pressure, profitability in the segment for ABD is best in class with gross margin of c.40%+ and EBITDA margin in healthy double digits (as per our estimate) led by: a) optimised state/SKU mix and b) strong brand strength, which ensures lower trade spends and makes this portfolio a cash cow for the company.
- **Success of ICONiQ White whisky highlights strong innovation/execution capabilities; expect healthy growth momentum to continue:** One of the key aspects of ABD's recent turnaround has been the massive success seen in ICONiQ White whisky. Launched in Sep'22, the brand crossed a million cases within the first year of launch, and clocked 5.7mn cases in FY25, thereby becoming the fastest-growing whisky brand globally in CY23/24. This is despite the presence of strong competing brands from all major players like United Spirits, Pernod Ricard and Radico Khaitan. The momentum has only strengthened in FY26 with the brand achieving a volume of c.4.9mn cases in 1HFY26 itself. Our channel checks suggest the brand is gaining momentum even in markets like Maharashtra (where the industry has seen a decline due to regulatory headwinds) and also in markets where it has been launched less than a year back. This apart, expanding the international footprint for the brand is also another growth lever. As per our analysis, the growth acceleration seen in ICONiQ White has been much higher compared to Imperial Blue, and Royal Stag in their first 3 years of launch. In our view, the success clearly highlights ABD's innovation capabilities and ability to position it at the right price point. With continued share gains, volume is likely to grow by c.70%+ in FY26E, post which we expect c.20%+ volume growth CAGR over FY26-28E.
- **Upping the ante in the P&A segment by increasing participation in super premium/luxury IMFL segment through ABD Maestro:** In Feb'25, ABD incorporated its new subsidiary ABD Maestro Pvt Ltd in partnership with Bollywood celebrity Ranveer Singh (owns 20% stake), specifically focusing on the super-premium and luxury IMFL segment. The entity has a separate professional team of 50 members, spearheaded by industry veteran Mr Bikram Basu. The segment accounts for 3% of industry volume (translates to c.12mn cases) but is fast growing and has much higher margins (c.21% of industry net contribution). Currently, the entity has built a portfolio of brands with price point > INR 2,000 across various IMFL segments through its Build-Buy-Partner strategy. The brand introductions are done by identifying spaces where competition is lower and growth-margin index is higher. Further, company has scaled achieved

penetration of 10% in premium HORECA in first six months and there is enough headroom for expansion. Given the high realisation/case in this portfolio, a 1% volume contribution from this portfolio can lead to 8% addition to overall top line for ABD. Successful scale-up in this portfolio can significantly improve revenue and profitability for ABD over the long term. FY26 will be a year of brand launches and distribution scale-up; the aspiration is to capture high-single-digit market share in the segment. Currently, the portfolio is clocking ARR of INR 400mn and has much superior gross margin (c.55%+ vs. c.43-44% margins at overall company level) but the entity is still in the investment phase and is expected to turn EBITDA-positive by FY28E. We have not factored in any meaningful contribution from this portfolio in our estimates as we await more data points on the execution side.

- **Strategic interventions yielding promising results:** ABD's revenue performance over FY14-24 has been a mixed bag, with volume trajectory going from high-single-digit volume CAGR over FY14-19 to a decline in overall volume over FY19-25. This can be attributed to higher dependence on Officer's Choice whisky, relatively weaker presence compared to peers in the fast-growing P&A segment, and weak profitability and balance sheet, which restricted growth investments. However, over the last couple of years, ABD has undertaken several strategic initiatives, starting with putting in place a professional management team with rich experience in the alcoholic beverage segment, which then undertook interventions both on revamping the portfolio (scale up P&A portfolio), investing in strengthening the supply chain (stepped up investment in backward integration) as well as rationalising costs (sharp reduction in chairman's office cost) to improve profitability. The benefits of these measures are visible – a) sharp acceleration in growth over the last 5 quarters led by massive success of ICONiQ White whisky, b) c.660bps expansion in gross margin over FY23-1HFY26, better than expansion seen in peers, and c) Improvement in profitability metrics (EBITDA margin improved by c.650bps over FY23-1HFY26, RoE/RoCE improved from 0.4%/11.6% in FY23 to 16.4%/17.6% in 1HFY26 respectively).
- **Revenue and profitability metrics to see further improvement, execution will be key:** ABD's sales have grown at a modest CAGR of 2.3% over FY19-25, much lower vs. listed peers in the alcoholic beverages segment (Radico has grown at a CAGR of 15% while UB/UNSP sales have grown at a CAGR of 4-5% over the same period). However, with strategic interventions made in the portfolio and supply chain as well as corrective actions taken on the cost side we expect the earnings trajectory to improve significantly going ahead. We expect revenue growth to accelerate and build in 12% sales CAGR over FY25-28E led by sustained momentum in ICONiQ White whisky coupled with some recovery in Officer's Choice whisky/Sterling Reserve. Execution on margin improvement has been on track, with gross margin already close to that of spirit players despite higher salience of the mass premium segment. With further scale-up in the P&A portfolio and benefit of backward integration we expect gross margin to expand by c.370bps over FY25-28E (c.150 bps over FY26-28E), which, along with scale leverage, will drive EBITDA margin expansion of c.350bps (c.230 bps over FY26-28E), resulting in EBITDA/PAT CAGR of 21%/31% over the same period.

Exhibit 11. Key assumption table

Particulars	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total IMFL volumes (mn cases)	32	32	33	36	39	42
YoY	12.2%	-1.6%	4.4%	9.3%	7.7%	7.9%
- P&A volumes	12	12	13	17	19	22
YoY	14.7%	0.9%	13.6%	26.0%	13.0%	13.0%
- Mass premium volumes	21	20	20	19	20	20
YoY	10.8%	-2.9%	-1.0%	-2.0%	3.0%	3.0%
Total IMFL realisation per case (INR)	932	977	1,007	1,049	1,079	1,110
YoY	-1.2%	4.8%	3.1%	4.1%	2.8%	2.9%
- P&A realisation per case	1,255	1,245	1,243	1,274	1,305	1,338
YoY	-2.8%	-0.8%	-0.2%	2.5%	2.5%	2.5%
- Mass premium realisation per case	747	818	847	852	861	869
YoY	-0.6%	9.4%	3.6%	0.6%	1.0%	1.0%
P&A sales (INR mn)	14,680	14,690	16,650	21,503	24,906	28,848
YoY	11.5%	0.1%	13.3%	29.2%	15.8%	15.8%
Mass premium sales (INR mn)	15,320	16,270	16,690	16,454	17,117	17,807
YoY	10.2%	6.2%	2.6%	-1.4%	4.0%	4.0%
IMFL sales (INR mn)	30,000	30,960	33,340	37,958	42,024	46,655
YoY	10.8%	3.2%	7.7%	13.9%	10.7%	11.0%
Non IMFL sales	1,180	1,956	1,518	1,670	1,837	2,021
YoY	1.5%	65.8%	-22.4%	10.0%	10.0%	10.0%
Total net revenue	31,466	33,279	35,199	39,936	44,200	49,049
YoY	17.2%	5.8%	5.8%	13.5%	10.7%	11.0%
Gross profit	11,726	12,299	14,810	17,693	19,901	22,447
YoY	10.9%	4.9%	20.4%	19.5%	12.5%	12.8%
Gross profit margin	37.3%	37.0%	42.1%	44.3%	45.0%	45.8%
Staff cost	1,857	1,756	1,689	2,111	2,280	2,462
YoY	-4.0%	-5.4%	-3.9%	25.0%	8.0%	8.0%
Staff cost (as % to net revenue)	5.9%	5.3%	4.8%	5.3%	5.2%	5.0%
A&P spends	1,304	1,144	1,324	1,677	1,856	2,060
YoY	38.9%	-12.3%	15.8%	26.7%	10.7%	11.0%
A&P spends (as % to net revenue)	4.1%	3.4%	3.8%	4.2%	4.2%	4.2%
Other expenditure	6,715	6,978	7,492	8,537	9,329	10,220
YoY	17.1%	3.9%	7.4%	13.9%	9.3%	9.6%
Other expenditure (as % to net revenue)	21.3%	21.0%	21.3%	21.4%	21.1%	20.8%
EBITDA	1,850	2,421	4,306	5,368	6,436	7,705
YoY	-5.8%	30.9%	77.8%	24.7%	19.9%	19.7%
EBITDA margin	5.9%	7.3%	12.2%	13.4%	14.6%	15.7%

Source: Company, JM Financial.

Note:

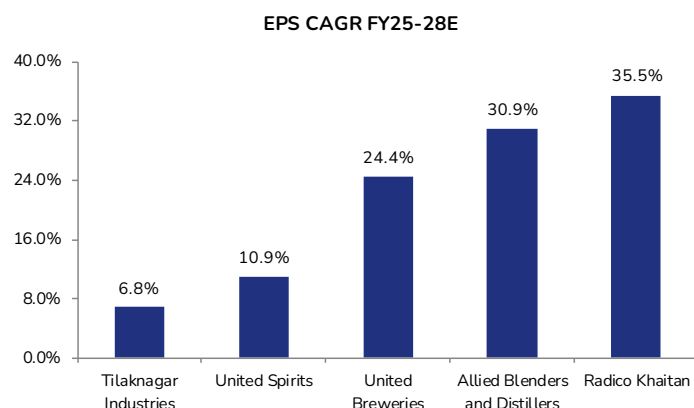
1) IMFL sales is calculated net off excise duty

2) Gross profit margin is calculated on net revenue (including other operating income).

Valuation: Initiate with BUY rating

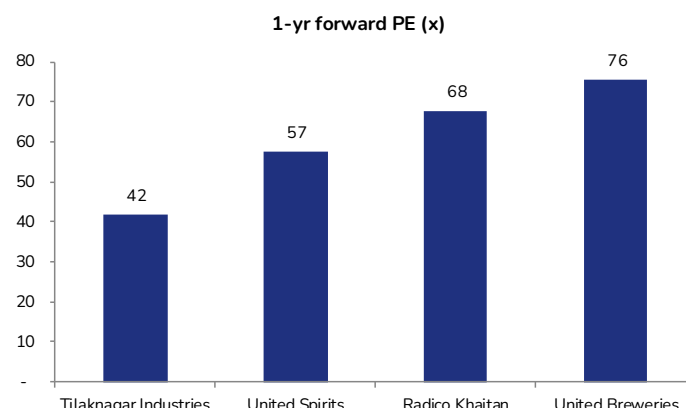
- After a challenging period especially over FY19-24 both on top line and profitability, ABD has shown credible signs of a turnaround – a) healthy double-digit growth in the P&A segment (both in volume and value term) in FY25 and 1HFY26, b) significant expansion in gross margin (from 37% in FY24 to c.43.8% in 1HFY26) and EBITDA margin (from 7.3% in FY24 to c.12.4% in 1HFY26).
- We expect revenue momentum to sustain and also see levers for further margin expansion over FY25-28E, resulting in 31% earnings CAGR over the same period. We reckon that our forecasts are lower vs. management guidance of mid-teen sales growth and EBITDA margin of 17% by FY28E.
- Having said that, we see scope for improvement in areas like a) higher and wider participation in the P&A segment, thereby reducing dependence on ICONiQ whisky, b) recovery in volume trajectory for Officer's Choice whisky, and b) reduction in debt and working capital intensity.
- Hence, we value ABD at 47x Mar'28E EPS, c.15% discount to average target multiple (c.55x) of peers in our alcoholic beverage coverage universe and initiate coverage with BUY rating and Mar'27E target price of INR 730. Superior execution on above mentioned aspects can lead to earnings upside and further rerating of the stock.

Exhibit 12. Earnings growth of key alcoholic beverages players over FY25-28E



Source: Company, JM Financial. Note: EPS CAGR of Tilaknagar is calculated basis consensus EPS estimates.

Exhibit 13. 1-year forward PE multiple of listed peers in alcoholic beverages space



Source: Company, JM Financial. Note: 1-yr forward PE of Tilaknagar is calculated basis consensus EPS estimates.

Exhibit 14. ABD's average PE band since listing



Source: Bloomberg, Company, JM Financial

Exhibit 15. ABD's average EV/EBITDA band since listing



Source: Bloomberg, Company, JM Financial

Exhibit 16. Peer comps – financial parameters

Company	Mcap (USD bn)	Rating	FY25-28E CAGR (%)			ROE (%)			ROCE (%) - post tax		
			Sales	EBITDA	EPS	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Alcobev											
United Spirits	11.6	ADD	8.5%	11.7%	13.8%	19.9%	21.2%	21.8%	20.0%	21.0%	21.6%
United Breweries	4.8	ADD	10.4%	20.9%	24.4%	9.4%	14.0%	17.8%	8.8%	13.0%	16.7%
Radico Khaitan	4.7	BUY	16.7%	25.0%	35.5%	18.4%	19.8%	21.0%	16.3%	18.3%	20.2%
Allied Blenders & Distillers	1.9	BUY	11.7%	21.4%	31.0%	16.5%	18.5%	21.1%	13.8%	15.3%	17.6%
Tilaknagar Industries*	1.0	NR	15.4%	28.4%	10.0%	17.5%	14.0%	14.6%	NA	NA	NA
Foods											
Nestle	25.9	REDUCE	9.0%	9.9%	10.1%	71.2%	76.8%	81.8%	67.5%	78.3%	83.8%
Bikaji	2.0	BUY	14.0%	16.0%	20.9%	18.3%	18.3%	17.0%	16.3%	16.7%	15.8%
Britannia	15.6	BUY	10.2%	11.9%	13.7%	54.4%	51.6%	48.8%	42.0%	40.5%	41.4%
Tata Consumer	12.5	ADD	11.2%	13.9%	21.4%	7.7%	9.3%	10.3%	7.5%	8.8%	9.8%
Varun Beverages	17.9	BUY	11.1%	9.7%	14.0%	16.3%	16.4%	16.1%	15.2%	15.8%	15.8%

Source: Bloomberg, Company, JM Financial. Note: MCap as on 11th Dec'25

*Bloomberg estimates taken for Tilaknagar Industries

Exhibit 17. Peer comps – valuation parameters

Company	PE (x)			EV/EBITDA (x)			EV/Sales (x)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Alcobev									
United Spirits	64.0	55.1	49.2	44.5	39.5	35.5	8.3	7.6	6.9
United Breweries	104.7	66.7	49.1	53.5	37.8	29.3	4.6	4.1	3.6
Radico Khaitan	79.6	62.7	49.8	46.8	38.8	32.2	7.2	6.3	5.5
Allied Blenders & Distillers	63.4	50.5	39.3	33.8	28.1	23.4	4.5	4.1	3.7
Tilaknagar Industries*	44.4	41.1	30.9	31.7	21.4	18.2	5.7	4.9	4.2
Foods									
Nestle	75.7	64.2	56.8	47.0	40.7	36.5	10.6	9.7	8.9
Bikaji	6.5	5.5	5.1	40.9	35.7	33.6	6.1	5.2	4.4
Britannia	54.5	48.5	43.5	37.0	33.4	30.3	7.1	6.3	5.7
Tata Consumer	71.7	57.4	49.3	40.1	33.7	29.9	5.6	5.0	4.5
Varun Beverages	55.5	47.8	42.2	32.1	28.2	25.0	7.7	6.6	5.8

Source: Bloomberg, Company, JM Financial. Note: Valuation as on 11th Dec'25

*Bloomberg estimates taken for Tilaknagar Industries

Business Analysis

Company Overview

- **Mass premium category leader born from visionary leadership...** Mr. Kishore Chhabria, a visionary entrepreneur with rich experience in the alcoholic-beverages industry, previously served as Managing Director of Shaw Wallace & Co (SWC). During his tenure at SWC, he identified a key White space that ultimately reshaped the mass-premium segment. In 1988, he launched Officer's Choice whisky in the mass-premium space (top end of this segment) which then went on to become one of the world's top-selling whisky brands, despite intense competition. This underscores both the brand's strength and ABD's sharp execution capabilities led by strong leadership.
- **...and now making in-roads in to fast growing P&A segment:** Over the decades, ABD has transformed from a single-brand whisky player into a well-diversified IMFL player with a clear focus on premiumising its portfolio. Though it launched multiple P&A brands, this vision gained momentum with the successful launch of ICONiQ White in FY23 – an entry-level P&A brand that has been pivotal in accelerating ABD's premiumisation strategy. Within a year of launch, ICONiQ crossed 1mn+ cases becoming the world's fastest growing spirits brand and closed 1HFY26 at c.4.9mn cases (vs 5.7mn cases in FY25), highlighting strong consumer acceptance for the brand.
- **Third-largest IMFL player in India:** As of FY25, ABD is the third-largest IMFL player by volume (fourth by value) anchored by its flagship Officer's Choice, which is a predominant band in mass premium portfolio which sold 19.7mn cases in FY25 (60% of total volume). Since its entry in 1988 with a single brand, ABD has remained a prominent whisky player with offerings across the entire price ladder. Today, the company has 25+ brands across multiple price points, supported by a broad manufacturing footprint (37 units) and an extensive distribution network (80,000+ retailers). ABD is also the largest exporter by volume, with presence in 30 countries.

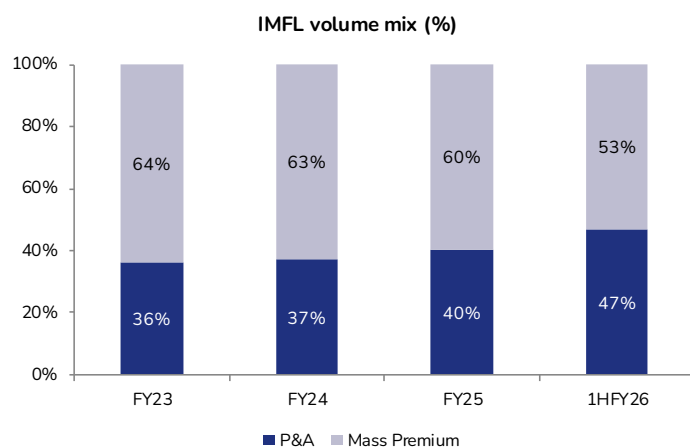
Exhibit 18. As of FY25, ABD is the third-largest IMFL player and largest player in mass premium segment in volume terms

FY25	Pernod Ricard*	United Spirits	Allied Blenders and Distillers	Radico Khaitan	Tilaknagar Industries
Overall volume (mn cases)	64	64	33	31	12
P&A volume (mn cases)	64	53	13	13	NA
Popular volume (mn cases)	NA	11	20	15	NA
IMFL revenue (INR bn)	133	113	33	34	14

Source: Company, JM Financial

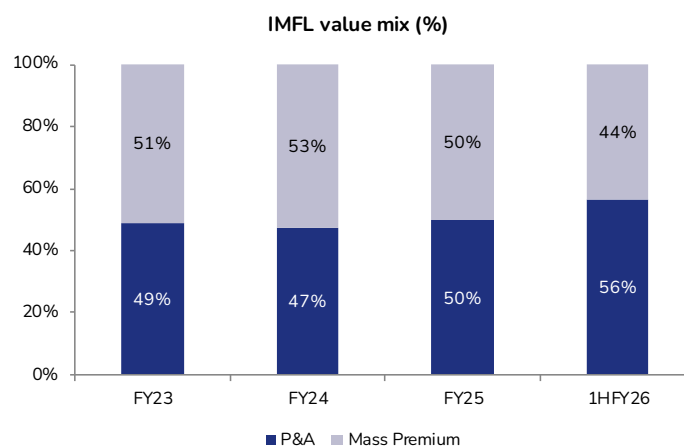
*Data for Pernod Ricard is as per internal estimates (includes Imperial Blue volumes of c.20-22mn cases which is now acquired by Tilaknagar Industries)

Exhibit 19. ABD's IMFL volume mix (%)



Source: Company, JM Financial

Exhibit 20. ABD's IMFL revenue mix




Source: Company, JM Financial

Exhibit 21. ABD's comprehensive brand portfolio across different price points

Segment	Key Brand Name	Price (INR per 750ml)	Reference
Super-Premium to Luxury (ABD Maestro)	Russian Standard Platinum Vodka	5,300	
	Arthaus Blended Malt Whisky	5,200	
	Woodburns Whisky	3,200	
	Segredo Aldeia	3,200	
	Pumori Gin	3,200	
	YELLO Designer Whisky	2,700	
	Russian Standard Gold Vodka	2,650	
	Zoya Gin Flavours	2,500	
	Zoya Gin	2,400	
	Russian Standard Original Vodka	2,400	
	RANGEELA Vodka	2,400	
Other P&A brands (ABD)	Sterling Reserve B10 Whisky	1,500	
	Kyron Brandy	1,400	
	Srishti Whisky	1,200	
	Sterling Reserve B7 Whisky	1,050	
	Golden Mist Brandy	970	
	ICONiQ White Whisky	920	
	Officer's Choice Blue Whisky	900	
Mass Premium Brands (ABD)	Officer's Choice Whisky	840	

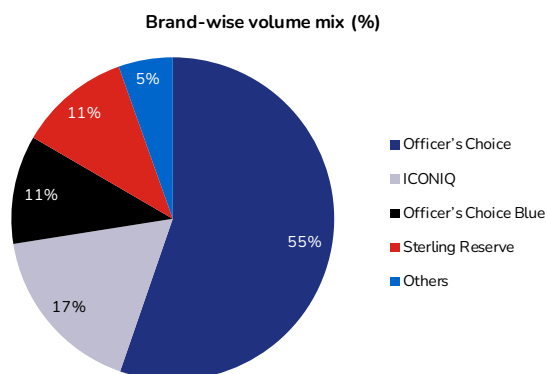
Source: Company, JM Financial; Note: MRP in Maharashtra state for all brands. Srishti brand illustrative Maharashtra MRP, for Kyron brand Kerala MRP and for Golden Mist brand Karnataka MRP

Exhibit 22. ABD's millionaire brands

Brand name	Price (INR per 750ml)	Reference
Officer's Choice	840	
Officer's Choice Blue	900	
ICONiQ White	920	
Sterling Reserve B7	1,050	

Source: Company, JM Financial; Note: MRP in Maharashtra state for all brands.

