

# Radico Khaitan



## Crafted for connoisseurs!

**Naveen Trivedi – Research Analyst** (Naveen.Trivedi@motilaloswal.com)

**Research Analyst: Tanu Jindal** (Tanu.Jindal@MotilalOswal.com) | **Amey Tiwari** (Amey.Tiwari@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

# 01

Page # 3

Summary

# 02

Page # 06

Story in charts

# 03

Page # 9

Business mix tilting toward P&A segment

# 04

Page # 10

Investment rationale

# 05

Page # 19

India-UK free trade agreement

# 06

Page # 20

Company background



## Crafted for connoisseurs!

- ❖ Radico Khaitan is one of the oldest and largest manufacturers of Indian Made Foreign Liquor (IMFL) with net revenue of INR48b and volume of 31m cases in FY25 (P&A was ~15mn cases). The company, formerly known as Rampur Distillery Company, commenced operations in 1943 as a major bulk spirits supplier. Radico is known for its brands: 8PM, Magic Moments, Royal Ranthambore, Rampur Single Malt, After Dark, Morpheus, Contessa and Jaisalmer.
- ❖ Radico has been one of the best-performing stocks among consumer names, with 25x return over the last 10 years and 8x return over the last five years. The valuation multiple has seen a notable re-rating over the last five years, with consistent outperformance of its P&A portfolio. Radico's P&A portfolio clocks ~15m cases compared to the P&A industry size of ~200m cases and the total IMFL industry size of ~400 million cases. The company is further gearing up to expand its portfolio by launching products in the premium and luxury range where industry cases are high. We believe this portfolio expansion will help Radico expand its target user base and improve its trade confidence on execution, which increases the acceptance level for new products. We estimate 16%/22%/30% revenue/EBITDA/APAT CAGR during FY25-28E. We value Radico at 60x P/E on Jun'27E EPS to derive a TP of INR3,000.

# 07

Page # 26

Industry Overview

# 08

Page # 31

Key risks

# 09

Page # 32

Bull and Bear cases

# 10

Page # 34

SWOT analysis

# 11

Page # 35

Management team

# 12

Page # 36

Financials and valuations

BSE Sensex  
81,721

 S&P CNX  
24,853

**CMP: INR2,453**
**TP: INR3,000 (+22%)**
**Buy**

**Stock Info**

Bloomberg	RDCK IN
Equity Shares (m)	134
M.Cap.(INRb)/(USD\$)	328.2 / 3.9
52-Week Range (INR)	2666 / 1429
1, 6, 12 Rel. Per (%)	-4/3/37
12M Avg Val (INR M)	659

**Financials Snapshot (INR b)**

Y/E March	FY25	FY26E	FY27E
Sales	48.5	56.6	65.2
Sales Gr. %	18	17	15
EBITDA	6.7	8.6	10.2
EBITDA margin %	13.9	15.1	15.6
Adj. PAT	3.5	4.9	6.2
EPS (INR)	25.8	36.7	46.3
EPS Gr. (%)	35	42	26
BV/Sh. (INR)	201	230	267

**Ratios**

RoE (%)	12.8	15.9	17.3
RoIC (%)	13.1	16.2	18.6
Payout (%)	15.5	20.0	20.0

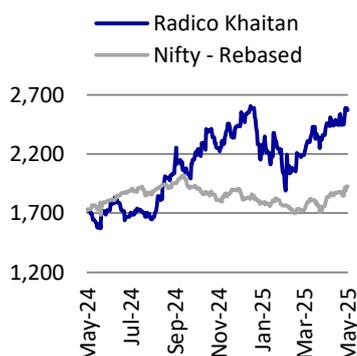
**Valuations**

P/E (x)	95.4	67.1	53.2
P/BV (x)	12.2	10.7	9.2
EV/EBITDA (x)	49.5	38.7	32.3

**Shareholding Pattern (%)**

As On	Mar-25	Dec-24	Mar-24
Promoter	40.2	40.2	40.3
DII	26.8	25.6	24.7
FII	16.9	17.7	18.6
Others	16.0	16.5	16.5

FII includes depository receipts

**Stock's performance (one-year)**


## Crafted for connoisseurs!

### Sip with a twist – focusing on product innovation

- Radico Khaitan is one of the oldest and largest manufacturers of Indian Made Foreign Liquor (IMFL) with net revenue of INR48b and volume of 31m cases in FY25 (P&A was ~15mn cases). The company, formerly known as Rampur Distillery Company, commenced operations in 1943 as a major bulk spirits supplier. Radico is known for its brands: 8PM, Magic Moments, Royal Ranthambore, Rampur Single Malt, After Dark, Morpheus, Contessa and Jaisalmer.
- The company has upgraded its brand image and has successfully entered into the luxury segment by introducing brands like Rampur, Ranthambore, and Jaisalmer. It has a wide product range in whiskey, vodka, gin, rum, and brandy with a price range of ~ INR500 to more than INR8000 for a bottle, covering a large consumer base. Consumer acceptance for its premium brands over the years reflects Radico's long-term brand upgrade story. Radico can further capitalize on this success by adding more brands to fill the white spaces to attract consumer segments that have higher volumes. Radico holds ~8% share in the Prestige & Above (P&A) category in the IMFL industry. For Radico, vodka accounts for ~50% of its P&A portfolio, with an >80% share in the P&A vodka industry. Besides, the company has significantly scaled up its P&A whiskey portfolio (contributes ~5mn cases), though from the industry point of view, it is still small with a 3% share. Here we see a good opportunity for Radico and it gives us confidence that the company can sustain its double-digit volume growth in P&A in the medium term.
- During FY19-25, Radico has delivered 15% revenue growth, with a 12% CAGR in IMFL (70% of revenue) and a 23% CAGR in non-IMFL (30% of revenue). Within IMFL, its P&A portfolio (70% of IMFL) clocked a robust 20% revenue CAGR and a 13% volume CAGR. Owing to steep cost pressure (ENA, Glass), gross margin has contracted from 51.4% in FY19 to 42.8% in FY25 (-800bp). EBITDA margin contraction was limited, down from 16.5% in FY19 to 13.9% in FY25 (-250bp).
- Radico has been one of the best-performing stocks among consumer names, with 25x return over the last 10 years and 8x return over the last five years. The valuation multiple has seen a notable re-rating over the last five years, with consistent outperformance of its P&A portfolio. However, we still believe that Radico will deliver strong earnings growth over the next 3-5 years considering the opportunity it has to scale up its P&A portfolio in the industry. Radico's P&A portfolio clocks ~15m cases compared to the P&A industry size of ~200m cases and the total IMFL industry size of ~400 million cases. The company is further gearing up to expand its portfolio by launching products in the premium and luxury range where industry cases are high. We believe this portfolio expansion will help Radico expand its target user base and improve its trade confidence on execution, which increases the acceptance level for new products. We estimate 16% revenue CAGR during FY25-28E and EBITDA margin of 16.2% by FY28 (similar to FY19). We believe a ~30% EPS CAGR is good enough for sustaining rich valuations. We value Radico at 60x P/E on Jun'27E EPS to derive a TP of INR3,000.

### What has worked well for Radico in the last five years

- Its aim of becoming one of the finest liquor companies with a range of brand innovations has played out well for Radico. P&A volume contribution in IMFL has increased to 41% in FY25 from 28% in FY19. As per our estimates, brands that together contributed ~25% to its P&A portfolio in FY19 now contribute 50% as of FY25. Such an impressive growth has been supported by new launches and a scale-up in those brands.
- Radico has consistently expanded its distribution reach, with retail touchpoints now spanning over 100,000 retail outlets and 10,000 on-premise locations (from 75,000 retail and 8,000 on-premise outlets in FY19).
- The liquor industry faces several entry barriers, including stringent state-wise regulations, restrictions on direct marketing, diverse distribution models across states, and a lack of pricing control. These challenges make it difficult to build strong brand equity. However, Radico has successfully navigated these complexities and established a robust brand presence over the past few years.

### Pan-India presence; brand equity further expanding

- Radico has steadily diversified its geographic footprint, with a declining dependence on the CSD channel (down to 11-12% from 17-18%) and rising contributions from key states like Uttar Pradesh (UP), Andhra Pradesh (AP), Telangana, Maharashtra, and Tamil Nadu (TN). Radico continues to strengthen its presence in core markets such as UP, Karnataka, and AP while deepening penetration in premium-focused regions.
- In UP (20-25% of Radico's volume), the FY26 excise policy is expected to support growth. In AP, its market share rose from ~10% in 1HFY25 to 23% in 4QFY25, aided by policy tailwinds favoring large players. In Karnataka (8-10% of volumes), the premium segment is seeing strong growth after an excise duty cut, though the value segment remains impacted by high taxes. Telangana and Maharashtra are also emerging as strong growth drivers, especially in the premium category. With more and more states making their policies favorable, Radico can expand its brand equity to gain share.

### How Radico can sustain double-digit volume growth in the medium term

- Radico has scaled up its volumes from 20m cases in FY15 to 31 million in FY25. It holds an ~8% share in IMFL industry in P&A ([refer Exhibit 5](#)), and its P&A portfolio has grown sharply from 4m to ~15m cases. Given the scale-up opportunity in the P&A segment (~15m cases for Radico vs. 200m cases for P&A industry), the company is accelerating its premiumization drive through new launches in the luxury and premium segments.
- For Radico, vodka accounts for ~50% of its P&A portfolio, with an 85% share in the P&A vodka industry. The company has significantly scaled up its premium whiskey portfolio (contributes ~5mn cases), though from the industry point of view, it is still small with a 3% share. The under-penetration in whisky is not due to a lack of capability but rather reflects the untapped potential that Radico is now poised to unlock. Such an opportunity in large cases gives us confidence that the company can sustain its double-digit volume growth in P&A in the medium term.

### Missed on margin promises, but that is mainly due to industry headwinds

- Despite a robust P&A volume and value journey, margin delivery was less impressive. The company was looking to improve its operating margin after expanding its manufacturing capacities to drive more in-house mix. However, on account of high inflation in glass and ENA, the company could not attain the desired outcomes. The margin delivery was below its guidance, though it was more due to external (RM-led) challenges.
- We expect a recovery driven by easing raw material prices, richer product mix, operational efficiencies, and supply chain investments. Glass prices are already seeing deflation and ENA inflation pressure is also easing out. Thereby, full mix benefits in operating margin should be visible in the coming years. We estimate gross margin expansion of 100-150bp to ~44% and EBITDA margin expansion of 200-250bp to ~16% during FY25-28E.

### Scope of balance sheet strengthening; leveraging FCF to reduce debt

- On the back of strong revenue growth, margin expansion, efficient working capital management, and minimal capex, Radico delivered robust free cash flow (FCF) generation. It had significantly reduced its gross debt from ~INR8.2b in FY16 to ~INR1.9b in FY22. However, the commencement of a new capex cycle in FY23 led to a rise in gross debt to INR7.3b in FY24, which moderated to INR6.3b in FY25.
- With the benefits of this capacity expansion expected to materialize over the next 2-3 years, we anticipate debt levels to decline gradually, supported by steady FCF generation. Consequently, we estimate RoE to improve from 13% to 18% and RoIC to improve from 13% to 21% over FY25-28E.

### India-UK free trade agreement

- The India-UK free trade agreement (FTA), finalized in May'25, introduces a phased reduction in customs duties on whisky and gin from 150% to 75% immediately and further to 40% over 10 years. The UK contributes to more than 80% of India's imports of whiskey. Thereby, duty reduction would have multiple benefits going ahead.
- Lower duties would bring two benefits - reduced taxes on bottle and lower RM costs. Radico is expected to reduce input costs in the premium segment, particularly for brands like Sangam, After Dark, and Ranthambore that use imported spirits for blending.
- For Radico, landed value of imported spirits is expected to exceed INR2,500m in FY26. The duty cut is likely to do saving of INR750m. The company sees luxury spirits as a lifestyle segment where pricing shapes consumer aspiration. It remains firm on its premium brand positioning and is unlikely to take any major price cuts. Radico's brands enjoy strong perceived value and compete successfully with both domestic and global players, in India and overseas.

### Valuation and view: Rich valuations but robust growth potential

- Looking at Radico's long-term operational journey and the resultant huge stock re-rating, it certainly is a story well cooked at this price. Radico's valuation gap with UNSP has also significantly narrowed. The market has rewarded Radico well for its P&A success despite a consistent margin contraction, which was driven by external factors.
- Over FY25-28E, we expect Radico to deliver a 16% revenue CAGR, fueled by strong growth in the P&A segment. Overall volume growth is projected at 9%, driven by a robust 15% CAGR in the P&A portfolio. Additionally, the EBITDA margin is expected to improve from 13.9% in FY25 to 16.2% in FY28E (similar to FY19) supported by premiumization. We model an EBITDA and APAT CAGR of 22% and 30% over FY25-28E, respectively.
- Radico is currently trading at 67x/53x FY26E/FY27E P/E with a RoE/RoIC of ~17%/19% in FY27E. We believe a ~30% EPS CAGR is good enough for sustaining rich valuations. We value the company at 60x P/E on Jun'27E EPS to derive a TP of INR3,000
- **Key downside risks:** a) any steep inflation in ENA and glass prices; b) increase in excise duty as the financial health of many states is under pressure owing to freebies, etc.; and c) increase in competitive intensity.

