



Equity Research Report



Snapshot of FY24

Rs. 1,394 crores

Consolidated Revenue

Rs. 185 crores

Operating Profit

Rs. 138 crores

Net Profit

111.6 lacs

Total Volumes (cases)

Rs. 74 crores

Net Debt

19 units

Manufacturing units across
12 states Owned: 4 units
Contract manufacturing: 15
units.

94%

Share of Brandy as % of
total volumes



Products



Latest Launch



**India’s highest-selling
brandy**



**India’s first premium-
flavoured brandy**



Equity Research Report

About the Company

- Tilaknagar Industries Limited (hereafter referred to as “TI” or “the Company”), was founded in 1933 as The Maharashtra Sugar Mills Limited by Shri Mahadev L. Dahanukar. In the 1970s, the Company started making alcohol and quickly became one of the most well-known manufacturers of alcohol brands in India.
- Tilaknagar Industries Ltd. is primarily involved in the manufacturing and selling of Indian Made Foreign Liquor (IMFL). The company makes India's highest-selling premium brandy, Mansion House Brandy. The Company sells over 15 brands of brandy, whisky, gin, rum, and vodka. The product portfolio of the Co. is Mansion House Chambers Brandy, Blue Lagoon Gin, Madira XXX Rum, etc. Brandy is the leading product about 90 % of sales come from this segment.
- The company’s manufacturing operations are carried out across 19 units, including 4 owned and 15 contract manufacturing units, with its plant located at Shrirampur, Maharashtra. It also exports its products to Africa, the Middle East, East and South-East Asia, and Europe.
- Defense contributes 7 to 8% volumes. The rest is civil.

Synopsis

- The company repaid its loan and reduced gross debt from ₹ 130 crore in FY-24 to a net of ₹ 74 crore. The management is also targeting to become net debt-free over the course of FY-25.
- The Managing Director commented that in the future, they will aim to avoid taking on debt for any capex because they already have sufficient cash reserves.
- The industry P/E is around 31.8, while the stock is trading at 33.8, which seems slightly overvalued.
- Largest player in Puducherry more than 35% market share

Key highlights FY24

- Company volume grew 16% Y-o-Y in FY24 vs an industry growth of 2% to 3%.
- Net revenue for FY24 grew by 20% Y-o-Y.
- Promoters decrease their holdings by 0.96%.
- FII increases their holdings by 0.49%.
- Finance cost reduced from ₹ 40 cr. FY23 to ₹ 27 cr. FY24.

Stock data (as of 18th July,2024)

Nifty	: 24,801
52 week H/L (INR)	: 291 / 164
Market Cap (INR) Cr.	: 4,763
O/s Shares (Cr.)	: 19.3
Dividend Yield	: 0.11%

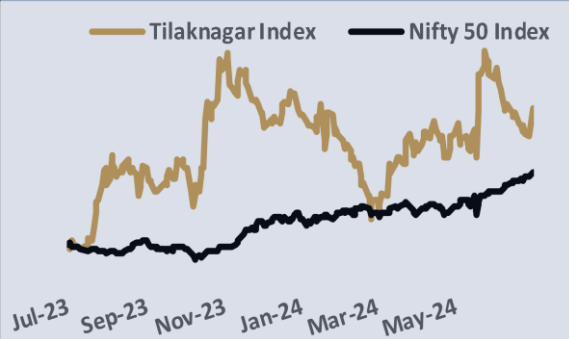
Shareholding (as of 18th July,2024)

Promoter	: 40.19%
FII	: 11.39%
DII	: 0.11%
Public	: 48.32%

Absolute Return

1 Year	: 45.0%
3 Years	: 448.5%
5 Years	: 1712.2%

Relative Stock Performance- 1 yr



Consolidated	FY23A	FY24A	FY25E	FY26E
In INR Cr.				
NetRevenue	1164.0	1394.0		
YOY Growth%	48.6%	19.7%		
EBITDA	137.2	185.4		
EBITDA Margins%	11.8%	13.3%		
PAT	64.7	126.8		
YOY Growth%	5.6%	9.1%		
ROE	50.4%	24.5%		
EPS	3.5	6.6		
EV/EBITDA	16.8 x	22.3 x		

Prepared by: Naman Sharma
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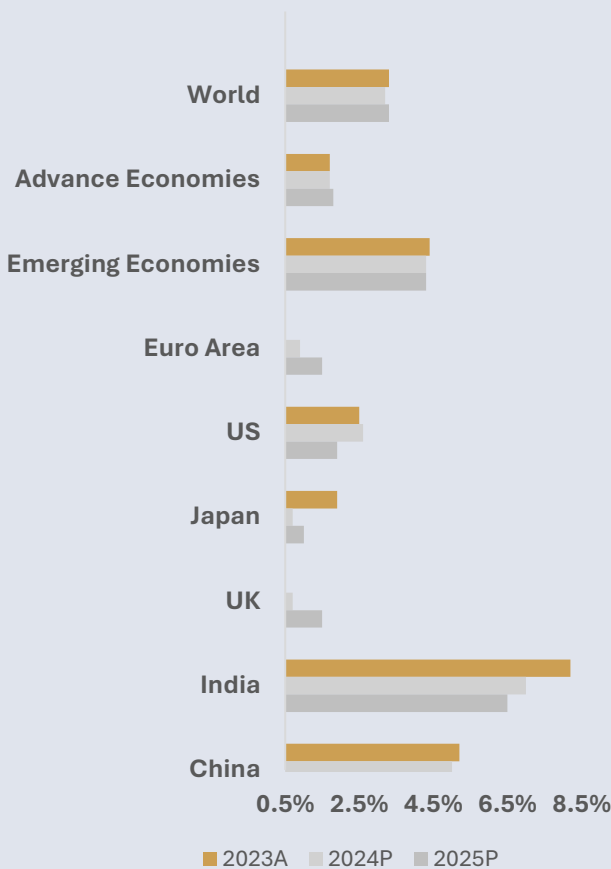
Global Economy