Exhibit 23. Brand-wise volume mix in FY25

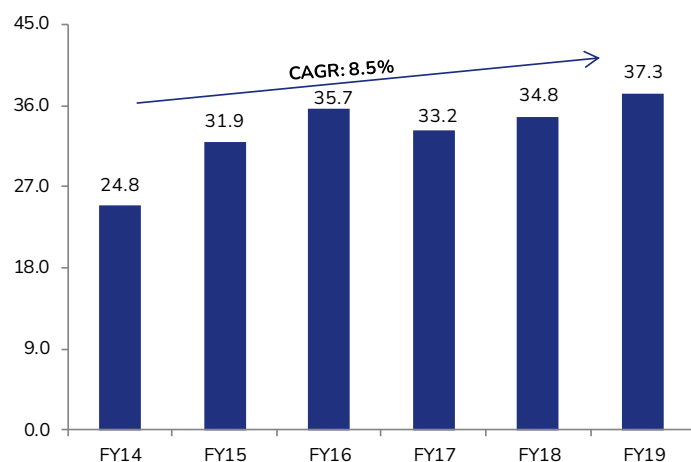


Source: JM Financial estimate

Strategic interventions showing promising results

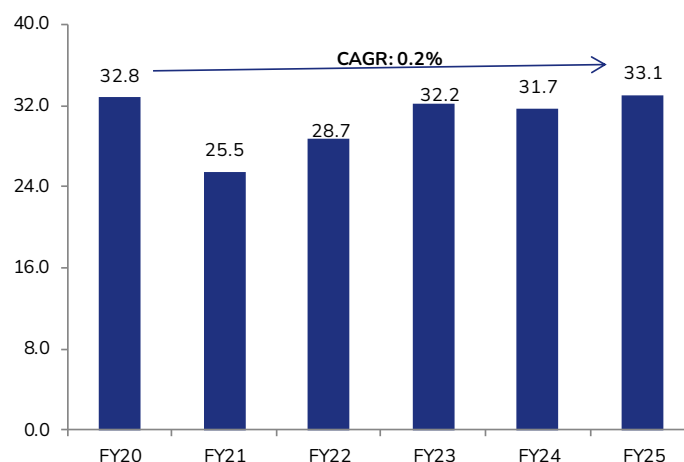
- Overcoming challenges through strategic interventions:** If we look at ABD's performance over FY14-24, it has been a mixed bag, with high-single-digit volume CAGR over FY14-19 and significant moderation over FY19-25 (decline in overall volume). A lot of this can be attributed to internal (high dependence on single brand in the mass premium segment, lack of formidable presence in the P&A segment, chairman's office cost which sat in staff cost and overhead expenses, weak balance sheet that restricted ability to invest behind growth) as well as external challenges (Covid impact, steep input cost inflation, regulatory challenges in markets of AP, Delhi, and Telangana). However, over the last couple of years, ABD has undertaken several strategic initiatives, starting with putting in place a professional management team with rich experience in the alcoholic beverage segment, which then undertook interventions both in revamping the portfolio (scale up P&A portfolio) and investing in strengthening the supply chain (stepped up investment in backward integration), as well as rationalising costs (sharp reduction in chairman's office cost) to improve profitability.

Exhibit 24. Volume CAGR over FY14-19 remained healthy...



Source: Company, JM Financial

Exhibit 25. ...post which it moderated significantly



Source: Company, JM Financial

- Initial results promising:** The benefits of these steps are now visible with initial signs of turnaround seen both on portfolio as well as profitability. Firstly, P&A segment growth, which was lagging peers due to the slowdown in OC Blue and Sterling Reserve, has accelerated sharply over the last 5 quarters led by massive success of ICONiQ White whisky. Secondly, gross margin expanded by c.660 bps over FY23-1HFY26, better than the expansion seen in peers. This, along with savings in staff cost, provided fuel to invest in brands/growth as well as drive profitability metrics (EBITDA margin improved by c.650bps over FY23-1HFY26, RoCE expanded by c.600bps to 17.6% over the same period).

Exhibit 26. ABD has undertaken various strategic interventions post IPO, improvement seen across most of the key metrics in FY25/1HFY26

Particulars	FY19	FY23	FY25	1HFY26
P&A salience as % to overall volumes	29.7%	36.3%	40.5%	46.6%
P&A salience as % to overall sales	42.3%	48.9%	49.9%	56.4%
Gross margins (%)	41.0%	37.3%	42.1%	43.8%
Staff cost as % to sales	5.8%	5.9%	4.8%	5.9%
EBITDA margins (%)	9.9%	5.9%	12.2%	12.4%
ROE (%)	8.9%	0.4%	19.8%	16.4%*
ROCE (%) – pre tax	15.9%	11.6%	21.2%	17.6%*
Gross debt (INR bn)	13.4	7.8	9.0	10.5
Net debt/Equity	4.4	1.8	0.5	0.6*

Source: Company, JM Financial

*Note:

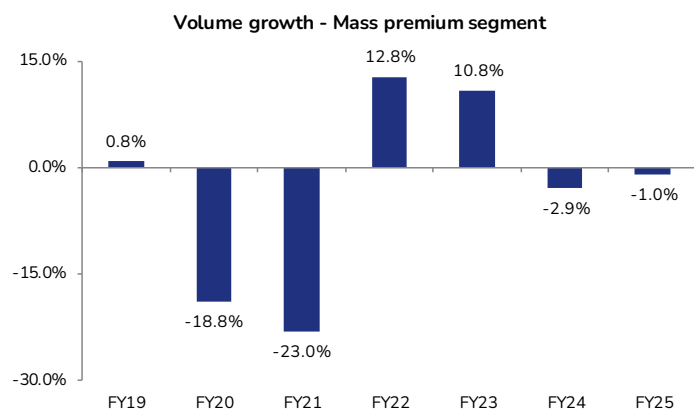
1) RoE calculation for 1HFY26 = summation of adjusted PAT for trailing 12 months divided by equity as on 30th September 25.

2) RoCE calculation for 1HFY26 = summation of EBIT(including other income) for trailing 12 months divided by capital employed (equity + gross debt) as on 30th September 25.

3) Net debt-to-equity calculation for 1HFY26 = Long-term and short borrowing less cash and cash equivalents divided by equity as on 30th September 25.

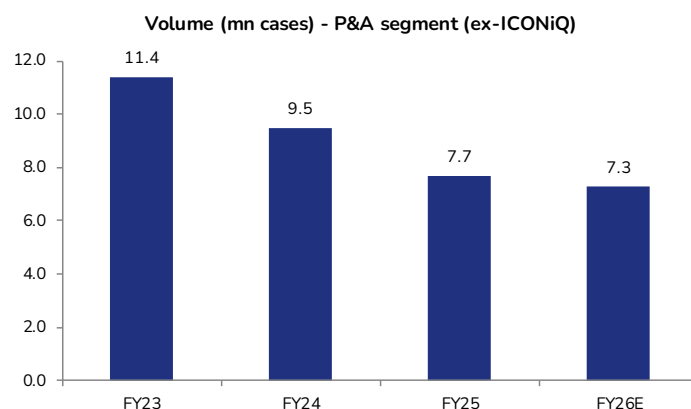
- **More work to be done on certain aspects as premiumisation opportunity and headroom to improve performance metrics remains large:** While initial signs of a turnaround are promising, we still see a few areas where more work needs to be done like a) Accelerate growth in P&A by scaling up presence of the ABD Maestro portfolio, new launches in mid-prestige/premium segments, b) reviving growth in Officers Choice within the mass premium segment, c) further strengthening of balance sheet with better working capital management and reduction in debt and d) execution on backward integration projects. Clearly, the opportunity size in the IMFL segment is immense. We believe superior execution in these aspects is critical and will be a key enabler for acceleration in revenue growth trajectory as well as further improving ABD's profitability metrics, which is currently lower compared to peers in the listed space.

Exhibit 27. Macro headwinds/strategy to exit less profitable markets has weighed on mass premium segment performance



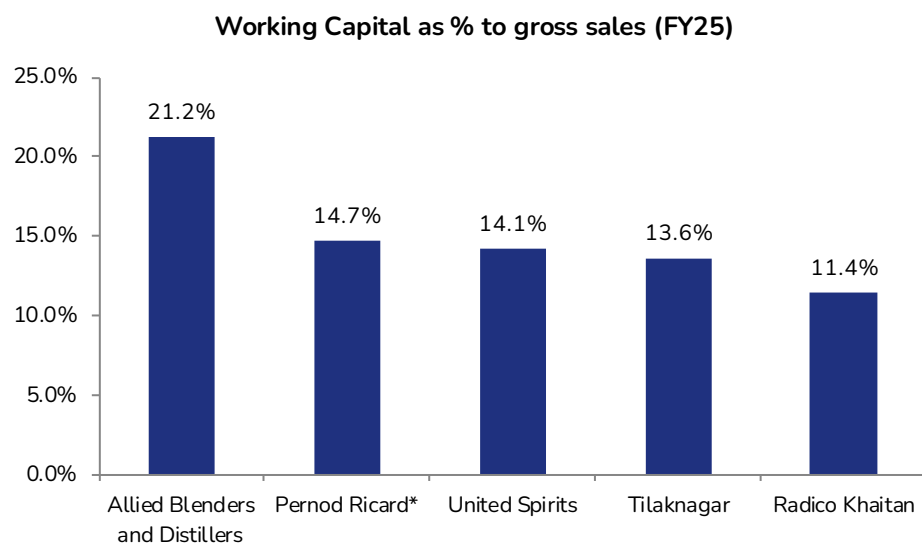
Source: Company, JM Financial

Exhibit 28. P&A volume growth (ex-ICONiQ) has remained under pressure with weakness in OCB and SR



Source: Company, JM Financial estimate

Exhibit 29. ABD's working capital levels remains elevated vs. peers (due to overdues from its largest market Telangana)



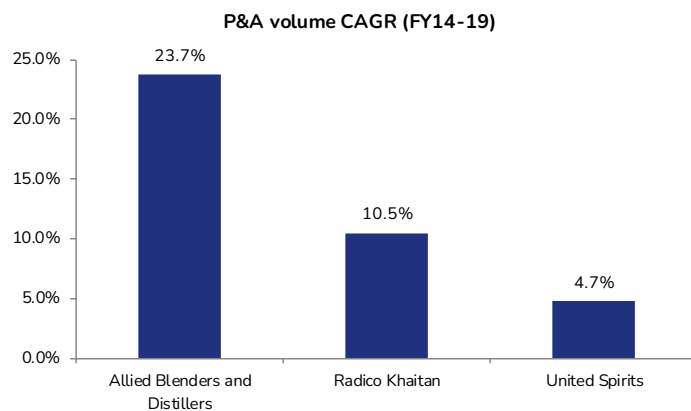
Source: Company, JM Financial

Stepping up efforts on premiumisation

Performance of erstwhile P&A brands has been underwhelming over FY19-25; focused initiatives underway to stabilise volumes in priority markets

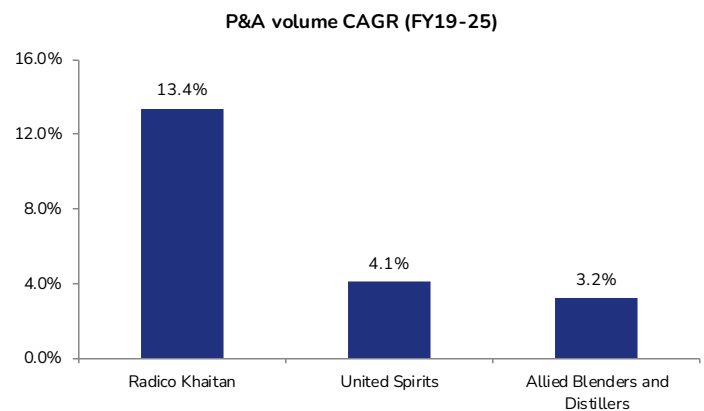
- **Pre-covid (FY14-19), ABD had outperformed peers in the P&A segment:** Within the IMFL industry, premiumisation has picked up pace and is one of the structural shifts with consumers seeking differentiated and premium offerings. Over the last decade, ABD's premiumisation journey has been a mixed bag with mid-single digit volume CAGR over FY14-25. Prior to Covid, over FY14-19, ABD outperformed peers like Radico and United Spirits in the P&A segment with volumes growing at a CAGR of c.20%+, led by success of Officers Choice Blue.
- **Over FY19-25, weakness in OCB/SR led to deceleration in P&A segment growth :** However, growth moderated over FY19-24 with P&A volumes seeing flattish growth in that period. If we double click on this period, a large part of this slowdown was led by decline in OC Blue volume (almost halved in FY24/25 compared to peak of 8mn-9mn cases seen pre-Covid). Sterling Reserve, which was launched in 2018, saw healthy traction reaching 5mn+ cases in FY23, but post that it has also seen moderation in volume growth.

Exhibit 30. First half of the last decade, ABD's P&A trajectory outperformed peers...



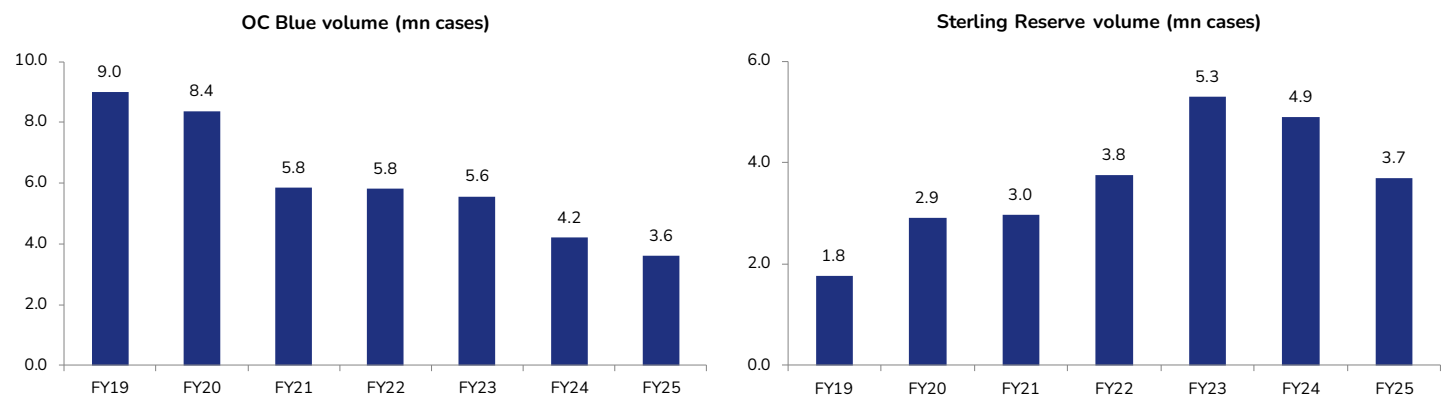
Source: Company, JM Financial

Exhibit 31. ...while in the latter half of the decade, ABD's growth in P&A segment has lagged peers...



Source: Company, JM Financial

Exhibit 32. ...impacted by weakness in erstwhile brands (OCB/SR)



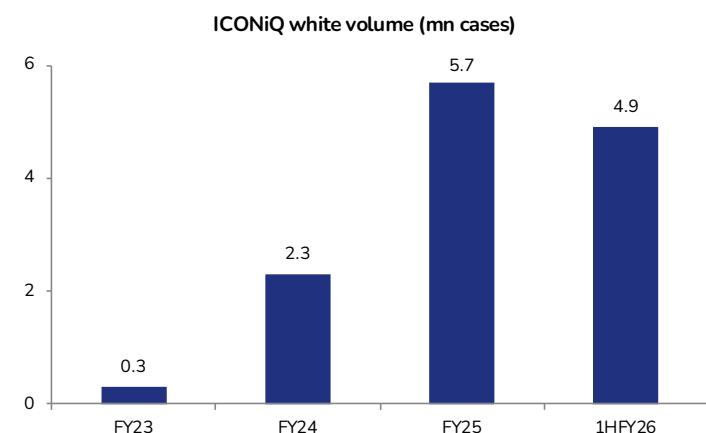
Source: JM Financial estimate

- **Interventions underway to arrest decline and stabilise Sterling Reserve and OC Blue:** Ex-ICONiQ White, volume performance across the broader P&A portfolio has been underwhelming, with both millionaire brands Sterling Reserve and Officer's Choice Blue witnessing moderation in growth. ABD has outlined a clear revival plan for both of these brands. Firstly, for Sterling Reserve - a) rollout of an improved blend in key markets that derive >50% of industry volume, aimed at strengthening consumer acceptance and b) meaningful investments in upgraded packaging. Early indicators are encouraging, with the brand delivering single-digit growth in priority markets. The management intends to scale the new blend across all markets to arrest the ongoing decline and stabilise the volumes in FY26. For OC Blue, ABD has identified six to eight priority markets and will focus its execution efforts on these markets to revive brand momentum and stabilise its volume trajectory.

ICONiQ White – Phenomenal success; levers exist to sustain strong momentum

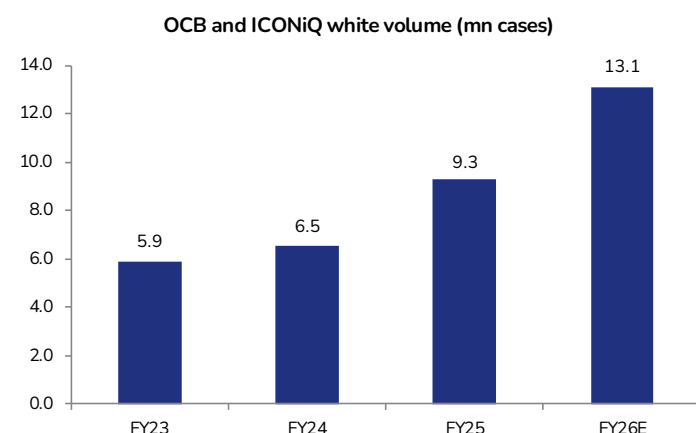
- **ABD made a strong comeback led by significant success in ICONiQ White whisky, offsetting the weakness in erstwhile P&A brands:** However, ABD made a strong comeback in the P&A segment through the launch of ICONiQ White whisky in FY23 which has been the most successful launch for the company in this segment, growing much faster compared to the traction seen in OC Blue and Sterling Reserve in their initial years post launch. With the brand crossing 5mn cases in FY25 and tracking ARR of 9mn cases in FY26E, it has emerged as the fastest-growing brand in the P&A segment as well as in the overall whisky/IMFL segment. The success of ICONiQ more than offset the moderation in OC Blue and Sterling Reserve, resulting in P&A volume growth of 14% in FY25. Moreover, the traction has further strengthened in FY26E for the brand and we estimate P&A volume growth of c.26%, thereby outperforming peers like Radico and United Spirits.

Exhibit 33. Strong comeback led by phenomenal success in ICONiQ...



