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11th February, 2025

The Manager (Listing)	**The Manager (Listing)**
BSE Limited	**National Stock Exchange of India Limited**
1st Floor, New Trading Ring,	**Exchange Plaza, C-1, Block G,**
Rotunda Building, P.J. Towers,	**Bandra Kurla Complex,**
Dalal Street, Mumbai – 400 001	**Bandra (East), Mumbai- 400 051**
Scrip Code: 500201	**Symbol: INDIAGLYCO**

Dear Sirs,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 – Transcript of Q3 & 9MFY25 Earnings Conference Call

Further to our letters dated 28th January and 6th February, 2025 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 Q3 & 9MFY25 held on Thursday, 6th February, 2025 is attached.

The same is also being hosted on the Company's website at www.indiaglycols.com.

This is for your information and record.

Thanking you,

Yours truly,
For India Glycols Limited
ANKUR JAIN
Digitally signed by ANKUR JAIN
Date: 2025.02.11 15:31:26 +05'30'
Ankur Jain
Head (Legal) & Company Secretary
Encl: A/a

"India Glycols Limited
Q3 & 9MFY25 Earnings Conference Call"

February 06, 2025

MANAGEMENT: **MR. RUPARK SARSWAT -** CHIEF EXECUTIVE OFFICER
MR. ANAND SINGHAL - CHIEF FINANCIAL OFFICER
MR. RAJESH MARWAHA - HEAD SALES & MARKETING (BSPC)
MR. S. K. SHUKLA - HEAD - LIQUOR BUSINESS
MR. ANKUR JAIN - HEAD (LEGAL) & COMPANY SECRETARY

ANALYST: **MR. PAWAN BHATIA -** NUVAMA WEALTH RESEARCH

Moderator: Ladies and gentlemen, good day and welcome to the India Glycols Limited Q3 & 9MFY25 Earnings Conference Call Hosted by Nuvama Wealth Research.

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 '*' then '0' on a touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Pawan Bhatia from Nuvama Wealth Research. Thank you and over to you, sir.

Pawan Bhatia: Good evening, everyone. Thank you for joining us on India Glycols Limited Q3 & 9M FY25 Earnings Conference Call.

I would like to thank the management for giving us this opportunity to host the call and congratulate them on a good set of numbers.

We are joined on this call with India Glycols Management represented by Mr. Rupark Sarswat – Chief Executive Officer; Mr. Anand Singhal – Chief Financial Officer; Mr. Rajesh Marwaha – Head Sales & Marketing (BSPC); Mr. S. K. Shukla – Head - Liquor Business and Mr. Ankur Jain – Head (Legal) & Company Secretary.

I would like to invite Mr. Rupark Sarswat to initiate this proceeding, with his "Opening Remarks" post which we will have a Q&A session. Thank you and over to you, sir.

Rupark Sarswat: A very good afternoon to everybody and thank you for joining us for this call. We have several topics on the agenda to talk about today. And of course, we will talk about the business performance and the nine-month highlights as well as highlights for the quarter. But equally importantly, we will also talk about the initiation of the scheme, which proposes to restructure IGL into three de-merged identities. So, what I will do to start off is to give you a little bit of highlights in terms of the business and we will come to the details later on. And a very high level view of the restructuring in terms of getting the gist of it. Then I will request my colleague, Mr. Anand Singhal, to take you through the details about the scheme, the demerger and how it's going to be implemented and the mechanisms that we will adopt to achieve that and so on. And then we will have some more commentary on various businesses. And after that, we will be happy to take your questions.

So, let me, as usual, start with how our performance has been. I recognize that what we shared with you, our EBIT numbers. So, in order to explain business sometimes, especially because there is some reclassification of businesses involved, I will be referring to EBITDA or EBITDA margin numbers as well, that is just to make sure that I am talking about and setting the right context.

So, as you know from a business performance perspective, we have had a good set of numbers to report. So, if you look at the 9MFY25 performance, our Net Turnover at Rs. 2,905 crores is up 22.7%, Gross Turnover is up 16.4%. EBITDA for the 9MFY25 at Rs. 376 crores is up 19.9% and we continue to clock decent margins of about 12.9%. Now various segments have driven this growth, particularly Bio-Fuel has driven topline growth. Similarly, we have had excellent growth in Potable Spirits, and we have had some topline growth in Ennature Biopharma as well. And Chemical business has been slow, but I will explain that because the core business where we sell chemicals has actually done reasonably well, and I will explain that later on. In short, we have seen excellent growth, as I said, in Bio-Fuel, and the capacity that we have added have served topline growth as well as bottom-line growth, and we have contributed to the blending program, which is on track. So, in the Potable Spirits space, as I said, excellent growth both in IMFL and Country Liquor. We will talk about it in somewhat more detail subsequently. We have had a slightly weak quarter for Chemicals, but for the operating business, if you exclude the JV and some businesses that are readjusted, we actually had excellent margin growth.

There has been strong sales growth in Ennature Biopharma however, as we have spoken earlier, both for the Nicotine and Thiocolchicoside business, our margins have been under pressure. And we have been talking to you about new specialties. Of course, these kinds of businesses have a gestation period. And I am happy to state that while you do not see so much in numbers, and I will talk about the businesses going forward. We are quite happy with the progress that we have made in terms of projects we are working with reputed companies, many of our projects and products have been approved and we are on track to generate significant commercial sales not only in this year but also for the years ahead.

In addition to that, I think the Joint Venture performance has also been very good where for the quarter itself sales are up 12% but EBITDA for the joint venture is up 75%. Similarly, EBITDA margins for the JV were up as well. One of the key reasons, of course is lowering of the feedstock price differential for them which generally they compare with Reliance's view and also there has been a focus on improving the product mix as well as greater focus on exports. So, that's a high level commentary on the business. We will talk about segments going forward.

But let me go back to the restructuring scheme that has been announced. As I said, Mr. Singhal will tell you more about the details of the scheme but let me give you a macro view of what the proposed business structure is, what the rationale behind it is and so on.