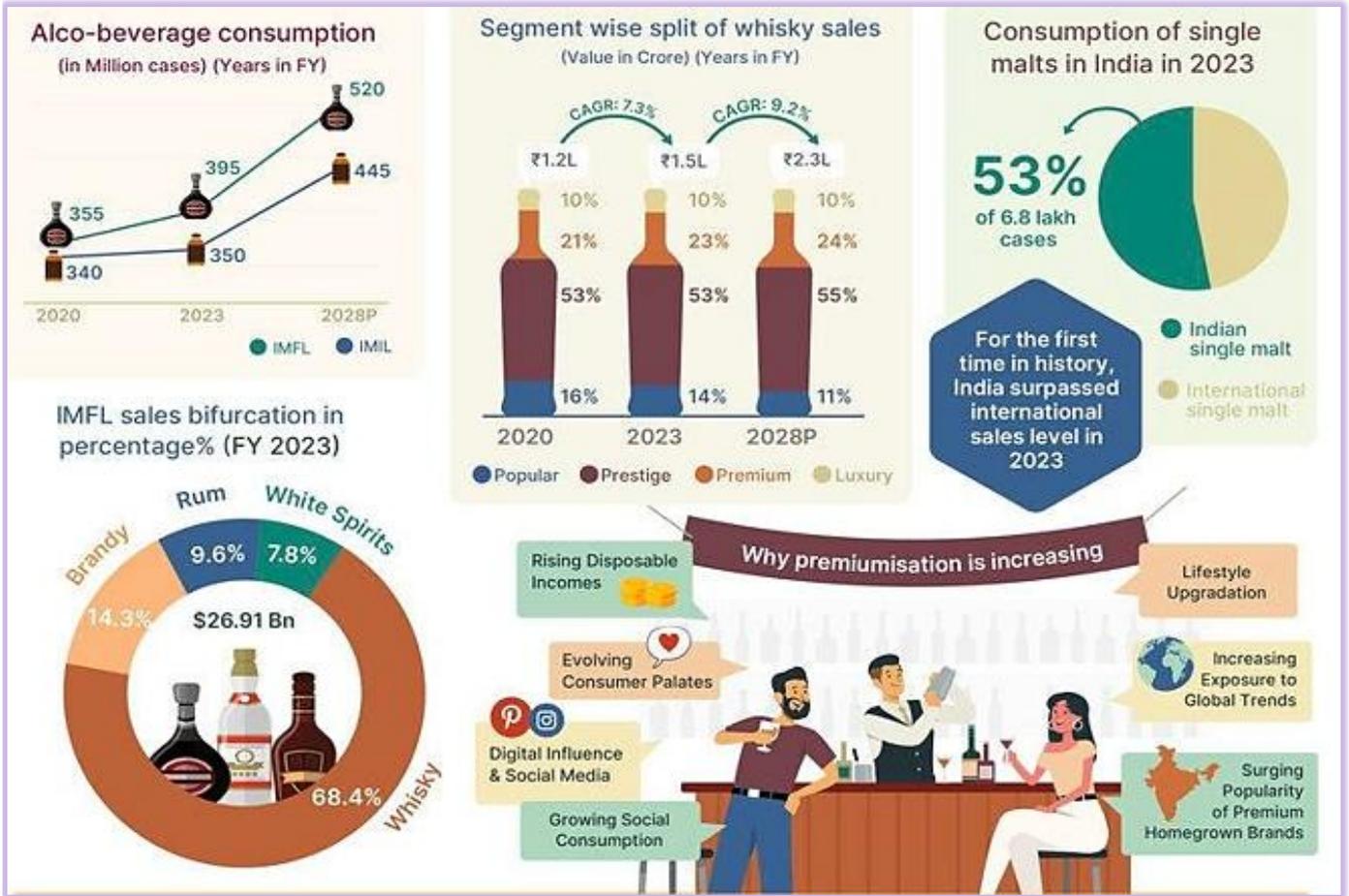
Exhibit 1: Comparative Valuations

Company	CMP (INR)	Target Price (INR)	Reco	MCap (INR B)	EPS (INR)			EPS Growth YoY (%)			P/E (x)			RoE (%)	Div. (%)
					FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY25
UNSP	1,578	1,650	Neutral	1,141	19.8	22.4	25.0	26	13	12	79	70	63	18.2	0.5
<b>RDCK</b>	<b>2,453</b>	<b>3,000</b>	<b>Buy</b>	<b>328</b>	<b>25.8</b>	<b>36.7</b>	<b>46.3</b>	<b>35</b>	<b>42</b>	<b>26</b>	<b>95</b>	<b>67</b>	<b>53</b>	<b>12.8</b>	<b>0.2</b>
UBBL	2,024	2,000	Neutral	527	17.7	27.2	36.5	14	54	34	115	75	55	10.9	0.3

Source: MOFSL

STORY IN CHARTS

India Alco-beverage consumption



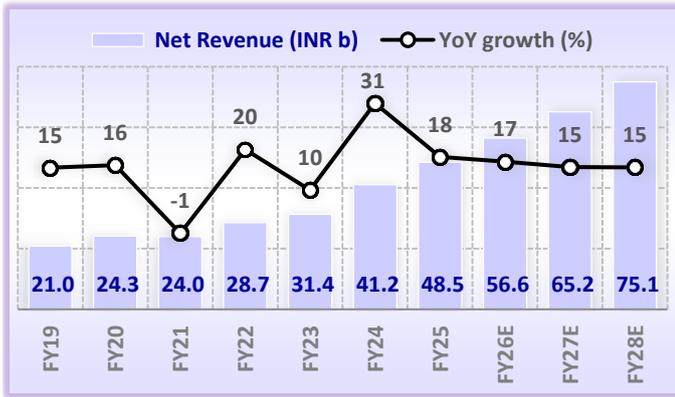
Source: Industry, MOFSL

Radico's share and mix in various sub-segments of IMFL in FY25

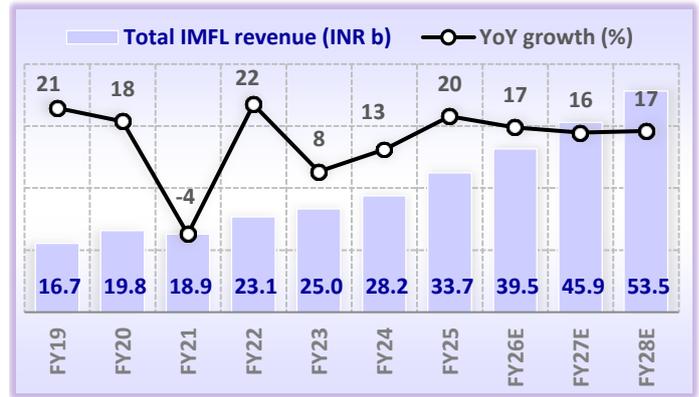
P&A (m cases)	Radico	Industry	Share (%)	Radico mix (%)	Industry mix (%)
IMFL P&A	15	190	8	100	100
- Whiskey	5	152	3	30	80
- Vodka & Gin	7	9	85	48	5
- Rum	1	17	7	8	9
- Brandy	2	12	18	14	6
<b>Popular (m cases)</b>	<b>Radico</b>	<b>Industry</b>	<b>Share (%)</b>	<b>Radico mix (%)</b>	<b>Industry mix (%)</b>
IMFL Popular	16	219	8	100	100
- Whiskey	7	102	7	44	46
- Vodka & Gin	1	7	7	3	3
- Rum	1	32	4	8	15
- Brandy	7	79	9	44	36
<b>Total (m cases)</b>	<b>Radico</b>	<b>Industry</b>	<b>Share (%)</b>	<b>Radico mix (%)</b>	<b>Industry mix (%)</b>
Total IMFL	31	410	8	100	100
- Whiskey	12	254	5	38	62
- Vodka & Gin	8	16	50	25	4
- Rum	2	50	5	8	12
- Brandy	9	90	10	30	22

Source: Industry, MOFSL

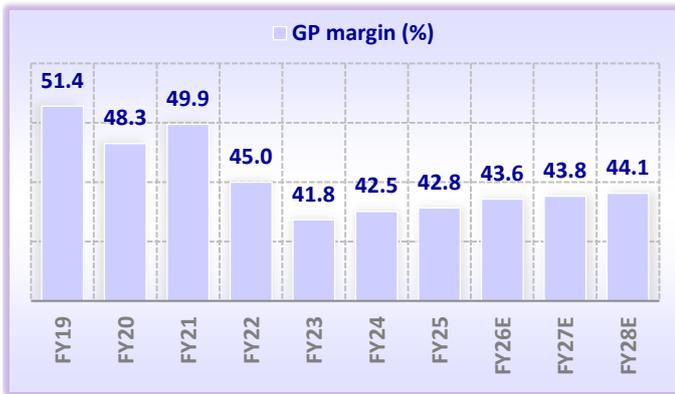
Net revenue expected to deliver 16% CAGR over FY25-28...



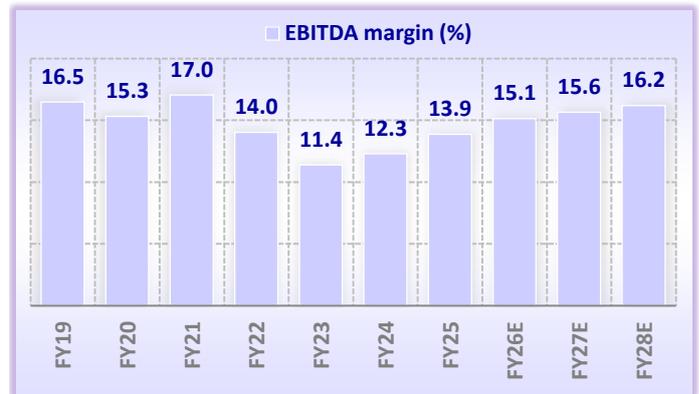
...led by IMFL revenue growth



Gross margin is expected to improve gradually...



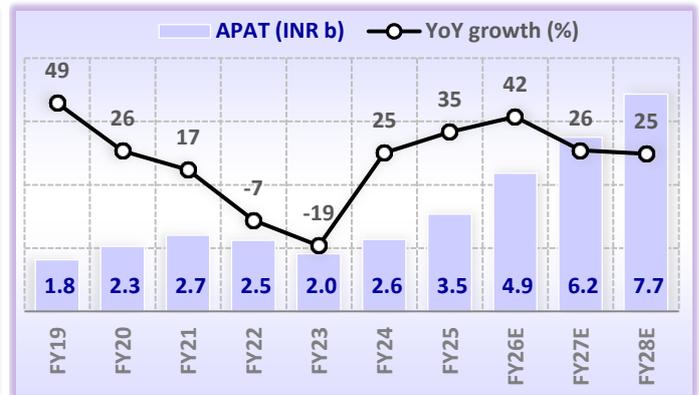
...leading EBITDA margin expansion



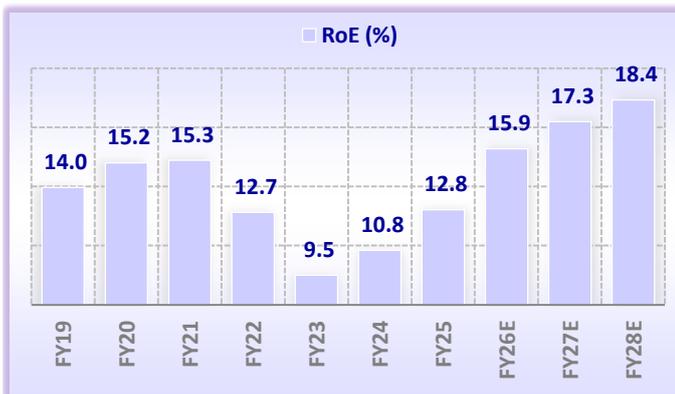
EBITDA is expected to deliver 22% CAGR over FY25-28



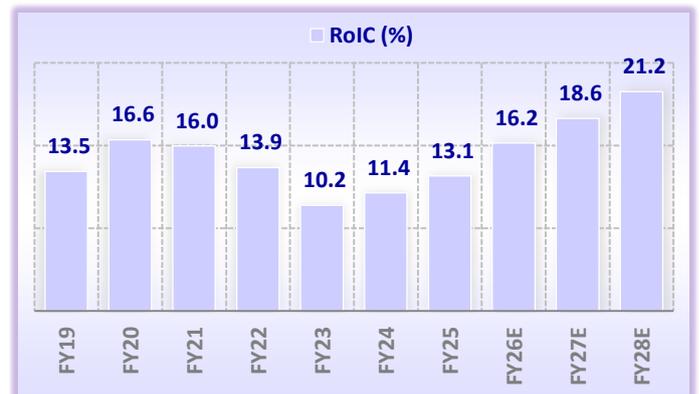
APAT is expected to deliver 30% CAGR over FY25-28



Steady improvement in RoE...



...along with improvement in RoIC



Source: : Company, MOFSL

Source: : Company, MOFSL

## Business mix tilting toward P&A segment

Radico P&A volume contribution in IMFL increased to 41% in FY25 from 21% in FY15.

- Radico has built a strong portfolio across segments over the years, with a strategic focus on premiumization. Its IMFL business is split into P&A and popular categories. The P&A segment has exhibited robust growth, with a CAGR of 12% in volume and 17% in value from FY15 to FY25. The P&A contribution in IMFL volume has increased to 41% in FY25 from 21% in FY15 and value contribution in IMFL has increased to 69% in FY25 from 38% in FY15.
- The increasing share in overall sales reflects the company's focused approach toward higher-margin premium offerings, positioning the company for sustained profitability in the competitive Indian alco-bev market.

**Exhibit 2: Radico shifting its journey toward the P&A segment**

INR m	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
<b>Revenue</b>											
IMFL	13,424	11,926	12,077	13,776	16,693	19,780	18,937	23,084	25,014	28,214	33,717
Non-IMFL	5,041	4,592	4,722	4,453	4,277	4,484	5,051	5,597	6,414	12,971	14,794
<b>Total</b>	<b>18,465</b>	<b>16,518</b>	<b>16,799</b>	<b>18,230</b>	<b>20,969</b>	<b>24,264</b>	<b>23,988</b>	<b>28,681</b>	<b>31,428</b>	<b>41,185</b>	<b>48,511</b>
IMFL mix (%)	73%	72%	72%	76%	80%	82%	79%	80%	80%	69%	70%
Non IMFL mix (%)	27%	28%	28%	24%	20%	18%	21%	20%	20%	31%	30%
<b>IMFL Breakup</b>											
P&A	5,070	4,890	5,319	6,067	8,006	9,805	9,574	12,077	14,961	19,324	23,402
Popular	8,354	7,036	6,759	7,710	8,686	9,976	9,363	10,919	9,780	8,509	9,863
Royalty	-	-	-	-	-	-	-	88	273	381	452
<b>Total</b>	<b>13,424</b>	<b>11,926</b>	<b>12,077</b>	<b>13,776</b>	<b>16,693</b>	<b>19,780</b>	<b>18,937</b>	<b>23,084</b>	<b>25,014</b>	<b>28,214</b>	<b>33,717</b>
<b>Mix (%)</b>											
P&A	38%	41%	44%	44%	48%	50%	51%	52%	60%	68%	69%
Popular	62%	59%	56%	56%	52%	50%	49%	47%	39%	30%	29%
Royalty	0%	0%	0%	0%	0%	0%	0%	0%	1%	1%	1%
<b>IMFL Volume (m cases)</b>											
P&A	4.0	4.4	4.8	5.0	6.1	7.1	6.5	7.8	9.4	11.3	13.0
Popular	15.4	13.8	13.5	14.5	15.5	17.3	15.8	18.0	15.6	13.4	15.2
Royalty	-	-	-	-	-	-	-	0.5	3.3	4.1	3.2
<b>Total</b>	<b>19.5</b>	<b>18.2</b>	<b>18.3</b>	<b>19.5</b>	<b>21.6</b>	<b>24.3</b>	<b>22.3</b>	<b>26.4</b>	<b>28.2</b>	<b>28.7</b>	<b>31.4</b>
<b>Mix (%)</b>											
P&A	21%	24%	26%	26%	28%	29%	29%	30%	33%	39%	41%
Popular	79%	76%	74%	74%	72%	71%	71%	68%	55%	47%	48%
Royalty								2%	12%	14%	10%
Gross Profit (INR m)	7,688	7,580	7,585	8,706	10,781	11,714	11,964	12,906	13,149	17,520	20,773
GP margin (%)	51.7%	45.9%	45.2%	47.8%	51.4%	48.3%	49.9%	45.0%	41.8%	42.5%	42.8%
EBITDA (INR m)	1,704	1,877	2,113	2,698	3,459	3,718	4,089	4,022	3,584	5,061	6,737
EBITDA margin (%)	11.4%	11.4%	12.6%	14.8%	16.5%	15.3%	17.0%	14.0%	11.4%	12.3%	13.9%
APAT (INR m)	676	734	801	1,235	1,836	2,312	2,706	2,521	2,044	2,558	3,452
APAT margin (%)	4.5%	4.4%	4.8%	6.8%	8.8%	9.5%	11.3%	8.8%	6.5%	6.2%	7.1%

Source: Company, MOFSL

## Investment rationale

### Wide product basket, still enough headroom to fix product white spaces

Radico has wide product basket varying from whiskey to vodka, gin, rum, and brandy with a price range of INR500 to more than INR8000 for a bottle.

- Radico has a strong product basket varying from whiskey to vodka, gin, rum, and brandy with a price range of INR500 to more than INR8000 for a bottle. It is in a unique proposition; the company captures a large consumer base across the income segments. Consumer acceptance for premium brands reflects its long-term brand upgrade story. Radico can further capitalize on this success by adding more brands to fill the white spaces to attract segments with larger cases.
- The white spaces at the company level is in the price range of INR3,000-4,000, wherein competition has multiple products for whisky, rum, brandy and vodka, but Radico is not available. Jaisalmer Gin is the only brand at this price range. Besides, there are several white spaces in each segment, which the company can address and expand its TAM in the coming years.