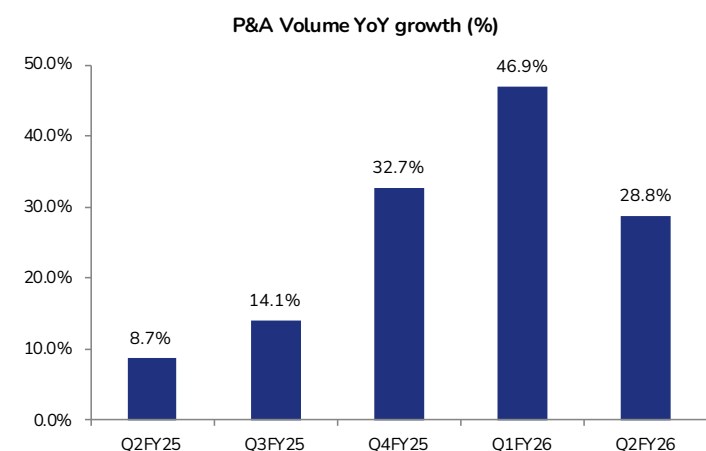
Source: Company, JM Financial

Exhibit 34. ...offset the weakness due to decline of OCB



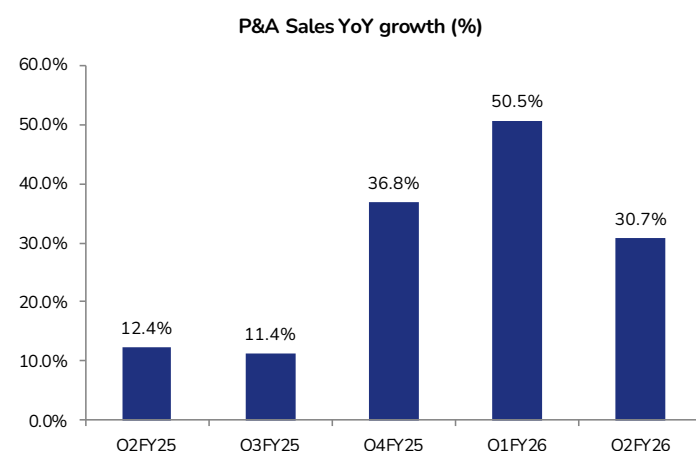
Source: Company, JM Financial

Exhibit 35. ABD reported robust P&A volume growth translating into...



Source: Company, JM Financial

Exhibit 36. ...double-digit value growth in P&A over the last 5 quarters



Source: Company, JM Financial

■ Expect strong momentum in ICONiQ to continue; will remain key volume driver for ABD:

Launched in Sep'22, ICONiQ White is a blend of scotch malts and Indian grain spirits. As highlighted earlier, the brand has been one of the fastest-growing P&A whiskies since launch despite the presence of competing brands like McDowell's No 1, After Dark, Imperial Blue (in the lower prestige segment) and Royal Stag, Royal Challenge (in the upper prestige segment). In our view, the success of the brand can be attributed to superior blend, contemporary product design and attractive pricing (between lower and mid-prestige whisky segment). The success clearly highlights ABD's innovation and execution capabilities. Looking ahead, the management has outlined three key levers to accelerate the brand's growth: a) Global expansion – make ICONiQ a global brand by expanding its global footprint (currently exports to 8 countries, target is further expand in other international markets); b) Launch of variants – introducing differentiated blends tailored to specific markets with unique propositions (e.g., ICONiQ Winter,

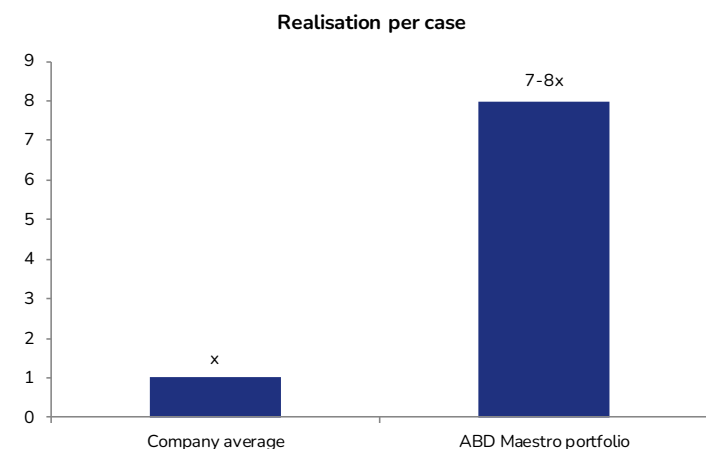
a winter-focused whisky variant launched in the northern markets, targeting rum consumers), and c) market share gains. In terms of profitability, while the brand's gross margin is lower vs company level margins currently, with improving scale and returnable bottle ratio, the margin profile of the brand has been inching up and should continue to improve over the medium term, in our view.

- **Strengthening P&A presence by addressing Whitespaces: Srishti premium whisky** (launched in 2022) is ABD's home-grown prestige offering - an innovative blend consisting golden saffron (curcumin) with classic Scotch and Indian grain spirit. It is a regional brand positioned to attract value conscious yet experience-seeking consumers by bridging the price gap between semi premium and premium segment. Srishti has seen healthy traction within a year of launch, and with investments in packaging underway, management expects further traction in its key markets. **Golden Mist** (launched in April 2025) marks ABD's entry into the fast-growing prestige brandy segment, primarily targeting southern markets to drive incremental share gains. This launch strengthens ABD's non-whisky premium portfolio and further bolsters its presence in the P&A segment.

ABD Maestro – Increasing participation in P&A segment; successful execution can create a key value driver over the long term

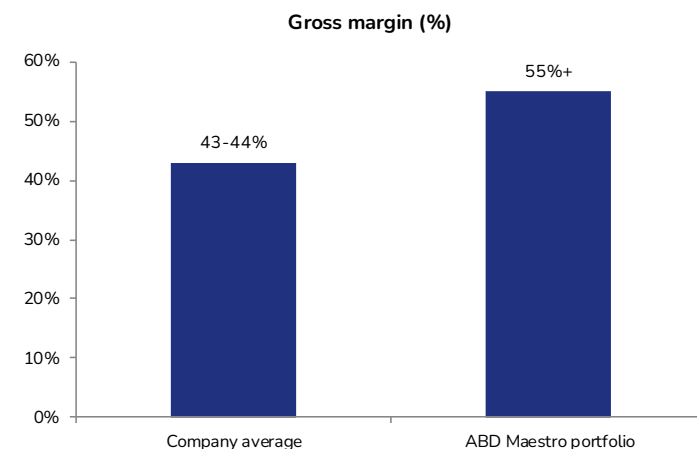
- **ABD Maestro – Incorporated a focused entity to increase participation in fast-growing super-premium and luxury segment:** Apart from strengthening its presence in the lower and mid-prestige segment, ABD is also stepping up its focus on the super-premium and luxury segments through the incorporation of a new subsidiary ABD Maestro in 2025. In this strategic entity, ABD holds 80% stake while the balance 20% is owned by Bollywood actor Ranveer Singh, who will act as business/creative partner. The entity has a dedicated 50-member team spearheaded by Mr Bikram Basu, who has over 2 decades of experience with players like United Spirits/Pernod Ricard and has been the driving force behind building several market leading and defining brands in the country.
- **Portfolio in place, focus on increasing presence in premium HORECA:** The management's strategy is to launch products in categories with lower competitive intensity but attractive growth/margin potential. Within its first year, ABD Maestro has portfolio of nine brands, each positioned with clear category roles, competitive pricing and differentiated value propositions. A wider portfolio across various sub-categories provides an edge in entering premium HORECA. The company now intends to scale up by deepening distribution in premium on-premise (HORECA) and global travel retail channels. The premium HORECA universe comprises c.20,000 outlets of which ABD's penetration is currently at c.10%, implying substantial runway for growth.
- **Superior unit economics:** Given the high realisation/case in this portfolio, successful scale-up in this portfolio can significantly improve revenue and profitability for ABD over the long term. FY26 will be a year of brand launches and distribution scale-up; the aspiration is to capture high-single-digit market share in the segment over medium to long term. Currently, the portfolio is clocking ARR of INR 400mn, has much superior gross margin (c.55% vs. c.43-44% margin at the overall company level), but the entity is still in investment phase and is expected to turn EBITDA-positive by FY28E. **We have not factored in any meaningful contribution from this portfolio in our estimate as we await more data points on the execution side.**

Exhibit 37. ABD Maestro portfolio has much higher realisation per case...



Source: Company, JM Financial

Exhibit 38. ...along with superior gross margins vs. company average



Source: Company, JM Financial

Exhibit 39. ABD has been agile and aggressive in launching its super premium to luxury portfolio through ABD Maestro

Segment	Brand Name	Price (INR per 750ml)	Reference
Super-Premium to Luxury (ABD Maestro)	Russian Standard Platinum Vodka	5,300	
	Arthaus Blended Malt Whisky	5,200	
	Woodburns Whisky	3,200	
	Segredo Aldeia	3,200	
	Pumori Gin	3,200	
	YELLO Designer Whisky	2,700	
	Russian Standard Gold Vodka	2,650	
	Zoya Gin Flavours	2,500	
	Zoya Gin	2,400	
	Russian Standard Original Vodka	2,400	
	RANGEELA Vodka	2,400	

Source: Company, JM Financial

*Note: MRP in Maharashtra state for all brands.

Exhibit 40. ABD's strategy is to launch challenger brands in lower competitive segments with higher margin potential

Category	Key competing brand	ABD's challenger brand
Contemporary Indian whisky	Royal Ranthambore	Woodburns
Blended Malt Whisky	Monkey Shoulder/Copper Dog	Arthaus
Premium Vodka	Absolut/Grey Goose	Russian standard vodka (3 variants)
Craft Gin	Jaisalmer Gin	Zoya

Source: Company, JM Financial

Exhibit 41. ABD Maestro's playbook to tap into luxury consume trends

ABD Maestro: Pioneering Steps in the ~3% High Value, High Contribution Market

Category	Whisky	Gin	Vodka	Rum	Tequila	Total
- BIO (Scotch)	27%					27%
- BIO (Non-Scotch)	8%	2%	4%	0.9%	1%	16%
Total BIO	35%	2%	4%	0.9%	1%	43%
BII	53%		0.4%			53%
Indian	2%	1%	0.2%	0.02%		4%
Total	90%	3%	5%	0.9%	1%	100%

- Adopted – Build, Buy, Partner Strategy
- Identified flavour price categories with higher growth, higher margins and relatively low competition
- Future Play in BIO (Scotch) Whisky with UK FTA in place and BIO (non-Scotch) in new flavors

Sources: Industry sources and company estimations (FY25)

Note: In Whisky category BIO (Non-Scotch) includes Irish, Bourbon, Rye, Japanese etc.

BIO: Bottled In Origin

BII: Bottled In India

Current Portfolio

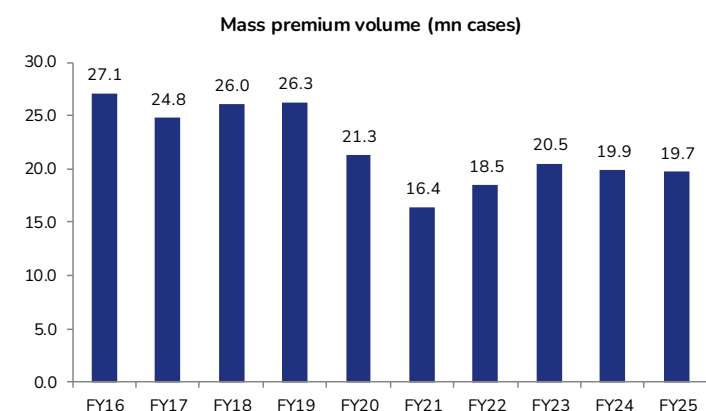
Future Play

Source: Company, JM Financial

Mass premium segment – Focus is to sustain leadership position and best in class profitability

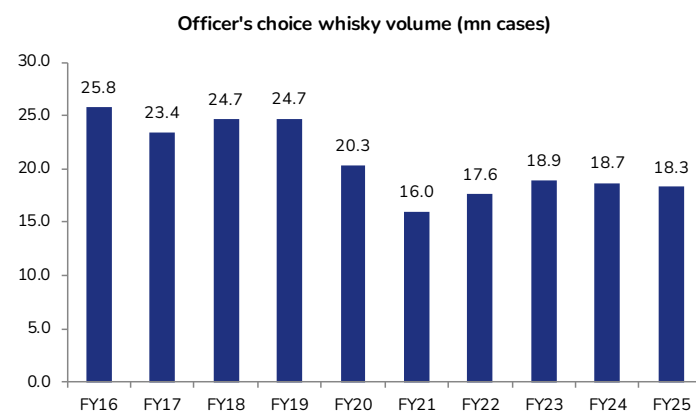
- **OCW is largest brand in mass premium whisky segment with strong brand recall:** The company's foray into the IMFL segment began with its entry into the mass premium whisky segment through Officer's Choice Whisky (OCW) in 1988. Over the years, the flagship brand went on to become one of the world's highest selling whiskies – it was among the top 5 selling whisky brands globally (as on CY24) and enjoys leadership position (market share:35%+) in the upper end of the popular/regular segment.
- **Exiting less profitable markets/SKUs, challenges in certain key markets along with weak macro has led to decline in OCW volumes over the past decade:** OCW's volume performance over the last decade reveals that prior to Covid it reached peak volume of c.26mn cases in FY16 and stabilised around 24mn-25mn cases till FY19. However, the brand touched a low of 15mn cases in FY21 and post-Covid saw a partial recovery to c.18mn cases (as on FY25). Impact of Covid, exit from less-profitable markets/SKUs and challenges in key markets of Delhi and Andhra Pradesh were the key reasons for the moderation in growth and partial recovery in volumes compared to pre-Covid levels.
- **Profitability best in class vs. peers in this segment; focus is to sustain the same:** ABD continues to adhere to its clearly defined gross margin governance framework, maintaining strict thresholds across markets and brands. Hence, it optimises the SKU brand mix in that market to meet the required margin profile and has limited scope of improvement. This approach led to the discontinuation of supply to CSD channel and Uttarakhand. Despite that, the brand equity has strengthened with meaningful recovery in market share to 35%+ in FY25 (vs. 21% in FY23) and further gains were seen in 1HFY26. Realisation per case for ABD in the mass premium segment is c.30% higher compared to Radico Khaitan. In terms of profitability, the brand operates at healthy gross margin of c.40% and EBITDA margin in double digit, benefiting from its large scale, strong brand equity, lower A&P appetite (sub-2%) and clear focus on profitable markets.
- **ABD's strategy in this segment is to sustain leadership, drive growth through introduction of variants and some improvement in macro but without compromising on profitability.** We expect modest recovery in growth trajectory and built in c.2% CAGR sales growth in the mass premium segment over FY25-28E.

Exhibit 42. ABD's mass premium segment volumes have been lower vs pre-covid levels

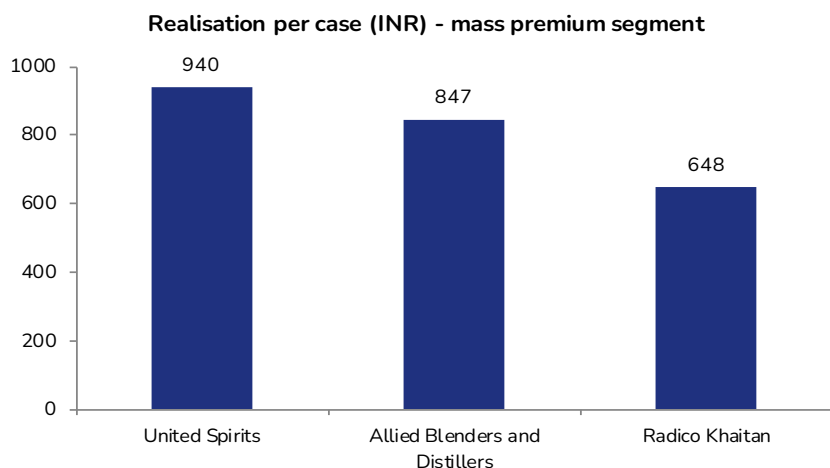


Source: Company, JM Financial

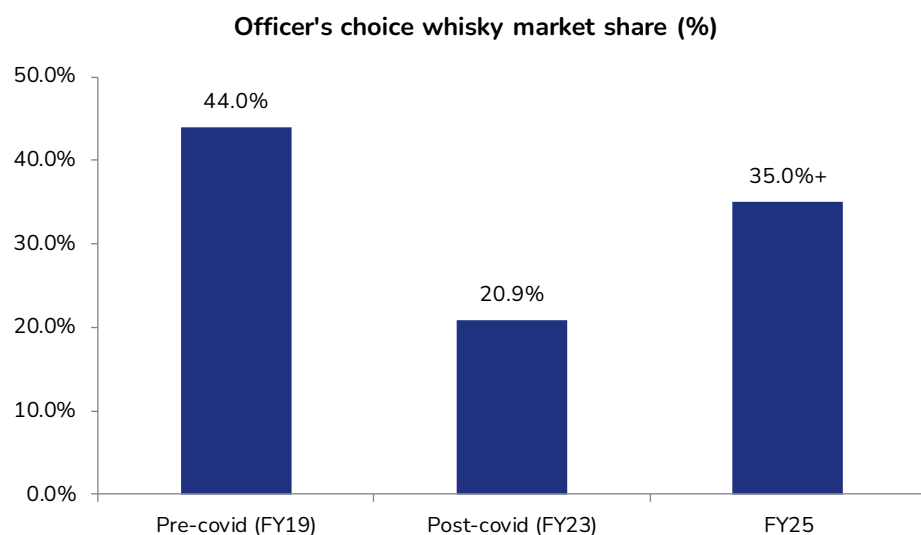
Exhibit 43. ...led by weakness in category growth, challenging macro and strategic decision to exit less profitable markets/SKUs



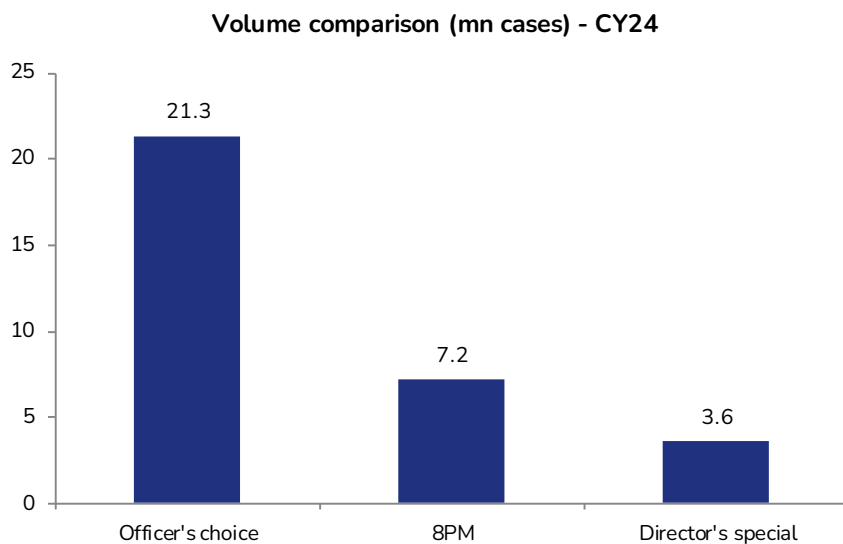
Source: Company, JM Financial

Exhibit 44. ABD's realisation per case in mass-premium segment is among the best

Source: Company, JM Financial

Exhibit 45. Despite challenging operating scenario, OCW remains a formidable leader in the segment with healthy market share...

Source: Annual reports, Company, JM Financial

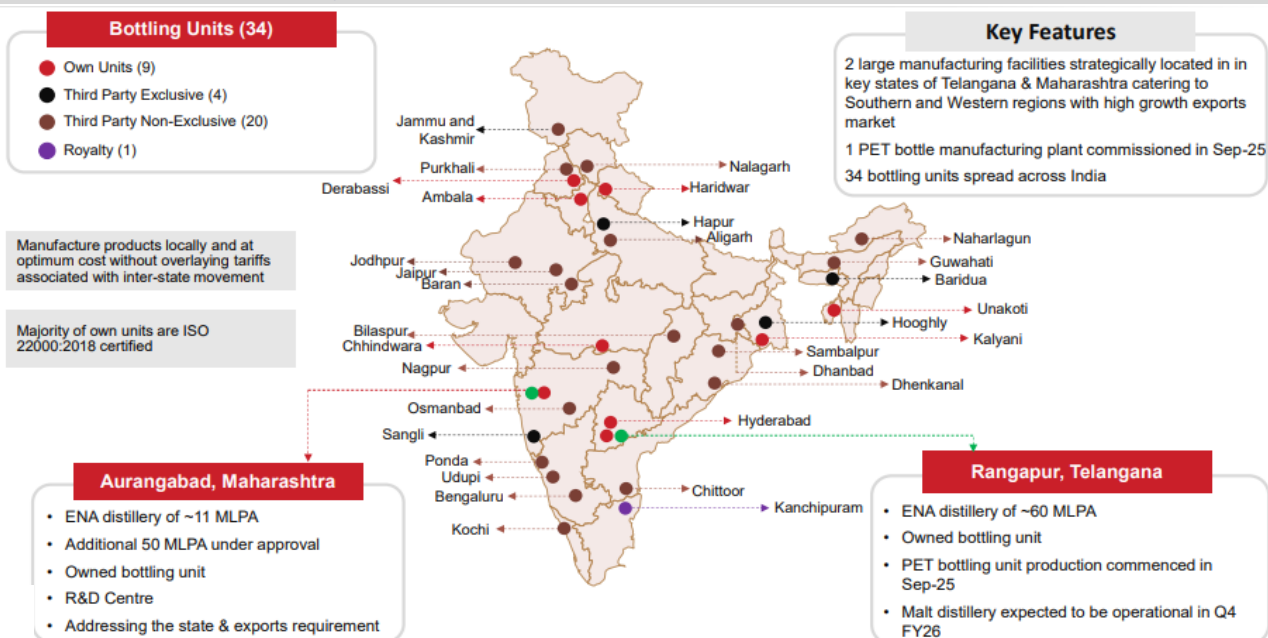
Exhibit 46. ... and by far largest in the mass-premium segment in volume terms

Source: Company, JM Financial

Strengthening supply chain capabilities through investments in backward Integration

- One of the key interventions that ABD is undertaking to enhance overall profitability and secure its supply chain is strengthening its backward integration capabilities. The company outlined an INR 5.25bn capex programme that includes investment in:
 - Expanding distillery capacity:** To meet ENA needs in Maharashtra, which is amongst the top 6 markets and base for exports, ABD acquired a 11mn-litres-per-annum ENA plant in Aurangabad (Minakshi Agro) for INR 720mn and plans to expand its capacity to 61mn litres per annum through an additional investment of INR 2.6bn. Commercial operations are expected to start in by end of FY27. Post commercialisation, the facility will account for two-thirds of its captive need of ENA compared to 33% currently.
 - Integrated malt distillery:** Additionally, to reduce availability risks to enable higher growth of prestige whisky and to prepare for its single malt product, ABD plans to invest INR 750mn to build India's first single malt distillery. This distillery will have a capacity of 4mn litres per annum, with operations expected to commence by the end of FY26E.
 - PET bottle manufacturing:** In Sep'25, as part of its backward integration process ABD commissioned a PET bottle manufacturing facility in Telangana with a capacity of 615mn bottles per annum, which entailed a capex investment of INR 1.15bn. The capacity will address the rising demand for PET bottles for Officer's Choice Whisky in the southern states (will meet 70-75% of current annual PET packaging requirement).
- Through a combination of these strategic investments in backward integration that will help optimise its supply chain, ABD expects gross margin to expand by c.300bps over FY26-28E.