So, essentially what we are trying to do is to restructure these businesses into three separate companies, for the time being within the IGL group. And the whole idea behind this is to run these companies differently. They have different focuses to provide them much more focus. And also, to allow potential investments in different businesses because different investors tend to have a different focus for investments. So, in that sense, there is a potential to unlock value going forward. So, that is at a high level in terms of what business restructuring is about. So, what you will see is right now we report Bio-based Specialties and Performance Chemicals, if you look at the existing structure for FY24, which is a topline of close to Rs. 1,626 crores. And then for FY24, Bio-Fuel was close to Rs. 512 crores. Potable Spirits at a gross level was Rs. 5,575 crores. And the net number for Potable Spirits for FY2024 would be lesser, but that's the Gross number. Now the plan is to have a Chemicals business which focuses on green chemicals and specialty products, which includes glycols, bioglycols, new specialties, industrial gases, and so on. This on a like-to-like basis will be a slightly lower turnover because some of the products will go with what will be the Ennature Bio Pharma business. The second will be the idea of the Spirits business, which will have spirits, of course, IMFL and country liquor, but it will also have the alcohol business or the Bio-Fuel business going with it. And the third one will be Ennature Bio Pharma, which will be Ennature as it is right now, and also taking the Bio Polymers business, which is a small business, from chemicals and putting it into Ennature Bio Pharma. So, we believe that this will allow us to run these businesses in a much more focused manner. They have slightly different priorities, different markets, different drivers, and therefore grow these businesses independently to create more value.

I will pause now and I will request Mr. Singhal to brief you on the details of the scheme.

Anand Singhal: Thank you, sir. So, now the board in its meeting on 4th February 2025 has largely approved two proposals. One is the merger of Kashipur Holdings Limited, which is a holding Company for India Glycols Limited and demerger of the business into two separate entities. One is the IGL Spirits, and the other one is Ennature Bio Pharma. So, presentation is already with everybody, so now everybody can see, but I will largely give you the brief on what is the proposal. Although CEO Sir has already given main things.

So, now for the new companies, the India Glycols, which is the Chemical business largely, for 9MFY25 this Company has a turnover of Rs. 1,079 crores with an EBITDA margin of 13.6%. IGL Spirits, which is proposed to be the other Company which will be having the Liquor business and the Bio-Fuel business, is having 9MFY25 turnover of Rs. 1,628, this is on net basis with 14.4% EBITDA margin. The Ennature Bio Pharma, which has the biopharma, means the herbal division, plus the biopolymer, which is the Guar gum business, is having the turnover of Rs. 178 crores for the 9MFY25 with having an EBITDA margin of 14.9%. So, this is what the proposal for de-merging these three companies. The merger of Kashipur Holdings, holding Company with India Glycols, is largely keeping in mind that the promoters will have the direct shareholding of IGL in their names.

The main benefits of the proposed scheme will be that the demerger will enable independent growth for each businesses. Separating the business will reduce the risk of one business affecting the others. Will create a potential to unlock value for the shareholders by drawing focused investors. Each business will have a clear focus leading to improved management and resource allocation. So, this is what we think that will be the main proposed benefits for the proposed scheme. And rest of the presentation is already with you. And I will pause here and will take up if any questions during our question-and-answer session.

Rupark Sarswat: So, there are two things. Anand Ji, would you like to brief on the financial results first? Then I will give a little bit of sector commentary. Then we can take that.

Anand Singhal: Okay, so on the financial performance for the Q3 FY25, in the current quarter from October to December 24, we have a Gross Revenue of Rs. 2,424 crores with a Net Revenue of Rs. 975 crores. If we compare this with the last quarter

same period last year, we have a growth of say about 8%. The EBITDA in Q3FY25 is Rs. 129 crores, vis-à-vis Rs. 107 crores in the last year, same quarter, showing a growth of 21%. While the PAT is Rs. 57 crores, vis-à-vis Rs. 42 crores showing about 37% growth. If we see the 9-month results, so in 9MFY25 the Gross Revenue is Rs. 6,850 crores, vis-à-vis Rs. 5,882 crores showing a growth of 17%. The Net Revenue is Rs. 2,905 crores vis-à-vis Rs. 2,368 crores showing a growth of 23%. The EBITDA is Rs. 378 crores in the 9MFY25 vis-à-vis Rs. 319 crores in the last year nine months, showing an increase of 19%. And PAT is Rs. 167 crores vis-a-vis Rs. 131 crores in the last year, showing an increase of 28%. So, basically, if we see, the Company has shown a very good result in all round growth.

Rupark Sarswat: Okay, thank you, Anand Ji. What we will do is we will very briefly touch upon segmental commentary and then we can go to question and answers.

I had mentioned to you about 9MFY25 results while I had skipped the quarterly results, which you have already seen though. So, the Net Turnover at Rs. 975 crores is up 7.9%, but there's an excellent EBITDA growth for the quarter at 20.7% and a much better EBITDA margin of 13.3%. So, if I look at the 9MFY25 performance or the performance for different sectors, and so for the chemicals business, for example, for the nine months we see a topline degrowth of 8% and for the quarter it is appearing 30% decline. However, I may like to add here that in some senses it needs the right interpretation because we have had some declassification of products as we are preparing for the restructuring of the business where some of the byproducts like DDGS were in the earlier quarters reported along with chemicals. So, that makes you see a bit of a degrowth, which is not exactly representative for these numbers. And I will give you the commentary so that there is clarity. There is nothing wrong here. It is just a matter of interpretation.

Similarly, our Bio-Fuel business at Rs. 770 crores for 9MFY25 is up 135%, and it is 79% up for the quarter. Our Potable Spirits business at Rs. 858 crores for 9MFY25 is up 25% and at Rs. 328 crores it is up 37%. And our Ennature Biopharma business at Rs. 169 crores for 9MFY25 is up 14% and for the quarter it is up by 4%.

So, if you look at EBITDA margin level, I know you what the numbers that you have are EBIT numbers, so I am not going to repeat them because those you already have. The chemicals business has seen a moderate decline of about 5%. Now again, this is for some of the readjustments that we spoke about. Biofuels up 135%, Potable spirits, excellent growth at 42%, Ennature Biopharma, the margins have declined, mainly even though the topline increased is because of the cost pressures that we have spoken about. I spoke about the joint venture, another number that I will talk about. What has also happened in some ways, some of the toughest times that we faced are past us. The price differential between crude-based ethylene oxide and bio-based ethylene oxide, which at one point in time had increased to in excess of 40%, which means bio-based ethylene oxide was more expensive, is now down to a much more manageable 15%, which has reflected in much better results for the joint venture and also much better margins and profitability in some of our chemical businesses which were under pressure. So, we continue to import ethanol for a significant part of our Chemical business. It is because it is a much more lower cost option for us than procuring or even manufacturing ethanol using grain or molasses in-house. There are certain chemicals which demand molasses-based ethanol, those, of course, we supply on that basis.