**Exhibit 3: Radico's brand portfolio – focus on the premium brands**

Segment and Indicative MRP	Whisky	Rum	Brandy	Vodka	Gin
<b>Luxury (INR &gt;4000)</b>	<ul style="list-style-type: none"> <li>Rampur Indian Single Malt</li> <li>Sangam World Malt</li> <li>Spirit of Victory 1999</li> </ul>	<ul style="list-style-type: none"> <li>The Kohinoor Reserve</li> </ul>			<ul style="list-style-type: none"> <li>Jaisalmer Indian Craft Gin</li> </ul>
<b>Semi-Luxury (INR 1200-4000)</b>	<ul style="list-style-type: none"> <li>Royal Ranthambore</li> </ul>		<ul style="list-style-type: none"> <li>Morpheus Blue</li> </ul>	<ul style="list-style-type: none"> <li>Magic Moments Dazzle</li> </ul>	<ul style="list-style-type: none"> <li>Happiness in a Bottle</li> </ul>
<b>Super-Premium (INR 800-1200)</b>			<ul style="list-style-type: none"> <li>Morpheus (64% MS)</li> </ul>	<ul style="list-style-type: none"> <li>Magic Moments Verve</li> </ul>	
<b>Semi-Premium (INR 650-800)</b>	<ul style="list-style-type: none"> <li>8PM Premium Black (7% MS)</li> </ul>	<ul style="list-style-type: none"> <li>1965 Lemon Dash</li> </ul>		<ul style="list-style-type: none"> <li>Magic Moments (85% MS)</li> </ul>	
<b>Deluxe (INR 480-650)</b>	<ul style="list-style-type: none"> <li>After Dark</li> </ul>	<ul style="list-style-type: none"> <li>1965 The Spirit of Victory (18% MS in CSD)</li> </ul>	<ul style="list-style-type: none"> <li>Whytehall</li> </ul>		
<b>Popular (INR &lt;480)</b>	<ul style="list-style-type: none"> <li>8PM (15% MS)</li> </ul>	<ul style="list-style-type: none"> <li>Contessa (15% MS in CSD)</li> </ul>	<ul style="list-style-type: none"> <li>Old Admiral</li> </ul>		

Source: Company, MOFSL

**Exhibit 4: Radico's portfolio and white spaces**

Consumer Prices for 750ml		Whisky	Rum	Brandy	Vodka	Gin
>INR8,000	<b>Radico</b>	Rampur Indian Single Malt				
	<b>Competition</b>	UNSP - Johnnie Walker Pernod - Chivas Regal, Ballantine, Bacardi - Dewars Others like Paul John, Amrut collection	Foreign brands - Dictador, Ron Diplomatio	Paul John and other foreign brands	Foreign brands like Belvedere, Beluga Noble, Roberto	Jodhpur reserve and other foreign brands like Tarquins Gin, Liverpool, Silent Pool Gin
INR6,000-8,000	<b>Radico</b>	Spirits of Victory 1999, Sangam world malt	RK - Kohinoor Reserve			
	<b>Competition</b>	UNSP - Black Dog, Johnnie Walker Pernod - Chivas Regal, Ballantine Others like Paul John	Bacardi	Foreign brands	Foreign brands like Sausage Tree Irish	Pernod- Monkey 47, Ki No Bi Gin Bombay Sapphire,
INR4,000-6,000	<b>Radico</b>	Ankahi Zaffran spiced liquor				RK - Jaisalmer Gold Gin
	<b>Competition</b>	UNSP - Godawan Single Malt, Johnnie Walker Pernod - Longitude 77 single malt, Chivas Regal, The Glenlivet Bacardi - Dewars	Bush Rum	Foreign brand like St.Remy, Cuatro Gallos	Pernod - Absolut vodka Elyx Foreign brands like Thunder toffee, Amg Carbon	Malhar Gin, Samsara Paradise
INR3,000-4,000	<b>Radico</b>					RK - Jaisalmer Dry Gin
	<b>Competition</b>	UNSP - Black Dog, Johnnie Walker Pernod - Ballantine, Jameson Bacardi - Dewars	Bacardi and others	Foreign brands	Foreign brands like Svedka	UNSP - Tanqueray Bacardi - Bombay Sapphire, Others like Samsara, Hoegaarden, Stranger and sons
INR2,000-3,000	<b>Radico</b>	Royal Ranthambore				RK - Happiness in a Bottle
	<b>Competition</b>	UNSP - Antiquity Blue, Black Dog, Black & White, VAT 69, Johnnie Walker Pernod - Blenders Pride, Jameson Bacardi - Dewars white label	Others like Sitara, Seven Rivers, Daku Rum	Foreign brand - Imperial XII	Pernod - Absolut Vodka NV Group - Smoke Vodka Anissed Foreign Brands like Nemiroff, Husky	ABD - Zoya Special UNSP - Gordons Pernod - Beefeater, Others like Greater than London, Bull dog, Samsara, Stranger and sons
INR1,000-2,000	<b>Radico</b>	8PM Black, After Dark		RK - Morephus		RK - Magic moments Pink vodka, Magic moments verve, Magic moments Dazzle
	<b>Competition</b>	UNSP - Signature Rare, Royal Challenge Pernod - Royal Stag, Blenders pride ABD - Sterling reserve	UNSP - McDowell's Others like Old Monk, Bacardi, Rock paper Rum	Amrut distilleries - Bejois Others - Roulette, Burlingtons	UNSP - Smirnoff vodka NV group - Smoke vodka	NV group - Blue moon Bacardi - Bombay Sapphire UNSP - McDowell's
INR500-1,000	<b>Radico</b>	8PM	RK - 1965 Spirits of Victory	RK - Whytehall	RK - Magic moments vodka	
	<b>Competition</b>	UNSP - Director Special, Mc Dowell No. 1, Royal Challenge, Director Special, Bagpiper ABD - Officers Choice Pernod Ricard - Imperial Blue	UNSP - McDowell's, Captain Morgan Others like Old Monk, Bacardi, Bull fighter	UNSP (now Inbrew) - Honey Bee Amrut distilleries - Bejois	UNSP (now Inbrew) - Romanov, White Mischief	Others - Canada dry Gin

Note: Grey boxes highlight white spaces

Source: Website (Mumbai prices), MOFSL

Radico holds an ~8% share in the IMFL industry. Its large share comes from Vodka (~50% P&A portfolio, 85% share in P&A vodka). In whisky (largest market in IMFL), only have 3% market share.

### Volume history is strong; we expect double-digit volume growth

- Radico in 2015 recorded 20m cases, when the IMFL industry recorded 325 million cases. Now IMFL industry is at 400 million cases and Radico has scaled up its volumes to 31 million cases (8% share). However, interestingly P&A volumes have reached ~15m cases compared to 4m cases in FY15. IMFL is more of an upgrade story vs. higher industry growth.
- Given the scale-up opportunity of P&A portfolio (~15m cases out of total industry size of 400 million cases and ~200 million cases for P&A brands), the company is launching products in the premium range where industry cases are high. We believe this portfolio expansion will help the company expand its target user-base and improve its trade confidence on execution, which increases the acceptance level for new products.
- Radico holds an ~8% share in the IMFL industry, with an equal share in P&A and Popular industry portfolio. In P&A, Radico's large share comes from Vodka (~50% P&A portfolio, 85% share in P&A vodka). The company has significantly scaled up its premium whiskey portfolio (contributes ~5 million cases), but from the industry point of view, it is still small with a 3% share. The way Radico is launching products in whiskey and widening its price range, we expect there is enough space in P&A whiskey to sustain strong growth for the next few years. The under-penetration in whiskey is not due to a lack of capability but reflects the untapped potential that Radico is now poised to unlock. Such a large-cases opportunity gives us confidence that the company can sustain its double-digit volume growth in P&A in the medium term.

**Exhibit 5: Radico's share and mix in various sub-segments of IMFL in FY25**

P&A	Radico	Industry	Share (%)	Radico mix (%)	Industry mix (%)
IMFL P&A	15	190	8	100	100
- Whiskey	5	152	3	30	80
- Vodka & Gin	7	9	85	48	5
- Rum	1	17	7	8	9
- Brandy	2	12	18	14	6
Popular	Radico	Industry	Share (%)	Radico mix (%)	Industry mix (%)
IMFL Popular	16	219	8	100	100
- Whiskey	7	102	7	44	46
- Vodka & Gin	1	7	7	3	3
- Rum	1	32	4	8	15
- Brandy	7	79	9	44	36
Total	Radico	Industry	Share (%)	Radico mix (%)	Industry mix (%)
Total IMFL	31	410	8	100	100
- Whiskey	12	254	5	38	62
- Vodka & Gin	8	16	50	25	4
- Rum	2	50	5	8	12
- Brandy	9	90	10	30	22

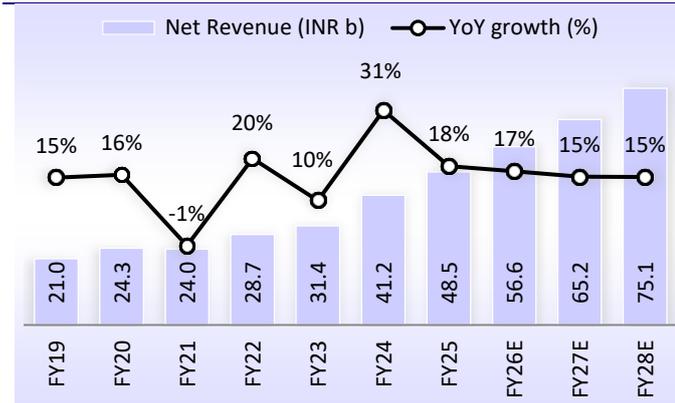
Source: Industry, MOFSL

- The company's growth momentum is expected to be driven by its continued focus on launching new products by filling the white space and expanding into new geographies. The company's increased emphasis on premium offerings is likely to support deeper market penetration and higher share gains in key states such as Maharashtra, Karnataka, and Telangana. With a strong pipeline of premium whisky and vodka offerings, along with the benefit of regulatory

tailwinds, Radico remains well-positioned to sustain its growth momentum and further consolidate its position in the Indian alco-bev industry.

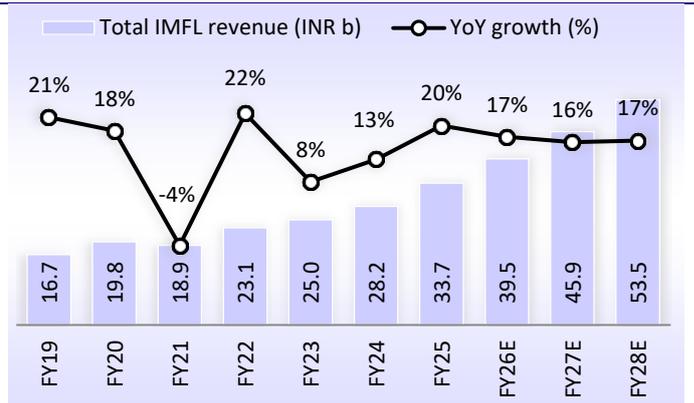
- Over FY25-28E, we expect Radico to deliver a revenue CAGR of 16%, led by strong growth in the P&A segment. Overall volume growth is projected at 9%, driven by a robust 15% CAGR in the P&A portfolio, while the popular segment is expected to clock a moderate 4% CAGR. We expect a value CAGR of 21% and 6% in the P&A and popular segments, respectively, reflecting the company's ongoing premiumization strategy.