Exhibit 47. ABD's pan-India manufacturing backbone



Source: Company, JM Financial

Exhibit 48. Stepping up manufacturing footprint vs. peers

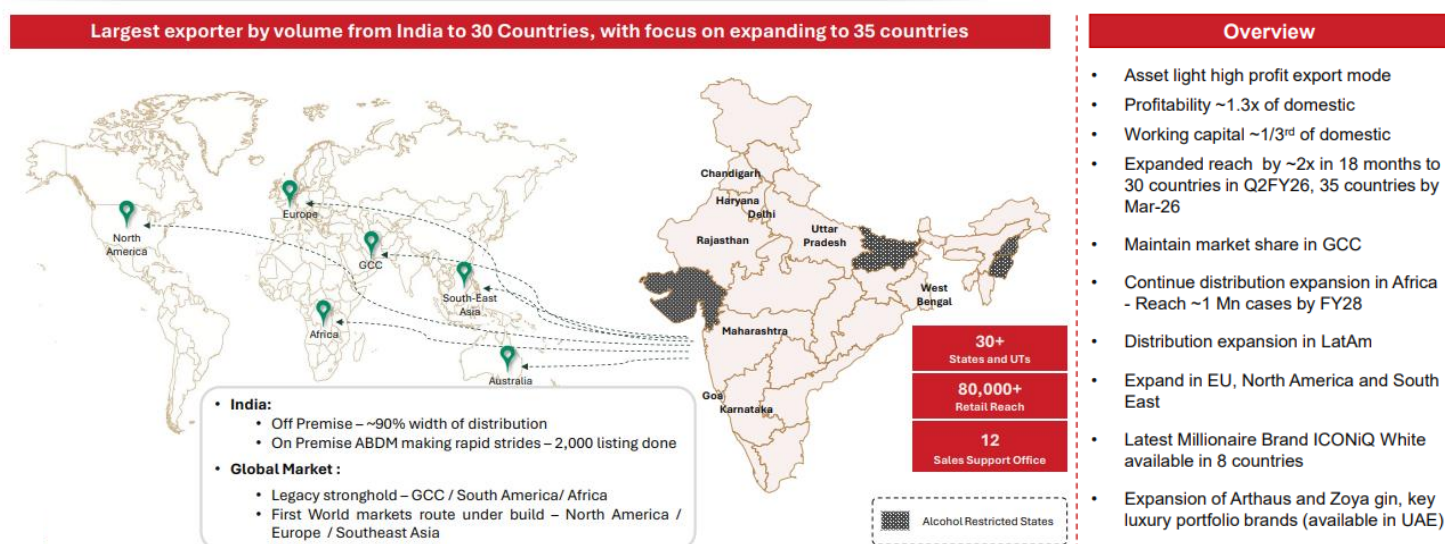
Particulars	United Spirits	Radico Khaitan	Allied Blenders & Distillers
Distillery	0	8	2
Malt facilities	5	0	1
Bottling Units	36	44	34
Own	11	5	9
Third-party exclusive	25	39	4
Third-party non exclusive			20
Royalty	0	0	1
PET bottle manufacturing unit	0	2	1

Source: Company, JM Financial

Leveraging wide portfolio and manufacturing capabilities to scale up global presence

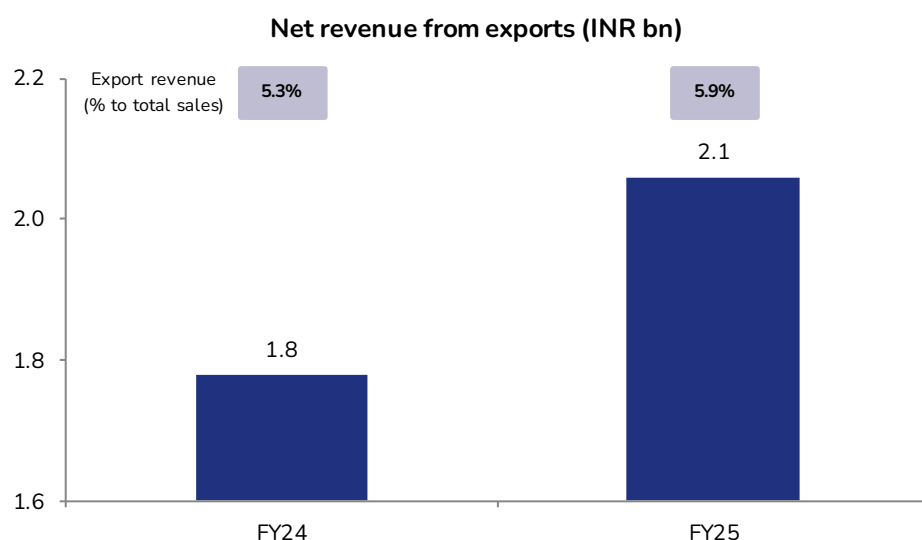
- **Scaling global footprint aggressively:** Presently, ABD is the largest exporter of spirits from India in terms of volume and has doubled its reach in the last 18 months from 14 countries in FY24 to 30 countries as on date. Management targets to reach 35 countries by FY26E with expansion plans in LATAM, EU, North America and South East while maintaining its market share in GCC. ABD reported 15.7% YoY growth in export revenue in FY25 and this rapid growth highlights the success of the asset-lite, high-margin export model, which delivers higher profitability (1.3x of domestic market) and operates at much less working capital per case (1/3rd of domestic market).

Exhibit 49. Extensive distribution reach catering to domestic as well as global markets



Source: Company, JM Financial

Exhibit 50. Export revenue witnessed 15.7% growth from FY24-25

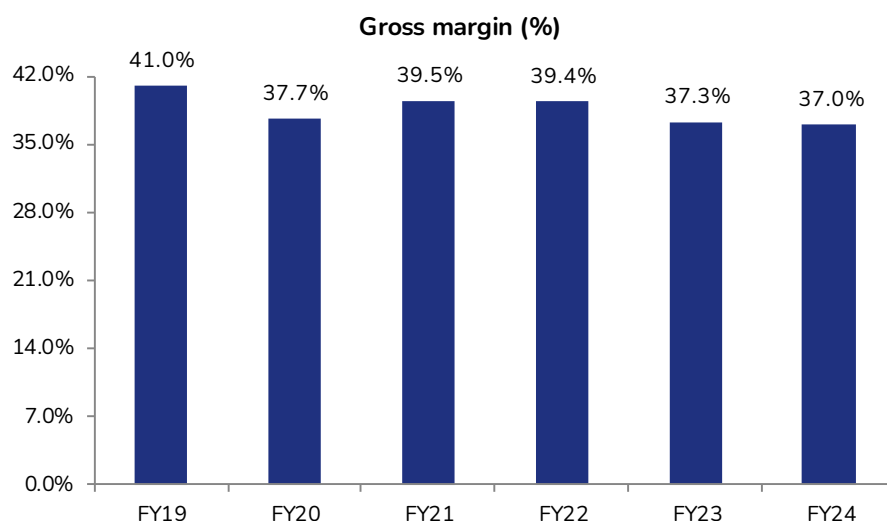


Source: Company, JM Financial

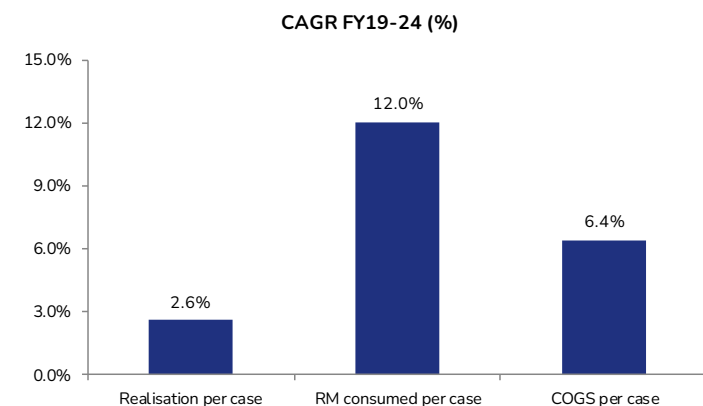
Profitability metrics improving, levers in place for further expansion

- **Margin progression over FY24-1HFY26 has been quite strong:** After a challenging period especially over FY19-24 both on top line and profitability, ABD has shown credible signs of turnaround – a) healthy double-digit growth in the P&A segment (both in volume and value term) in FY25 and 1HFY26, and b) significant expansion in gross margin (from 37% in FY24 to c.43.8% in 1HFY26) and EBITDA margin (from 7.3% in FY24 to c.12.4% in 1HFY26).
- **Navigated inflationary period with lower margin compression vs. peers...:** Over FY19-24, ABDs gross margin shrank by c.400bps to 37% on account of high input cost inflation (both in ENA and glass). RM consumed per case grew by a steep 12% CAGR over FY19-24. Overall COGS per case grew at a CAGR of c.6.4% while realisation per case grew at a lower rate of c.2.6% over FY19-24. Having said that, the extent of compression was lower compared to peers like United Spirits and Radico Khaitan. This was primarily on account of optimisation of packaging costs - came down by c.800bps as a % to sales over FY19-24.
- **...recouped and further expanded margins over FY25-1HFY26:** Stabilisation of input costs, optimised state brand SKU mix and rate reset renegotiated with vendors post the IPO resulted in a sharp improvement in gross margin – up by c.512bps YoY in FY25, entirely recouping the margin loss seen over FY19-24.
- **Levers exist for further expansion in margins as backward integration benefit are yet to kick-in:** Apart from a stable input cost scenario, we see levers for further margin expansion over the medium to long term – a) improved mix with increase in salience of the P&A segment, b) UK FTA benefit and c) backward integration with commissioning of PET bottle unit and captive ENA distillery. FY26 has already seen uptick in margins to c.43.8% and we expect further c.200bps expansion by FY28E (lower vs. management guidance of c.300bps expansion from backward integration projects).

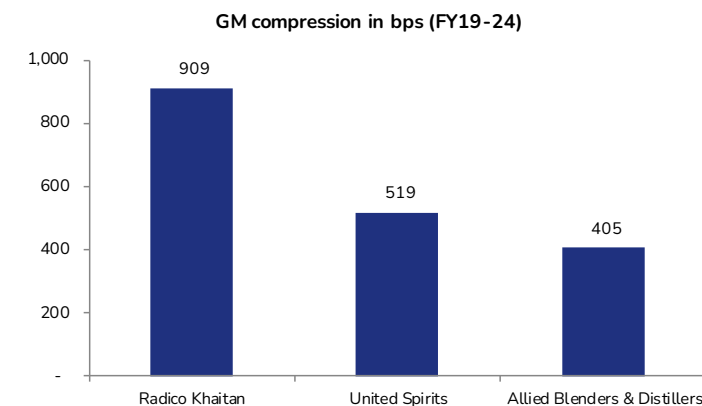
Exhibit 51. ABD witnessed moderation in margins over FY19-24



Source: Company, JM Financial

Exhibit 52. Realisation growth lagged growth in RM consumed and overall COGS over FY19-24, impacting gross margins..

Source: Company, JM Financial

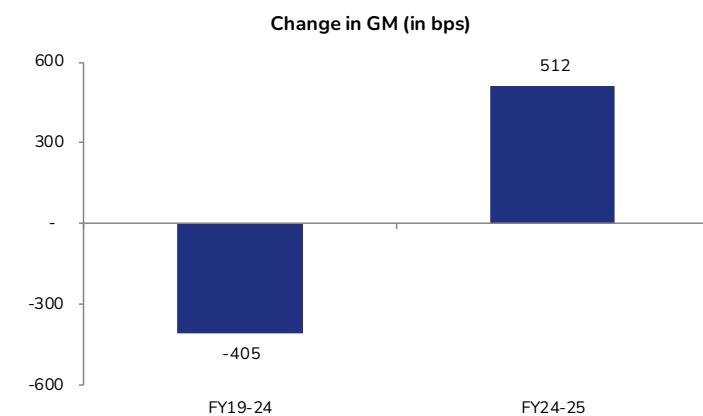
Exhibit 53. ...though compression in gross margin was lower vs. peers led by optimisation of packaging cost

Source: Company, JM Financial

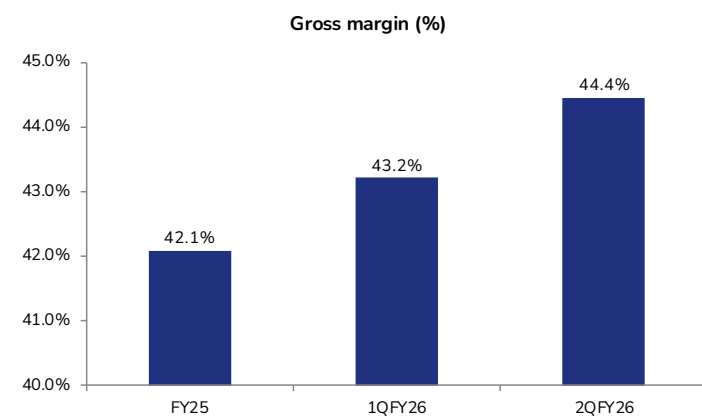
Exhibit 54. Optimisation of packaging costs provided some cushion and helped navigate the inflationary period

Packaging cost (as % to net sales)	FY19	FY20	FY21	FY22	FY23	FY24
Allied Blenders & Distillers	33.2%	31.4%	32.4%	28.7%	27.9%	25.2%
Radico Khaitan	25.0%	24.5%	23.8%	25.7%	29.5%	24.3%
United Spirits	17.8%	16.4%	19.1%	19.7%	17.7%	18.6%

Source: Company, JM Financial

Exhibit 55. ABD was able to recoup lost margins in FY25 itself...

Source: Company, JM Financial

Exhibit 56. ...with further acceleration seen in 1HFY26

Source: Company, JM Financial

Exhibit 57. ABD has significantly bridged gross margin gap vs peers

Gross margin (%)	FY24	FY25	1HFY26	FY28E
United Spirits	43.4%	44.7%	45.7%	46.3%
Allied Blenders & Distillers	37.0%	42.1%	43.8%	45.8%
Radico Khaitan	42.5%	42.8%	43.3%	44.8%

Source: Company, JM Financial

Balance sheet: Working capital intensity to reduce gradually

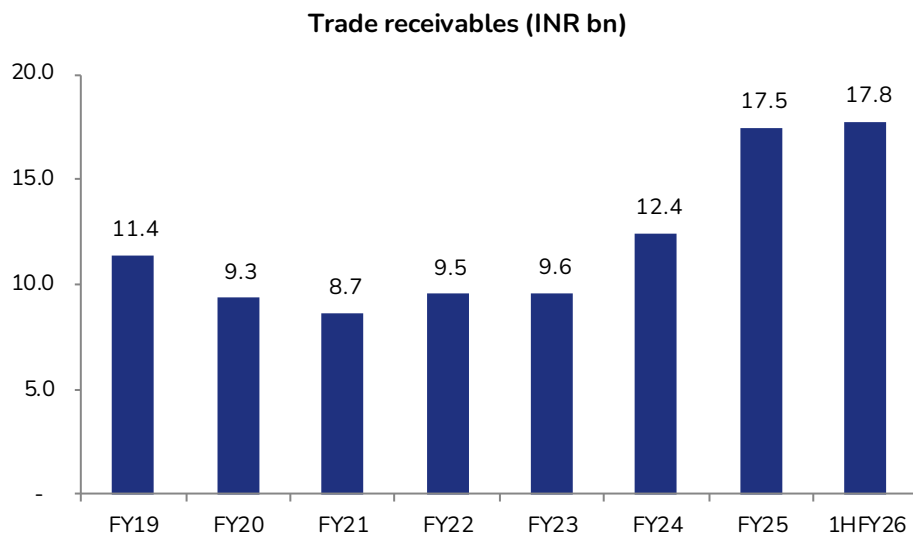
- As highlighted prior to the IPO, ABD's balance sheet was stretched, with high gross debt and statutory dues, which restricted its ability to invest in growth or fund backward integration. Post IPO, the proceeds were used to repay statutory dues and led to a reduction in interest payment on delayed dues. However, higher due to payment of overdues (resulting in reduction in trade payables and increase in networking capital), impending overdues from Telangana and investment in backward-integration projects resulted in net debt levels remaining largely unchanged over FY24-25.
- High working capital was largely due to higher outstanding receivables from Telangana (which is its largest market). As of 1HFY26, out of overall receivables of INR 17bn, around INR 7bn is attributable to Telangana (of which overdues are c.INR 4bn+). However, the discussion with state government has been progressing well and assurance has been given on clearance of current and old dues, although the quantum has not been specified. In October'25, c.INR 1bn of old dues was released to ABD. We believe that with the state government receiving funds through the recent allotment of licences for retail shops, receivables should come down for the industry and, more importantly for ABD.
- With improving profitability and a gradual reduction in working capital, operating cash flow should turn positive and improve from FY26E (already turned positive in 1HFY26 vs. negative OCF of INR 6.8bn in FY25).. This should enable fund capex requirements and a gradual reduction in debt, as well as generate free cash flow.

Exhibit 58. Working capital days have increased since FY25 driven by higher receivables (mainly from Telangana)

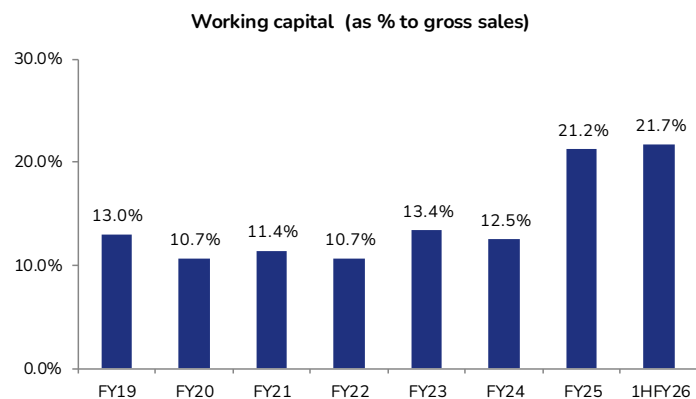
Working capital days (on gross sales)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	1HFY26
Inventory days	17	17	20	18	29	20	26	29
Debtor days	47	42	50	48	49	59	79	81
Creditor days	16	20	28	27	29	33	27	31
Working capital days (on gross sales)	47	39	42	39	49	46	77	79

Source: Company, JM Financial. Note: Inventory days, Receivable days and Payable days for 1HFY26 are calculated considering gross sales on trailing 12month basis.