Now, a very high-level commentary in terms of our sectors. So, I mentioned to you about the Biofuels program. Whilst you will be tracking this industry, I think the interesting thing is that from 2019-2020, where the government targeted a 5% blending, they achieved 5% blending. And in 2021, they targeted 10%, but achieved 8% blending. In 2021-2022, they targeted 10%, achieved 10%, 2022-2023, targeted 12%, achieved 12.1%, in '23-24 targeted 15%, achieved 14.6%, 20'24-2025, targeted 18%, achieved 18%. So, I have read these numbers out for a specific reason. I remember having been with you in discussions earlier, where you all asked questions about how's the blending program going, how much will get blended and I kept on saying that while there will be ups and downs based on various factors, at a macro level given the strategy for the blending program which was based on increasing farm sector incomes, utilizing grain that we have, reducing forex outflow, etc. this strategy is correct and which is also reflecting that the blending program is on track. And it was in that sense a good decision for us to participate in that. And we expect that the 20% target for next year would also therefore be, would be on track. So, amongst very few government-driven programs that you see for the last few years, every single year more or less, except 2021 because of other reasons, and then we caught up, has been completely as per target. So, that's a good thing. And we expect that further for, we have done about 11.7 crores YTD in terms of liters, in terms of volume, Rs. 770 crores in terms of topline. We expect 2024-2025 would be more or less in line and we would more or less be doing possibly or hopefully close to 15 crore liters of sales for biofuels.

We do track several parameters that you several times ask questions for us. I think the government from time to time has been giving price increases based on cost increases. There are important factors which is grain price and DDGS price which are important from a margin perspective. The price of course is determined by the government. There is also some bit of positive news on this front that the government has released significant quantity of more FCI rice at a cheaper price into the market, which means that the grain price, which had gone up to Rs. 27 - Rs. 28, is expected to be lower in the quarters to follow. And hopefully, of course, it is dependent on a few other factors. It will lead to improved margins for the business. So, not only would the FCI price be cheaper, but I think as you introduce and put that in the market, the market factors drive other private players selling their rice also lower.

We talked about the chemicals business. If I take out what we sell to the joint venture, of course, there is a separate dynamic here, that's a part of an agreement. And the benefit of what we do with the joint venture also comes to us in terms of, of course, profit sharing, because we own 49% of the joint venture. But if you look at the core business, and if I take out ethanol and some of the other categories, I would like to, for a little bit of reassurance about this business, that for the 9MFY25, for these businesses, which includes glycol ethers, glycols, new specialties, biopolymers, gases, and EO sales, our topline is actually up 13% and our margin, gross margin is actually up 58%. So, I wanted to make this point because, your obvious question about the numbers of chemicals therefore addressed.

So, that is broadly the commentary from my side. And I would request Raju Ji to give a little bit of commentary on Potable Spirits, particularly IMFL. I think it is important for us for two reasons. One is that one of the significant rationales for us is to provide the focus on the IMFL business, which you know is a very interesting business going forward. There's a lot of interest in the market and I was just going through some of the numbers. So, the Potable Spirits business in India, which is expected to be about $56 billion in 2025, is expected to grow at 7.2%, going up to about 112 billion in 2034. And there are of course various factors driving this, right from premiumization to even health and wellness, therefore people investing in better spirits, change in demographics, digital, etc. And we have also had a partnership with Amrut, which is a good milestone that I am sure Mr. Raju would like to talk about. And then we can take questions.

Raju Vaziraney: Hello, I am Raju Vaziraney. I am a liquor man throughout. I served as CEO and President of Radico Khaitan for 13 years. I was with Shaw Wallace for 11 years. So, for whatever reasons, I have stayed with liquor.

Now, I joined this organization just over four years ago. Once I joined, we realized that we have got hidden potential of our ENA quality. ENA is an extra neutral alcohol, as you know, and also, we co-pack for Bacardi, which is the third largest liquor Company in the world. So, perhaps that was the reason I was hired. And we felt that while we have made our mark in country liquor, we are leaders, both in our home states of Uttar Pradesh, as well as Uttarakhand, where our state-of-the-art distilleries are located. But the potential, or we say the growth potential is in IMFL, particularly premium. Like our CEO rightly mentioned, premiumization story sells all over the world because India has captive consumption. And I don't have to go into demographic details, but the demographic dividend, as we say, is in favor of liquor because to put it in simple words, Australia is added every year in India as far as consumers are concerned, to more than 20 million consumers. So, there is huge potential. And while the industry, IMFL industry is growing at 7% to 8%, it also goes up to 8% to 9%.

The premium industry is growing at more than 20%. So, the top management sat down, and we said, while we have got traditional brands like Soulmate Blu, which is a million brand, which has done more than 10 lakh cases last year, but we were very shy Company. We would not talk much about liquor because IMFL was still small. But then we felt the need to do premiumization of our brands and as we say in marketing, we felt the need gap. The need gap in the consumer's mind was in vodka particularly. So, just to mention that the top MNCs do not have a vodka brand, only Radico Khaitan which is a prominent player, and a leader brand has a successful vodka. So, you know, there was always a room for a second player. So, we, what we did very cleverly is, if I may use that word, we got the best, our chairman always prophesies quality, quality consciousness and consumer consumables, we must give the best quality. Perhaps that is why IGL is so entrenched and over a period of time our glycols business has done so well. So, we went to Europe and we got the best of best flavors from Germany and that made the mark and our Amazing vodka in the first year of launch three years ago made its presence felt and we got gold medal consecutively for two years in open competition. We have an annual event where all over the country people participate, industry participates and in a blind format the jury judges the quality and because of the excellent quality our brand got noticed.

Today I take a lot of satisfaction in mentioning that Amazing Vodka and its flavors are among the top three vodka brands wherever we have launched it namely UP which is our home state, Uttarakhand, Delhi, Rajasthan and Chandigarh. So, just within three years, largely because of the packaging and the quality. Then we quickly moved on to, we felt the need that, India being a tropical country, there was a good need of refreshing drink. As our CEO rightly mentioned, the taste and differences have steadily changed.

There was a time when hard whiskeys would sell like Peter Scot or Solan Number One. But today lighter whiskeys, young consumers want lighter, refreshing, easy to drink brands. So, we made a beautiful brand called Zumba. Zumba was named by us. And Zumba as you know is a wellness program. It also talks about, it also gives a hint of that you have to drink responsibly. So, we created a citrus, citrus white rum. And the leader brand, you are aware, I don't have to mention. So, I take satisfaction in mentioning that today our Zumba Limon, we call it, is the second, is the challenger brand and the second largest in this segment. This segment is very small at the moment, but we will grow the category, and our brand is doing very well, Zumba Limon, in UP, Uttarakhand, Delhi. And now also I take satisfaction in mentioning that we have got approval in paramilitary also.