**Exhibit 6: Net revenue expected to deliver 16% CAGR over FY25-28...**



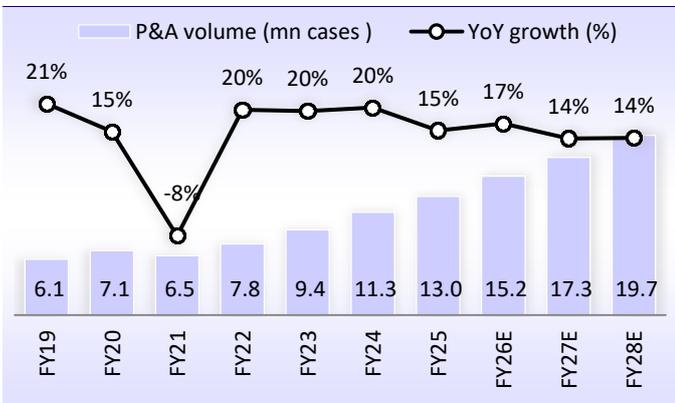
Source: : Company, MOFSL

**Exhibit 7: ...led by IMFL revenue growth**



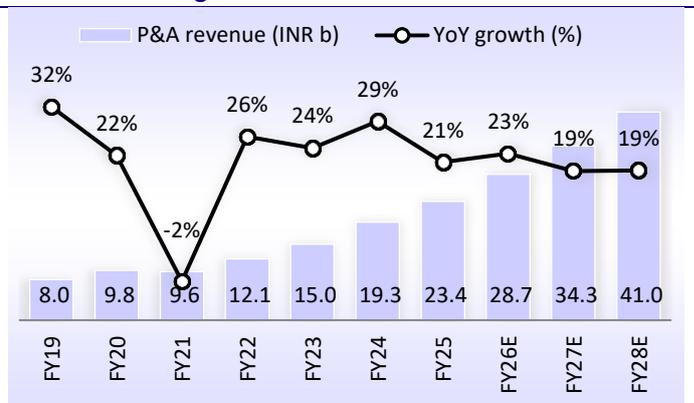
Source: : Company, MOFSL

**Exhibit 8: P&A volume anticipated to deliver 15% CAGR during FY25-28...**



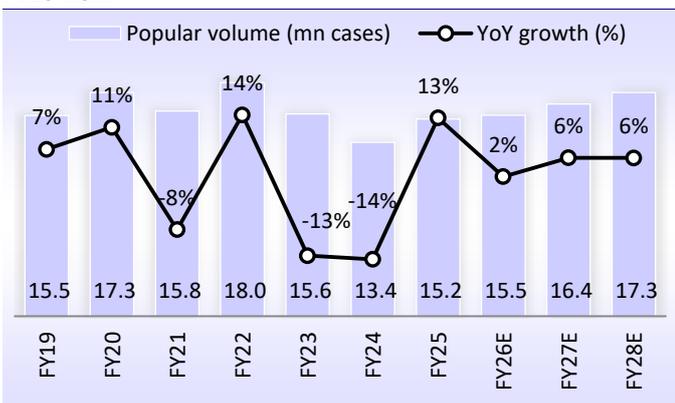
Source: : Company, MOFSL

**Exhibit 9: ...leading to 21% revenue CAGR**



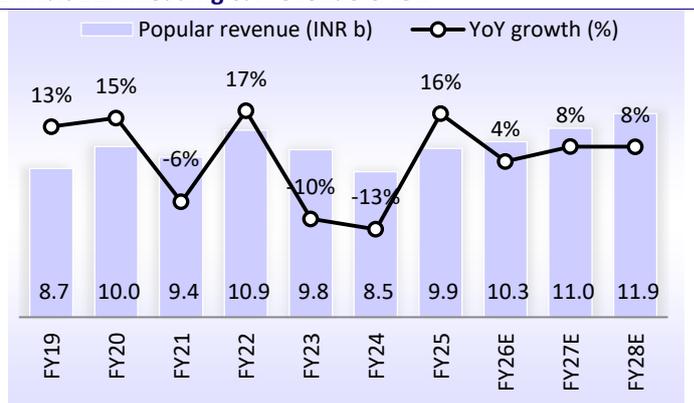
Source: : Company, MOFSL

**Exhibit 10: Popular volume expected to post 4% CAGR over FY25-28...**



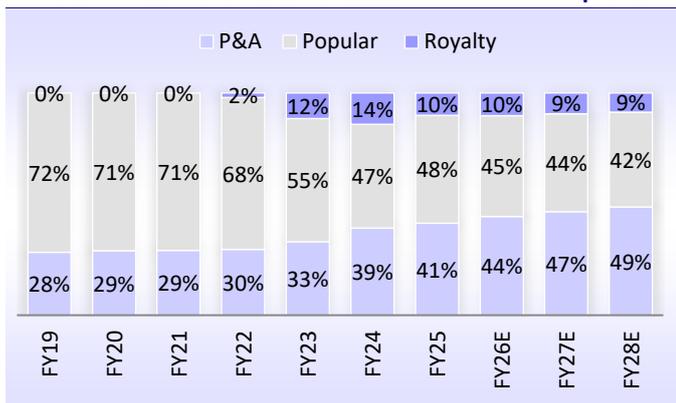
Source: : Company, MOFSL

**Exhibit 11: ...leading 6% revenue CAGR**



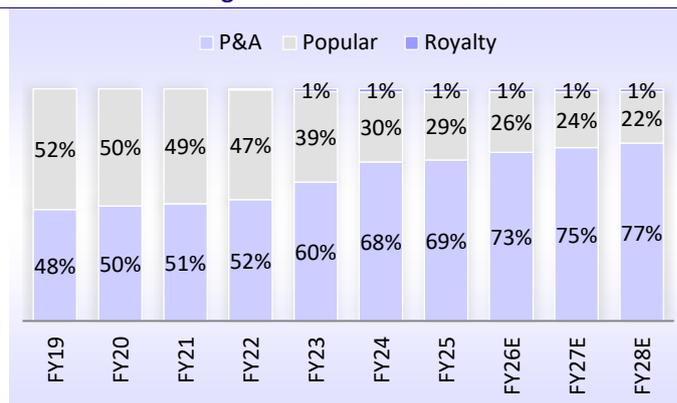
Source: : Company, MOFSL

**Exhibit 12: P&A volume contribution in IMFL will improve**



Source: : Company, MOFSL

**Exhibit 13: ...leading to increase in IMFL value contribution**



Source: : Company, MOFSL

Radico has over the years diversified its market presence across states. The revenue mix has increased for states like UP, AP, Telangana, Maharashtra and TN.

**Pan-India presence; brand equity further expanding**

- Radico has over the years diversified its market presence across states. CSD was a big channel for Radico, which has gone down to 11-12% from 17-18% a few years back. The revenue mix has increased for states like UP, AP, Telangana, Maharashtra and TN. The company is increasing its strength in key states (UP, Karnataka, AP) and deepening the penetration into premium markets.
- In UP, which accounts for 20-25% of Radico’s domestic volumes, the recently announced FY26 excise policy is expected to act as a tailwind, enhancing growth prospects in one of its largest markets.
- In AP, Radico’s market share has expanded meaningfully from 10% in 1HFY25 to 23% in 4QFY25, driven by policy changes favoring national and large players. Historically, Radico had an in-house manufacturing setup in AP, but regulatory changes under the previous government in 2019 had forced it to move to a royalty-based model, where it earned franchise fees based on brand sales. The current administration’s favorable stance could enable Radico to reassess and potentially revert to in-house manufacturing, which would not only strengthen control over operations but also lift its overall margin profile over time.
- In Karnataka (8-10% of domestic volumes), Radico has seen improved traction in both volume and value terms in the premium segment following an excise duty cut. However, volumes in the popular/value segment were impacted by higher taxation. Meanwhile, Telangana and Maharashtra are emerging as key growth territories for Radico, particularly given their higher affinity for premium spirits relative to northern states like UP.

**Extensive distribution network**

- Radico has a robust distribution network, covering over 100,000 retail outlets and 10,000 on-premise locations across India. The company’s sales force, consisting of ~300 personnel, is structured into four zones, each led by a regional profit center head, ensuring a streamlined and effective distribution system. This well-integrated system allows Radico to maintain a strong presence across multiple geographies, ensuring that its products are consistently available to consumers. The company’s ability to integrate manufacturing and distribution seamlessly contributes to its strong market position and sustained growth in both domestic and international markets.

### International business is small, but can be critical driver in the medium term

- Radico has established a significant international footprint, exporting its diverse portfolio of alcoholic beverages to over 100 countries across six continents, including key markets in the US, Canada, Europe, Africa, Southeast Asia, Australia, New Zealand, and the Middle East. Over the years, the company has made investments in building brand equity in international markets and has been successful in creating a large and loyal global consumer base. Radico's Rampur Indian Single Malt whisky and Jaisalmer Indian Craft gin were launched keeping in mind the global audience and have received strong traction from consumers since their launch. In FY25, Radico's export segment contributed ~8-9% to the company's revenue and around 4%-5% to its volume.

### Strategic expansion in Canteen Stores Department (CSD) market:

- The CSD is a government of India enterprise under the Ministry of Defence, established in 1948 to provide consumer goods to active and retired military personnel and their families at concessional rates. CSD operates a vast network of unit run canteens (URCs) across India, offering a wide array of products ranging from household items to alcoholic beverages. Currently, the company derives around 11-12% of its revenue from CSD sales and 9% of volume.
- The CSD channel is particularly significant for liquor companies due to substantial tax exemptions, resulting in a pronounced price disparity compared to the open market. Radico's strategic focus on this channel has been instrumental in scaling up its super-premium and luxury portfolio. Notably, the inclusion of premium brands like Royal Ranthambore Whisky into the CSD network aligns with the company's broader strategy to expand its high-end offerings.
- Furthermore, the 2020 ban on imported liquor (bottled-in-origin) in CSD outlets provided an opportunity for domestic brands to gain prominence. Radico capitalized on this by introducing its premium products, which, after gaining traction in the CSD, were subsequently launched in the broader civil market, benefiting from positive word-of-mouth and established brand recognition.

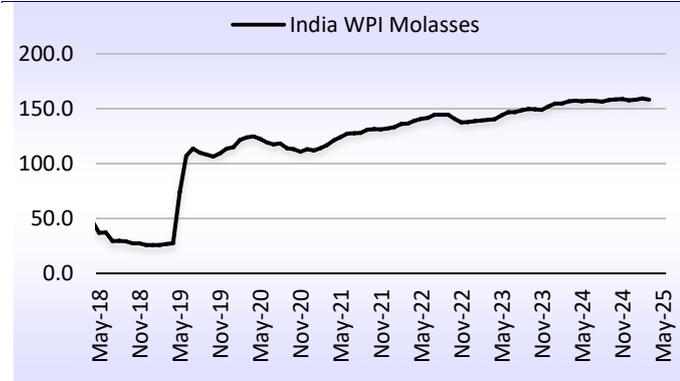
### Missed on margin promises, but that is more specific to industry challenges

- Radico's gross margin declined from 51.4% in FY19 to 42.8% in FY25, despite a significant premiumization of its portfolio (P&A contribution in IMFL rising from 48% in FY18 to 69% in FY25) and backward integration through in-house ENA manufacturing. The margin delivery was below its guidance primarily due to external headwinds such as sticky inflation in ENA and glass, rather than any shortcomings in the company's strategy or execution.
- We expect margin improvement going forward, supported by multiple tailwinds: a) moderation in raw material costs; b) lower packaging expenses owing to the phasing out of mono cartons, increasing adoption of PET bottles in the popular segment, and growing traction for low-unit packs (LUPs) in the premium segment; c) further mix improvement in favor of the high-margin P&A category; and d) operational efficiencies from the commissioning of the Sitapur plant. These structural and operational levers should aid in restoring the margin trajectory while supporting the company's premiumization-led growth agenda.

Radico margin decline during FY19-25 primarily due to external headwinds such as sticky inflation in ENA and glass, rather than any shortcomings in the company's strategy or execution.

Thereby, full mix benefits should be visible in the coming years on operating margin. We estimate gross margin expansion of 100-150bp to ~44% and EBITDA margin expansion of 200-250bp to ~16% during FY25-28E.

**Exhibit 14: WPI molasses cost trajectory**



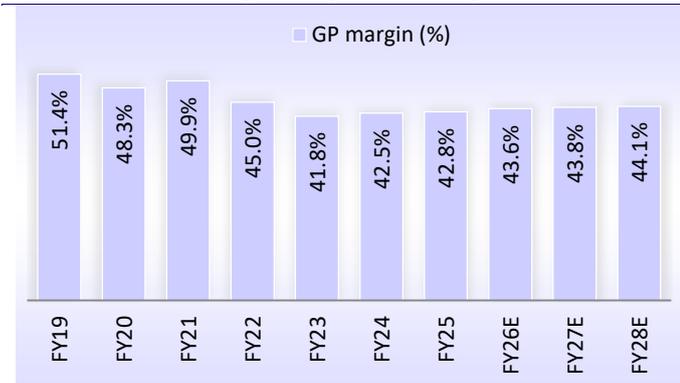
Source : Bloomberg, MOFSL

**Exhibit 15: Glass bottle cost is stable for last two years**



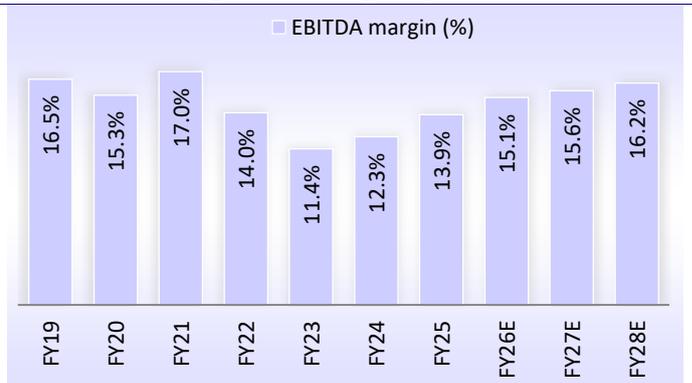
Source : Bloomberg, MOFSL

**Exhibit 16: Gross margin is expected to improve...**



Source : Company, MOFSL

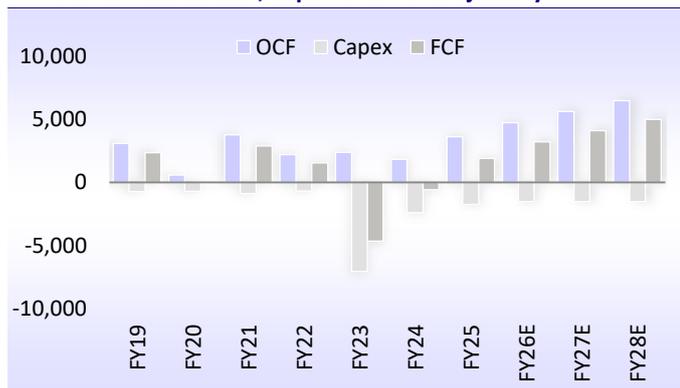
**Exhibit 17: ...leading EBITDA margin expansion**



Source : Company, MOFSL

**Enhanced profitability and return ratios; leveraging FCF to reduce debt**

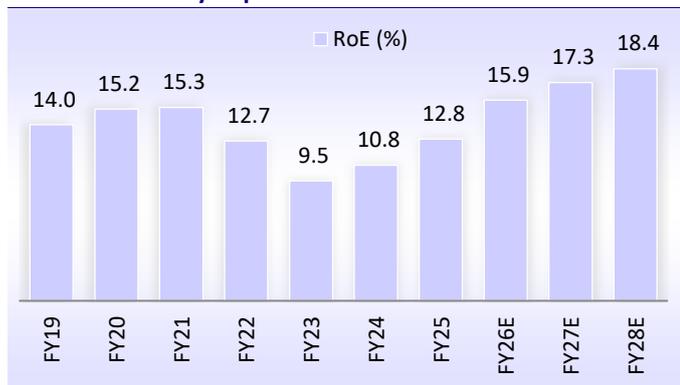
- On the back of strong revenue growth, margin expansion, efficient working capital management, and minimal capex, Radico delivered robust FCF generation. It has significantly reduced its gross debt from ~INR8.2b in FY16 to ~INR1.9b in FY22. However, the commencement of a new capex cycle in FY23 led to a rise in gross debt to INR7.3b in FY24, which moderated to INR6.3b in FY25.
- With the benefits of this capacity expansion expected to materialize over the next 2-3 years, we anticipate debt levels to decline gradually, supported by steady FCF generation. Consequently, we expect RoE to improve from 13% to 18% and RoIC to improve from 13% to 21% during FY25-28E.

**Exhibit 18: Radico OCF, capex and FCF trajectory**


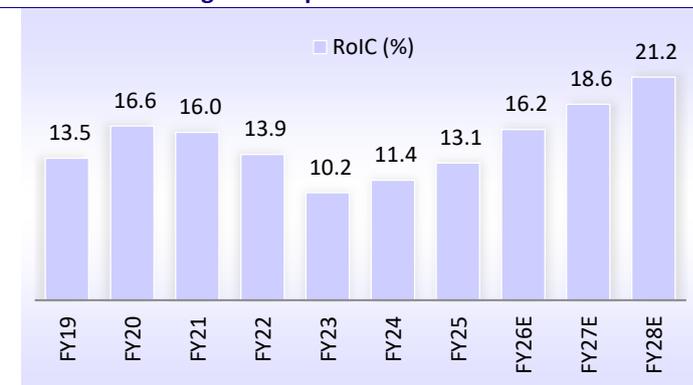
Source: : Company, MOFSL

**Exhibit 19: Leveraging FCF to reduce debt going forward**


Source: : Company, MOFSL

**Exhibit 20: Steady improvement in RoE...**


Source: : Company, MOFSL

**Exhibit 21: ...along with improvement in RoIC**


Source: : Company, MOFSL

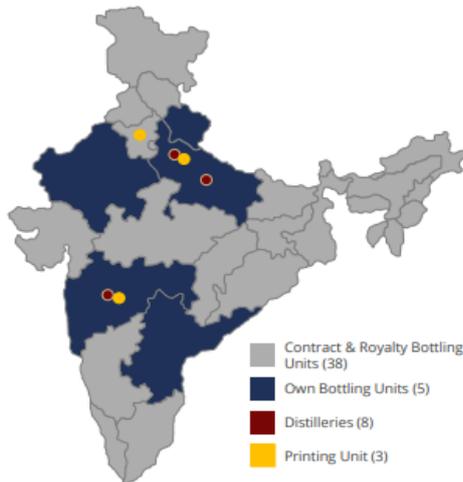
Radico has 4 distilleries in Rampur and a recently commissioned facility in Sitapur. It has a joint venture distillery in Aurangabad. It has 43 bottling units across India.

### Robust manufacturing and distribution

- Radico operates a robust and extensive manufacturing platform, strategically positioned across India to support its growing business. The company owns and operates distilleries in UP—four in Rampur and a recently commissioned facility in Sitapur. Additionally, it has a joint venture distillery, Radico NV Distilleries Maharashtra Limited, in Aurangabad, Maharashtra. These facilities provide state-of-the-art infrastructure for high-quality production, with a combined annual distillation capacity of 321m liters. The commissioning of the 350 KLPD grain ENA distillery in Sitapur (in Sep'23) has significantly strengthened Radico's long-term supply of extra neutral alcohol (ENA), ensuring self-sufficiency for future branded business growth. This greenfield project was developed with a capex of ~INR5.5b. Also, the company has converted its existing 140 KLPD molasses plant at Rampur into a dual-feed facility, allowing it to process both molasses and grain. This conversion, along with the installation of a DDGS dryer for the existing 100 KLPD grain plant, involved an investment of INR1.8b.
- Beyond distilleries, Radico manages a total of 43 bottling units across India, including five company-owned units and 38 contract and royalty-based units. This widespread manufacturing presence enables the company to efficiently meet consumer demands across the country. Additionally, Radico has three dedicated printing units to support the branding and packaging of its products, ensuring consistency and high-quality presentation.
- Radico's strategic pivot toward grain-based distilleries is underpinned by its premiumization agenda and supply chain considerations. This shift aligns with

consumer preferences for higher-quality grain-based spirits, enhancing Radico's competitiveness in both domestic and international markets. Additionally, the Indian government's ethanol blending policies have tightened molasses availability, making grain a more reliable raw material. This strategic focus is expected to sustain double-digit volume growth in the P&A segment, reinforcing Radico's market position.