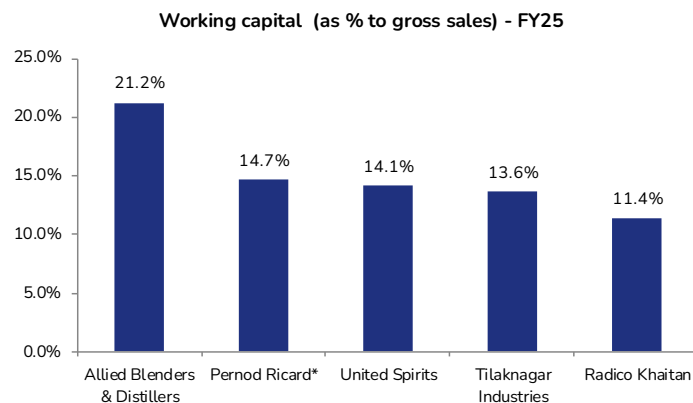
Exhibit 59. Increase in receivables due to overdues in Telangana market



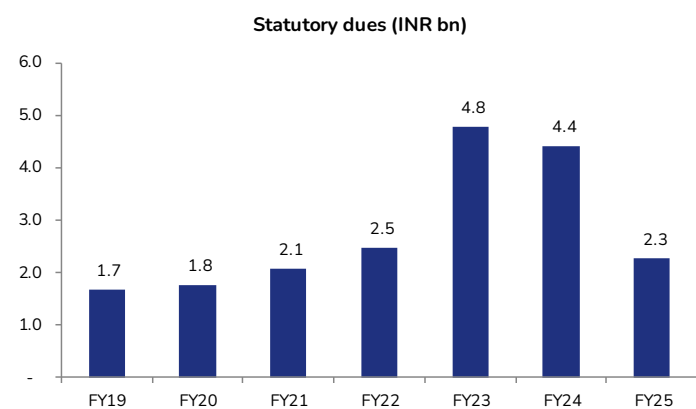
Source: Company, JM Financial

Exhibit 60. ABD's Working capital (as % to gross sales) has inched up...

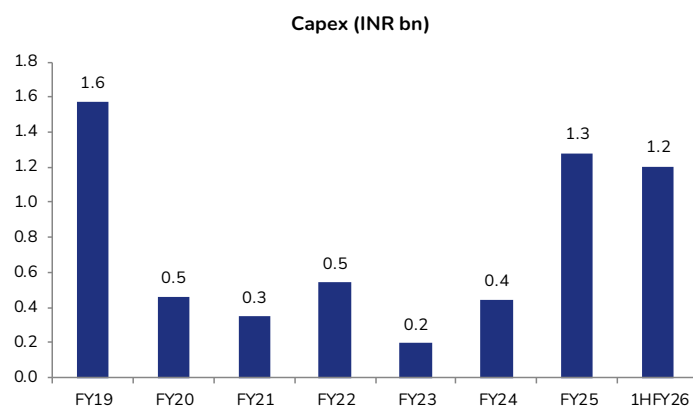
Source: Company, JM Financial

Exhibit 61. ...and is highest among key alcoholic beverage peers

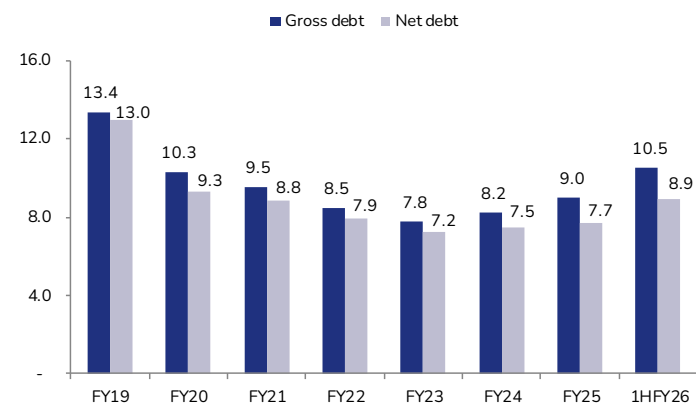
Source: Company, JM Financial. Note: Data for Pernod Ricard pertains to FY24.

Exhibit 62. Statutory dues have declined for ABD post utilization of part of IPO proceeds

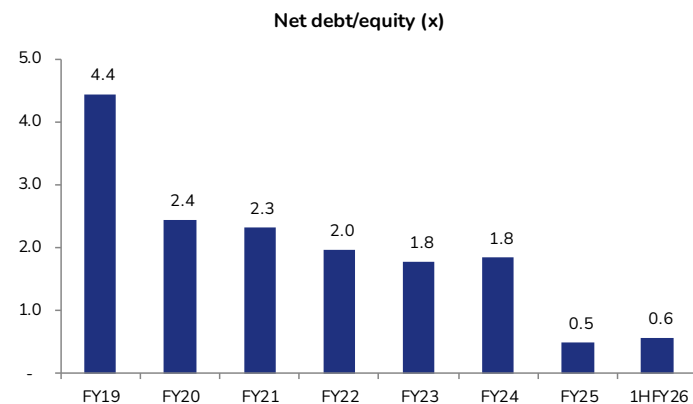
Source: Company, JM Financial

Exhibit 63. Capex has increased due to investment behind backward integration projects

Source: Company, JM Financial

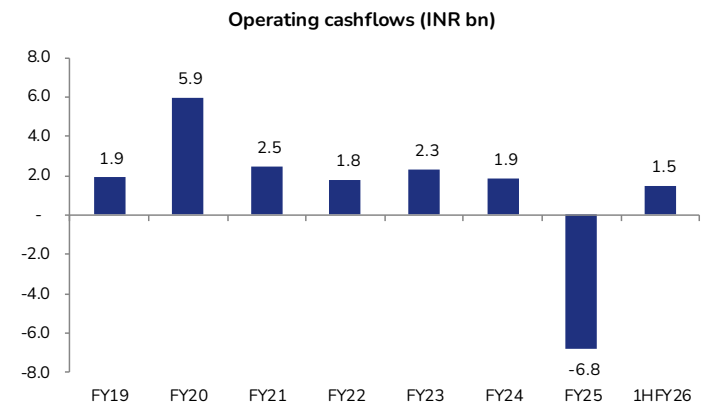
Exhibit 64. Gross and net debt largely unchanged

Source: Company, JM Financial

Exhibit 65. ABD's net debt to equity has declined post IPO

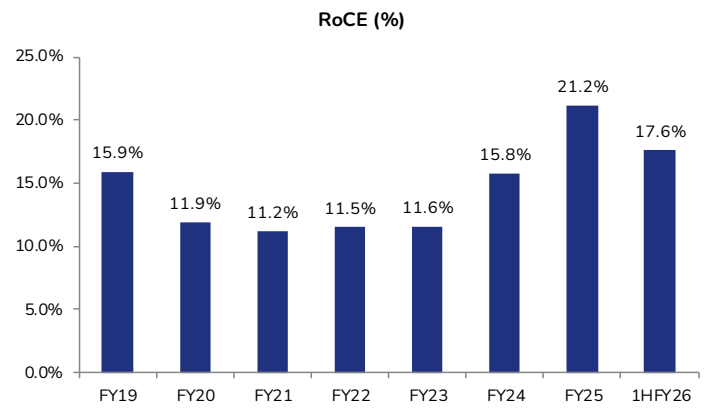
Source: Company, JM Financial. Note: Net debt-to-equity calculation for 1HFY26 = Long-term and short borrowing less cash and cash equivalents divided by equity as on 30th September 25.

Exhibit 66. Operating cashflow to turn positive from FY26E



Source: Company, JM Financial

Exhibit 67. Return profile to remain healthy



Source: Company, JM Financial. Note: RoCE is computed on pre-tax basis and for 1HFY26 RoCE calculation = summation of EBIT(including other income) for trailing 12 months divided by capital employed (equity + gross debt) as on 30th September 25.

Strong professional management team in place

Exhibit 68. Snapshot of key management team

Name	Designation	Qualification & experience
Shekhar Ramamurthy	Whole-time director and Executive deputy chairman	He is an Ex-MD of United Breweries. He has a career spanning 34 years, of which 31 years were spent with UB. He has also been chairman of All India Brewer's Association (AIBA) for 10 years. He has a B Tech from IIT, Delhi, a PGDM from IIM Calcutta and has completed an Executive Development Programme from Wharton Business School.
Alok Gupta	Managing director, ABD	Alok has over 35 years of experience in diverse industries wherein he has held leadership roles and has managed global markets. He has worked in organizations spread across diverse industries i.e. Dabur, United Spirits, Whyte & MacKay, Café Coffee Day, Essar Retail and Essar Capital. Prior to taking the helm at ABD, Alok was a Partner with Essar Capital leading the technology & services vertical with investment in Green-Tech and B2C&B Tech businesses. He has previously spent 13 years with United Spirits Limited in various leadership roles and is a familiar name in the alcohol beverage industry.
Jayant Bhalchandra Manmadkar	Chief financial officer	He holds a Master's degree in Commerce and is a qualified Chartered Accountant, Cost and Works Accountant and Company Secretary. He brings with him over 32 years of rich experience in finance, strategy, and leadership roles across diverse industry sectors, including financial services, pharmaceuticals, research & development, manufacturing, real estate, and retail. Over the course of his career, he has held senior positions with leading organizations such as Seagram India Pvt. Ltd., Brigade Enterprises Ltd., Mahindra Life space Developers Ltd., and Reliance Retail, among others.
Bikram Basu	Managing Director, ABD Maestro	He has completed his Bachelor of Commerce from St. Xavier's College and MBA from XLRI, Jamshedpur; he also holds a certificate for Executive Development from INSEAD. Along with this he has a rich experience in the spirits industry from leading organisations, having started with United Spirits for 6 years, followed by 14 years in Pernod Ricard India, and now close to 11 years with ABD. His previous leadership roles have been in Business and Brand Strategy, Marketing and Sales.
Arun Barik	Executive director, Master blender	He possesses over 32 years of work experience in the alcobev industry, having worked with names like Shaw & Wallace and Co, BDA Ltd, Seagram – Pernod Ricard India and Mason and Summers Alcobev Pvt. Ltd. He has a BSc degree from Utkal university. He joined ABD in 2009 and presently serves as the Head Manufacturing and Technical and is the master blender who is responsible for curation and refinement of product blends, while overlooking the entire manufacturing operation as well as ensuring quality adherence and control across all units.
Manoj Kumar Rai	Chief revenue officer	He is a seasoned commercial leader with over 27 years of experience in diverse sectors including engineering, music-entertainment, consumer goods and alcohol. He holds a post graduate diploma from IIM, Lucknow and a B.Tech degree from IIT, Delhi. Prior to joining ABD in 2024, he has worked in Pernod Ricard India where he has spent close to 19 years and has successfully managed the business across multiple Zones in India in addition to handling Canteen Stores Department (CSD), Nepal and Sri Lanka. Prior to Pernod Ricard, he gained valuable experience in Marico Limited, Saregama India Limited and Sulzer.
J. Mukund	Head – Investor relation and Chief risk officer	He has been associated with the company since December 2023. He holds a BCom degree from the University of Delhi, a post graduate diploma in business administration from the Institute for Technology and Management, a post graduate diploma in treasury and forex management from the ICFAI University and a master's degree in financial analysis from the Institute of Chartered Financial Analysts of India University, Tripura. He is a fellow member of CPA Australia and a fellow member of the Chartered Institute of Management Accountants, United Kingdom. Prior to joining ABD, he was associated with Raymond Limited, Reliance Communications Ltd., Adventity Global Services Pvt. Ltd., Vodafone Essar Ltd, Stratcap Securities (India) Private Limited and Zuari Cement Ltd.

Source: Company, JM Financial

Competitive analysis

- **ABD is the third-largest IMFL player in India and enjoys market leadership in mass premium segment:** Post the acquisition of Imperial Blue by Tilaknagar, United Spirits now leads the IMFL market by volume, followed by Pernod. ABD, though the third-largest player in the market, is half the size of the market leader. If we double click further, as per our estimates, Pernod is the market leader both in volume and value in the P&A segment followed by United Spirits. ABD and Radico are comparable in volumes, Radico outperforms ABD in value terms owing to its higher realisation driven by a stronger presence in upper and mid-prestige P&A. In the mass premium segment, ABD enjoys undisputed leadership in both volume and value, underpinned by its flagship brand Officer's Choice whisky. However, on realisation per case basis, United Spirits continues to be better positioned than ABD.
- **Spirits players with higher P&A mix enjoy structurally superior profitability:** Pernod and Tilaknagar operate exclusively in the P&A segment, whereas United Spirits, Radico, and ABD have portfolios spanning across P&A and mass premium categories. Owing to their concentrated presence in P&A, which commands higher realisations vs. mass premium - Pernod and Tilaknagar consistently post stronger gross margin as well as EBITDA margin, despite higher A&P spends. In contrast, the mass premium segment remains largely a volume-driven play with comparatively lower realisation per case. As ABD and Radico derive c.60% and c.49% of their volumes from mass premium, respectively, their margin profiles are inherently lower than those of Pernod and Tilaknagar. Notably players with a higher P&A mix generate stronger margins, enabling them to reinvest meaningfully into A&P. Most players having higher P&A mix deploy high-single to low-double-digit levels of A&P spend, except ABD and Radico, whose A&P intensity is lower at 3–4% given the mass premium segment's lower investment requirement.
- **Higher working capital intensity driven by pending Telangana receivables:** ABD reported materially higher net working capital days in FY25 vs. peers, primarily due to its significant exposure to Telangana and payment of statutory dues post IPO. While delayed payments from the Telangana government impacted the entire industry, the effect on ABD was disproportionately larger given its higher share of business from the state. This elevated working capital cycle, coupled with reliance on high-cost debt, weighed on overall business operations.

Exhibit 69. IMFL volume comparison across key alcoholic beverages players – ABD is 3rd largest player as on FY25

IMFL volume (mn cases)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	1HFY26
Pernod Ricard*	55	57	50	58	62	63	64	NA
United Spirits	82	80	71	79	72	61	64	32
Allied Blenders & Distillers	37	33	26	29	32	32	33	18
Radico Khaitan**	22	24	22	26	28	29	31	19
Tilaknagar Industries	7	6	5	7	10	11	12	7

Source: Company, JM Financial. *Note: FY25 data is as per internal estimates. **Note: Data for Radico Khaitan includes volume data from royalty

Exhibit 70. IMFL realisation per case - ABD's realisation lower due to higher salience of mass-premium and entry level P&A

IMFL realisation per case (INR)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	1HFY26
Pernod Ricard*	1,567	1,599	1,615	1,710	1,907	1,994	2,072	NA
United Spirits	1,055	1,069	1,089	1,159	1,397	1,690	1,765	1,779
Allied Blenders & Distillers	859	948	958	943	932	977	1,007	1,030
Radico Khaitan**	773	814	847	876	886	982	1,075	1,110
Tilaknagar Industries	993	1,010	1,003	1,158	1,199	1,243	1,174	1,160

Source: Company, JM Financial. *Note: FY25 data is as per internal estimates. **Note: Data for Radico Khaitan includes realisation data from royalty

Exhibit 71. IMFL sales of key alcoholic beverages players

IMFL sales (INR bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	1HFY26
Pernod Ricard*	86	90	80	99	119	126	133	NA
United Spirits	86	85	77	92	101	104	113	56
Allied Blenders & Distillers	32	31	24	27	30	31	33	18
Radico Khaitan**	17	20	19	23	25	28	34	21
Tilaknagar Industries	7	7	5	8	12	14	14	8

Source: Company, JM Financial. *FY25 data is as per internal estimates. **Note: Data for Radico Khaitan includes sales data from royalty

Exhibit 72. Within P&A in terms of volume, Pernod enjoys leadership position...

P&A volume (mn cases)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	1H FY26
Pernod Ricard*	55	57	50	58	62	63	64	NA
United Spirits	42	41	37	43	48	50	53	26
Allied Blenders & Distillers	11	11	9	10	12	12	13	8
Radico Khaitan	6	7	6	8	9	11	13	8
Tilaknagar Industries	7	6	5	7	10	11	12	7

Source: Company, JM Financial. *Note: FY25 data is as per internal estimates

Exhibit 73. ...with highest P&A realisation per case as well

P&A realisation per case (INR)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	1H FY26
Pernod Ricard*	1,567	1,599	1,615	1,710	1,907	1,994	2,072	NA
United Spirits	1,421	1,450	1,480	1,595	1,755	1,862	1,936	1,922
Allied Blenders & Distillers	1,223	1,351	1,338	1,290	1,255	1,245	1,243	1,243
Radico Khaitan	1,355	1,390	1,510	1,546	1,600	1,716	1,800	1,852
Tilaknagar Industries	993	1,010	1,003	1,158	1,199	1,243	1,174	1,160

Source: Company, JM Financial. *Note: FY25 data is as per internal estimates

Exhibit 74. In terms of value, ABD ranks to be the fourth-largest player

P&A sales (INR bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	1H FY26
Pernod Ricard*	86	90	80	99	119	126	133	NA
United Spirits	59	59	55	68	84	93	103	51
Allied Blenders & Distillers	14	16	12	13	15	15	17	10
Radico Khaitan	8	10	10	12	15	19	23	14
Tilaknagar Industries	7	7	5	8	12	14	14	8

Source: Company, JM Financial. *Note: FY25 data is as per internal estimates

Exhibit 75. ABD has highest volume in mass premium segment vs. UNSP and Radico Khaitan

Mass premium volume (mn cases)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	1H FY26
United Spirits	40	39	34	36	25	11	11	5
Allied Blenders & Distillers	26	21	16	19	21	20	20	9
Radico Khaitan	15	17	16	18	16	13	15	10

Source: Company, JM Financial

Exhibit 76. ABD's realisation per case for mass premium segment is higher than Radico Khaitan but lower than UNSP

Mass premium realisation per case (INR)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	1H FY26
United Spirits	674	668	655	649	711	921	940	1,034
Allied Blenders & Distillers	705	731	747	752	747	818	847	843
Radico Khaitan	542	579	602	606	626	634	648	643

Source: Company, JM Financial

Exhibit 77. ABD enjoys leadership position in mass premium segment on volume and value basis

Mass premium sales (INR bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	1H FY26
United Spirits	27	26	22	24	18	10	10	5
Allied Blenders & Distillers	19	16	12	14	15	16	17	8
Radico Khaitan	8	10	9	11	10	9	10	7

Source: Company, JM Financial

Exhibit 78. Portfolio (volume) mix across P&A and mass premium segment across key alcoholic beverages players

Portfolio mix - in terms of volume (%)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	1H FY26
Pernod Ricard								
P&A*	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	NA
Mass premium	NA	NA	NA	NA	NA	NA	NA	NA
United Spirits								
P&A	51.0%	51.3%	52.6%	53.9%	65.7%	81.7%	82.8%	83.8%
Mass premium	49.0%	48.7%	47.4%	46.1%	34.3%	18.3%	17.2%	16.2%
Allied Blenders & Distillers								
P&A	29.7%	35.0%	35.7%	35.5%	36.3%	37.2%	40.5%	46.7%
Mass premium	70.3%	65.0%	64.3%	64.5%	63.7%	62.8%	59.5%	53.3%
Radico Khaitan								
P&A	28.3%	29.0%	28.2%	29.6%	33.1%	39.2%	41.4%	40.5%
Mass premium	71.7%	71.0%	69.5%	68.4%	55.3%	46.7%	48.5%	54.9%

Source: Company, JM Financial. *Note: FY25 data is as per internal estimates

Exhibit 79. Portfolio (value) mix across P&A and mass premium segment across key alcoholic beverages players

Portfolio mix - in terms of value (%)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	1H FY26
Pernod Ricard								
P&A*	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mass premium	NA	NA	NA	NA	NA	NA	NA	NA
United Spirits								
P&A	65.5%	65.2%	69.5%	72.2%	80.6%	87.4%	88.7%	89.0%
Mass premium	32.3%	30.5%	28.9%	26.2%	17.8%	10.5%	9.7%	9.2%
Allied Blenders & Distillers								
P&A	44.2%	51.8%	51.9%	49.0%	46.7%	44.1%	47.3%	53.2%
Mass premium	60.4%	52.0%	52.1%	51.8%	48.7%	48.9%	47.4%	41.1%
Radico Khaitan								
P&A	39.6%	40.4%	39.6%	42.1%	47.6%	46.9%	48.2%	47.7%
Mass premium	40.0%	41.2%	39.0%	38.1%	31.1%	20.7%	20.3%	22.4%

Source: Company, JM Financial. *Note: FY25 data is as per internal estimates

Exhibit 80. Gross margin (%) of key alcoholic beverages players

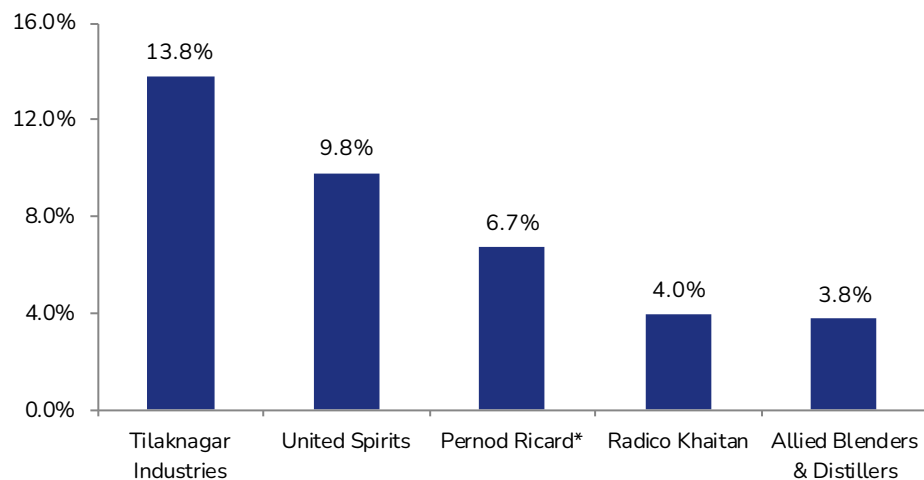
Gross margin (%)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	1H FY26
Pernod Ricard	51.3%	48.9%	48.0%	48.4%	44.9%	47.8%	NA	NA
United Spirits	48.8%	44.8%	43.4%	43.8%	41.5%	43.4%	44.7%	45.7%
Allied Blenders & Distillers	41.0%	37.7%	39.5%	39.4%	37.3%	37.0%	42.1%	43.8%
Radico Khaitan	51.6%	48.6%	49.9%	45.0%	41.8%	42.5%	42.8%	43.3%
Tilaknagar Industries	51.7%	46.1%	49.5%	51.2%	47.1%	49.2%	49.3%	47.6%