So, then we felt that when we have got such excellent quality in ENA as also packaging standards for the last over decade with our Bacardi International, then why can't we also do inorganic growth and have double engine growth, if I may use that word. These days in election, double engine is quite popular.

Now, I am quite familiar with Amrut and so we approached them, and we convince them that while their bandwidth is, as you know Amrut is a wonderful Company and Amrut Single Malt's are world famous. So, while they concentrate on malt whiskies, they have got certain very valuable millionaire case brands like Amrut's Maqintosh Whiskey which is a 35-year-old Company and Old Port Rum which is the sixth largest brand in rum across category as per data available. So, we said why not we partner with Amrut on royalty basis and make it in Kashipur and the moment I said Kashipur they were more than happy to tie up. Just for your knowledge gentlemen and ladies, there Amrut has in 75 years history never done a partnership. And this is the first time and it is all because of the IGL Kashipur brand name.

Because of the brilliant quality, the consumer sees the label when they see Bacardi being bottled right from Breezers to the top end Carta Blanca where our chairman and the board has invested lot of money, the consumer feels doubly satisfied that this is a quality product. So, Amrut was more than happy to join us, join with us and on 7th July, 24 we started the business and though it is early days, I can't make a statement that we have made our presence felt but what we did was we got these brands in the premium segment. Premium when I say Delhi MRP of Rs. 800 to 1,100 and we have got one more variant of Maqintosh. One is Maqintosh Black and one is Maqintosh White in order to cater to both the segments. So, MRP is Rs. 1,100 for Black and 850 for White. So, you know the growth of premium segment is so fast because the income levels of the consumers are going up. The entry level of premium segment. People, youngsters that make lots of software engineers, retail opening up, has got so much money in the hands of the young consumers that their entry level is say Rs. 800 plus. So, we want to harness that potential and though we have just rolled out about 3-4 months back and it is not fair for me to say that we are successful, but I am sure we are at the right direction because I just have to mention that the entire liquid is transferred from Amrut headquarters from a distillery in Bangalore to Kashipur. In other words, there is 100% quality consistency as far as Amrut's liquid is concerned and 100% packaging consistency as far as IGL is concerned. So, it's a good, very good mix between the two natural partnership and I am sure in the next quarters you will see if I may use the word because I am basically a sales and marketing person, you will see a VTO, so vertical takeoff, which one has done in the past many a time, but I am sure with the confidence that our board has reposed in us, we have recruited certain very good professionals and this is early days, but I am sure in years or quarters to come, IGL will be known for best quality premium brands.

Rupark Sarswat: Thank you, Raju Ji. As you can see from enthusiasm of Raju Ji, we are very positive about IMFL and well of course he is very knowledgeable. And I think that being said, you have already seen the detailed presentation and the numbers. So, we will now take questions from people who have assembled here.

Moderator: Thank you very much sir. We will now begin the question and answer session. Anyone who wishes to ask a question may press * and 1 on the touch-tone telephone. If you wish to remove yourself from the question queue, you may press * and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the questions are assembles.

The first question comes from the line of Balasubramanian with Arihant Capital. Please go ahead.

Balasubramanian: Good evening, sir. Congratulations for a good set of numbers. Sir, my first question regarding post restructuring, more than 75% of business comes from IGL Spirits. Is there any plan to list that entity?

Rupark Sarswat: Thank you. You see one step at a time. Right now, while there are all these options which are on the cards and I also talked about and the fact that we will look at opportunities to unlock value, right now the focus over the next period, I think the timeframe of, I do not know, Anandji will say 12 months to 15 months. The idea is to get these separately working as independent P&Ls to get the focus in the businesses to drive growth. That is number one. Of course, these will be different companies, you know, the options after that are obviously listing them and also looking at potentially partners etc. are all there.

Anand Singhal: Just to add what CEO sir has told, that all the companies will be listed because the demerger will happen through NCLT route, okay, and the demerger will be effective from 1st April, 26. So, say we will take about 12 months to 15 months in getting all the formalities relating to demerger done which includes in getting all the formalities relating to demerger done which includes the SEBI NOCs and of course the lenders and other NOCs and the NCLT NOC or approval you can say. So, this demerger will be effective from 1st April, 26 and all the three companies will be listed on the stock exchange.

Balasubramanian: My second question, what's the price difference between imported ethanol and domestic ethanol? And we are using for imported ethanol for chemical business. Is there any quality difference between imported ethanol and domestic ethanol? Because in domestic ethanol, we are using for biofuels and distilleries.

Rupark Sarswat: We have talked about it before, but I will nevertheless respond. See, first of all the imported ethanol which is either imported from Brazil or US is either grain based, or sugarcane based, and we can take both. This is industrial grade ethanol. Now you need to understand that for the purpose of blending and for the purpose of potable spirits, the ethanol that we import cannot be used. That is not allowed to be used. So, therefore, first thing is that all the ethanol that we put into biofuels or in our potable spirits, depending upon the need is manufactured in-house, be it from grain or molasses. As far as chemicals are concerned, we can use both grain-based ethanol and molasses-based ethanol and grain-based ethanol from the US interchangeably in our plants. So, effectively there is no quality difference. Of course, these ethanol may come from different sources. There may be traces of slight ingredients which are different, which we may need to do some pretreatment to make sure that our catalyst systems work well, which we do. But as far as the decision of using them for our chemical products is concerned, from a quality perspective, there is no difference.

Sometimes people, depending upon their strategies on carbon footprint, etc. may prefer, for example, molasses-based ethanol. That is more from a sustainability carbon footprint perspective, but not from a quality perspective. From a quality perspective, we can use both these or multiple grades of these ethanol that I have spoke about to deliver the same quality of product to customers, either domestically or internationally.

Balasubramanian: So, my last question regarding biofuels, I had last two or three quarters back we used to report more than 7% kind of margin. In this quarter only 3.3%. Is there any specific reason for that?

Rupark Sarswat: See I briefly touched upon it that there are multiple factors which impact the margins that we make on biofuels and the margins do go up and down. Now there are three factors, and we monitor all of them closely.

One factor is the price. Now the price for various sources of ethanol which goes into biofuel blending whether it is molasses, C-heavy molasses, B-heavy molasses, damaged food grain, FCI based rice etc. or corn based is fixed by the government and it is based on the feedstock. The second parameter which affects the margin is the price of grain. So, price of grain if you remember at one point in time when we started this business in 2023-24 was even hovering around Rs. 19 to Rs. 20. Then as there was increased demand and also some slowdown by the government in terms of allowing FCI rice to be used, the prices of grain in the market had gone up. So, if you look at August 24, September 24, July 24, it saw reasonably high prices of grain which were hovering around Rs. 27 to Rs. 28. The other factor which also affects the margin is the price of DDGS which is the protein which comes out and the higher the price the better the margin on ethanol because that's a byproduct which gets sold.