**Exhibit 22: Strong manufacturing facility to cater to consumer needs**



Location	Distilleries	Molasses	Grain	Malt	Total
Capacity (million litres)					
Rampur	4	19.3	82.5*	2.6	104.4
Sitapur	1	NA	108.9	NA	108.9
Aurangabad (Joint Venture)	3	42.0	66.0	NA	108.0
<b>Total</b>	<b>8</b>	<b>61.3</b>	<b>257.4</b>	<b>2.6</b>	<b>321.3</b>

\* Dual feed plant which can operate both on molasses and grain

Source: Company, MOFSL

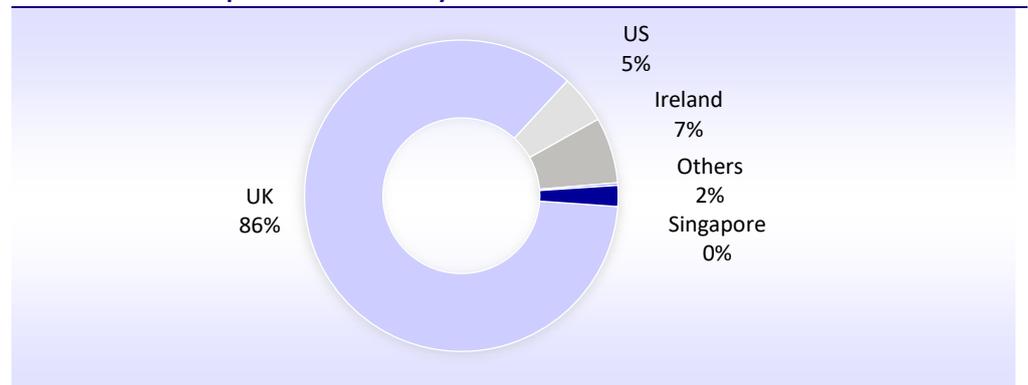
**Valuation and view**

- Looking at Radico’s long-term operational journey and the resultant huge stock re-rating, it certainly is a story well cooked at this price. Radico’s valuation gap with UNSP has also significantly narrowed. The market has rewarded Radico well for its P&A success despite a consistent margin contraction, which was driven by external factors.
- Over FY25-28, we expect Radico to deliver a 16% revenue CAGR, fueled by strong growth in the P&A segment. Overall volume growth is projected at 9%, driven by a robust 15% CAGR in the P&A portfolio. Additionally, the EBITDA margin is expected to improve from 13.9% in FY25 to 16.2% in FY28E (similar to FY19) supported by premiumization. We model an EBITDA and APAT CAGR of 22% and 30% over FY25-28E, respectively.
- Radico is currently trading at 67x/53x FY26E/FY27E P/E with a RoE/RoIC of ~17%/19% in FY27E. We believe a ~30% EPS CAGR is good enough for sustaining rich valuations. We value the company at 60x P/E on Jun’27E EPS to derive a TP of INR3,000
- **Key downside risks:** a) any steep inflation in ENA and glass prices; b) increase in excise duty as the financial health of many states is under pressure owing to freebies, etc.; and c) increase in competitive intensity.

## India-UK free trade agreement

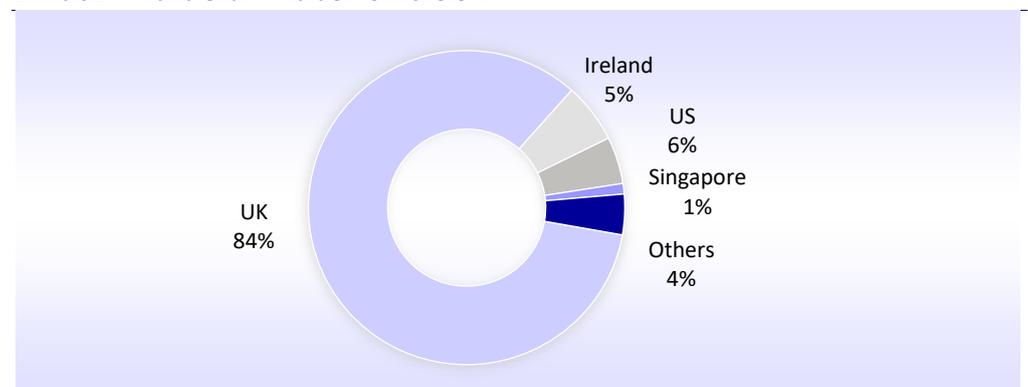
- The India-UK FTA, finalized in May'25 after years of negotiations, carries significant implications for the alcoholic beverages sector. A key highlight of the agreement is the phased reduction in customs duties on imported whisky and gin from the current 150% to 75% immediately, and further to 40% over a 10-year horizon. This move benefits the UK's Scotch whisky industry, which dominates India's imported spirits market. The reduction in import duties is expected to lower input costs for Indian alco-bev companies, particularly in the premium segment. This could enhance price competitiveness or allow companies to pass on cost benefits to consumers, depending on state-level taxation dynamics.
- For Radico, landed value of imported spirits is expected to exceed INR2,500m in FY26. The duty cut is likely to do saving of INR750m. The company sees luxury spirits as a lifestyle segment where pricing shapes consumer aspiration. It remains firm on its premium positioning and is unlikely to take any major price cuts. Radico's brands enjoy strong perceived value and compete successfully with both domestic and global players, in India and overseas.
- The UK currently accounts for ~86% of India's whisky import volumes and ~84% of import value, underlining its strategic relevance to the Indian market and the importance of the FTA in shaping future dynamics.

**Exhibit 23: India imports 86% of whisky from the UK...**



Source: : WITS, MOFSL

**Exhibit 24: ...and 84% in value from the UK**



Source: : WITS, MOFSL

## Company background

Radico has more than 25 brands in its portfolio

- Radico Khaitan, one of India’s oldest and largest IMFL manufacturers, is also a key supplier to the Canteen Stores Department (CSD). It is among the country’s leading malt spirit distillers. Originally a bulk alcohol supplier and contract bottler, the company has evolved into a prominent branded IMFL player.
- Formerly known as Rampur Distillery Company, Radico commenced operations in 1943 as a major bulk spirits supplier. Leveraging extensive experience in spirit-making, the company evolved from being a distiller and bottler for others to building its own brands.
- The company launched its own label, 8PM Whisky, in 1998, followed by its flagship brand, Magic Moments Vodka, in 2006. It also launched luxury brands such as Rampur Indian Single Malt Whisky in 2016 and Sangam World Malt Whisky in 2023. Eight of its brands are on the elite list of million-case brands, achieving strong positions in global rankings.

**Exhibit 25: Radico’s journey – most brands launched in the last 15 years are in the premium category**

The Legacy (1943 - 1996)	Platform for Brand Creation (1998 - 2006)	Premiumization (2006 onwards)	Luxury Brands (2016 onwards)
<ul style="list-style-type: none"> <li>o 1943: The Rampur Distillery Company was established</li> <li>o Manufactured high quality spirit for branded players and to the armed forces / canteen stores</li> <li>o Gained significant experience as manufacturer of spirits and bottler for other companies</li> <li>o 1996: Mr. Abhishek Khaitan joined the family business and instilled the idea of creating own brands</li> </ul>	<ul style="list-style-type: none"> <li>o Started the branded IMFL division and launched its first brand 8PM Whisky in 1998</li> <li>o 8PM became a millionaire brand within the first year of its launch</li> <li>o Achieved sales volume of 10 Million cases volumes</li> <li>o Made investment at the Rampur facility for creating a strong manufacturing platform for IMFL</li> <li>o Developed strong marketing machinery; Established pan-India selling and distribution setup</li> </ul>	<ul style="list-style-type: none"> <li>o After creating brands in the high-volume regular categories, launched the first product in the premium category, Magic Moments Vodka in 2006</li> <li>o Followed by Morpheus Super Premium Brandy, Magic Moments Verve Super Premium Vodka and other brands</li> </ul>	<ul style="list-style-type: none"> <li>o 2016: Launched Rampur Indian Single Malt luxury whisky</li> <li>o Followed by Jaisalmer Indian Craft Gin, Royal Ranthambore Whisky, Sangam World Malt, etc.</li> </ul>

Source: Company, MOFSL

**Exhibit 26: Building a strong portfolio of premium brands**

Indicative MRP	Whisky	Rum	Brandy	Vodka	Gin
Luxury (US\$ 50+)					
Semi Luxury (US\$ 15+)			 MS: 64%		
Super Premium (US\$ 10-15)				 MS: 85%	
Semi-Premium / Premium (US\$ 8-10)	 MS: 7%				
Deluxe (US\$ 6-8)		 CSD MS: 18%			
Regular (<\$US 6)	 MS: 15%	 CSD MS: 15%			

Source: Company, MOFSL

## Radico's brands – Success history

### Whisky portfolio

- Radico currently holds just a 5% share in the Indian whisky market. This is relatively low considering that whisky accounts for nearly two-thirds of the IMFL industry, translating into around 250m cases. The under-penetration in whisky is not due to a lack of capability but rather reflects the untapped potential that Radico is now poised to unlock. The company's track record in the vodka segment, where it commands over 60% market share with its flagship brand Magic Moments, showcases its strength in building scalable, high-performing brands. This success provides a solid foundation for Radico to replicate its strategy in the whisky portfolio.
- The 8PM brand family remains a key volume driver for Radico, with ~10m cases sold annually, 75% from the popular segment. The company has made notable premiumization gains through the 8PM Premium Black brand.
- The After Dark Whisky surpassed the 1m case mark in Nov'24, entering the 'Millionaire Club' and highlighting Radico's growing presence in the fast-expanding deluxe whisky segment. In the super-premium category, Royal Ranthambore Heritage Collection, launched in 2021, has scaled rapidly, with volumes tripling to 200,000 cases in FY25.
- At the ultra-premium end, the Rampur Indian Single Malt range, including Rampur Asava (~INR10,000), continues to strengthen Radico's brand equity and margin profile. Supporting this premiumization strategy is Radico's fully integrated Sitapur distillery, equipped with malt maturation and bottling infrastructure, positioning the company well to scale premium and luxury spirits efficiently.

**Exhibit 27: Radico's whisky portfolio**



Source: Company, MOFSL

Exhibit 28: Rampur single malt price ladder



Source: Company PPT, MOFSL

### Vodka portfolio

- India's vodka market is experiencing notable growth, propelled by increasing urbanization, rising disposable incomes, and a shift in consumer preferences towards premium alcoholic beverages. Radico Khaitan has adeptly capitalized on this trend through its flagship brand, Magic Moments. It enjoys over 60% market share in the vodka category (across domestic and international brands), and the brand achieved a record sales milestone of over 7m cases in FY25.
- Magic Moments caters to a broad consumer base through a diverse portfolio spanning multiple price segments: a) the semi-premium segment with Magic Moments Remix, b) the premium segment with Magic Moments Verve, and c) the super-premium segment with variants like Magic Moments Dazzle. In 2022, Magic Moments entered the fast-growing low-alcohol beverage segment by launching Ready-to-Drink (RTD) Vodka Cocktails, with popular flavors such as *Cosmopolitan*, *Cola*, and *Mojito*. Driving further innovation, the brand launched Magic Moments Remix Pink Vodka in Nov'23 — a premium offering crafted with natural flavors of black mulberry, elderflower, and raspberry. Additionally, the launch of the Holi Hai Edition towards the end of FY24 fueled a noticeable boost in sales.
- To support this growth, Radico Khaitan has invested in infrastructure, including a new PET plant in South India and a state-of-the-art glass bottle printing facility in Maharashtra. These developments aim to enhance supply chain efficiency, reduce costs, and ensure faster product availability across the country. The brand's success is driven by its premiumization strategy, innovative flavor profiles, and strategic marketing targeting younger demographics and women, positioning it as the world's sixth largest vodka brand in FY25.

**Exhibit 29: Radico’s Magic Moments vodka portfolio across the price range**



Source: Company, MOFSL

**Brandy portfolio**

- Radico’s brandy portfolio comprises three brands: Morpheus, Old Admiral, and Whytehall, contributing significantly to the company’s IMFL volumes. Radico Khaitan holds a dominant 64% share of the premium brandy market in India, largely driven by Morpheus, which is the first premium brandy to achieve 1m cases in three consecutive years from FY23. In the overall brandy segment, Radico’s brands compete effectively, with Old Admiral ranking as the world’s fourth-largest brandy brand by volume.
- The brandy portfolio is available across 25 states, with Morpheus establishing itself as a national brand. Exports are directed to 27 countries, reflecting its global appeal. Radico is expanding its premium offerings, with Morpheus Blue XO Premium Brandy (launched in 2013) targeting luxury consumers. Old Admiral’s high-volume sales in Andhra Pradesh and Whytehall’s niche positioning in the defense sector (Canteen Stores Department) bolster the segment’s growth.

**Exhibit 30: Radico’s brandy portfolio**



Source: Company, MOFSL

**Rum portfolio**

- Radico has long been a dominant force in India's rum market, anchored by its legacy brand, Contessa Rum, which has maintained a strong presence in the popular segment. In 2017, it strategically expanded into the premium category with the launch of 1965 Spirit of Victory Rum. This brand achieved a significant

milestone by surpassing 1m cases in annual sales during FY23, reinforcing Radico's leadership in the evolving premium rum space.

- Building on this momentum, Radico has ventured into the luxury rum segment with the introduction of The Kohinoor Reserve Indian Dark Rum in Apr'24. The Kohinoor Reserve is presented in an exquisite glass bottle inspired by the Kohinoor Diamond, symbolizing luxury and refinement. The product is being rolled out across global markets, including the US, the UK, the EU, Asia, and global travel retail channels.
- This comprehensive range positions the company to cater to diverse consumer preferences and capitalize on the growing demand for premium and luxury spirits both domestically and internationally.

**Exhibit 31: Radico's rum portfolio**



Source: Company, MOFSL

**Gin portfolio**

- Radico has strategically expanded its gin portfolio to cater to the evolving preferences of consumers in India and abroad. The journey began with the launch of Jaisalmer Indian Craft Gin in 2018, which has since captured ~50% of India's luxury craft gin market, competing effectively against global brands. Building on this success, the company introduced the Jaisalmer Gold Edition in Jun'24, offering a more luxurious experience.
- To further diversify its offerings, Radico launched Happiness in a Bottle, a super-luxury gin collection featuring three variants: Joy of Juniper, Joy of Citrus, and Joy of Pink. This collection marks the company's entry into the pink gin segment and is currently available in select states, with plans to expand across India gradually. Through these initiatives, Radico Khaitan aims to solidify its position in the premium and craft gin segments, both domestically and internationally.