Source: Company, JM Financial

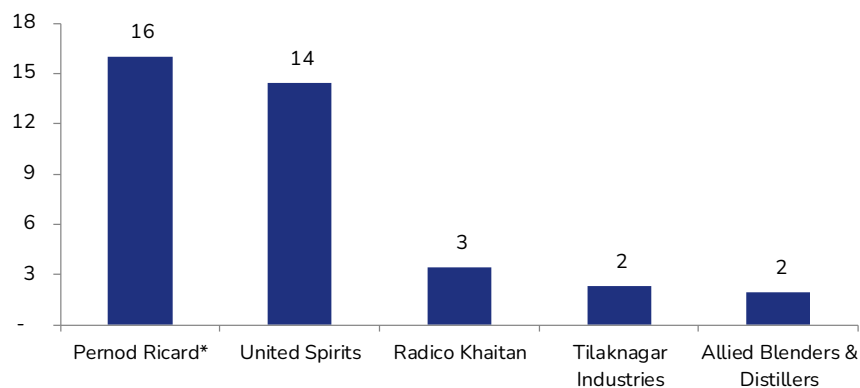
Exhibit 81. EBITDA margin (%) of key alcoholic beverages players

EBITDA margin (%)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	1H FY26
Pernod Ricard	24.3%	22.9%	19.4%	20.2%	16.6%	19.0%	NA	NA
United Spirits	14.3%	16.6%	12.5%	15.8%	13.7%	16.0%	17.8%	19.0%
Allied Blenders & Distillers	9.9%	7.8%	8.3%	7.3%	5.9%	7.3%	12.2%	12.4%
Radico Khaitan	16.7%	15.3%	17.0%	14.0%	11.4%	12.3%	13.9%	15.7%
Tilaknagar Industries	8.5%	-8.0%	9.9%	14.3%	11.8%	13.3%	17.8%	15.1%

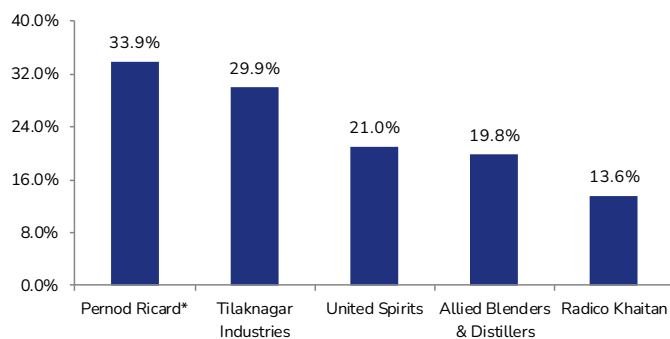
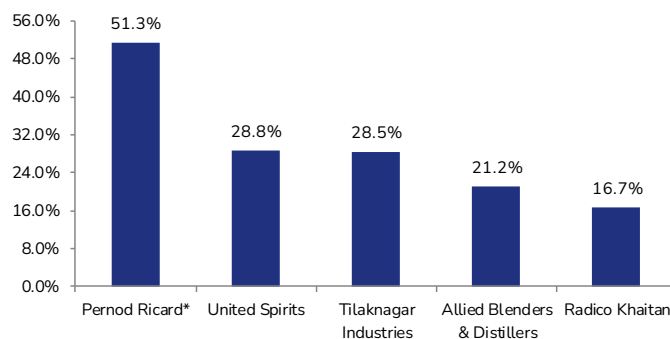
Source: Company, JM Financial

Exhibit 82. ABD has lowest A&P spend (% to sales) in FY25 among its peers**A&P spends (as % to net sales) - FY25**

Source: Company, JM Financial. *Data for Pernod Ricard pertains to FY24.

Exhibit 83. Profitability across key alcoholic beverages players**Adjusted PAT (INR bn) - FY25**

Source: Company, JM Financial. *Data for Pernod Ricard pertains to FY24.

Exhibit 84. Return profiles of key alcoholic beverages players**RoE (%) - FY25****RoCE (%) - FY25**

Source: Company, JM Financial.

*Data for Pernod Ricard pertains to FY24.

Note: RoCE is computed on pre-tax basis.

Exhibit 85. ABD's Working capital days is highest among key alcoholic beverage players

Net working capital days (FY25)	Allied Blenders & Distillers	Pernod Ricard*	United Spirits	Tilaknagar Industries	Radico Khaitan
Inventory days	26	22	31	19	23
Receivable days	79	65	50	48	25
Payable days	27	33	29	17	7
Net working capital days	77	54	52	50	42

Source: Company, JM Financial.

*Data for Pernod Ricard pertains to FY24.

Note: working capital days are calculated on gross sales basis.

Exhibit 86. Working capital (% to gross sales) of key alcoholic beverage players

Working capital (as % to gross sales)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	1HFY26
Pernod Ricard	10.5%	12.1%	13.5%	10.1%	11.9%	14.7%	NA	NA
United Spirits	10.7%	10.3%	10.2%	9.6%	10.4%	13.3%	14.1%	15.6%
Allied Blenders & Distillers	13.0%	10.7%	11.4%	10.7%	13.4%	12.5%	21.2%	21.7%
Radico Khaitan	9.4%	9.9%	8.8%	8.5%	10.0%	9.6%	11.4%	10.5%
Tilaknagar Industries	9.5%	10.0%	7.4%	7.7%	13.2%	13.5%	13.6%	13.9%

Source: Company, JM Financial. Note: Working capital (as % to gross sales) for 1HFY26 is calculated considering gross sales on trailing 12month basis

Exhibit 87. Pricing comparison across different brands in mass premium and lower prestige segment

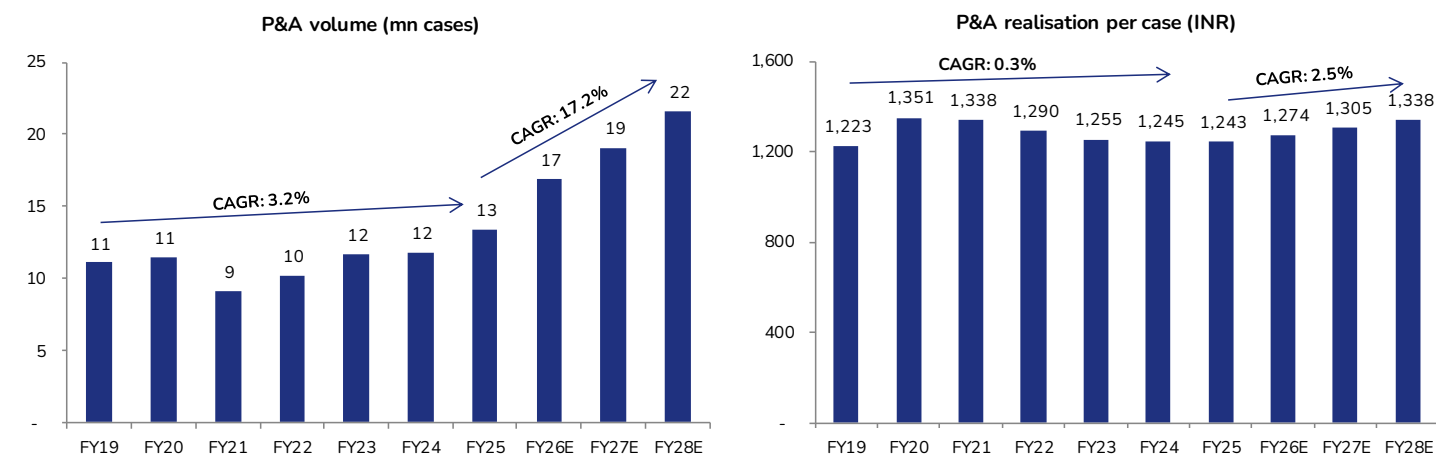
Segment	Key brand	Volume (ML)	Price (INR)
Mass premium	Director's special black classic whisky	750	860
	8PM whisky	750	860
	Officer's choice whisky	750	840
Lower prestige (entry-level P&A)	Royal stag	750	1,070
	Sterling reserve B7	750	1,050
	ICONiQ White	750	920
	Officer's choice blue	750	900
	Mcdowell's No. 1	750	900
	Imperial blue	750	880

Source: Current prices taken from livingliquidz.com, Company, JM Financial. Note: Price is equivalent to the MRP in the state of Maharashtra.

Financial Overview

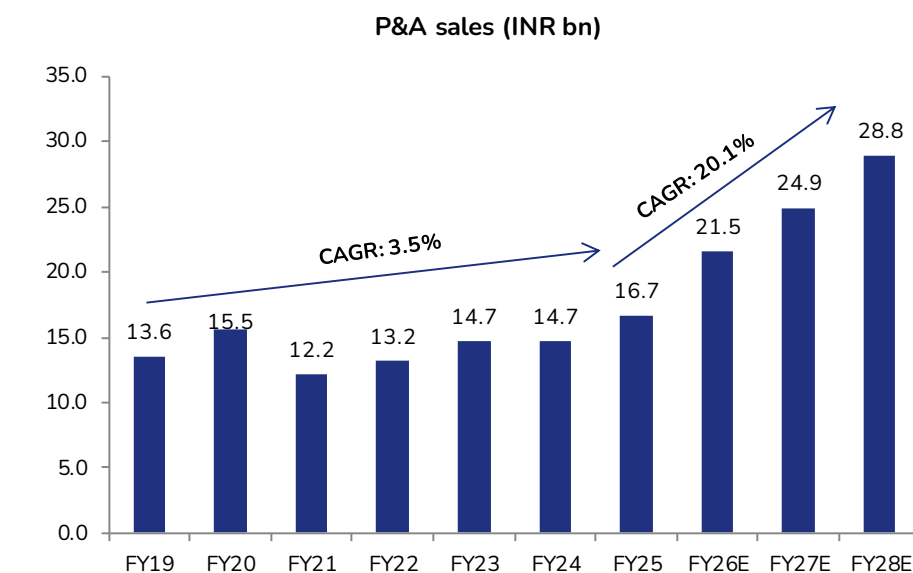
- **Revenue trajectory to accelerate over FY25-28E (CAGR of c.12%) vs. historical trend (sales CAGR of c.2% FY19-25) led by P&A segment (driven by ICONiQ White):** ABD's sales have grown at a CAGR of 2.3% over FY19-25, as volumes were impacted by weakness in mass-premium segment (moderation in OCW volumes due to weak category growth and strategic decision to exit markets/SKUs with low profitability) and weakness in key erstwhile P&A brands (OCW/SR). However, post the IPO, with growth capital available ABD stepped up its innovation intensity and growth investments. Benefits were visible as ABD made strong comeback in P&A segment (double digit growth in P&A sales for past 5 quarters) through launch of ICONiQ White whisky in FY23. We expect momentum to continue as we bake in net sales CAGR of c.12% over FY25-28E. Growth will be predominantly driven by the P&A segment, where we expect sales CAGR of 20.1% with volume CAGR of 17.2%. We expect mass-premium segment sales to stabilise and build modest recovery in growth over FY25-28E.

Exhibit 88. We expect P&A segment's volume to grow at a CAGR of c.17% with realisation per case at a CAGR of 2.5%...

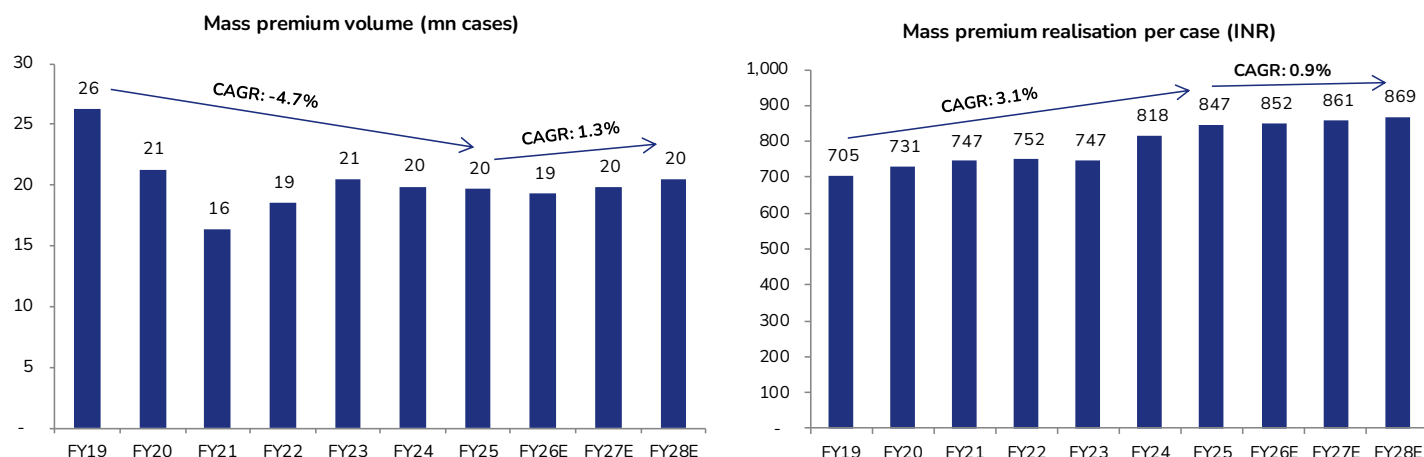


Source: Company, JM Financial

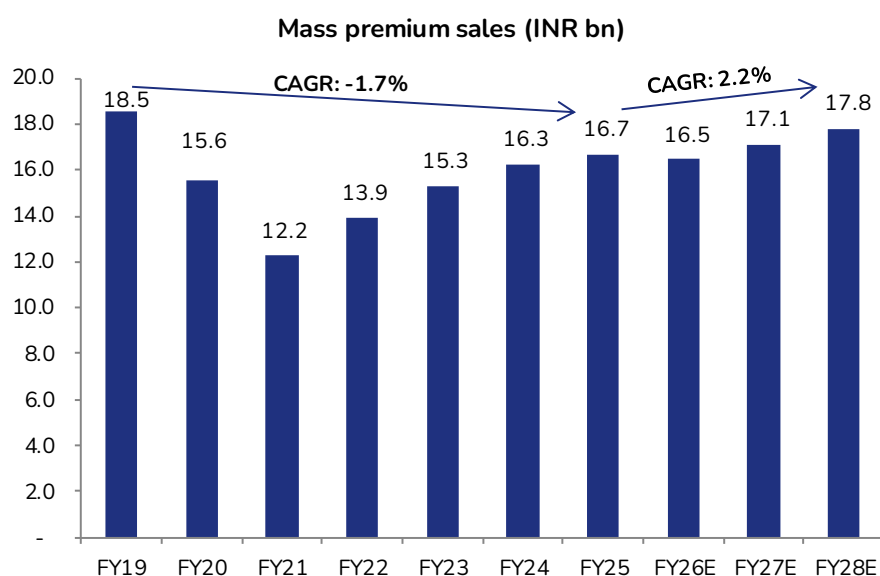
Exhibit 89. ...driving P&A segment's sales at a CAGR of c.20%



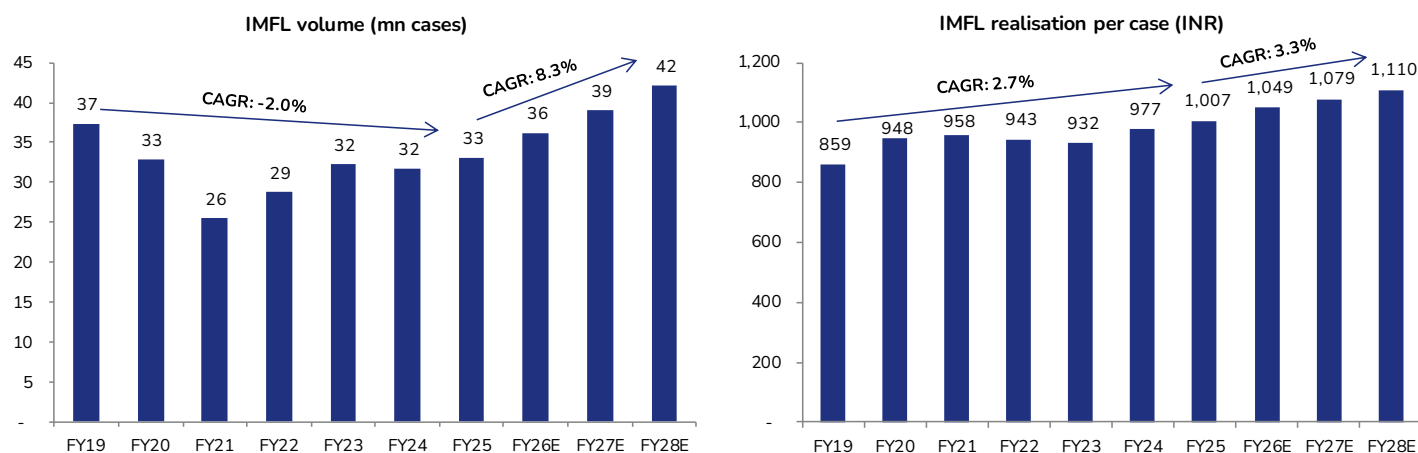
Source: Company, JM Financial

Exhibit 90. Mass premium volume and realisation/case are expected to grow in low single digits over FY25-28E

Source: Company, JM Financial

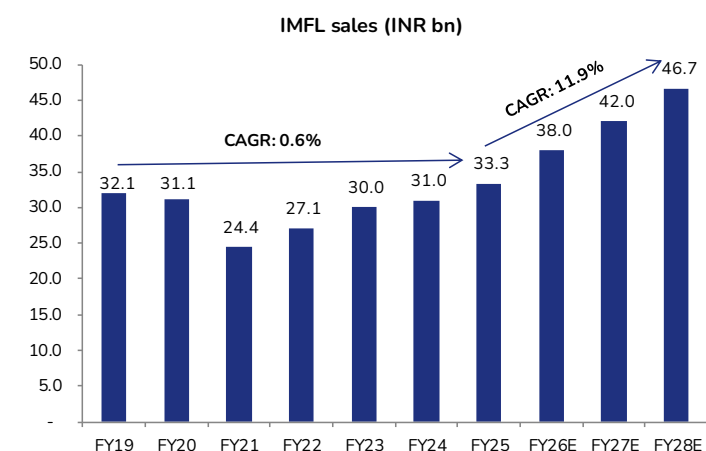
Exhibit 91. ...resulting in modest recovery in sales vs. decline seen over FY19-25

Source: Company, JM Financial

Exhibit 92. Overall IMFL volume to grow at CAGR of c.8% with realisation/case CAGR of c.3%...

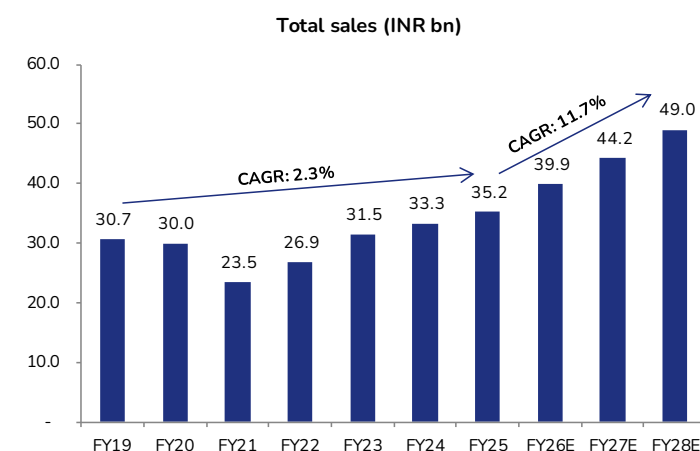
Source: Company, JM Financial

Exhibit 93. ...resulting in sales CAGR of 12% for IMFL segment...



