IGL SPIRITS LIMITED

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24th November, 2026

The Manager (Listing)
BSE Limited
1st Floor, New Trading Ring,
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Mumbai – 400 001

Scrip Code: 545013

The Manager (Listing)
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East),
Mumbai- 400 051

Symbol: IGLSPIRITS

Dear Sirs,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of Q2 & H1 FY27 Earnings Conference Call

Further to our letters dated 5th and 19th November, 2026 and pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Earnings Conference Call for Q2 & H1 FY27 held on Thursday, 19th November, 2026 is attached.

This same is also being hosted on the Company's website at www.iglspirits.com.

This is for your information and record.

Thanking you,

Yours truly,
For IGL Spirits Limited
ISHAN KHANNA
Digitally signed by ISHAN KHANNA
Date: 2026.11.24 14:26:54 +05'30'
Ishan Khanna
Company Secretary & Compliance Officer
Encl: A/a

"IGL Spirits Limited
Q2 & H1 FY27 Earnings Conference Call"
November 19, 2026

MANAGEMENT: **MR. MANOJ RAI – EXECUTIVE DIRECTOR AND CHIEF OPERATING OFFICER**
MR. ANISH ARORA – BUSINESS HEAD, BIOFUEL
MR. NARESH AGRAWAL – CHIEF FINANCIAL OFFICER
MR. ISHAN KHANNA – COMPANY SECRETARY

Moderator: Ladies and gentlemen, good day, and welcome to IGL Spirits Limited Q2 and H1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

Today, from the management, we have with us Mr. Manoj Rai, Executive Director and COO; Mr. Anish Arora, Business Head, Bio-fuels; Mr. Naresh Agrawal, Chief Financial Officer; and Mr. Ishan Khanna, Company Secretary. Before we begin, let me remind you that this discussion may contain forward-looking statements that may involve known or unknown risks, uncertainties and other factors.

It may be viewed in conjunction with the company's business risks that could cause future results, performance, or achievements to differ significantly from what is expressed or implied by such forward-looking statements.

I now hand the conference over to Mr. Manoj Rai, from IGL Spirits. Thank you, and over to you, sir.

Manoj Rai: Thank you. Good evening, everyone, and welcome to the first earnings call of IGL Spirits Limited as an independently listed company. Our results, press release, and investor presentation are available on the stock exchanges and on our website.

Today is a very special day for us. For more than two decades, this business was a part of India Glycols. On 4th November 2026, following the demerger, IGL Spirits was listed on the BSE and NSE. For the first time, investors can own this business directly and value it on its own merits, and we take that responsibility here at IGL Spirits very seriously.

For those who are new to our story, IGL Spirits is an integrated alcohol platform with three engines under one group. Consumer Spirits brands spanning the IMFL and the non-IMFL sector, our own Extra Neutral Alcohol, and third, Bio-fuels. Very few companies in our industries today bring all these three expertise together.

In spirits, we are amongst the Top 5 companies in India by volume, and we sold around 30 million cases last year under the IMFL and non-IMFL portfolio combination. We are the number one non-IMFL player in UP and Uttarakhand, two of the country's largest and most profitable spirit markets.

In IMFL, our amazing Vodka range and Zumba rum make us number two in white spirits in our core markets. While Soulmate Blu, Amazing Craft Whisky, and Single Reserve Whisky spans from regular to premium offerings that we have in our portfolio.

We also boast about strong partnerships. We have been Bacardi's manufacturing partner for the last 15 years, and are its sole cane spirit maturation partner in India. Our 2024 partnership with Amrut gives us a capital light entry into the premium and luxury segments.

Our two integrated distilleries at Kashipur and Gorakhpur with a combined 1,100 KLPD capacity can run on grain or molasses. This lets us send every liter to our brands, ENA sales or biofuels, wherever it earns the most. This model has delivered in Financial Year 2026, where we reported net revenue of INR 2,801 crores, an EBITDA of INR 492 crores at a 17.6% margin and a PAT of INR 244 crores with a return on capital employed of 20.5%.

These are our first results as IGL Spirits. And in H1 Financial Year 2027, the idea was about choosing quality over quantity, and our strategy seems to be paying off. Based on the discussion that we had in the month of September where our strategy was prioritizing the high margin IMFL segment, we've improved our gross margins, EBITDA, and PAT margins.

If we were to look at our financial highlights for Q2 and H1, the gross revenue was up by about 10.3% to INR 2,295 crores in Q2 and about 14.3% higher in H1 at INR 4,837 crores. The net revenue has managed a flattish kind of a trajectory at INR 706 crores in Q2, declining by about 7% over last Q2. And we have our good enough reasons for that. And at H1, we are about 4% lower than it was last year H1 at INR 1,389 crores compared to INR 1,450 last year. This was mainly on account of a lower biofuel revenue where even our EBITDA margins were challenged along with a regulatory change in the non-IMFL range, and we'll speak about it when we come to it later.

Profitability, however, was something that we focused on, and therefore, our EBITDA margins for Q2 and H1 are comparable at about 17.7% and 17.6%. This is a marked improvement in last year numbers of about 129 bps over last year Quarter 2, where it was 16.4%, and last year H1 was 16.5%.