So, the reason you saw somewhat lower margin possibly is because grain prices are higher, DDGS prices are dipped and as I had also mentioned going forward the government has announced release of more FCI for grain-based ethanol. There is abundant stock with the government, and we expect that the grain prices will come down and this will positively impact the margins for on biofuels.

Moderator: Thank you. The next question comes from the line of Rohit Nagraj from B&K Securities. Please go ahead.

Rohit Nagraj: Thanks for the opportunity. Congrats on good set of numbers. And again, congratulations for the demerger scheme. Seems interesting. So, the first question is, again, on the demerger scheme. In terms of the individual three segments, how is the working capital for them? What could be the debt structure as of now based on the long-term debt sitting across individual businesses? And lastly, in terms of ongoing projects, what are the individual projects which are going across all the three segments? Thank you.

Anand Singhal: Rohit, regarding the working capital allocation to each Company and the term loan allocation, we are talking to the term lender, mainly the State Bank of India, who is the leader in our consortium banking. Although we have more or less finalized depending upon the NWC for the working capital and term loan for the projects for which we have taken but we have yet to get the confirmation from SBI. We are in process that will take some time. We will come back to you on this once it is finalized. Regarding the project completion, more or less all the projects whatever we have undertaken is complete except one grain distillery, which we are installing in Gorakhpur and hopefully that will also be completed by March 25. So, then all the projects whatever we have undertaken will be completed before the demerger.

Rohit Nagraj: Okay. That is helpful. The second question again from the managing all the three business perspectives. How would the group structure evolve? Rupak sir will be a group CEO and then we individual CEOs across the business. The question I am asking is primarily because if we were to have individual CEOs to head the businesses, we may have to groom someone from our own organization or may have to hire for the next maybe 12-15 months by the time the scheme is, you know, culminated. So, just a broader perspective on this. Thank you.

Rupark Sarswat: So, Rohit, thank you. First of all, thank you for making me feel a little insecure about my job. That was on a lighter note. Well, look, it is too early to say what exactly would be the structure, but let me put it in terms of principles. The principle of demerger to start with is to continue to run the businesses under one umbrella, but differently as in separately from a strategic perspective, but not unduly increasing the cost base. So, that is what you will continue to see in the near future. Depending upon how it pans out, of course, there will be need for individual resources, how those individual resources will be structured, built in from the organization, got from the outside, is something which is work in progress. So, it is very difficult for me to immediately tell you how that will span out. But as I mentioned, for the time there will be several resources which will be common, like it happens in many group companies. Otherwise, we will end up increasing cost quite a lot. So, there will be corporate resources which will be common and there will be a mechanism to allocate these costs going forward. And after the companies are separately formed, the way they start growing, the way they have their individual projects. I think there would be an ongoing dynamic way of looking at resourcing them.

Rohit Nagraj: Sure, that is helpful. Just one last clarification. As of today, we are a green chemistry Company, given that all the three segments are having based on bio or ethanol. Once the businesses are separated, will the chemical business may transform into a combination of green plus synthetic chemistry, or will it continue to remain on the green chemistry lines? Thank you.

Rupark Sarswat: So, look, we believe that sustainable chemistry is a significant strength of ours, but it is not the only box that we would like to operate in. Not to say that we will, you know, for example, when we talk about specialties of performance chemicals, we would not limit ourselves to saying that unless it is, you know, completely green, we will not do that. No, we will look at those areas as well. But we would like to leverage our green strength, our green feedstocks to make our specialty chemicals green, greener and even more green. To give you an example, we are looking at biobased amines. So, we would be perhaps the, hopefully the first Company to make biobased amines using ethylene oxide and ammonia. But subsequently we may start to use ammonia which comes from green hydrogen. So, therefore that is also completely circular or of a much lower carbon footprint. So, that journey will continue. Rohit, in short the answer is, we will continue to look at opportunities to grow based on our strengths. One of our key strengths is sustainable chemistry, but our key strengths also are process development, product development, application development, and forming strong relationships with some customers in the B2B space to whom we can add significant value.

Rohit Nagraj: Sure, that's really helpful. Thanks a lot and all the best. Thank you.

Moderator: Thank you. The next question comes from the line of Saket Kapoor from Kapoor & Company. Please go ahead.

Saket Kapoor: Namaskar, sir. And thank you for this opportunity. Congratulations, firstly, to the entire team for setting the timeline and meeting the timeline in giving investors the update and the proposals for demerger. We hope for a smooth transition. Sir, not many questions. And only, sir, a couple of data points.

Firstly sir, the pain point in our vertical has been the Ennature Biopharma. And that has been on a slide for the last three quarters in a row. So, if you could spare a few minutes and explain. Although I personally also congratulate the team for giving a very descriptive investor presentation. So, questions are answered there very well. But if more color, broader notes could be given on the Ennature Biopharma going forward?

Rupark Sarswat: So, Saket, thank you. And you are anyway quite aware of our business each time and are well prepared. And so you also ask difficult questions. Anyway, so look, we have spoken about it for some time. So, the strategy has been, first of all, to continue to maintain market share in this dynamic market, which we have done quite well, as you can see. So, our topline has been growing. And our market share, particularly in the domestic market, has actually increased. Now there have been various factors which have been policy changes in the international market and competition, which has put pressure on margins. However, we are confident that the business in longer term is the right business to be in, but needs the right strategy which we are following.

And the right strategy is this. I think the first thing is to penetrate the developed markets. So, we are working on several fronts over there. For example, it needs several regulatory approvals in those countries which we have been working on. It needs improving our standards and certifications and compliances in-house. So, we are, for example, we are working on upgrading our Nutra facility to US FDA audit compliance and the audit has been completed as and when that gets certified, we will be in a better position to market our products into the developed market. So, that's one part of the strategy. The second part of the strategy is innovation, to look at delivery formats which are much better. As you know, these products like curcumin or nicotine or Thiocolchicoside can be converted into various delivery formats which the pharma companies or the food companies value for their therapeutic benefits. So, that is the other thing. And the third pillar of growing this business, which is also the right strategy, which is also somewhat more time-consuming, is to push for branded nutraceuticals, which therefore establish ourselves as a brand in two ways, either through our products, or follow what we sometimes loosely linked to the Intel inside model, where our brand is a co-brand to important brands within India or abroad. So, while I completely recognize where you're coming from and expressing your concern about the pressure on profitability, there is a silver lining. Our top line has been growing. We are working on the right strategy to improve our standard compliance certifications within India to get regulatory approvals or approvals by customers abroad to focus on branding nutraceuticals and innovation. So, that's what I have to say about the business.