**Exhibit 32: Radico's gin portfolio is available in the super luxury and luxury categories**



Source: Company, MOFSL

**Eight millionaire brands**

- Radico's portfolio includes eight brands that have achieved the 'Millionaire Club' status, each surpassing annual sales of 1m cases. Among these are 8 PM Whisky, Magic Moments Vodka, Contessa XXX Rum, Old Admiral Brandy, 8 PM Premium Black Whisky, 1965 Spirit of Victory Premium Rum, and Morpheus Super Premium Brandy. In Nov'24, After Dark Whisky also surpassed the milestone of 1m cases and became the eighth brand to join the millionaire's club.

**Exhibit 33: Radico – millionaire's club**

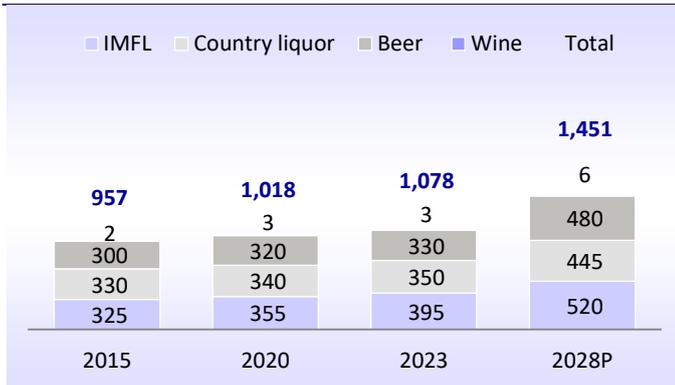


Source: Company, MOFSL

## Industry Overview

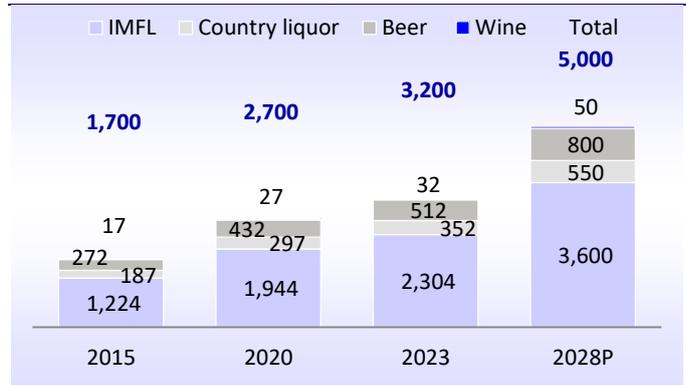
- The Indian alco-bev market surpassed 1bn cases in FY23, with IMFL emerging as the largest segment both in volume (395m cases) and value (INR2.3t) terms. The market is expected to clock an 11% value CAGR and 6% volume CAGR, reaching 1,450m cases by FY28. This will be driven by low per capita consumption, favorable demographics, and steady premiumization.

**Exhibit 34: Alco-bev consumption in India (in m cases)**



Source: Technopak analysis, MOFSL

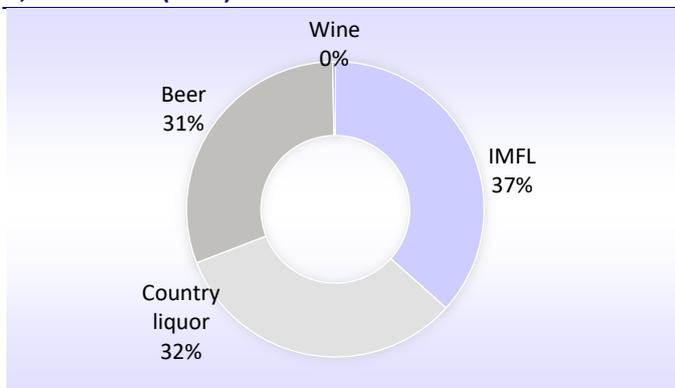
**Exhibit 35: Alco-bev consumption in India (INR b)**



Source: Technopak analysis, MOFSL

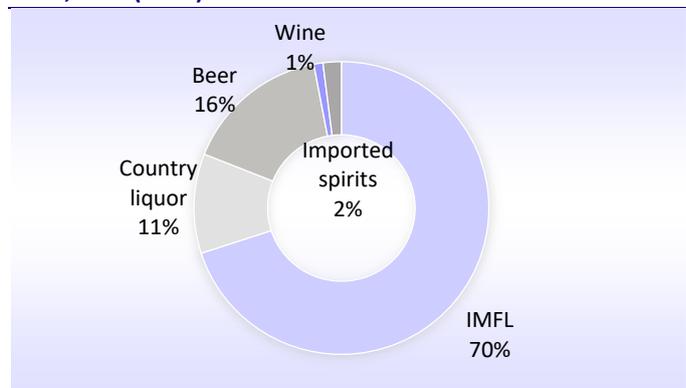
- IMFL is the largest segment in both volume (~37%) and value (~70%) terms. The category is led by Brown spirits such as whisky, rum, and brandy, with whisky alone constituting the bulk of consumption.
- Indian-Made Indian Liquor (IMIL)/Country Liquor comprises ~33% of volume and ~11% of value. Growth in this segment is expected to remain moderate as a portion of its consumer base upgrades to more premium offerings, especially IMFL.
- Wine remains a nascent category, with a market share of less than 1%. However, it is expected to witness the fastest growth trajectory, driven by increasing urbanization, rising disposable incomes, and a shift in preference among younger consumers toward low-ABV and experiential drinking.

**Exhibit 36: India's Alco-bev consumption—volume mix, 1,078m cases (2023)**



Source: Technopak analysis, MOFSL

**Exhibit 37: India's Alco-bev consumption—value mix, INR3,200b (2023)**

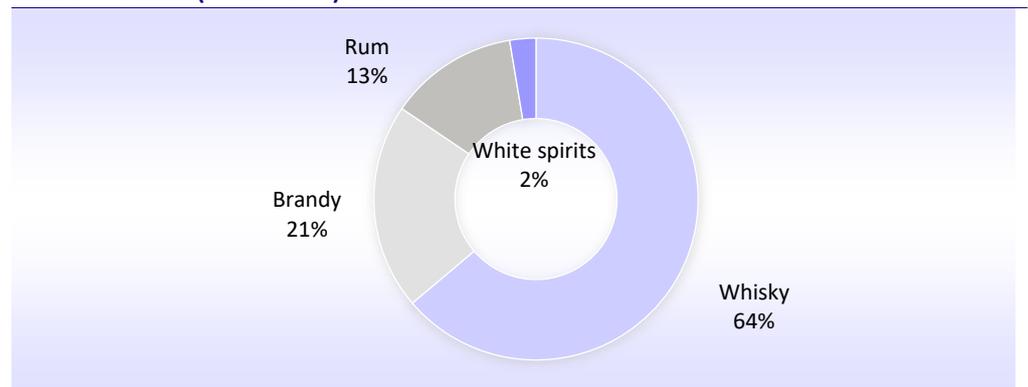


Source: Technopak analysis, MOFSL

### Whisky dominates the IMFL market

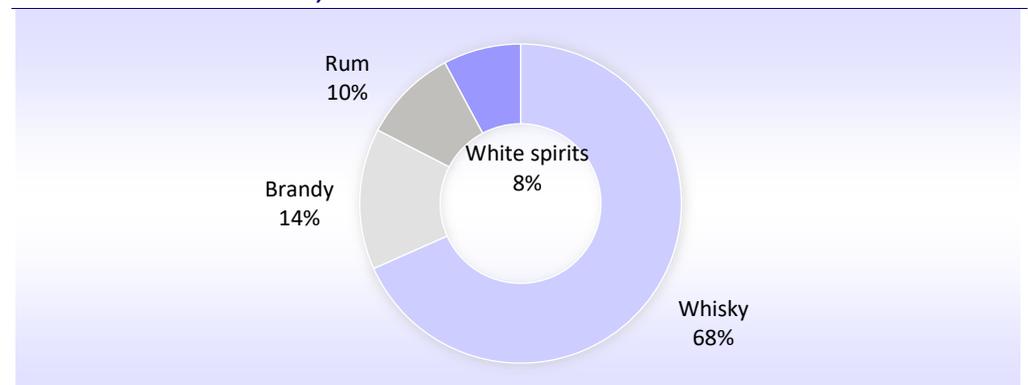
- Within the IMFL segment, brown spirits comprising whisky, brandy, and dark rum have consistently been the key growth drivers, contributing over 90% of the total IMFL sales volume. Among these, whisky stands out as the most dominant category, accounting for ~64% of the overall volume and about 68% of the total value in CY23.
- Brandy follows as the second-largest brown spirit, contributing around 21% to the total volume and about 14% to the value. Dark rum has a volume and value contribution of 13% and 10%, respectively.
- In contrast, white spirits such as vodka and gin remain niche segments, together contributing only ~2% of the total IMFL volume but commanding a higher share of value at ~8%, driven by their premium positioning and urban-centric consumption.
- The stronghold of whisky can be attributed to its deep-rooted cultural acceptance across regions, particularly in North and West India, and its widespread availability across all price points—from mass to premium and super-premium ranges. Additionally, evolving consumer preferences, premiumization trends, and the rise of younger urban consumers have further fueled growth in both whisky and white spirit categories in recent years.

**Exhibit 38: IMFL (395m cases) volume mix**



Source: : Technopak analysis, MOFSL

**Exhibit 39: IMFL value INR2,300b mix**

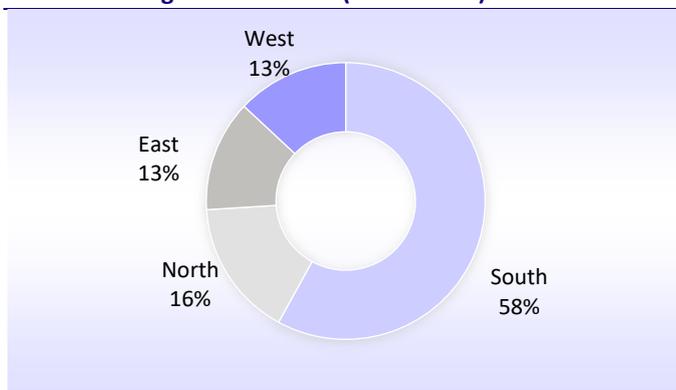


Source: : Technopak analysis, MOFSL

### Regional dynamics of the Alco-bev market

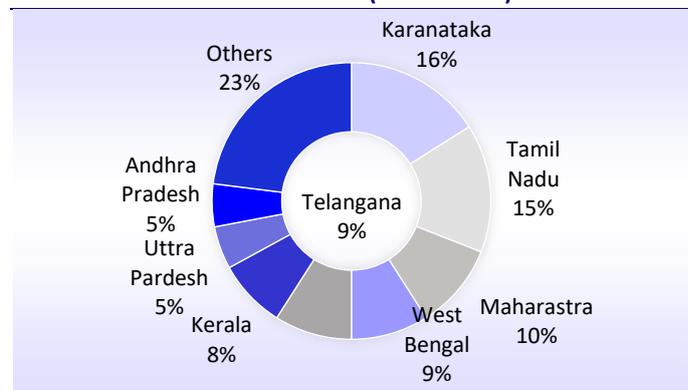
- The Indian alcoholic beverage market is dominated by the southern region, with five southern states collectively contributing nearly half of the country’s total volume. These states dominate both the IMFL and beer segments, with Tamil Nadu and Karnataka emerging as the leading markets in the South.
- The southern market sees a higher share of the popular segment, while the northern and western regions lead in the P&A segments. In South India, the IMFL consumer base is larger due to the prohibition of country liquor, whereas in the North, country liquor, primarily made from grain-based ENA, is widely available. States such as Delhi and Haryana also contribute to a higher share of the P&A categories, as consumer prices in these regions tend to be lower compared to the rest of the country. Hence, South India contributes to higher volumes, whereas North and West contribute to higher profitability.

**Exhibit 40: Regional IMFL mix (395m cases)**



Source: Technopak analysis, MOFSL

**Exhibit 41: State-wise IMFL mix (395m cases)**

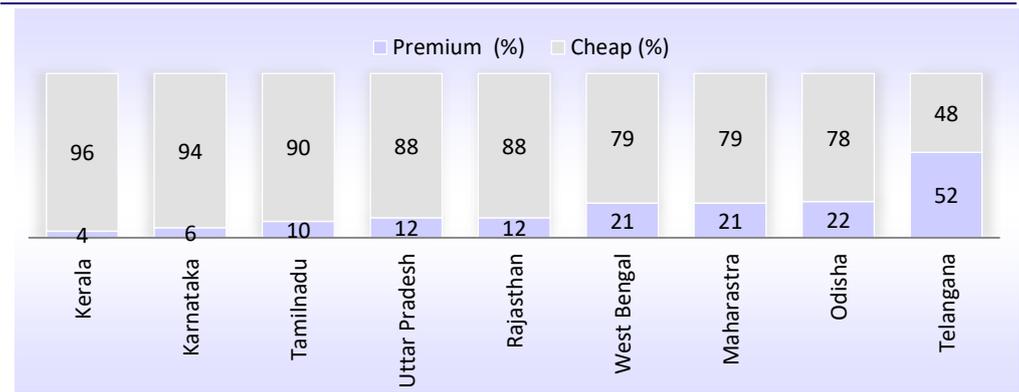


Source: Technopak analysis, MOFSL

### Premiumization trends across the states

- According to a report by the International Spirits and Wines Association of India (ISWAI), premium liquor, defined as products priced above INR1,000 per 750ml, constitutes around or less than 20% of overall consumption. In Kerala, a state with one of the highest per capita incomes and a strong tourism-driven economy, the share of premium spirits is strikingly low at just 4%. The report attributes this under-penetration to structural challenges, including elevated taxation, restricted retail access, and inadequate retail infrastructure, all of which contribute to a subpar consumer experience and limit the growth potential of the premium segment in the state.
- While recent changes in route-to-market policies in certain states are expected to support premiumization, the pace of this shift remains constrained by persistently high taxation and a limited number of licensed retail outlets, which continue to hinder broader consumer access and category upgradation.

**Exhibit 42: Premium vs. inexpensive liquor sales across states**

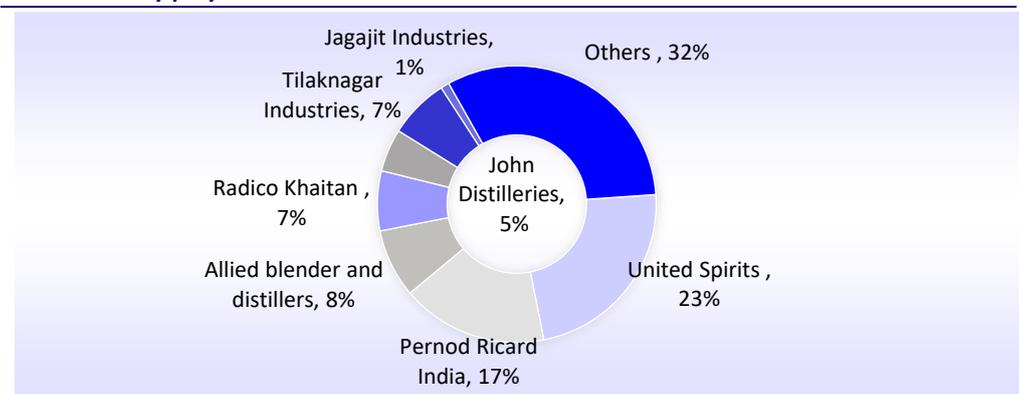


Source: ISWAI, MOFSL

**Key players in the IMFL markets**

- The Indian IMFL market is highly concentrated, with United Spirits (UNSP), Pernod Ricard India, and Allied Blenders & Distillers (ABD) together controlling nearly 50% of the market by volume. USSP, backed by Diageo, is the market leader, having brands such as McDowell’s No. 1, Royal Challenge, Signature, Johnnie Walker, etc. Pernod Ricard, the second-largest player, has driven premiumization through brands like Imperial Blue, Royal Stag, and Blenders Pride and is the most profitable alco-bev company in India. ABD, the largest Indian-owned IMFL company and top exporter, holds a strong share in the popular segment with its flagship Officer’s Choice brand while also expanding into prestige and premium categories with Officer’s Choice Blue and Sterling Reserve. The latter is one of the fastest-growing spirit brands globally. Radico is the fourth-largest company.