Our PAT has moved up significantly in terms of PAT margin at about 8.7% in Q2, which is an improvement of 100-plus basis points. This is mainly on account of the lower finance cost due to debt repayments that we did during the quarter.

When we look at the results and if you wonder why despite having a flattish kind of a trajectory on the revenue, the margins have improved, that is because the revenue mix is shifting to high margin IMFL segment. If we look at Q2 last year, the contribution of the revenue from IMFL was about 12%. Q1 in the current year was at 14% and Q2 we ended at about 18%. Our outlook for Q3 stands at about 24%.

Realization per case has improved on potable spirits, and that is because of the increasing IMFL share. We've moved northwards from Rs. 410 per case to Rs. 432 per case. This is a combination of both IMFL as well as non-IMFL. I spoke to you about the gross margins. The gross margins are at a healthy 39.5% for our total business in H1 FY27 as compared to about 35.4% last year. EBITDA remains stable.

There are 2 quarters that we have now delivered as far as IGL Spirits is concerned as a separate entity. We delivered INR 120 crores EBITDA in Quarter 1, and we've delivered INR 125 crores in Quarter 2. Compared to last year, against INR 238 crores in H1, we've delivered INR 245 crores, but the silver lining is the EBITDA margin improvement from 16.4% to 17.6% in H1.

The PAT margins I spoke to you about. So net-net, we have prioritized our mix over volume, which means margins are a priority rather than revenue.

If I look at the revenue mix of between biofuels and potable spirits, currently it is at a 50-50 split. But when I drill down further on the potable spirits, 25% of the revenue last year came from IMFL, 75% came from non-IMFL, which has favorably moved up to 32% in the current year from IMFL and the balance 68% from non-IMFL.

This 25% of revenue of IMFL last year contributed to about 33% EBITDA, and the 32% IMFL revenue this year has contributed to about 39% of the EBITDA mix that we are declaring for H1. Please bear in mind that when we met last time, we had promised that we will take this EBITDA mix from IMFL close to about 50% by the end of this fiscal and we seem to be heading in the right direction.

If I were to now look at potable spirits in terms of segmental performance, the revenue has stayed flat at about INR 690 crores for H1 vis-a-vis INR 680 crores last year. There is a marginal drop in Q2. From INR 338 crores, we've dropped to INR 329 crores. EBITDA has stayed firm at about INR 89 crores and INR 173 crores for the half, with a margin of about 27.1% EBITDA margin as far as Q2 is concerned.

Why is there a drop in the net revenue? This is on account of the fact that the non-IMFL volumes, especially in the state of Uttar Pradesh, by design had to drop in Q2. That's because of the government intervention on two accounts. One, the government wanted higher strength alcohol to be made mandatorily available in the channel.

Now, when you go from a lower strength to a higher strength, but obvious, the number of cases shrink because there is a quota that governs the industry in the state of Uttar Pradesh, and that quota is in terms of the amount of alcohol in proof liter that is supposed to be lifted. Once the strength goes up, the number of cases drop because the proof liter has to remain same.

And that explains the volumes in non-IMFL in Q2 dropped from 6.4 million last year to 6.2 million this year. At H1 level we are more or less flat and that also led to a loss in revenue from INR 249 crores we drop to about INR 203 crores.

Almost the entire loss in the net revenue on account of non-IMFL has come in Q2 on account of this mandated lifting of higher strength alcohol as well as the fact that no supplier can supply beyond 75% in any of the core districts of the supplier. They will have to lift a minimum of 25% from some other players, which we call as traded brands. And because of the traded brands, the overall revenue drops, because the realization per case on the traded brands is lower.

However, the silver lining is that the IMFL volumes grew by 84% and the revenue was up by 42% in Q2, and that continues the trend from Q1. IMFL is our growth engine, and the premiumization play is clearly working as far as movement from non-IMFL to IMFL is concerned.

We delivered about 2.8 million cases in H1. When we met last time, we had promised that we will deliver in excess of two times of what we delivered in the IMFL volume last year. We seem

to be on track as far as living up to that commitment. Q3, for people who follow alcohol industry closely, Q3 and Q4 have a swing because this is the time when the season starts, and we expect this acceleration to further go up in the coming months.

What have we done further with the portfolio. Last time we met, we said that we will need to beef up our portfolio as well as move beyond the core states of where we are currently operating as a business. So, we have developed in a span of less than 3 months, more than 5 different offerings to take care of the various white spaces that we had in our portfolio.

We have a Deluxe rum in Dhurandhar. It operates in the dark rum segments. Then we have a premium rum called Himalayan Monk, which is a blend of cane spirit from Jamaica, Cuba and India. The promise of the product is – "As authentic as the Himalayas", it is possibly going to be the first rum at its price point which can claim to be 100% natural with no artificial flavors.

We have an upward extension of our core vodka brand Amazing, called Amazing Luxe, which takes into consideration exotic fruit infusions, and will be more contemporary flavors, something on the lines of Mojitos and the Cosmopolitans of the world.