Source: Company, JM Financial

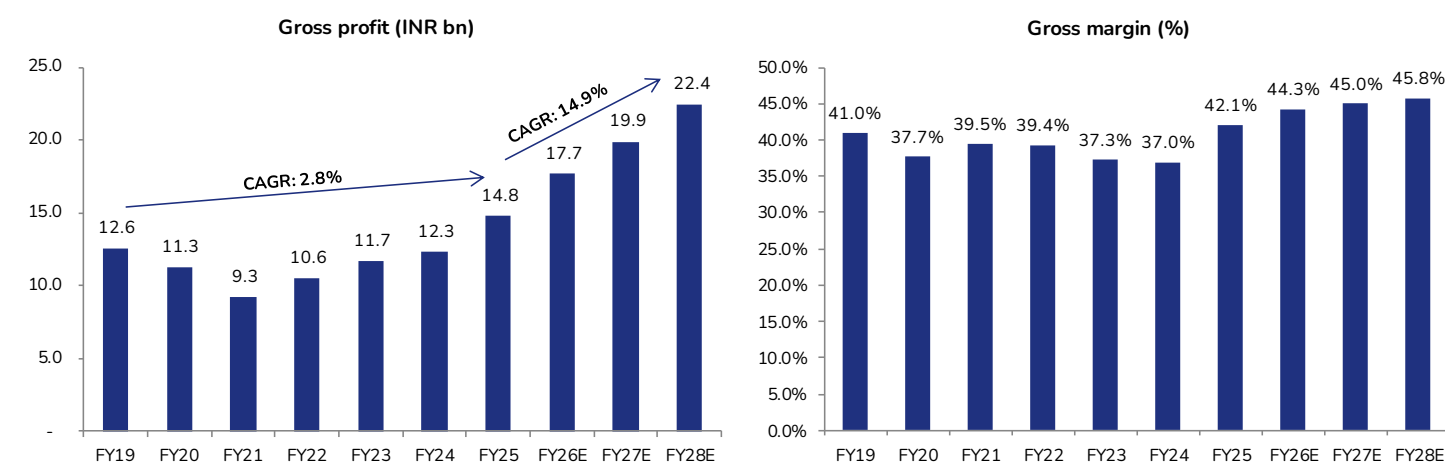
Exhibit 94. ...as well as overall sales over FY25-28E



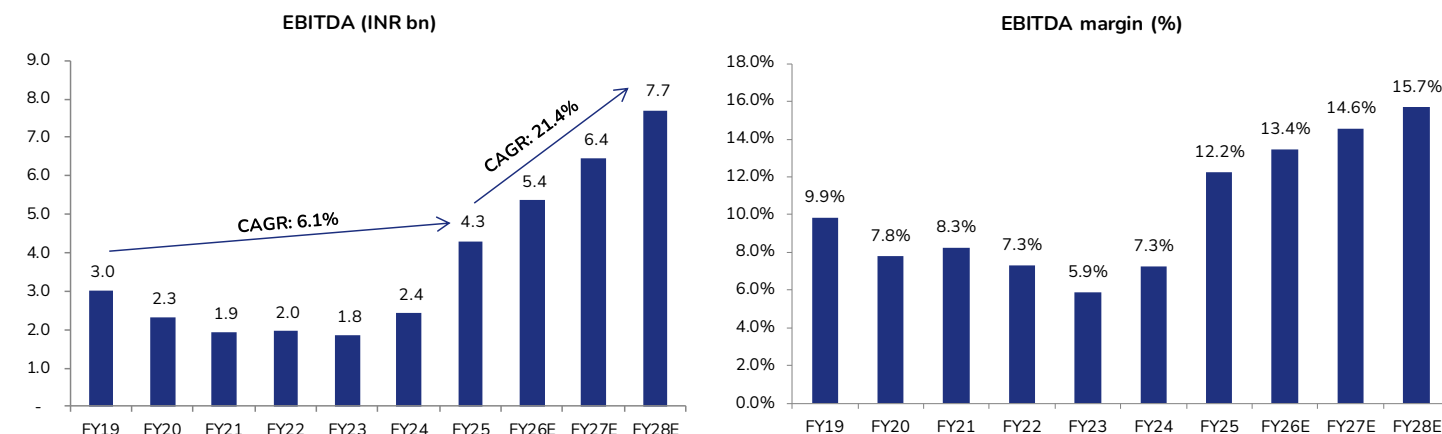
Source: Company, JM Financial

- Backward integration led efficiencies to drive further improvement in profitability:** In FY25, ABD's gross margin improved sharply (c.510bps) driven by – a) mix improvement, b) extraction of efficiencies at COGS level (transitioned to PET bottles from glass having significant benefit, reduction in consumption of mono-carton), c) rate reset negotiated with vendor partners and d) benign RM trends. On the EBITDA side, while A&P spends and other expenses (as % to sales) were stable, sharp improvement in staff cost (reduction in promoter salary) drove operating leverage and improved EBITDA margins by 500bps in FY25. Going ahead, as backward integration led efficiencies kick in, which, along with increase in P&A saliency, will aid gross margin improvement; we expect gross margin to improve by c.370bps over FY25-28E. We expect low double digit CAGR growth in staff cost currently; implementation of ESOP scheme to retain talent could lead to increase in the same. With continuing gross margin expansion and scale-led benefit absorbing the increase in staff and other overheads, we expect EBITDA margin to expand by c.350bps over FY25-28E, driving EBITDA CAGR of 21.4% over FY25-28E.

Exhibit 95. Capex-led efficiencies along with increase in P&A saliency to aid GM expansion of c.370bps...

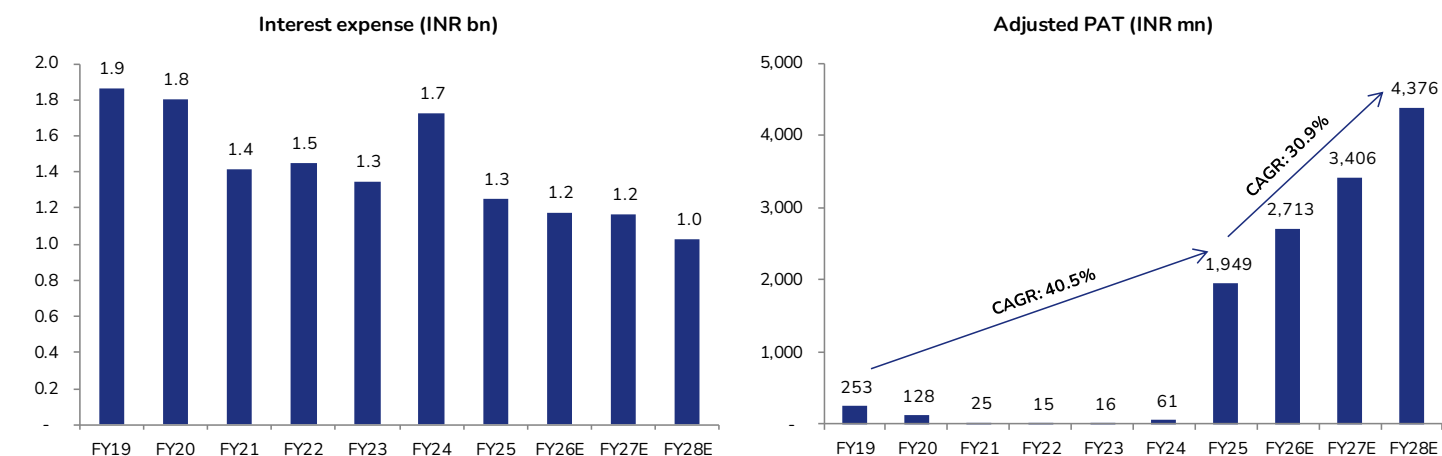


Source: Company, JM Financial

Exhibit 96. ...which, along with scale-led benefit to drive EBITDA margin expansion of c.350bps over FY25-28E

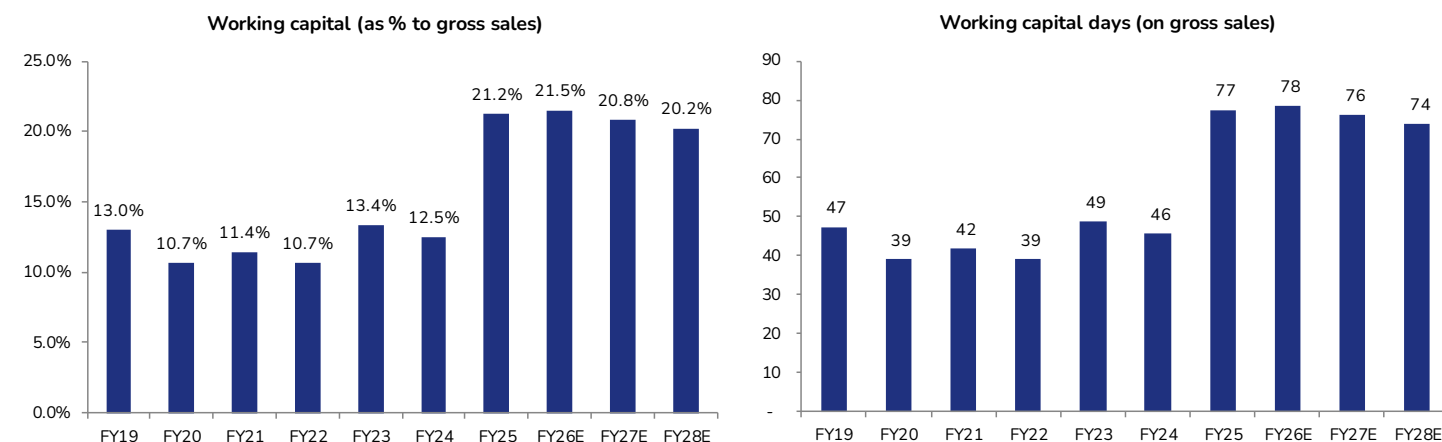
Source: Company, JM Financial

- **Improving margin profile and gradual reduction in debt to drive earnings CAGR of 31% over FY25-28E:** Pre-IPO, debt levels remained at the peak due to the inherent higher-working-capital-needs nature of the business. Impact of this high cost debt weighed in on profitability, resulting in muted PAT growth. A significant portion of IPO proceeds were utilised to reduce the impact of high-cost debt and outstanding statutory dues, which resulted in lowering of finance cost. This, along with strong uptick in margin profile resulted in highest-ever net profit of INR 2bn in FY25. Going ahead, we expect profitability to improve and grow at a CAGR of c.31% over FY25-28E driven by uptick in EBITDA margins and stable to lower interest expenses.

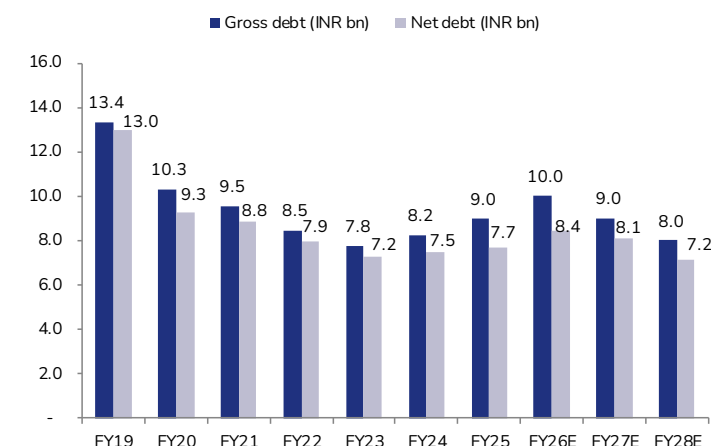
Exhibit 97. Interest expense is expected to be lower due to reduction in high-cost debt and statutory dues, thereby strengthening profitability over FY25-28E (CAGR: c.31%)

Source: Company, JM Financial

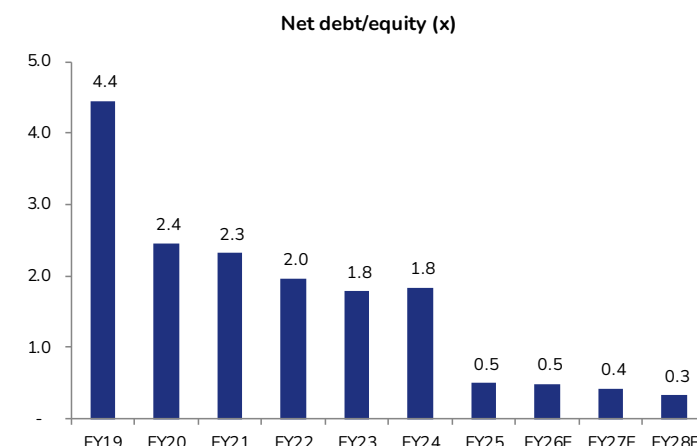
- **Debt levels are expected to ease gradually with moderation in working capital intensity over FY26-28E:** On an absolute basis, gross debt levels are largely unaltered post IPO; rather, there has been some uptick in FY25 due to working capital requirements. However, there is a significant reduction in finance cost, primarily driven by replacement of high-cost debt with low-cost debt. ABD's working capital days surged from 46 days in FY24 to 77 days in FY25 primarily driven by non-availability of working capital in one of its key markets Telangana, where receivable days rose from 60 days to 150+ days. Officer's Choice whisky was one of the most impacted brands. Moving forward, over FY25-28E, we expect gradual moderation in debt as large part of capex commitment will be fulfilled in FY26E and requirement of higher working capital is also expected to soften to 74 days by FY28E vs. 77 days in FY25.

Exhibit 98. We expect gradual reduction in working capital intensity over FY25-28E

Source: Company, JM Financial

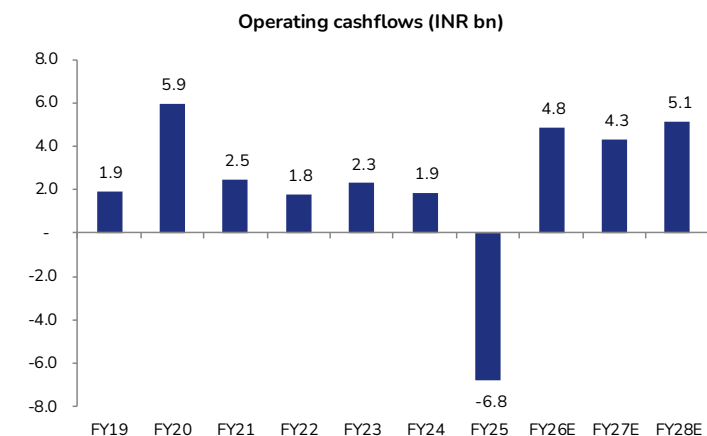
Exhibit 99. ...resulting in reduction in debt vs. 1HFY26 levels

Source: Company, JM Financial

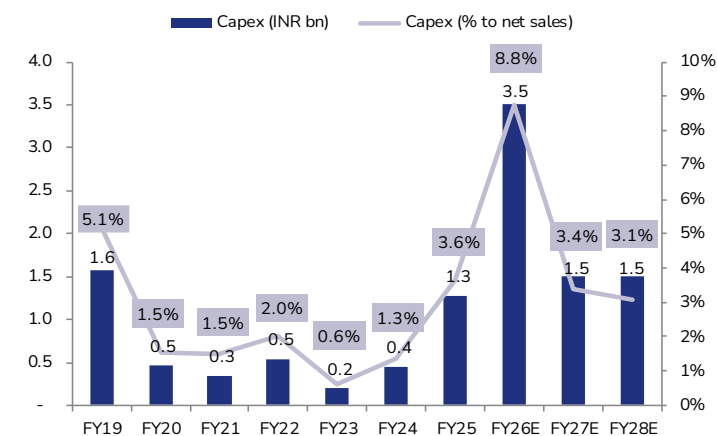
Exhibit 100. ...and sustain healthy Net debt/Equity ratio seen post IPO

Source: Company, JM Financial

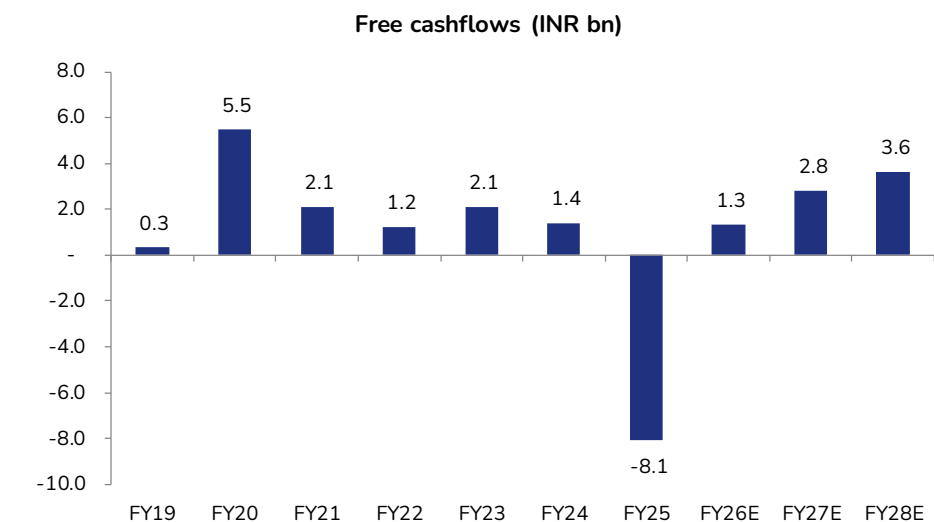
- **Free cashflow generation to turn positive with healthy improvement in return profile:** We expect profitability to strengthen and grow at CAGR of c.31% over FY25-28E. This coupled with moderating working capital intensity to drive positive OCF generation. The company is currently in an expansion phase with a planned capex outlay of INR 5.2bn, of which a substantial portion (INR c.3.5bn) is already scheduled for FY26E. As this intensity tapers off, capex is expected to reduce in FY27/28E, supporting a positive uplift in FCF generation. Consequently, RoE/RoCE is likely to soften in FY26E before improving steadily over FY27-28E.

Exhibit 101. Healthy profitability and moderating working capital to drive positive OCF generation...

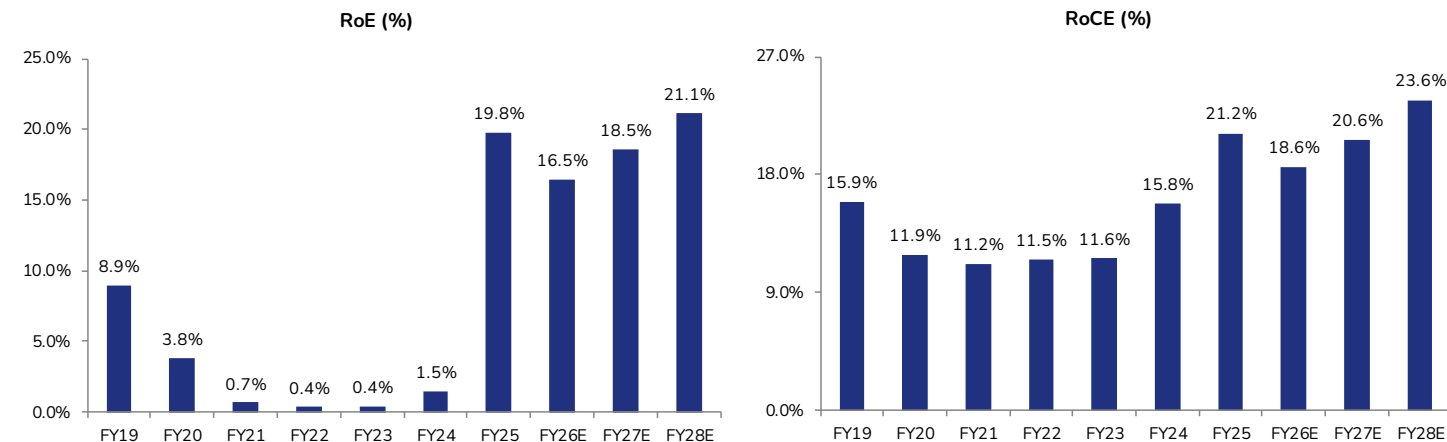
Source: Company, JM Financial

Exhibit 102. ...which should enable ABD to fund its backward integration capex plans...

Source: Company, JM Financial

Exhibit 103. ...as well as drive positive FCF generation over FY26-28E

Source: Company, JM Financial

Exhibit 104. RoE/RoCE profile to remain healthy

Source: Company, JM Financial. Note: RoCE is computed on pre-tax basis.

Key Risks

- **Adverse regulatory changes in key market like Telangana:** The spirits industry in India operates in a highly regulated environment, marked by diverse regional laws including varying production levies, complex tax structures, advertising restrictions and multiple licensing requirements for manufacturing, storage, and distribution. Any changes in state-specific regulations or lapses in compliance could disrupt operations, delay product movement and adversely impact the company's business operations and profitability.
- **Contingent impact of income tax demand arising from search matters:** ABD has disclosed contingent liabilities totalling to INR 8.5bn in FY25, of which INR c.6.2bn relates to income-tax demand arising from assessment orders following search operations alleging tax evasion. The demand comprises of INR c.3.6bn in tax and INR c.2.5bn in interest thereon. The Promoter-chairman has committed to personally fund any financial outflow arising on account of this demand through permissible instruments, ensuring no impact on the financial statements. Further, the Income tax authorities have stayed 90% of the total demand, permitting the company to pay the remaining amount in 10 equal instalments.