**Exhibit 43: Key players in IMFL markets – market share**



Source: Technopak analysis, MOFSL

**Exhibit 44: India’s top-selling whisky brands**

Rank	Brand name	Company name	Cases (m) 2023
1	McDowell’s Whisky	United Spirits	31.4
2	Royal Stag	Pernod Ricard	27.9
3	Officer’s Choice	Allied Blenders & Distillers	23.4
4	Imperial Blue	Pernod Ricard	22.8
5	8PM	Radico Khaitan	12.2
6	Blenders Pride	Pernod Ricard	9.6
7	Royal Challenge	United Spirits	8.6
8	Sterling Reserve	Allied Blenders & Distillers	5.1
9	Director’s Special	United Spirits	3.3
10	Signature	United Spirits	2.9

Source: Forbes India, MOFSL

**Exhibit 45: Peer comparison**

Sales (INR m)	FY19	FY20	FY21	FY22	FY23	FY24	FY25
UNSP	89,806	90,909	78,892	94,237	1,03,737	1,06,920	1,15,730
ABD	29,527	29,916	23,484	26,857	31,466	33,279	35,199
Radico Khaitan	20,969	24,270	23,988	28,680	31,428	41,185	48,512
Pernod Ricard	85,724	90,436	80,445	98,837	1,19,163	1,25,628	-
Tilaknagar	4,890	6,486	5,488	7,834	11,644	13,940	14,342
UBBL	64,754	65,092	42,431	58,384	74,999	81,227	89,074
<b>Sales growth (%)</b>							
UNSP	10	1	-13	19	10	3	8
ABD		1	-22	14	17	6	6
Radico Khaitan	15	16	-1	20	10	31	18
Pernod Ricard	18	5	-11	23	21	5	-
Tilaknagar	59	33	-15	43	49	20	3
UBBL	15	1	-35	38	28	8	10
<b>GP margin (%)</b>							
UNSP	48.8	44.8	43.4	43.9	41.5	43.4	44.7
ABD	38.7	37.6	39.5	39.4	37.3	37.0	42.1
Radico Khaitan	51.4	48.3	49.9	45.0	41.8	42.5	42.8
Pernod Ricard	51.3	48.9	48.0	48.4	44.9	47.8	-
Tilaknagar	56.6	46.1	49.5	51.2	47.1	49.2	49.3
UBBL	53.6	51.6	52.2	49.9	43.1	42.7	43.0
<b>EBITDA (INR m)</b>							
UNSP	12,874	15,061	9,877	15,104	14,187	17,080	20,580
ABD	3,025	2,279	1,940	1,963	1,850	2,421	4,306
Radico Khaitan	3,459	3,718	4,089	4,022	3,584	5,061	6,737
Pernod Ricard	20,805	20,728	15,598	20,000	19,770	23,841	-
Tilaknagar	523	-88	559	1,121	1,372	1,854	2,549
UBBL	11,384	8,758	3,811	6,966	6,162	6,962	8,390
<b>EBITDA growth (%)</b>							
UNSP	25	17	-34	53	-6	20	20
ABD		-25	-15	1	-6	31	78
Radico Khaitan	28	8	10	-2	-11	41	33
Pernod Ricard	17	-0	-25	28	-1	21	-
Tilaknagar	NA	NA	NA	101	22	35	37
UBBL	26	-23	-56	83	-12	13	21
<b>EBITDA margin (%)</b>							
UNSP	14.3	16.6	12.5	16.0	13.7	16.0	17.8
ABD	10.2	7.6	8.3	7.3	5.9	7.3	12.2
Radico Khaitan	16.5	15.3	17.0	14.0	11.4	12.3	13.9
Pernod Ricard	24.3	22.9	19.4	20.2	16.6	19.0	-
Tilaknagar	10.7	-1.4	10.2	14.3	11.8	13.3	17.8
UBBL	17.6	13.5	9.0	11.9	8.2	8.6	9.4
<b>RoE (%)</b>							
UNSP	22%	21%	11%	20%	16%	16%	18%
ABD	0%	4%	1%	0%	0%	1%	13%
Radico Khaitan	14%	15%	15%	13%	9%	11%	13%
Pernod Ricard	49%	46%	32%	40%	31%	34%	-
Tilaknagar	45%	620%	55%	26%	15%	21%	25%
UBBL	19%	13%	3%	10%	8%	10%	11%
<b>RoCE (%)</b>							
UNSP	15%	15%	11%	22%	18%	19%	20%
ABD	0%	0%	2%	5%	3%	6%	12%
Radico Khaitan	12%	14%	14%	12%	8%	9%	12%
Pernod Ricard	50%	48%	34%	42%	33%	36%	-
Tilaknagar	4%	-4%	8%	15%	15%	21%	26%
UBBL	18%	13%	4%	10%	8%	10%	11%
<b>Net working capital days</b>							
UNSP	124	118	128	114	101	115	119
ABD		106	131	105	110	105	178
Radico Khaitan	132	140	141	126	147	132	146
Pernod Ricard	91	105	119	85	91	114	-
Tilaknagar	76	88	75	66	101	104	109
UBBL	105	108	164	108	89	109	124

\*Data available till FY24 for Pernod Ricard, Source: Company, MOFSL

## Key risks

- **Volatility in RM prices:** ENA and packaging materials, including glass, paper, PET, etc., are all key raw materials for the company. ENA remains volatile and continues to compress gross margins. Any further hikes in prices would be detrimental to maintaining the guidance on the operating performance front.
- **Increase in excise duty:** Given the uncertain finances of many state governments, the beer and liquor industry could be the first target for increased taxation due to the relatively inelastic nature of demand. A substantial increase in profitability for spirits companies could lead state governments to impose further indirect levies on the industry.
- **Changing regulatory environment:** The industry is exposed to multiple regulatory risks emanating from state taxes, adverse rulings from courts, and changes in regulations for pricing, licensing, working of operating facilities, manufacturing processes, marketing, advertising, and distribution.
- **Intensified competition:** For Radico, a significant portion of revenue and earnings is from the niche segment of vodka (Magic Moments) and brandy (Morpheus in P&A), which witnesses limited competition from leading MNC players like UNSP and Pernod Ricard. Any increase in competitive activity here remains a key risk.

## Bull and Bear cases



### Bull case

- ☑ In our bull case, we assume a revenue CAGR of 20% over FY25-28E on the back of new launches in the P&A category and expansion in the new states.
- ☑ We expect EBITDA margin to expand ~300bp from the current level to reach 16.9% by FY28E, led by favorable operating leverage and a higher P&A mix.
- ☑ EPS would register a robust CAGR of 39% over FY25-28E, led by strong revenue growth and margin improvements.
- ☑ TP of INR3,750 (65x Jun'27E EPS) implies a upside of 52% from the current level.



### Bear case

- ☑ In our bear case, we assume a revenue CAGR of 8% over FY25-28E.
- ☑ Margin would expand by 100bp to 14.9% by FY28E.
- ☑ EPS would register a CAGR of 15% over FY25-28E.
- ☑ TP of INR1,980 (55x Jun'27E EPS) implies a downside of 20% from the current level.

Exhibit 46: Scenario analysis

	Particulars	FY25	FY26E	FY27E	FY28E	CAGR (FY25-28E, %)
<b>Bull case</b>	Revenue	48,512	60,670	73,020	84,778	20
	Adj. EBITDA	6,737	9,283	11,683	14,328	29
<b>INR3,750</b>	EPS	25.8	40.6	54.0	68.7	39
<b>Base case</b>	Revenue	48,512	56,553	65,173	75,073	16
	Adj. EBITDA	6,737	8,568	10,199	12,162	22
<b>INR3,000</b>	EPS	25.8	36.7	46.3	57.7	31
<b>Bear case</b>	Revenue	48,512	52,496	56,537	60,921	8
	Adj. EBITDA	6,737	7,507	8,311	9,077	10
<b>INR1,980</b>	EPS	25.8	29.9	34.8	39.5	15

## ESG initiatives



### Environmental initiatives

- **Water conservation & wastewater management:** Radico has implemented Zero Liquid Discharge (ZLD) systems at its distilleries, ensuring that all treated water is recycled, thereby minimizing environmental impact.
- **Renewable energy usage:** The company uses renewable energy sources such as biogas and has taken initiatives to reduce greenhouse gas emissions by improving energy efficiency at its manufacturing plants.
- **Sustainable packaging:** Radico is increasingly focusing on eco-friendly packaging solutions, including lightweight bottles and recyclable materials, to reduce its environmental footprint.

### CSR initiatives

- **Community development:** Through CSR initiatives, Radico supports education, healthcare, and sanitation in rural communities near its operations, promoting inclusive growth.
- **Employee welfare and safety:** The company emphasizes occupational health and safety, with regular training and robust safety protocols across its facilities.
- **Responsible consumption advocacy:** Radico promotes responsible alcohol consumption through awareness campaigns and compliance with advertising standards.

### Governance

- **Board independence and diversity:** Radico's board comprises independent directors with diverse backgrounds, ensuring sound oversight and accountability.
- **Ethical business practices:** The company adheres to a strict Code of Conduct, with anti-corruption policies and internal audits ensuring compliance and transparency.
- **Investor communication:** Radico maintains transparent financial reporting and consistent investor engagement, reflecting strong corporate governance standards.

## SWOT analysis

- ✔ Strong presence in all major categories—whisky, vodka, gin, rum, and brandy—catering to a wide consumer base with a price range of sub-INR500 to INR8,000
- ✔ Deep market penetration with growing presence in key states of UP, AP, Karnataka, and Maharashtra
- ✔ Constant focus on premiumization helps to improve margin profile

**S**

**STRENGTH**



- ✔ Variability in excise policies across Indian states creates operational and pricing challenges.
- ✔ Compared to some global competitors, Radico's premium offerings are still building recognition in certain segments

**W**

**WEAKNESS**



- ✔ Increasing consumer shift toward premium and craft spirits offers scope for margin expansion.
- ✔ Scope to introduce new brands in under-served premium price points and tap into evolving consumer preferences
- ✔ Emerging global demand for Indian spirits presents an opportunity to scale international operations

**O**

**OPPORTUNITY**



- ✔ Excise policy changes and high taxation at the state level can hit pricing and margins.
- ✔ The presence of global and local players with aggressive premiumization and marketing strategies could pressure market share

**T**

**THREATS**



## Management team



**Dr. Lalit Khaitan**

Chairman and Managing Director

Dr Khaitan received education from Mayo College, Ajmer, and St. Xavier's College, Kolkata. He acquired the company in 1972-73 with a lot of liabilities and succeeded in transforming RKL from a bottler to a leading IMFL player in India. He holds a Bachelor's degree in Engineering from BMS College of Engineering, Bangalore, and has completed a Managerial Finance and Accounting course at Harvard University, USA.



**Mr. Abhishek Khaitan**

Managing Director

He holds a Bachelor of Engineering degree from BMS College of Engineering, Bangalore. He further enhanced his financial acumen by completing a Managerial Finance and Accounting course at Harvard University, USA. He started his career in 1997 by spearheading the marketing division at Radico.



**Mr. Amar Sinha**

Chief Operating Officer

He joined the company in 2006. He holds a Bachelor's degree in Science and an MBA in Marketing. With over three decades of experience in the liquor industry, he has been instrumental in building Radico's premium brand portfolio. Prior to joining Radico, he held key roles at Shaw Wallace and United Spirits.



**Mr. Dilip Banthiya**

Chief Financial Officer

He joined the company in 1997. He is a Chartered Accountant with extensive experience in finance, taxation, and strategic planning. Over the years, he has played a crucial role in driving the company's financial growth and operational efficiency. Prior to Radico, he worked with various reputed organizations in the finance domain.



**Mr. Sanjeev Banga**

President – International Business

He joined the company in 2004. He holds a degree in Hotel Management and has completed advanced management programs. With a rich experience in international markets, he has been pivotal in expanding Radico's global footprint. Prior to joining Radico, he held leadership positions in reputed hospitality and liquor companies.



**Mr. Saket Somani**

SVP – Finance & Strategy

He joined the company in 2021. He holds a degree in Business Administration and brings significant experience in global sales, marketing, and business development. Since joining Radico, he has been instrumental in accelerating the company's international growth. Prior to this, he worked with leading multinational corporations across various sectors.

## Financials and valuations

RK Income Statement - Standalone										(INR m)
Radico Khaitan	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Gross revenue</b>	<b>80,580</b>	<b>94,179</b>	<b>1,05,040</b>	<b>1,24,705</b>	<b>1,27,439</b>	<b>1,54,839</b>	<b>1,70,985</b>	<b>1,99,329</b>	<b>2,29,710</b>	<b>2,64,605</b>
Excise duty	59,611	69,909	81,052	96,025	96,011	1,13,654	1,22,474	1,42,776	1,64,537	1,89,532
<b>Net Revenue</b>	<b>20,969</b>	<b>24,270</b>	<b>23,988</b>	<b>28,680</b>	<b>31,428</b>	<b>41,185</b>	<b>48,512</b>	<b>56,553</b>	<b>65,173</b>	<b>75,073</b>
Change (%)	15.0	15.7	-1.2	19.6	9.6	31.0	17.8	16.6	15.2	15.2
<b>Gross Profit</b>	<b>10,781</b>	<b>11,714</b>	<b>11,964</b>	<b>12,906</b>	<b>13,149</b>	<b>17,520</b>	<b>20,773</b>	<b>24,641</b>	<b>28,559</b>	<b>33,085</b>
Margin (%)	51.4	48.3	49.9	45.0	41.8	42.5	42.8	43.6	43.8	44.1
Other Expenditure	7,323	7,996	7,874	8,884	9,565	12,460	14,036	16,073	18,360	20,924
<b>EBITDA</b>	<b>3,459</b>	<b>3,718</b>	<b>4,089</b>	<b>4,022</b>	<b>3,584</b>	<b>5,061</b>	<b>6,737</b>	<b>8,568</b>	<b>10,199</b>	<b>12,162</b>
Change (%)	28.2	7.5	10.0	-1.6	-10.9	41.2	33.1	27.2	19.0	19.2
Margin (%)	16.5	15.3	17.0	14.0	11.4	12.3	13.9	15.1	15.6	16.2
Depreciation	424	525	539	649	709	1,138	1,401	1,470	1,560	1,651
Int. and Fin. Charges	355	316	220	131	221	591	738	620	494	378
Other Income	133	92	201	110	94	89	49	74	124	174
<b>Profit before Taxes</b>	<b>2,812</b>	<b>2,969</b>	<b>3,531</b>	<b>3,352</b>	<b>2,748</b>	<b>3,420</b>	<b>4,646</b>	<b>6,551</b>	<b>8,269</b>	<b>10,306</b>
Change (%)	50.2	5.6	18.9	-5.1	-18.0	24.5	35.8	41.0	26.2	24.6
Margin (%)	13.4	12.2	14.7	11.7	8.7	8.3	9.6	11.6	12.7	13.7
Tax	976	452	825	831	704	863	1,194	1,646	2,077	2,589
Tax Rate (%)	34.7	15.2	23.4	24.8	25.6	25.2	25.7	25.1	25.1	25.1
Exceptional items	0.0	241.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Reported PAT</b>	<b>1,836</b>	<b>2,275</b>	<b>2,706</b>	<b>2,521</b>	<b>2,044</b>	<b>2,558</b>	<b>3,452</b>	<b>4,905</b>	<b>6,192</b>	<b>7,717</b>
Change (%)	48.7	23.9	18.9	-6.8	-18.9	25.1	35.0	42.1	26.2	24.6
Margin (%)	8.8	9.4	11.3	8.8	6.5	6.2	7.1	8.7	9.5	10.3
<b>Adjusted PAT</b>	<b>1,836</b>	<b>2,312</b>	<b>2,706</b>	<b>2,521</b>	<b>2,044</b>	<b>2,558</b>	<b>3,452</b>	<b>4,905</b>	<b>6,192</b>	<b>7,717</b>
Change (%)	48.7	25.9	17.0	-6.8	-18.9	25.1	35.0	42.1	26.2	24.6
Margin (%)	8.8	9.5	11.3	8.8	6.5	6.2	7.1	8.7	9.5	10.3