Apart from this, we are also looking at launching a whisky brand across three different expressions, which is a mix of Scottish Indian malts and grain spirit as one expression. Then we have Irish malts, Indian malts and grain spirit as the second expression, and Japanese malts with Indian malts and grain spirit under the banner of Symboliq. No other brand currently in this country has undertaken this expedition to be available in three different forms, three different expressions.

We also are almost ready to launch a deluxe whisky in our core states of UP and Uttarakhand. It's called Good 'Olé Whisky. Takes you back to those good old days when everything was authentic. It talks about no fluff, no fuss, just good whisky. The money is invested in the liquid. The consumers at this price point will get a genuine whisky, and that's how we would want to market this brand.

Apart from this, we had also promised that we would get into different states. There is an expression of interest that we participated in West Bengal, and we have come through successful in the same.

The launch is slated in the months of December-January, depending upon the label registration. We are very aggressively pursuing registration in Andhra Pradesh and Daman, Silvassa, and we have almost prepared ourselves to be available in one or two more markets like Rajasthan, Punjab, Himachal and the Northeast, subject to of course, the government giving us clearances as far as our pricing and label registrations are concerned.

Apart from this, there is a packaging refresh that we have done for all our core brands. Our brands have remained the same ever since they were launched under the IGL banner, and it was time that we undertook some kind of changes as far as the brand refresh is concerned as far as the packaging and the liquid is concerned. I'll share the same with you as well.

Pipeline, apart from this there is some work that we are doing as far as the RTD segment is concerned and we are also in very progressive talks with strategic partners both for manufacturing as well as distribution of certain brands in the states where we operate. You would have gone through the presentation and realize that there is a marked improvement as far as the packaging across our core brands is concerned.

The designs are much bolder and youthful and clearly the products stand out in the shelves and appeal to the younger audience. And this therefore ends up filling up all the white spaces in the portfolio so that we have one brand to offer at every price point at which the industry currently operates.

Apart from this, on the geographical expansion there are reasons on why and where we are expanding. I spoke to you about Andhra Pradesh, West Bengal, Daman/Silvassa. Andhra and Bengal clearly are markets where the industry is big, and especially in the segments where we operate. Bengal, Daman/Silvassa gives higher margins. Daman is a market where the ease-of-entry is very high and it also gives us regional presence.

Apart from this the other markets where we wish to enter are Assam, Meghalaya and Arunachal Pradesh. Of these, Meghalaya and Arunachal Pradesh are markets that give you very high margins and there is a relative ease-of-entry when it comes to getting into the North East states. Assam industry especially as far as the rum and the whiskey industry is concerned is pretty significant and getting into North East immediately ensures that we are well stretched as far as our presence in the East is concerned.

The other region where we would want to establish ourselves is North, beyond the UP, Uttarakhand and Delhi core markets and we are looking at a possible entry into Punjab because of the size of the industry, the kind of margins that it gives us and also the fact that there is an ease-of-entry as far as the right to market as well as the ease of doing business is concerned. The next two markets are Himachal and Rajasthan.

In the list that I spoke to you about North, my gut feel says that we'll probably be able to manage one state before the end of this year. The other two may not be possible because of restrictions as far as new label registration and pricing approvals is concerned.

Coming to the biofuels section, we improved our profitability and I am sure you would have questions on this and we have answers for you as to how we improved our profitability despite higher input costs.

H1 EBITDA was at about INR 71 crores, and the margin rose to 10.2% in H1 FY27 from last year 8.4%. This is predominantly on account of strategic procurement. The grain prices have gone northwards ever since and we however expect the grain prices to begin stabilizing from December 2026 onwards once the new crop availability goes up.

The balance sheet is the part I'm most pleased with where the operating cash flow was INR 186 crores against an outflow last year. We repaid INR 88 crores of debt, bringing gross borrowings down to about INR 714 crores and our gross debt-to-equity improved from 0.66 times to 0.54 times.

Our biggest concern, of course, is the fact that the costs for our inputs is rising. Grain prices have moved northwards from 21.7 to 23.3 for quarter two, and we expect an average buying price in the range of about 26.5 per kg to 27 per kg in quarter three. Coal prices have gone up, and our grain-based manufacturing cost is also expected to shoot up.

This will obviously have adverse impact on the margins as far as bio-fuel is concerned. But few advantages that we have is the fact that our power and fuel costs are kept under control mainly on account of the fact that we use molasses pent wash and seasonal rise hub to drive power, which comes to us at a lower cost.

So while the margins would be thin, but we will not be impacted as some of the other players in the industrial, plus we are a well-established old player in this industry. Our plants are located in the rice belts, and we also have a 30% allocation of FCI rice, which should help us in trying to continue to hold on to a margin, which is slightly better than that of our competition.

However, our endeavor, as you would have realized from the entire presentation, is to look at the capacity that we have and monetize it depending upon the opportunities that we have in the IMFL and the ENA segment. Just for academics, every liter of ENA that we generate gives us -- if it were to give us x rupees on biofuel, it gives us 2x on ENA and 5x to 6x on IMFL.

Today, we have a certain installed capacity. And rather than keeping the capacity idle, ethanol becomes the balancing figure in our business. We prioritize both ENA as well as potable alcohol, and then whatever is left is what we eventually end up supplying for ethanol. As far as the outlook on ethanol is concerned, we have participated in the recent tenders, and our allocations are higher than what the initial allocations were for us last year. And based on that trend, we expect to clock a higher ethanol revenue by the end of this year as compared to last year.