Saket Kapoor: Actually, it is heartening that the revenue is growing, but it is rather disheartening that even on improved topline the profitability has halved from the last nine months that was the key reason, but you very well explained what steps we can take to improve the same. Coming to the presentation part I think so we should also try to calculate the net debt position and the movement of debt also in one of the slides, that is the missing piece according to me in our presentation. So, Anand Ji, if you could just give me the net debt number as on 31st December and the current maturities which are pending for payment till March 2025?

Anand Singhal: I will just tell you although whatever you have suggested that we will take up. Generally, in quarterly basis we have a repayment of about Rs. 60 crores so on yearly basis we have a 240 crores repayment on the term loan and right now the Company is having an outstanding term loan of about Rs. 1200 crores.

Saket Kapoor: Okay. Right sir.

Anand Singhal: This is the position. This time you can see that finance cost has gone up. That is only because of that the project has been completed and the finance cost has been charged to the interest because earlier till the project was not completed, that was not capitalized. And the interest rate has slightly firm up because of the overall increase in the interest rate by the banks. We are fighting but let's see how we can reduce the cost.

Saket Kapoor: And lastly, if I may, if the time permits, firstly on the ENA dynamics, if you could just throw some more color how the pricing on ENA dynamics have been. And again, for the valuation aspect for which Raju sir was elaborating about the IMFL part of the story. So, we are clubbing the government regulated business of grain-based ethanol and the liquor part. So, does that gel better for getting the right valuation going ahead since other liquor companies may or may not be having this under the portfolio. So, weren't margins looking in the near future look subdued and get diluted because of these two-business getting clubbed. This is the overall restructuring which we are doing. That was my query.

Rupark Sarswat: So, Saket, these decisions, there are two things. One is margin percentage, the other is absolute margin. So, and on one hand, you may look at margin percentage, but there are certain synergies as well. So, if you have an alcohol business, you have the option of manufacturing your own alcohol, be it molasses-based, be it grain-based, control your own quality, and you may sell it to others as well. So, in that sense, it brings synergy in terms of backward integration, it brings synergy in terms of better control on quality, it brings synergy in terms of being able to leverage your ethanol business and get scale by supplying to biofuel as well as potable spirits or maybe even selling to others. Now your question is that what happens to percentage margin? Well, percentage margin is one factor, but the overall profitability and resilience of the business also improves. So, there could be various ways of looking at it. And there are also ways of how the hardware and the plants can be segregated or how they cannot be segregated, what's the best possible fit. So, so far in the wisdom of people who sat together, this seemed like the most optimal way going forward.

Saket Kapoor: Right, sir. And for the ENA dynamics, you can give some more color. How's the price?

Raju Vaziraney: Hello, gentlemen, I just wanted to highlight one point.

Saket Kapoor: Please, sir.

Raju Vaziraney: We are in this unique position, if I may say largest ENA producer or among the largest ENA producers in the country, we have 100 almost 100% captive consumption as our CEO rightly said there are three benefits for IMFL particularly because I specialize in IMFL and liquor one is consistency of supply. Our ENA just for your knowledge goes to Bacardi in Nanjangud, which is in Karnataka. Karnataka is abundant on ENA, but they only buy our ENA from Kashipur, transport it there because of the brilliant quality, number one. Number two, our captive consumption is increasing so much, particularly for IMFL and country liquor, that we naturally get the benefit because it's from one tank to the bottling line. So, lot of headache of transportation, freight, GST, interstate movement expenses are all avoided. And third is best servicing. Because as our CEO said, consistency of supply. So, we are in unique position. We use what we make. What else backward integration do we need.

Saket Kapoor: Sir, please also tell about pricing. What is the pricing dynamics? Whether the prices have moved up as per the demand supply or how are ENA prices currently quarter-on-quarter or year-on-year comparison can be given?

Rajesh Marwaha: Saket, I would like to add over here is that the ENA business is looking pretty promising right now. And since in the new tax regime, when it has moved to the state to decide the taxation, the opportunities are opening up in the immediate and medium future. Also, we are looking at export markets, but you see that our own consumption of ENA in the country liquor and IMFL segment is increasing and we are becoming a strong player within the state. So, obviously, the net sale in the state of IMFL and CL is being taken up as a larger share of IGL. So, the rest of the sales are left in the distillery market though right now available but as our share increases will slightly be impacted because of our own consumption. But then there are other alternatives like we are supplying in the pharmaceutical segment as well as in the perfumery and deodorant sector. Plus we are looking at certain export markets in the Middle East and in the East Africa region. So, pricing right now is pretty good. It's moved up a bit. But over a longer-term period, we will have to look at what is the final tax structure and how the margins work out over the next few months.

Moderator: Thank you, sir. The next question comes from the line of Rohan Patel from Turtle Capital. Please go ahead.

Rohan Patel: Hello, thank you for the opportunity. My question is regarding our Potable Spirit business. What we have understood is we are the largest player in Potable Spirit in Uttar Pradesh and Uttarakhand, leading the spot in that. But the second largest player and other new players that are coming, they are making the margins as high as we do. Even the second largest player isn't making that much margin. They are in somewhere near single EBITDA, last year they were in negative EBITDA and they are guiding for lower double-digit EBITDA next year and we seem to be making very high level of EBIT margins. So, can you explain us the difference in our margin profile like this? Maybe you can explain yours like why do we have such a high margin?

Rupark Sarswat: I think we have a decent margin, and we have, I am sure there may be players who are playing in more niche volumes or niche markets. So, we have a combination of a business which is a country liquor business as well as an IMFL business. Now that gives us some resilience in the sense that the country liquor business is more-steady both in terms of volume as well as in terms of margin as well as in terms of assured feedstock for example molasses. And we believe that some of the things that Raju Ji spoke about, I spoke about, the fact that we have in-house ENA helps us reduce our costs, help us reduce our supply chain costs. We have our plants which are integrated. I told you that we make a lot of ethanol, so therefore our scale is much higher, which means our utility costs are lower. Raju Ji mentioned about the fact that there is a tank, we don't need to take it in trucks to another place, we can just pipe it and use it. And then of course, there is also having said about cost, when you are in the consumer market, it is also about pricing. And the pricing is about positioning, pricing is about strategy, pricing is about delivering a perceived value by the consumer. So, there's a set of these factors. It is good to hear your observation that we are making healthy margins. We would actually like to improve them.

Rohan Patel: That's right. Seeing that coming to your 2024 numbers, like Potable Spirits was near to Rs. 950 crores, out of that, how much would be country liquor?