Balance Sheet										(INR m)
Radico Khaitan	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2027E
Share Capital	267	267	267	267	267	267	268	268	268	268
Reserves	12,883	14,938	17,372	19,601	21,253	23,506	26,643	30,567	35,520	41,694
<b>Net Worth</b>	<b>13,149</b>	<b>15,205</b>	<b>17,639</b>	<b>19,868</b>	<b>21,520</b>	<b>23,774</b>	<b>26,910</b>	<b>30,834</b>	<b>35,788</b>	<b>41,961</b>
Loans	3,233	3,989	2,734	1,899	6,968	7,371	6,307	4,807	3,107	1,807
Deferred Tax Liabilities	1,040	785	802	769	777	919	985	985	985	985
<b>Capital Employed</b>	<b>17,422</b>	<b>19,979</b>	<b>21,175</b>	<b>22,536</b>	<b>29,265</b>	<b>32,064</b>	<b>34,202</b>	<b>36,626</b>	<b>39,880</b>	<b>44,753</b>
Lease liability	0	0	148	117	569	813	1,198	1,396	1,609	1,853
Gross Block	8,680	9,366	10,548	11,249	15,477	20,976	22,986	24,496	26,006	27,516
Less: Accum. Depn.	1,541	1,932	2,449	3,043	3,346	4,406	5,320	6,790	8,351	10,002
<b>Net Fixed Assets</b>	<b>7,139</b>	<b>7,434</b>	<b>8,099</b>	<b>8,206</b>	<b>12,130</b>	<b>16,570</b>	<b>17,666</b>	<b>17,706</b>	<b>17,656</b>	<b>17,515</b>
Capital WIP	160	181	378	303	3,269	542	235	235	235	235
Investments	1,554	1,554	1,554	1,354	1,354	1,354	1,354	1,354	1,354	1,354
<b>Curr. Assets, L&amp;A</b>	<b>13,453</b>	<b>15,435</b>	<b>15,900</b>	<b>17,548</b>	<b>19,878</b>	<b>21,861</b>	<b>26,508</b>	<b>30,763</b>	<b>36,135</b>	<b>43,505</b>
Inventory	3,597	3,742	4,891	5,369	7,154	7,797	10,768	12,234	13,840	15,946
Account Receivables	6,417	8,231	6,975	7,558	8,241	9,782	11,822	13,673	15,841	18,251
Cash and Bank	177	182	1,300	1,089	1,308	1,000	571	960	1,968	4,145
Others	3,261	3,280	2,735	3,533	3,176	3,283	3,346	3,896	4,486	5,163
<b>Curr. Liab. and Prov.</b>	<b>4,884</b>	<b>4,625</b>	<b>4,608</b>	<b>4,758</b>	<b>6,798</b>	<b>7,450</b>	<b>10,363</b>	<b>12,035</b>	<b>13,891</b>	<b>16,002</b>
Account Payables	2,448	2,642	2,619	3,043	2,749	2,670	3,125	3,598	4,169	4,803
Other Liabilities	1,563	1,344	1,818	1,548	3,843	4,578	6,988	8,146	9,387	10,813
Provisions	872	639	171	168	206	202	250	291	335	386
<b>Net Current Assets</b>	<b>8,569</b>	<b>10,810</b>	<b>11,293</b>	<b>12,790</b>	<b>13,080</b>	<b>14,410</b>	<b>16,145</b>	<b>18,728</b>	<b>22,244</b>	<b>27,503</b>
<b>Application of Funds</b>	<b>17,422</b>	<b>19,979</b>	<b>21,175</b>	<b>22,536</b>	<b>29,265</b>	<b>32,064</b>	<b>34,202</b>	<b>36,626</b>	<b>39,880</b>	<b>44,753</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

Radico Khaitan	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Basic (INR)</b>										
<b>EPS</b>	<b>13.8</b>	<b>17.3</b>	<b>20.3</b>	<b>18.9</b>	<b>15.3</b>	<b>19.1</b>	<b>25.8</b>	<b>36.7</b>	<b>46.3</b>	<b>57.7</b>
Cash EPS	10.6	13.1	16.2	14.0	10.0	10.6	15.3	25.7	34.6	45.3
BV/Share	98.6	113.9	132.1	148.6	161.0	177.8	201.1	230.4	267.5	313.6
DPS	1.2	2.0	2.4	3.0	3.0	3.0	4.0	7.3	9.3	11.5
Payout %	8.7	11.6	11.8	15.9	19.6	15.7	15.5	20.0	20.0	20.0
<b>Valuation (x)</b>										
P/E	178.8	142.1	121.4	130.4	160.9	128.6	95.4	67.1	53.2	42.7
Cash P/E	232.5	187.7	151.7	175.6	246.3	231.6	160.5	95.8	71.1	54.3
EV/Sales	15.7	13.6	13.7	11.4	10.6	8.1	6.9	5.9	5.0	4.3
EV/EBITDA	95.3	89.0	80.3	81.6	93.0	66.0	49.5	38.7	32.3	26.8
P/BV	25.0	21.6	18.6	16.6	15.3	13.8	12.2	10.7	9.2	7.8
Dividend Yield (%)	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.4	0.5
<b>Return Ratios (%)</b>										
RoE	14.0	15.2	15.3	12.7	9.5	10.8	12.8	15.9	17.3	18.4
RoCE	11.9	13.9	13.6	11.6	7.5	9.4	11.7	14.7	16.5	17.9
RoIC	13.5	16.6	16.0	13.9	10.2	11.4	13.1	16.2	18.6	21.2
<b>Working Capital Ratios</b>										
Creditor (Days)	43	40	40	39	32	24	24	23	23	23
Inventory (Days)	63	56	74	68	83	69	81	79	78	78
Debtor (Days)	112	124	106	96	96	87	89	88	89	89
Cash conversion cycle	132	140	141	126	147	132	146	144	143	143
Asset Turnover (x)	1.2	1.2	1.1	1.3	1.1	1.3	1.4	1.5	1.6	1.7
<b>Leverage Ratio</b>										
Debt/Equity (x)	0.2	0.3	0.2	0.1	0.3	0.3	0.2	0.2	0.1	0.0

### Cash Flow Statement

Radico Khaitan	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>(INR m)</b>										
<b>Profit before tax</b>	<b>2,857</b>	<b>2,727</b>	<b>3,531</b>	<b>3,316</b>	<b>2,747</b>	<b>3,420</b>	<b>4,646</b>	<b>6,551</b>	<b>8,269</b>	<b>10,306</b>
Non-operating & EO Items	-35	219	-111	33	40	72	12	-74	-124	-174
Depreciation and Amort.	424	525	539	649	709	1,138	1,401	1,470	1,560	1,651
Interest Paid	355	316	220	131	221	591	738	620	494	378
Direct Taxes Paid	-773	-854	-739	-912	-719	-726	-904	-1,646	-2,077	-2,589
Incr/Decr in WC	259	-2,337	330	-1,006	-612	-2,667	-2,274	-2,194	-2,508	-3,082
<b>CF from Operations</b>	<b>3,087</b>	<b>597</b>	<b>3,770</b>	<b>2,212</b>	<b>2,386</b>	<b>1,829</b>	<b>3,621</b>	<b>4,728</b>	<b>5,614</b>	<b>6,491</b>
Interest income	105	56	72	50	26	45	38	74	124	174
(Incr)/Decr in FA	-717	-697	-891	-670	-7,045	-2,392	-1,726	-1,510	-1,510	-1,510
<b>Free Cash Flow</b>	<b>2,370</b>	<b>-100</b>	<b>2,879</b>	<b>1,542</b>	<b>-4,659</b>	<b>-563</b>	<b>1,894</b>	<b>3,218</b>	<b>4,104</b>	<b>4,981</b>
(Pur)/Sale of Investments	500	0	0	200	13	1	0	0	0	0
Other investing items	-763	-44	-6	-665	-35	-28	14	0	0	0
<b>CF from Invest.</b>	<b>-874</b>	<b>-686</b>	<b>-825</b>	<b>-1,085</b>	<b>-7,042</b>	<b>-2,374</b>	<b>-1,674</b>	<b>-1,436</b>	<b>-1,386</b>	<b>-1,336</b>
Issue of Shares	11	13	4	12	0	37	90	0	0	0
Incr/Decr in Debt	-1,739	633	-1,269	-846	5,545	1,339	-1,064	-1,500	-1,700	-1,300
Dividend Paid	-160,709	-192,998	-267	-320,817	-401,021	-401,123	-401,289	-981	-1,238	-1,543
Others	-370	-358	-295	-183	-270	-737	-999	-422	-281	-134
<b>CF from Fin. Activity</b>	<b>-2,259</b>	<b>95</b>	<b>-1,828</b>	<b>-1,338</b>	<b>4,874</b>	<b>237</b>	<b>-2,374</b>	<b>-2,903</b>	<b>-3,219</b>	<b>-2,977</b>
<b>Incr/Decr of Cash</b>	<b>-47</b>	<b>6</b>	<b>1,117</b>	<b>-211</b>	<b>219</b>	<b>-308</b>	<b>-428</b>	<b>389</b>	<b>1,008</b>	<b>2,177</b>
Add: Opening Balance	224	177	182	1,300	1,089	1,308	1,000	571	960	1,968
<b>Closing Balance</b>	<b>177</b>	<b>182</b>	<b>1,300</b>	<b>1,089</b>	<b>1,308</b>	<b>1,000</b>	<b>571</b>	<b>960</b>	<b>1,968</b>	<b>4,145</b>

E: MOFSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

# RECENT INITIATING COVERAGE REPORTS

**motilal oswal** Financial Services  
Initiating Coverage | Sector: Technology  
**Hexaware Technologies**  
May 2025

**Stronger, better, faster?**

Abhishek Parbat - Research Analyst (Abhishek.Parbat@MotilalOswal.com)  
Research Analyst: Ravi Bhargava (Ravi.Bhargava@MotilalOswal.com) / Tushar Choudhary (Tushar.Choudhary@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on www.motilal-oswal.com/initial-public-offering, Bloomberg, Thomson Reuters, FactSet and IIFM Capital.

**motilal oswal** Financial Services  
Initiating Coverage | Sector: Metals  
**Jindal Stainless**  
May 2025

**Set for sustainable growth**

Alok Datta - Research Analyst (Alok.Datta@MotilalOswal.com)  
Sruja Upadhyay - Research Analyst (Sruja.Upadhyay@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on www.motilal-oswal.com/initial-public-offering, Bloomberg, Thomson Reuters, FactSet and IIFM Capital.

**motilal oswal** Financial Services  
Initiating Coverage | Sector: Chemicals  
**Blue Jet Healthcare**  
April 2025

**Ascending the value chain**

Research Analyst: Aman Choudhary (Aman.Choudhary@MotilalOswal.com)  
Research Analyst: Sumant Kumar (Sumant.Kumar@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on www.motilal-oswal.com/initial-public-offering, Bloomberg, Thomson Reuters, FactSet and IIFM Capital.

**motilal oswal** Financial Services  
Initiating Coverage | Sector: Insurance  
**Niva Bupa Health Insurance**  
April 2025

**Citius, Altius, Fortius**

Research Analyst: Prayash Mishra (Prayash.Mishra@MotilalOswal.com) | Nilesh Aggarwal (Nilesh.Aggarwal@MotilalOswal.com)  
Research Analyst: Karthika Mahalingam (Karthika.Mahalingam@MotilalOswal.com) | Madhur Chaturvedi (Madhur.Chaturvedi@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on www.motilal-oswal.com/initial-public-offering, Bloomberg, Thomson Reuters, FactSet and IIFM Capital.

**motilal oswal** Financial Services  
Initiating Coverage | Sector: Defense  
**Hindustan Aeronautics**  
April 2025

**Charting the next frontier in Defense!**

Tanay Khosla - Research Analyst (Tanay.Khosla@MotilalOswal.com)  
Pratik Jain - Research Analyst (Pratik.Jain@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on www.motilal-oswal.com/initial-public-offering, Bloomberg, Thomson Reuters, FactSet and IIFM Capital.

**motilal oswal** Financial Services  
Initiating Coverage | Sector: Power Utilities  
**Suzlon Energy**  
March 2025

**Riding the winds of growth**

Abhishek Nigam - Research Analyst (Abhishek.Nigam@MotilalOswal.com)  
Research Analyst: Pratikha Daga (Pratikha.Daga@MotilalOswal.com) | Abhishek Daga (Abhishek.Daga@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on www.motilal-oswal.com/initial-public-offering, Bloomberg, Thomson Reuters, FactSet and IIFM Capital.

**motilal oswal** Financial Services  
Initiating Coverage | Sector: Healthcare  
**Dr. Agarwal's Health Care**  
March 2025

**Transforming sight**

Tushar Khosla - Research Analyst (Tushar.Khosla@MotilalOswal.com)  
Vishal Verma - Research Analyst (Vishal.Verma@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on www.motilal-oswal.com/initial-public-offering, Bloomberg, Thomson Reuters, FactSet and IIFM Capital.

**motilal oswal** Financial Services  
Initiating Coverage | Sector: Telecom  
**Bharti Hexacom**  
March 2025

**A preferred play on India's wireless growth story**

Aditya Bhandari - Research Analyst (Aditya.Bhandari@MotilalOswal.com)  
Siddhant Choudhary - Research Analyst (Siddhant.Choudhary@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on www.motilal-oswal.com/initial-public-offering, Bloomberg, Thomson Reuters, FactSet and IIFM Capital.

**MOTILAL OSWAL** FINANCIAL SERVICES  
Initiating Coverage | Sector: Power Utilities  
**ACME Solar Holdings**  
February 2025

**Fueling a greener tomorrow!**

Abhishek Nigam - Research Analyst (Abhishek.Nigam@MotilalOswal.com)  
Research Analyst: Pratikha Daga (Pratikha.Daga@MotilalOswal.com) | Pratikha Daga (Pratikha.Daga@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on www.motilal-oswal.com/initial-public-offering, Bloomberg, Thomson Reuters, FactSet and IIFM Capital.

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH00000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

#### Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

#### For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH00000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

#### For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

#### For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to [grievances@motilaloswal.com](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

#### Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).  
MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.  
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.  
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.  
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.  
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.

7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

financial interest in the subject company

actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.

received compensation/other benefits from the subject company in the past 12 months

any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

acted as a manager or co-manager of public offering of securities of the subject company in past 12 months

be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)

received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.

Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

**Analyst Certification**

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

**Terms & Conditions:**

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

**Disclaimer:**

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

**Grievance Redressal Cell:**

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.