Finally, our EBITDA guidance, which we spoke to you about last time of about INR 500 crores to INR 550 crores for FY27, I feel it is within reach. We have delivered about INR 245 crores in H1. And if we were to keep the H2 level same as that of last year, it takes us to about INR 500 crores.

Given the various initiatives that we spoke to you about in terms of the portfolio and the geographical expansions, the ethanol order, as well as the fact that a bad quarter of non-IMFL is behind us, and we expect this quarter to bring us back to a flattish kind of a growth on non IMFL vis a vis last year, we expect to bridge this balanced INR 50 crores gap and continue to hold on to our promise of a INR 550 crores EBITDA delivery by the end of this fiscal.

I would now want Naresh to take over and speak to you on the financial aspects of the business.

Naresh Agrawal: Thank you so much, sir. Hi, everyone. On the financial side, the gross revenue of the current quarter is INR 2,295 crores as compared to corresponding quarter of INR 2,081 crores, a growth of 10%. Net revenue is INR 706 crores as compared to corresponding quarter at INR 760 crores, declined by 7%. EBITDA is more or less same as INR 125 crores in the current quarter as well as corresponding quarter.

PBT has increased to INR 83 crores as compared to INR 77 crores, increased by 7% due to the reduction in the finance cost and repayment of loan. PAT has also increased to INR 61 crores as compared to INR 58 crores, up 6%.

Now in the half year, the gross revenue is INR 4,837 crores as compared to INR 4,233 crores, up 14%, and the net revenue has declined by 4% to INR 1,389 from INR 1,450 crores. EBITDA has increased in current half to INR 245 crores as compared to corresponding figure of INR 238 crores. The PBT has increased by 9% to INR 163 crores from INR 150 crores. And PAT also is INR 120 crores as compared to the last half year of INR 112 crores. Now the balance sheet side. Our total asset is INR 3,323 crores as correspondence in March was INR 3,259 crores.

The shareholder fund is increased due to the profit to INR 1,329 crores as compared to March is INR 1,208 crores. However, borrowing is INR 715 crores as compared to March figure of around INR 800 crores. This decline is of INR 80 crores due to the payment of the term loan.

Now the cash flow. Cash flow from operating of INR 186 crores is positive, and we have utilized that money for the payment of the loan, finance cost, lease, and some capex.

Manoj Rai: So to sum up, we are trying to build a strong business. We are making that transition from being a core non-IMFL player to a player of refute in the IMFL sector. For that, we needed a portfolio. We now seem to be portfolio ready. There are markets that we spoke to you about where we want to expand.

Our margins are up because our movement in terms of revenue from business is in the right direction. Our single most concern is the is the biofuel profitability which we will try and look at protecting in Q3. But we have a strong cash flow, and we continue to maintain our outlook of EBITDA delivery around INR 550 crores for the financial year.

Much of this internal accrual will also go towards our debt repayment, and we reiterate our stand that by the year 2028-29, we will become a debt free company. With this, I request the moderator to open the line for questions.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. First question is from the line of Neil Bahal from Negen Capital. Please go ahead.

Neil Bahal: Hi, everyone. Good afternoon. My question is around the share of IMFL in our overall EBITDA. While it's good to see that the share has been increasing and it's increased further this year, where is your endeavor, where would you want to see this IMFL share as a overall EBITDA over the next let's say three to four years let's say up to FY30?

Manoj Rai: Yes. By the by the end of this year, I told you that we are looking at close to about 50% of the potable spirits EBITDA coming from IMFL, which means that on a weighted scale, compared to the EBITDA that I get from biofuel, we would be close to about 23% - 24%. By 2030 is too long term a horizon, but, eventually, the endeavor is to ensure that 50% of our EBITDA in the next two years comes from the IMFL portfolio. That's the endeavor.

Neil Bahal: All right. So, your endeavour is in the next two years, you would want the overall EBITDA, IMFL share, overall EBITDA, I mean, including the biofuel...

Manoj Rai: Including ethanol. Including ethanol to be at about 50%.

Neil Bahal: Okay. That is exactly what our thesis rests on. So yeah. Okay. That's all from my side. Thank you so much. Thank you.

Moderator: Thank you. Next question is from the line of Balasubramanian from Arihant Capital. Please go ahead.

Balasubramanian: Good evening, sir. Thank you so much for the opportunity. Sir, actually in FY25-26, the volumes are nearly 30 million cases. But there is no growth on the volume side, but we have seen on that revenue improvement. On the same side, we have a variety of ranges from regular to elite. Regular starts from INR 400 to Elite to 5,000 plus. But if you look at average realization nearly INR 430.

Is that right way to understand more than 90% of volume from regular, and gradually, we are moving to premiumization? And if you could elaborate more on what is our premiumization strategy to increase average realizations.