Rupark Sarswat: Yes, so the country liquor, ballpark, you're talking about last year?

Rohan Patel: Maybe last year and as well as this year, ballpark, if you can share the percentage in percentage terms, what would be the percentage?

Rupark Sarswat: In terms of top line?

Rohan Patel: Yes, top line.

Rupark Sarswat: See, in terms of topline, roughly 60% of our business is country liquor. Roughly, maybe Anand Ji can you can get into more details with Anand Ji, but you wanted a ballpark. So, that's how it is.

Rohan Patel: Yes, we can finally assuming like 50%- 60% would be your country liquor out of all potable spirits. So, is country liquor with the same margin in profile as overall potable liquor, maybe IMFL might be having higher margins?

Rupark Sarswat: IMFL also has higher cost of marketing cost, packaging cost and so on. For us, it has been kind of similar. I don't have the exact numbers with me in terms of country liquor and potable spirits, but Yeh, they are kind of similar. There are times when some brands in IMFL make higher margins, but we also need to incur that we are a relatively newer business and we are also investing in improving our channels, etc.

Raju Vaziraney: See, the good point about country liquor, particularly in Uttarakhand is, if you go into details, and it is in public domain, we have a very good market share. Out of eight bottles sold country liquor in Uttarakhand, seven to eight bottles are of IGL. So, that shows our dominant position, if I may use that word. And it was all properly done. We are the only Company which has got Tetra Pak machine and which is a huge capacity, which competition does not have. And naturally we have our own ENA, we have our own Tetra Pak capacity. So, we are able to get most of the business of country liquor. And though it is not fair for me to exactly give you the figure, but the country liquor margin is higher than the IMFL margin in Uttarakhand, where we are leaders. As opposed to UP, where the margin, because UP is a very large state with lot of players, so naturally the margins are under pressure. But the good point about country liquor is, it is all quota based. Now what is quota? If you understand this, then you will get how sustainable our country liquor business is. See, as opposed to IMFL, in the country liquor there is a quota. In other words, the wholesaler has to buy a certain volume every month, month after month to give certain revenue to the exchequer resulting in a certain assured income for country liquor for us. And the consumer behaves in such a manner that, naturally certain regions have gone to certain brands. So, we are, since we are leaders, so we particularly in East and Central UP, we are in a very dominant position.

So, to sum up, country liquor is very consistent, quota-based and assured income. The margins in UP are satisfactory, but the margin in Uttarakhand is very handsome. And it is in the foreseeable future, they're likely to remain as such. So, this will become a very big revenue stream for us. Yes, of course, IMFL gives a multiple, but as our CEO said, it requires time, it requires marketing inputs, but on a long-term basis, IMFL any day will give a huge, huge value, both top and bottom-line to the organization. So, we work very closely on these segments on a day-to-day basis. The MIS control systems are so brilliant here that every day we get exactly what is happening into the market. This is not the forum to talk about, but the processes are brilliant here and IT controlled very nicely. So, everybody knows on SAP what is happening transparently and that is why perhaps the investors are quite happy with the work we do on country liquor.

Rohan Patel: Well, that was a satisfactory answer. If you allow me, I have a couple of more questions for you.

Rohan Patel: Yes. I just wanted to dwell into the distribution you were just talking about, the quota base. So, the quota that is out there, is it for like a segment of liquor, like for country liquor, for IMFL or is it like a brand base, like a wholesaler or retailer has to buy certain brands of country liquor?

Raju Vaziraney: Naturally it cannot be banned because it is depending on the consumer choice. But it is the retailer or the wholesaler has to buy a certain quota. Because actually it is related to revenue. Because they have to buy, for example in Kanpur, the quota is say for 1,000 cases per day. So, they have to buy a 1,000 cases per day. If they don't buy, they have to put the cash into the exchequer. So, they might as well sell that 1,000 cases resulting in a business to us, consistent business to us. This is the beauty of country liquor. And we are leaders there.

Rohan Patel: So, considering that your dominant position, this quota based, this might give you a very close competitive advantage compared to somebody else who is coming into UP because you know the distribution way better, the retailers way better and can push your IMFL branch forward.

Rupark Sarswat: Yes, just one point in addition, maybe you already meant it, that by and large all states or at least UP and Uttarakhand, the country liquor that they supply in their state are sourced from country liquor which is manufactured within the state.

Rohan Patel: Okay. I am talking about the IMFL initiatives that you are bringing the more premium brands. The understanding of industry dynamics, the distribution being in this field might help you compared to somebody who's the other IMFL brands that are coming into the state.

Raju Vaziraney: Yes, by all means, yes.

Rohan Patel: Fair enough. If I have any more questions, I will get back into queue. Best of luck for future.

Moderator: Thank you. The next question comes from the line of Vanshika Gupta from JRK Stockbroking. Please go ahead.

Vanshika Gupta: I had two questions. One, so you mentioned that our CAPEX cycle is almost complete, only. our Gorakhpur plant is remaining. So, for 2026, like maybe the next two years, what do we look, how does the CAPEX cycle look for the Company? Maybe one year because then we have the demerger. So, let's just talk about the next one year. And then I wanted to touch upon the Glycols business that you spoke about in the introduction, that the revenues have declined. There is some declassification of business compared to last year, which is why it's not really comparable. So, if you could elaborate on that and just let us know what is happening in that segment, some details on it.

Rupark Sarswat: Okay. So, let me give you a qualitative answer on CAPEX first, because I don't have specific numbers for the years ahead on CAPEX. And if Mr. Anand wants to add, I would request him to do so. So, look, there are several opportunities that we continue to chase in various businesses, particularly the potable spirits business and the chemicals business, because they are more significant compared to Ennature Biopharma in terms of CAPEX intensity. So, as we grow the IMFL business or the country liquor business, from time to time, there are two capacities which are important. One is the ethanol capacity. We have added significant ethanol capacity already. So, as far as our captive consumption is concerned, we are more than covered. And supposing we have more need for captive consumption of ethanol into the potable spirits business, we can always, if required sell less to biofuels, divert more to potable spirits. So, that we have more or less covered, except that from time to time as this goes up, we may need to put up capacities to make ENA or Extra Neutral Alcohol which need a higher level of purification, which does not need too much CAPEX, but based on needs we have been increasing our ENA capacity and if there is need going forward, we will augment it. The other CAPEX in the liquor business is about putting up blending and packing lines, where also most industry takes a modular approach.