Exhibit 105. Break up of contingent liabilities

Contingent liabilities (INR mn)	FY23	FY24	FY25
In relation to income tax matters	35	533	6,182
Other matters	1,515	1,953	2,267
Total	1,550	2,487	8,449

Source: Company, JM Financial

- **Volatility in Input costs:** ABD's key raw materials include grain, extra-neutral alcohol (ENA) and packaging materials like glass. Price volatility in these inputs driven by global commodity cycles, supply-demand imbalances or geopolitical factors could lead to higher production costs. Since, the company operates in a highly regulated environment where price flexibility is negligible, cost escalations may adversely affect it and potentially result in margin compression.
- **Slower than expected execution in P&A segment:** The IMFL industry in India is highly competitive with many existing incumbents penetrating the market with diverse and differentiated offerings across whisky, brandy, rum and White spirits. Further, country liquor players are also diversifying and upgrading their portfolios with entry-level IMFL products, further increasing the competitive intensity. Currently ABD's growth in P&A segment is led predominantly by ICONiQ White. Hence, sustaining momentum of ICONiQ and increasing participation in P&A segment through newer brands will be key. Slower execution on these aspects can impact the growth and profitability metrics of the company.
- **Shift in consumer preference and decrease in population consuming alco-beverages:** Globally, there is an emerging consumption trend wherein consumers are becoming more health conscious and are shifting towards non-alcoholic and/or low-alcohol drinks due to the impact of alcohol on health. In the event of such a shift in consumer demand (especially younger generation) towards zero or low-alcohol alternatives in India, there could be a reduction in demand for ABD's products and it could be negatively impacted.

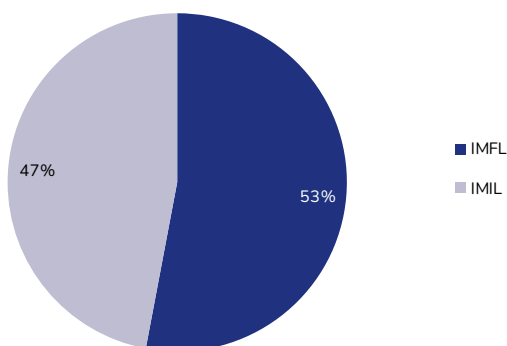
Annexures:

Spirits Industry: Largest segment with strong premiumisation trend

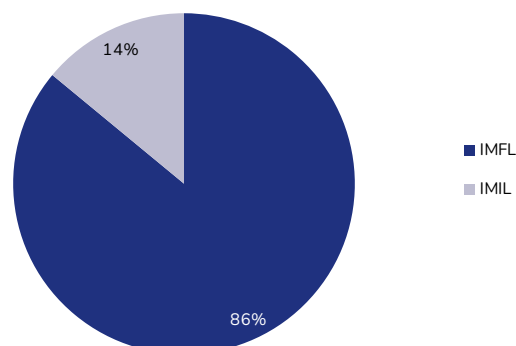
- **Industry overview:** Spirits, the largest segment in the Indian alcoholic beverage industry (c.65-70%/80-85% of industry volume/value), can be further divided into large sub-segments – IMFL and IMIL (country liquor). As per our checks and industry reports, in volume terms both these sub-segments are largely similar in size; however, in value terms, IMFL is much larger than IMIL due to higher realisation.

Exhibit 106. Segmental mix - India's spirits market in terms of volume and value

India's Spirits market size (%) - by volume



India's Spirits market size (%) - by value



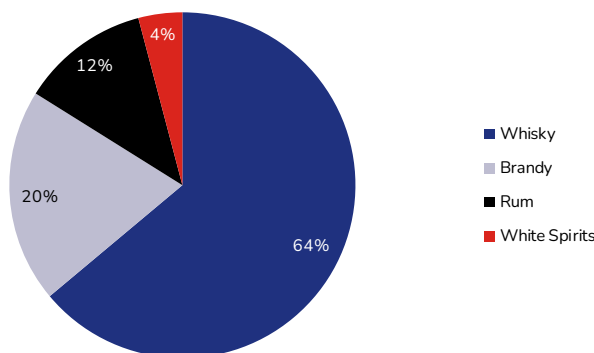
Source: Technopak Analysis, Allied Blenders & Distillers RHP, Company, JM Financial.

Note: The above data pertains to FY23.

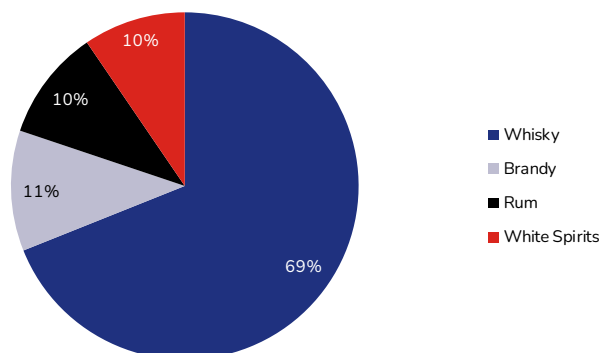
- **IMFL – largest segment within spirits, dominated by whisky:** The IMFL segment, with a market size of 400mn cases, can be sub-divided into two: Brown spirits (whisky, rum, brandy); and White spirits (vodka, gin, tequila). The India market is dominated by brown spirit, which accounts for c.96% of the overall industry volume. If we double-click further, then whisky is the largest sub-segment in the IMFL segment, accounting for 64%/69% of volume and value, followed by brandy, rum and then White spirits. In terms of geography mix, the South is the largest market - five states (Karnataka, Tamil Nadu, Telangana, Kerala and Andhra Pradesh) contribute to 58% of IMFL volume as country liquor is banned in these markets. The North accounts for 16% of volume but has higher saliency of the P&A segment. The West and the East account for 13% each. In terms of state mix, Karnataka and Tamil Nadu lead the pack with mid-teens contribution, followed by Maharashtra at 10%, and West Bengal, Telangana and Kerala in high single digits. Uttar Pradesh and Andhra Pradesh account for 5% each and the balance is split across other states.

Exhibit 107. India's IMFL market in terms of volume and value mix

IMFL market mix (%) - by volume



IMFL market mix (%) - by value)

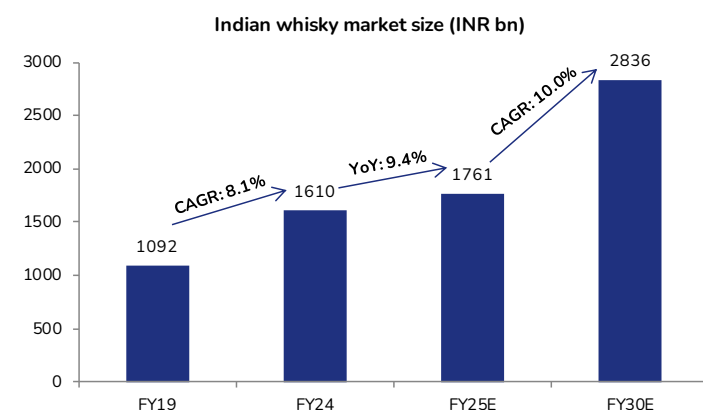


Source: Euromonitor International, Company, JM Financial

Premium push reshaping India's whisky market

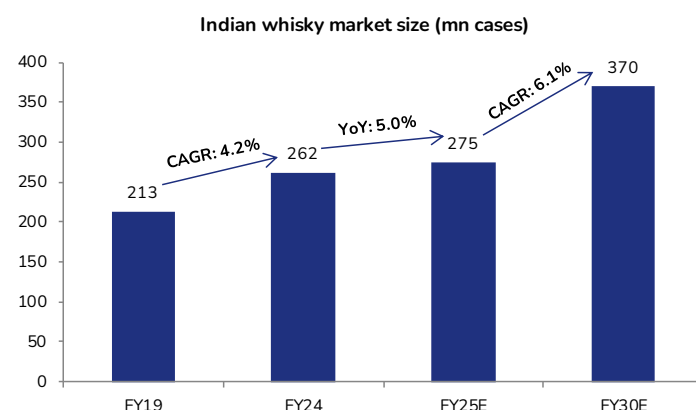
- **Industry overview:** India has established itself as the global hub for whisky consumption with an estimated market size of INR 1.8trln (in value) and 275mn cases (in volume) in FY25, supported by a large legal drinking population, deep category penetration and decades of strong brand recall across consumer cohorts. Over time, whisky has evolved from a predominantly mass-market category to one displaying clear and sustained premiumization trends, led by rising affluence and changing lifestyle aspirations in urban centres.
- **Premiumisation driving value creation:** Consumer preferences are shifting toward smoother blends, craft formats, and domestic single malts. India's whisky market accounting for nearly 70% of IMFL market is expected to be an INR 1.8trln market in FY25 and grow at a CAGR of 10% over FY25-30E. In terms of volume, the market is expected to reach 370mn cases by FY30E (CAGR: 6.1%) supported by rising premiumization, higher per-case realizations and greater penetration of prestige and luxury segments across Tier-1 and Tier-2 urban clusters.

Exhibit 108. India's whisky market to deliver 10% value CAGR...



Source: Technopak Analysis, Alcobrew Distillers DRHP, JM Financial

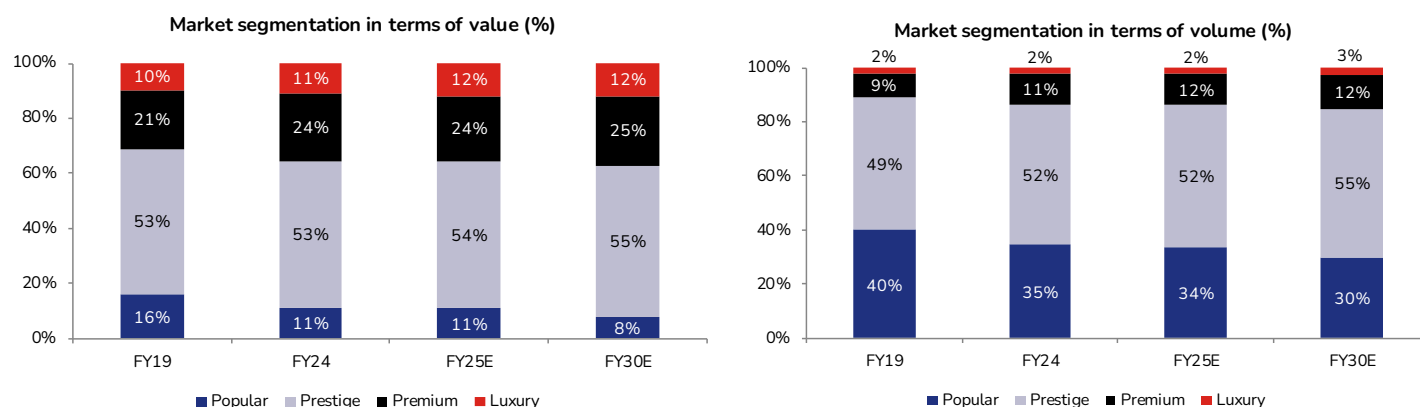
Exhibit 109. ...and 6% volume CAGR over FY25-30E



Source: Technopak Analysis, Alcobrew Distillers DRHP, JM Financial

Mass premium industry: Category moderation inline with evolving consumer preferences and premiumisation trends

- **Market segmentation:** The value segment comprising the Popular and Prestige categories – continues to anchor industry volumes, together accounting for c.86% of total whisky volumes in FY25. The Prestige segment alone accounts for 52-54% of volume and value driven by strong brand equity and pan-India presence of brands. Improving consumer dynamics has aided consumer uptrading from country liquor/popular segment and increased the base of prestige segment. The balance 14% is split between premium and luxury portfolio having lower volume base but a much higher value contribution (36% share in value).
- **Mass premium (Popular) segment growth is moderating:** The Popular segment, also referred to as mass premium, includes brands such as Officer's Choice, Bagpiper, 8 PM and Aristocrat. This segment contributes to c.34% of volumes i.e. 93mn cases in FY25 and is expected to reach 111mn cases by FY30 growing at a CAGR of 4%. While growth remains positive, the segment is witnessing long-term moderation as consumers increasingly trade up and several major players strategically exit or franchise out mass-premium brands to sharpen focus on premium portfolios. Notably, United Spirits has already divested this segment to prioritise higher-margin categories.

Exhibit 110. Whisky market segmentation: mass premium category on a moderating growth trajectory

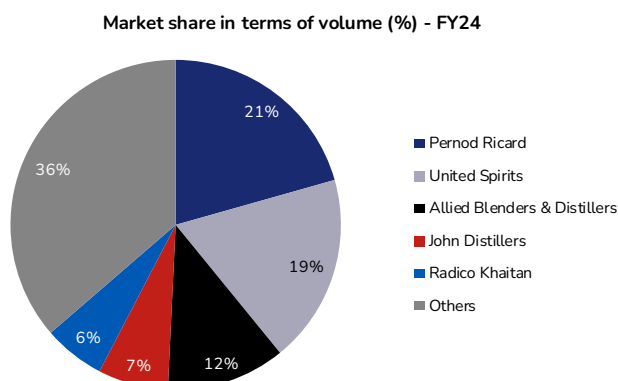
Source: Technopak Analysis, Alcobrew Distillers DRHP, JM Financial

Exhibit 111. Price segmentation with brand positioning

Segment	Price range (INR)	Brands
Popular	>499	Aristocrat, Bagpiper, 8 PM, Officer's Choice, 100 Strokes, Governor's Reserve, Mahavat Passion Reserve, Discovery Elite, Dignity Gold
Prestige	500 - 999	Imperial Blue, McDowell's No. 1, Officer's Choice Blue, White and Blue, Sterling Reserve B7, Blender's Pride, Signature, Sterling Reserve B10, Golfer's Shot, Alcobrew Single Oak Whisky, White Hills, Antiquity, McDowell's Double Oak Barrel, Shristi, 1965 Spirit of Victory, 8 PM Premium Black, After Dark
Premium	1,000 - 1,999	Golfer's Shot 18 Hole, Amrut, Passport Whisky, Ballantine, Johnie Walker, VAT69, Black & White, Roulette, Royal Ranthambore, Old Smuggler Scotch
Luxury	2,000<	100 Pipers, Chivas Regal, 100 Pipers 12 Years, Indri, Paul John, Rampur, Ballentine, Godawan, The Glenlivet, Jameson, Royal Salute, Longitude 77, Black Dog, Talisker, The Singleton, Woodburns Whisky, Arthaus Blended Malt Whisky, Sangam, Spirit of Victory 1999, Golden Circle Heritage Craft Whisky

Source: Technopak Analysis, Alcobrew Distillers DRHP, JM Financial

- **Key players:** Indian whisky market is a consolidated market with top five players controlling c.64% of the market by volume (FY24). Pernod Ricard is the largest whisky player holding 21% share supported by improved P&A mix, brand innovation and sustained marketing investments. United Spirits, though the market leader in the overall IMFL space, it is the 2nd largest whisky player having 19% share with a broad-based portfolio and seven brands selling 1mn+ cases annually. ABD ranks third with 12% market share in the overall whisky market supported by its flagship Officer's Choice commanding leadership position (35% share) in the mass-premium segment. John Distilleries holds around 7% market share and continues to strengthen its presence in the premium segment. Radico Khaitan is steadily climbing up the ladder with current share at 6%, supported by aggressive launches and a strong push across both its P&A and mass-premium portfolios.

Exhibit 112. Market share of key players in the whisky market

Source: Technopak Analysis, Alcobrew Distillers DRHP, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	32,977	34,918	39,628	43,861	48,676
Sales Growth	5.7%	5.9%	13.5%	10.7%	11.0%
Other Operating Income	301	281	309	340	373
Total Revenue	33,279	35,199	39,936	44,200	49,049
Cost of Goods Sold/Op. Exp	20,979	20,388	22,244	24,300	26,602
Personnel Cost	1,756	1,689	2,111	2,280	2,462
Other Expenses	8,122	8,816	10,214	11,185	12,280
EBITDA	2,421	4,306	5,368	6,436	7,705
EBITDA Margin	7.3%	12.2%	13.4%	14.6%	15.7%
EBITDA Growth	30.9%	77.8%	24.7%	19.9%	19.7%
Depn. & Amort.	579	606	747	869	949
EBIT	1,843	3,699	4,621	5,567	6,756
Other Income	63	209	201	179	154
Finance Cost	1,728	1,251	1,176	1,168	1,029
PBT before Excep. & Forex	178	2,657	3,646	4,577	5,881
Excep. & Forex Inc./Loss(-)	-50	0	0	0	0
PBT	128	2,657	3,646	4,577	5,881
Taxes	110	709	933	1,172	1,506
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	18	1,949	2,713	3,406	4,376
Adjusted Net Profit	61	1,949	2,713	3,406	4,376
Net Margin	0.2%	5.5%	6.8%	7.7%	8.9%
Diluted Share Cap. (mn)	244.1	279.7	279.7	279.7	279.7
Diluted EPS (INR)	0.2	7.0	9.7	12.2	15.6
Diluted EPS Growth	280.8%	2,687.1%	39.2%	25.5%	28.5%
Total Dividend + Tax	0	1,007	1,356	1,703	2,188
Dividend Per Share (INR)	0.0	3.6	4.8	6.1	7.8

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	4,069	15,429	17,134	19,183	21,856
Share Capital	488	559	559	559	559
Reserves & Surplus	3,581	14,869	16,575	18,624	21,297
Preference Share Capital	0	0	0	0	0
Minority Interest	0	201	201	201	201
Total Loans	8,241	8,978	10,000	9,000	8,000
Def. Tax Liab. / Assets (-)	-98	-120	-120	-120	-120
Total - Equity & Liab.	12,213	24,487	27,215	28,264	29,937
Net Fixed Assets	6,466	7,517	10,270	10,901	11,451
Gross Fixed Assets	9,533	10,645	14,145	15,645	17,145
Intangible Assets	926	1,406	1,406	1,406	1,406
Less: Depn. & Amort.	5,379	5,916	6,627	7,461	8,376
Capital WIP	1,386	1,382	1,346	1,311	1,277
Investments	0	0	0	0	0
Current Assets	19,793	27,710	28,593	30,167	32,586
Inventories	4,188	5,733	6,018	6,660	7,391
Sundry Debtors	12,437	17,468	17,506	18,770	20,157
Cash & Bank Balances	273	881	1,140	475	411
Loans & Advances	0	0	0	0	0
Other Current Assets	2,895	3,627	3,929	4,262	4,627
Current Liab. & Prov.	14,046	10,739	11,648	12,804	14,101
Current Liabilities	7,098	6,116	6,612	7,313	8,110
Provisions & Others	6,948	4,623	5,036	5,491	5,991
Net Current Assets	5,747	16,970	16,945	17,363	18,485
Total - Assets	12,213	24,487	27,215	28,264	29,937

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	178	2,657	3,646	4,577	5,881
Depn. & Amort.	579	606	747	869	949
Net Interest Exp. / Inc. (-)	1,728	1,251	1,176	1,168	1,029
Inc (-) / Dec in WCap.	-655	-10,493	395	-961	-1,052
Others	110	-108	-201	-179	-154
Taxes Paid	-82	-697	-933	-1,172	-1,506
Operating Cash Flow	1,857	-6,784	4,830	4,303	5,147
Capex	-446	-1,278	-3,500	-1,500	-1,500
Free Cash Flow	1,411	-8,062	1,330	2,803	3,647
Inc (-) / Dec in Investments	-122	-36	0	0	0
Others	23	-510	91	57	20
Investing Cash Flow	-545	-1,824	-3,409	-1,443	-1,480
Inc / Dec (-) in Capital	0	9,759	0	0	0
Dividend + Tax thereon	0	0	-1,007	-1,356	-1,703
Inc / Dec (-) in Loans	421	737	1,022	-1,000	-1,000
Others	-1,743	-1,280	-1,176	-1,168	-1,029
Financing Cash Flow	-1,322	9,216	-1,161	-3,524	-3,732
Inc / Dec (-) in Cash	-10	608	259	-664	-64
Opening Cash Balance	283	273	881	1,140	475
Closing Cash Balance	273	881	1,140	475	411

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	0.2%	5.5%	6.8%	7.7%	8.9%
Asset Turnover (x)	2.7	1.9	1.5	1.6	1.7
Leverage Factor (x)	3.0	1.9	1.6	1.5	1.4
RoE	1.5%	20.0%	16.7%	18.8%	21.3%

Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	16.7	55.2	61.3	68.6	78.1
ROIC	2.2%	15.2%	13.8%	15.3%	17.5%
ROE	1.5%	20.0%	16.7%	18.8%	21.3%
Net Debt/Equity (x)	2.0	0.5	0.5	0.4	0.3
P/E (x)	2,460.4	88.3	63.4	50.5	39.3
P/B (x)	36.9	11.1	10.0	9.0	7.9
EV/EBITDA (x)	74.4	41.9	33.8	28.1	23.4
EV/Sales (x)	5.4	5.1	4.5	4.1	3.7
Debtor days	136	181	160	155	150
Inventory days	46	59	55	55	55
Creditor days	83	72	69	70	71

Source: Company, JM Financial

APPENDIX I

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Corporate Identity Number: U67100MH2017PLC296081

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return \geq 15% over the next twelve months.
ADD	Expected return \geq 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return \geq -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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