Manoj Rai: Okay. So, if you were to look at the average realization figure that we gave you, it was for Potable spirits. It is a mix of both IMFL and non-IMFL. You would also realize that the realization of non-IMFL is pretty low, which is why you see it at INR 432. IMFL alone as a standalone is at about INR 832. So that partially answers your question. Now the second part, today, about 18% of the revenue I shared with you came from IMFL in quarter two, which we are expecting to go up to 24% in quarter three.

And by the time we end quarter four, quarter four, we should come back to you with -- these are projected numbers, so don't quote these numbers, but our ambition is to take it closer to about 30%. So it should be around 28-29% of the revenue. At 18%, the average realization is INR 432. At 24%, we expect this realization to go up to about INR 500. And at about 30%, the average realization, which is for potable spirits, should be at about INR 550. IMFL standalone should be at about INR 1000 when the mix is at about INR 550. Does that answer your question?

Balasubramanian: Yes, sir. Just further, you can elaborate on our premiumization strategy?

Manoj Rai: Premiumization. Bala, all this while, did not speak about premiumization because premiumization talks about the P&A segment salience. If you realize our transition has been from the non-IMFL to IMFL, so I would first stop off that step. The second step would be subsequently when we are well entrenched in the IMFL segment, then I come back to you and talk about mass premium and P&A.

Balasubramanian: Okay, sir. Sir, this year, we are targeting INR 550 crores EBITDA, and by FY30, INR 1,000 crores EBITDA.

Manoj Rai: Yes.

Balasubramanian: If I'm taking that 18% kind of margin, top line would be anywhere INR 5,500 crores, which means 18% CAGR growth.

Manoj Rai: Yes. If you look at the takeout growth that we have shared with you, it is predominantly coming in from IMFL. And IMFL when we assume portfolio and the geographical spread, this will continue to deliver faster growth for us. In my previous answer, I told you almost 50% is the endeavour, would come from IMFL.

The non-IMFL part is basically a cash cow for us. It will continue giving us the advantage of operating on a very low working capital model and driving our margins from there. Non-IMFL incidentally, if you if you were a part of the last time's call, I had told you that our margins on non-IMFL are also pretty encouraging in the tune of 23% to 25%.

Balasubramanian: Sir, my last question, if you look at bio-fuel margins are 10% kind of range, but it's depends upon government blending mandates. And if you look at our raw material cost may not be passed through.

Manoj Rai: If I were to answer your question, if I have understood and I have reiterated several times, I have told you it is a necessary evil that I will live with. Why? Because I have a certain installed capacity. And in that installed capacity, my priority will continue to be potable alcohol and ENA sales. But whatever is left that I will continue to sell with biofuel, I, in any case, will enjoy a better margin than some of the other players in this industry, primarily for the reasons that I mentioned to you.

In terms of the fact that we have been in this business for quite some time, there is strategic buying that we keep on doing. We know the tricks of the trade. There are cost saving initiatives that we have built over time. There is an asset that we have built which needs to be utilized. And therefore, even if the margins shrink today, biofuel is something which will give me the necessary revenue, may not give me the resultant EBITDA to the extent that I would want.

Balasubramanian: Got it. I just want to complete that question. So bio-fuels are 10% kind of range margin, but if you look at IMFL 25% plus, non-IMFL, 20% plus. Once we are changing the mix towards IMFL side, obviously, the EBITDA margins also will improve. So I just want to understand whether we can able to reach 20 plus kind of overall EBITDA margin over the next three to four years time.

Manoj Rai: See, the endeavour will be there, but when you look at some of my peers, the kind of EBITDA margins that they have declared, they do not have a significant ethanol business. For me, the ethanol business is significant even today. So in the current context, chasing something which is north of 20% is going to be a challenge.

Balasubramanian: Got it. Got it. Thank you.

Moderator: Thank you**.** Next question is from the line of Saket Kapoor from Kapoor and Co. Please go ahead.

Saket Kapoor: Sir, firstly, pertaining to the biofuels segment. As you mentioned that our grain prices are now going to inch up for every sequential quarter, so for the first half, what was the average rate of our grain?

Manoj Rai: I'll ask Anish to answer that question for you? He is an expert sitting here on the Biofuel business. Anish?

Anish Arora: Good afternoon, Kapoor Sahab. Our average rate in the first quarter was about INR 21, and in the second quarter, it was about INR 23. And this quarter, quarter three, we are expecting it to reach approximately INR 26.5. It will shrink our margin, but still, we will be in a very profitable position and as good or competitive to other peers in the market.

Saket Kapoor: Okay, and sir, how is the ENA pricing currently, and what is our external ENA sales that we do in the market?

Manoj Rai: Sir, our ENA sales are predominantly from our Kashipur unit. When I look at Gorakhpur, that is the happy situation that I would want eventually. We use the entire production from Gorakhpur for our own potable spirits; we don't sell it to anyone. In fact, there is further requirement for Gorakhpur, so we buy from the market also at times. Now, in Kashipur, typically, whether it is ENA or biofuel, both are spread businesses.

There is a cost of manufacturing and there is a price that you sell at. I gave you the idea that if biofuel is X, ENA sales are 2X. Typically, if I were to answer your question straight rather than beating around the bush, my per-liter manufacturing cost in Q2 was about INR 56. On account of the inflationary trend on grain prices, etcetera., I expect this to go up to about INR 64 to INR 65.