It is not something where you put up one big plant, you can continue to add lines which are now, which are kind of largely it is about assembling them and putting them up. And many of these lines can be changed from doing one brand to another brand and so on, based on how the market is. So, we don't expect a huge amount of CAPEX, but we would be doing CAPEX, which will be required to support the growth in the business, which may be in terms of ENA, which may be in terms of putting up lines. As far as the chemicals business is concerned, we expect that we will probably have incremental but not huge CAPEXs going forward to expand our value-added specialties portfolio. We don't have a number fixed for it. We are working on a large number of projects. As those projects fructify, we will add more capacities to add more capacity to add more CAPEX. So, that is based on business requirements.

The other question that you had was on chemicals rather than only glycols and I will comment on it a little bit and I will also comment on glycols. So, if you look at only our glycols business, I mentioned to you and I will give you a little bit of a break-up in terms of how we have looked at our overall business. So, our glycol ethers and glycol ethers acetate business in nine months sales have been more or less flat. But our gross margins are up by 42%. Our glycol business, our sales are actually up by about 26% and our gross margin is up by about 83%. Now these are not as granular numbers that we report on the stock exchange, but since you asked me a question from my internal management meetings, what we review, I am letting you know.

Our specialties business which is small has again seen excellent revenue growth about 300% and a contribution or gross margin growth about 183%. Our Bio Polymers business has declined slightly. It's a smaller business in terms of topline, but the gross margins have been flat. Our Gases business has seen a revenue growth of 16% and a gross margin growth of close to 38%. And we also have, we also sell methylene oxide. That business has seen some decline in revenue, but has seen a contribution increase of about 72%. So, I mentioned earlier that for nine months, the chemicals business other than extra neutral alcohol, and I am separating extra neutral alcohol, because going forward extra neutral alcohol will become part of the alcohol business. And if I separate what is JV, which is based on an agreement and contract, has seen a topline growth of 13%, approximately year to date and a gross margin growth in excess of 50%. So, to put these things in context, it is not a business which has been falling apart or not doing so well.

I think it is, we have had challenges, but it is a business which has for the period so far has done quite well. And even the glycols business, I mentioned to you that our contribution is actually up close to 52%. In fact, we have added a large number of just specifically the glycol business, we have added a large number of new customers. So, we have had a very interesting story in glycols, where if you just go back five years ago, almost 95% of our business was with Coca-Cola. And that business we have completely lost because of RPET related mandates in the US. Now, interestingly, whilst our volume declined to as low as close to 30% and I don't know the exact numbers compared to when we were doing that business, we reclaimed 85% of our margin because of developing more niche, more people who pay a premium for greener products, etc. So, I think the business has been growing steadily. The business is strong. And I would like to assuage your concerns about the chemicals and the glycols business.

Moderator: Thank you. Ladies and gentlemen, our last question for the day comes from the line of Rammohan Jay Rao, who is an investor. Please go ahead.

Rammohan Jay Rao: Congrats once again to the board on a very good set of results and also congratulations on the bold move for the demerger because this is much desired especially in the context of potable liquor. So, just my one observation is that long term value basically comes from investing in our own brand, vis-a-vis say also getting revenues from say collaborations with Amrut or with the Bacardi. So, I just want to understand how big are our own liquor brands, IMFL brands compared to the Amrut and Bacardi?

Raju Vaziraney: See, there are three types of arrangements we have got. One is co-packing for Bacardi, which is like contract bottling. But since we have made investments into maturing the spirit and so many other CAPEX. So, the returns are there, but that is steady. But we have no control because Bacardi does all the selling, distribution, investment everything. Then the second one is the organic growth that we get from our brands. So, in our mind, it is very clear that up to premium brands it will be all organically done. In other words, Amazing vodka and our whiskey, Amazing whiskey. So, because the consumer does not drink premium brands without a Company legacy. That's why you find only top multinational companies are able to quarter most of the premiumization story in India. Indian companies do not have the legacy of quality or scotch. So, people struggle. The fertility rate in the premium segment of Rs. 1,000 plus is very high. So, in order to insulate ourselves from that risk, we have tied up with Amrut. Now, it is not a tie, it is not a partnership, it is a royalty on a very long-term basis, and we give a certain royalty. Everything else comes to our bottom-line and top-line in terms of we make the investment, we do the marketing, we get the profits, everything we are doing because these are non-malt brands.

Amrut being a parent Company doing malt whiskeys are able to concentrate only, they have bandwidth to do only top end malt whiskeys while all other brands, premium IMFL brands we are doing. To put it in simple words, once we give the royalty which is defined in the agreement, the entire top and bottom-line comes to us. So, it is like for so many years, the brands belong to us.

Rupark Sarswat: Rajuji, can I just add?

Raju Vaziraney: Yes.

Rupark Sarswat: You mentioned this, that value is created only if we have our own brands. Well, I would like to believe that it is partly true. Remember, we didn't start like a Diageo in this space. So, we started because of our strength in ethanol, moved into ENA, moved into country liquor, then started to take baby steps in the IMFL space. So, the logical right strategy for us to do is to first of all establish ourselves as a quality manufacturer and what better than being a very good partner of big brands like Bacardi and Amrut. Now first of all this gives confidence to us. To be like an intel inside or to be like an important API supplier to a big pharma Company is no less value creating than only doing brand. It is differently value creating. It may not give you the entire profit margin on the entire value chain, but it gives you a significant amount of profit as Raju Ji explained. And also it gives you much more resilience in terms of your business. Supposing you are an important component of big brands, let us assume you are a very important component of what Diageo does, what Bacardi does, what Amrut does. It is a strong building block for you to also build your own brands. So, honestly, looking at where we started our journey and where we are going, to be an important partner to reputed firms who have strong steady building market share, in my opinion, I might like to make my case is a stronger case for sustainable value creation than a weaker case.

Rammohan Jay Rao: Okay, got it. Thank you very much. So, I basically see this as there are significant learnings from being associated with such quality brand. And hopefully those learnings will go into building stronger brands for our Spirits Division in the future.

Rupark Sarswat: Thank you. Yes, you summarized it well.

Moderator: Thank you, sir. Ladies and gentlemen, that brings us to the end of the question-and-answer session. I now hand the conference over to the management for closing comments.

Rupark Sarswat: No, nothing more from my side. Thank you for organizing it on behalf of IGL. And I think it was a good conference in many ways. There was no disruption, the voice was clear. And good we could clear the queue in terms of questions. Thank you very much for sparing your time and going through the details of the organization and asking us questions, giving us the opportunity to explain our position and clarifying questions or doubts that you had. Thank you very much. Have a good evening everybody. Thank you.

Moderator: Thank you. On behalf of Nuvama Wealth Research that concludes this conference. Thank you for joining us and you may now disconnect your lines.

(This document has been edited for readability purposes)

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