And therefore, the kind of margins that we should be making on biofuel would be close to about INR 6.5 and INR 7. Now, you can imagine what my selling price would be on ENA. In terms of margin, the ENA margin is double that of biofuel.

Saket Kapoor: Right, sir. Sir, now coming to our capital work in progress closing balance and the capex that we have done for the first half. So, I think the closing balance is INR 65 crores and the capex also we have done close to INR 54 crores. So what is it attributable to, and if you could just give some more clarity?

Naresh Agarwal: The capex during the half is related to some maintenance of tanks and machines. There is some ENA capex also going on.

Saket Kapoor: ENA capex means are we adding capacity or?

Manoj Rai: Yes. We have increased the capacity of ENA.

Saket Kapoor: Okay. But what is the percentage by which it will be increased to? Increased by?

Manish Pant: So Saket, as Mr. Rai told you, we have flexibility to sell bio-fuel or ENA. We would like to sell ENA more rather than biofuel, to have the larger margin and all. So, we are enhancing our

capacity for the ENA, and the additional capacity of around 20-25 lakh is expected to be commenced from December end or January first week.

Saket Kapoor: Okay. I was asking, sir, by what percentage the capacity will increase from the project?

Manish Pant: So, at Kashipur, right now, we are manufacturing around 30 lakh litres of ENA per month, which is expected to be around 55 lakh litres per month.

Saket Kapoor: Okay. So, to take into account whatever is the inflationary trend of grain that will get compensated in terms of the higher ENA contribution going in. That understanding is correct, sir?

Manoj Rai: That's right, that understanding is absolutely perfect.

Saket Kapoor: Okay, and now, sir, coming to the contracted volume that we have for the biofuel program. How is the program running till now? And how much is our outstanding in existing? What is the deliverable quantity for the remaining part of the year? And what is the total order value as of now to be executed?

Anish Arora: It works on an ethanol year basis. It does not work on a financial year basis. Ethanol year starts from 1st of November and ends on 30th of October. So today the extension has been given by the OMCs to supply last year balance quantity till 30th November. So, we are continuing with the previous supply which we got allocated during the last quarter of this ESY which was August, September, and October.

And further, we have extended 15 more days to supply if there is any quantity available to supply from SFG which is FCI rice. So, this ESY supply last will continue maybe partially up to 15th of December. But probably we will start our supply, first supply of this ESY from 1st of December instead of 1st of November. So, first supply will go from 1st of December. That means effectively we will have 11 months to supply for the quantities which got allocated for 12 months tenure.

Today the allotment of biofuel is 14.75 crore litres. Comparatively from last year it is high because last year in the initial tender we got about 10 crore litres of supply. And additionally, there is a clause of 10% we get additional quantity against that order which we have resumed. And secondly, we expect cycle 2 of ethanol will come surely somewhere in the second quarter of this ESY. So about 150 crores additional requirement will come up of OMCs.

In that quantity also we will participate and get may be around 1 crore or 1.2 crore litres of supply. And this 10% additional will be approximately about 1.44 crore litres. And we are also working with the private OMCs like Reliance, Nayara and Private traders. Last ESY about 6.78 crore litres to these private OMCs and traders.

This year also we are expecting to close some deals with the private OMCs and traders may be around 2.5 to 3 crores. So prominently 14.7 plus this additional coming from OMCs 2.5 plus additional coming may be around 2 to 2.5 crores from private operators. We will touch 20 to 21 crore litres of supply which we are maintaining in this ESY in this financial year also. And

continue to make in next financial year unless there is additional requirement coming in ENA where we have a good growth. Or in IMFL where we have a multiple revenue and profit generation. Idea is to utilize my 100% capacity which we are doing.

Saket Kapoor: Correct. Sir, then if we take the power and fuel cost that has moved up from on a QoQ basis from 45 crore to 56 crore. So how is this line item going to shape going ahead for the remaining half?

Naresh Agrawal: The power & fuel cost have increased in quarter 2 on account of increase in the coal price from around the INR 5,500 to the INR 6,800. Right? And the second half will be same as compared to quarter 2.

Saket Kapoor: The remaining half, sir? come again?

Naresh Agrawal: It'll be same as the quarter 2, depends on the coal price.

Saket Kapoor: Correct. Okay, sir. I join the queue and say all the best to the team and congratulations for the successful completion of the team. And we hope for continuity and participation going ahead, sir. Only a small point is, if our investor presentation can be uploaded with a lesser lag time, that would suffice because there is a lot of volume data that we need to assess. A lot of data points have been given for us to analyze. So, if that could be done a bit earlier, it would suffice and it would be beneficial for us, sir.

Manoj Rai: We take note of that. We'll do that. Thank you, sir.

Saket Kapoor: Thank you once again. Thank you.

Moderator: Thank you. Next question is from the line of Kushal Binani from Daksham Capital. Please go ahead.

Kushal Binani: Sir, good afternoon. This is Kushal Binani from Daksham Capital. So just want to understand the trajectory going forward in terms of profitability, EPS, and what kind of scenario you see in terms of growth coming in the current financial year as far as Spirit business is concerned?

Manoj Rai: Okay. So, Kushal, if I were to look at the spirit business and break it into two, IMFL and non-IMFL, I was very clear when I told you that the non-IMFL part of the business I do not expect the trajectory to shift dramatically from what it has been in the past. It will continue to be a flattish kind of a trend.

We are maintaining our competitive position in the markets where we operate. We are market leaders in both UP and Uttarakhand and will continue to maintain that number 1 position. But having said that, since the industry itself is flat, we will also remain near flat.

As far as the IMFL business is concerned, that is the business that is going to give you much faster and accelerated growth, and the contribution of this segment is also going to go up. I spoke to you about three numbers: 13%, 15%, and 18% of the total revenue coming from IMFL. 18% is what we gave you as the revenue that came from this part of the business in Q2.

In Q3, we expect this to go up to 24%, and by the end of this year, it will be somewhere between 28% to 30%, depending upon how March turns out for us. And in this particular segment, our commitment remains, and we are on that trajectory; we will deliver double of what we delivered in the IMFL business last year.

Kushal Binani: Sir, we can see from the numbers itself. Like last time also when you give the numbers, IMFL as a percentage of Spirit business has gone up significantly from last quarter also, I think from 28% to 40% also. So, it shows what you are talking about. Sir, I just wanted to understand that you have given a EBITDA target of around INR 1,000 crores in next 4 years, 5 years, while currently we are at INR 500 crores.

Now if things are going to remain flat for a larger part of the business, where do you see the growth coming from? Will the IMFL business be sufficed enough to give this kind of a growth?

Manoj Rai: Yes, because currently whatever IMFL I'm talking to you about is predominantly a three-state business, and by the end of this year, it has launched in one or two states, and we are establishing ourselves. But if you were to look at, say hypothetically, the whole of next year, I would be available in 12 markets, and I will be available in those 12 markets with this full-fledged portfolio, which is why I am saying that this part of the portfolio is predominantly from the P&A part of the IMFL segment where the margins are northwards of 27%-28%.

Plus, bear in mind, I, as a company, have low overhead costs. Currently, because I am in the infancy stage of IMFL, my marketing and advertising costs are significantly lower compared to my peers, which is why I am very confident that these INR 1,000 crores will come. I can discuss on a larger call with you where I can give you year-by-year what the volume aspirations are by state and how that 1,000-crore roadmap will be delivered.

Kushal Binani: Okay. So, my other question is with regards to country liquor business. So, in that case, your margins are significantly higher than what other players in the industry are having right now. So, I just wanted to understand how do you get such higher returns on the country liquor side? Secondly, currently, we are only catering to some 20 odd districts in UP while there are maybe 75 districts to cater so do we have expansion plans within the UP itself to increase our country liquor business?

Manoj Rai: So, sir, UP country liquor operates under four different strengths: 25 degree, 28 degree, 36 degree, and 42.8 degree. In this 25-degree category, we are virtually the market leader by leaps and bounds. And this part of the segment that you spoke about is predominantly concentrated in the Eastern part of UP across some 27-28 districts. The more you go towards the Western part of UP, it is the 36-degree which eventually sells.

That also will probably give you an idea of who is well-entrenched as far as the 36-degree is concerned and where their volumes come from. So, in the 24-25 districts being discussed, 75% of the entire quota is available to IGL brands; that is by government mandate—it cannot be more than 75%, otherwise, it would be 100%. That is why you have these 25 districts contributing significantly to our volume.

It goes without saying that if I have that number 1 position and 75% of the time only my brand sells, then my spends in the market are practically negligible, which is the reason why my margins are high. Plus, these are closer to my unit. My unit is in Eastern UP and I am servicing Eastern UP, so my cost in terms of transportation and logistics is also low.

These are predominantly the two reasons why my margins are much higher than that of my competition. If I start competing in the 36-degree or 28-degree segments, my cost of sale will go up, my margins will get eroded, and this is not a business where you would want to erode margins.

Kushal Binani: So, sir, is there no plan to go into Western UP for the time being?

Manoj Rai: There will be, sir, but we will not commit blindly.

Kushal Binani: Sir you get the same cost.

Manoj Rai: It is the delivery. You understand? If I have to convert from you, I have to spend more than you. Why should I get into that kind of a business where just to capture the market, I ruin my margins?

Kushal Binani: Got the point sir.

Manoj Rai: And that is why I told you that the larger trajectory of non-IMFL will remain flat.

Kushal Binani: Sir, given the fact that we are doing such a good business in country liquor segment, IMFL business is growing. Maybe I'm a novice in terms of the kind of business you are doing. But I think a lot of information is required to be given to the market to make the market understand that what kind of business IGL spirit is into because kind of valuations we are getting right now is comparatively and significantly lower than what other participants are getting in spite of being much lower business, what IGL Spirit is doing right now?

Manoj Rai: Suggestion taken, Kushal, but we would like to connect with you on one-to-one to understand what more information can we give to the market. We would want to be transparent, and we would want to give the market all those information which is necessary for them to make an informed decision provided it does not hamper our competitive position.

Kushal Binani: And, sir, maybe I missed the initial part of it. With the maize prices increasing, will the ethanol margins go down?

Anish Arora: Yes. Definitely. Prices are going up in maize as well as in rice also. Prominently, we work on rice, and our plant is based in Uttarakhand, which is a rice belt. So, and majorly, we produce it from DFG. And, definitely, some hike will be there, but we will have a better margin as compared to other players of the industry.

Manoj Rai: I mean, to your question, Binani ji, regarding maize -- in maize, margins are lower because the selling price has also come down and cost prices have also gone up.

Kushal Binani: So, sir, I was trying to get to the fact that for the indicative EBITDA of INR 550 crores that we have given for the current financial year, could there be any challenge?

Manoj Rai: No, there won't be, sir, because we have kept the biofuel estimate conservative. If you look at the alcohol industry, about 44%-45% of your revenue comes in H1, and 55% comes in H2. I have declared INR 245 crores as EBITDA. If you consider this as 45%, this in any case takes you northward of INR 540 crores, if I were to maintain the status quo. But given the fact that I am being aggressive with IMFL, this is likely to reach that number. So, my reaching INR 550 crores is not contingent on maize prices going up or ethanol prices coming down.

Kushal Binani: Sure, sir. Thank you so much. And thank you for the information.

Moderator: Thank you. Next question is from the line of Manoj Reddy Samma, who is an Individual Investor. Please go ahead.

Manoj Reddy Samma: Sir, I just had a doubt regarding this Amrut partnership. Like, the MaQintosh brands, do we make the liquid, or we get the liquid from the Amrut distilleries?

Manoj Rai: Manoj ji, what we do here is that we get the blend from Amrut and we blend it with our ENA and create the product. So, as far as the taste characteristics and the blend characteristics are concerned, they are controlled by Amrut, and we use only the blend specified by them and purchased from them, but the manufacturing happens in my unit; I take that blend and blend it with my ENA.

Manoj Reddy Samma: Okay. That was helpful. And also, sir, regarding the future growth you are talking about, will it come from existing markets, or from our new products becoming hits in our existing markets, or from our older ones like Amazing Vodka or Soulmate Whisky becoming hits in, let's say, these new markets?

Manoj Rai: Sir, if I look at my competitive position as far as the IMFL industry size of UP is concerned in today's date, I am around 5% of the market. So, deeper penetration in my existing core markets is one strategy, and of course, getting into newer markets is the other strategy. So, I have to bring in organic growth from my existing core markets, today. Good that you brought up that point. Amazing Vodka is the second brand in the category, and we have healthy share. We have about 19% share in UP and about 28% share in Uttarakhand, which gives us the promise that, yes, if we work hard on this portfolio, it has the potential to become bigger.

And you are aware that for this particular portfolio, UP is one of the biggest markets. So, of course, to answer your question, one is dig deeper into the existing market. That is where your organic gains will come from. The inorganic gains will come from newer markets and the new portfolio.

Manoj Reddy Samma: Just the last question. So, when we expand to new market, sir, like, do we tie up the third-party waters or, like, we transport the products?

Manoj Rai: No. There is no question of transporting. You understand how alcobev operates in this country. Each state is a different country in itself, and there are strong import duties and export duties levied depending upon how the state chooses to react. And therefore, we will have to tie up with local people. We have already tied up with local people when it comes to markets like AP and West Bengal. For a market like Daman, which gives us significant profitability, we will continue

exporting it from our mother unit in Kashipur. So that gives you an idea. So, it is a mix of wherever margins give us the opportunity from our core units and where the margins are under stress or the volumes are likely to be significant, we will look at local tenders.

Manoj Reddy Samma: Okay. And any update on Tamil Nadu and Kerala expansion, sir? This is the last question.

Manoj Rai: We are already available in the Kerala market. Regarding Tamil Nadu, you are aware of the policy. The current policy mandates that you manufacture locally with a few select partners in the state of Tamil Nadu. You cannot export from outside into the state. We are not very comfortable at this juncture trying to tie up with a particular local party in Tamil Nadu unless and until we are very clear on how our brands are performing in the rest of the states.

Plus, Manoj-ji, it is still too early. See, I can only tell you about the status of three or four states right now, how my brands are behaving. Tamil Nadu, yes, it is the largest market in the country, but it has its own set of challenges. It is predominantly a brandy market, and I do not have a brandy in my portfolio which is well-entrenched. Whiskies or vodkas have a limited opportunity there, and therefore in my priority list that is a little low.

Manoj Reddy Samma: Okay sir. That was helpful sir. Thank you, sir.

Moderator: Thank you. Ladies and gentlemen, that was the last question for the day. I now hand the conference over to Mr. Manoj Rai for closing comments.

Manoj Rai: So, thank you everybody for your time, and do keep encouraging us with your questions. Your questions will serve as a guiding light for the approach that we take in the near future. There were feedbacks received in terms of uploading information earlier. We will ensure that we do that from next quarter onwards. And there was also a question of trying to share more information about the business.

We'll specifically get in touch with a few of you and try and figure out what other information we can share with you so that you have more visibility on how IGL Spirits as an organization is approaching the business. Thank you so much once again, and you have a good evening.

Moderator: Thank you very much, sir. On behalf of IGL Spirits Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.

(This transcript has been edited for readability purposes.)

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