Global growth is expected to align with the April 2024 World Economic Outlook forecast, reaching 3.2% in CY2024 and 3.3% in CY2025. Global activity and world trade strengthened at the beginning of the year, driven by robust exports from Asia, especially in the technology sector. The signs of economic recovery emerged in Europe, driven by an upturn in services activity. Several central banks in emerging market economies remain cautious about cutting rates due to external risks from changes in interest rates and the resulting depreciation of their currencies against the dollar. Energy commodity prices are expected to fall by about 4.6% in CY2024, reflecting elevated oil prices from deep cuts by OPEC.

The global economic growth forecast is 3.2 percent for CY2024 and 3.3 percent for CY2025. The growth forecast for emerging markets and developing economies has been revised upward, driven by stronger Asian activity, particularly in China and India. Specifically, India's growth forecast has increased to 7.0 percent this year, due to improved prospects for private consumption, especially in rural areas.

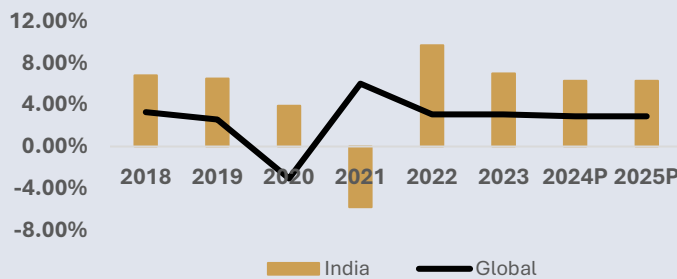
World trade growth is expected to recover about 3¼ percent annually in 2024–25. Inflation is expected to remain higher in emerging and developing economies than advanced economies.

Global GDP Projections(%)

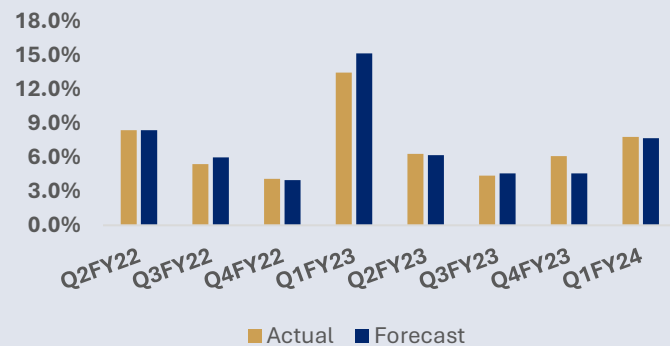


Indian Economy

India Vs Global GDP growth (%)



India Quarter GDP growth (%)



India remains the fastest-growing major economy, driven by robust domestic demand. The Indian economy is estimated to have grown by 7.6% in FY2024, up from 7.0% in FY2023. Key drivers of this growth momentum include capital expenditure on infrastructure development, a rise in private corporate investment, strong service sector performance, and improved consumer confidence. This growth momentum is expected to continue in FY2025, supported by improved goods exports, increased manufacturing productivity, and higher agricultural output.

The Reserve Bank of India (RBI) has maintained the policy repo rate at 6.5% during FY2024. RBI expects headline inflation to come at 5.2 percent in FY24, on account of a stable exchange rate and a normal monsoon. IMF is also projecting India's GDP to grow around 5.9 percent in FY24 and 6.3 percent in FY25 as against the earlier forecast (in October 2022) of 6.1 percent in FY24. The government's capital expenditure spending is expected to increase to 11.1 lakh crore or 3.4% of GDP in FY2025, up from the 10 lakh crore allocated last year.

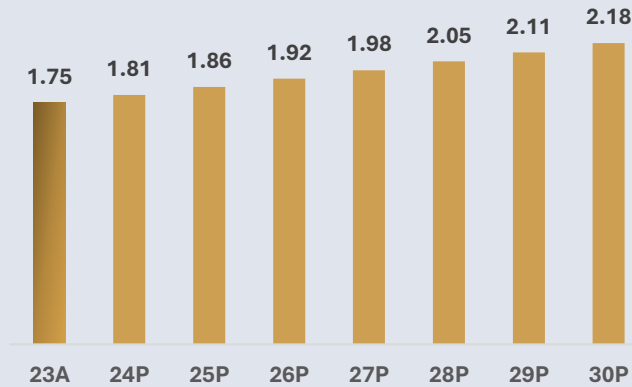


Global Alcoholic Beverages Industry

The global alcoholic beverage market is experiencing robust growth, with the market size reaching approximately USD 1.75 trillion in 2023 and projected to expand to around USD 2.34 trillion by 2032, with a 3.20% CAGR from 2024 to 2032. Leading companies in the market are strategically embracing Ready-to-Drink (RTD) offerings to maintain a competitive edge. The Asia-Pacific was the largest region in the alcoholic - beverages market in 2023. Also, the rise of e-commerce platforms has significantly enhanced the accessibility of alcoholic beverages, making it easier for consumers to explore and purchase a wide range of products from the comfort of their homes.

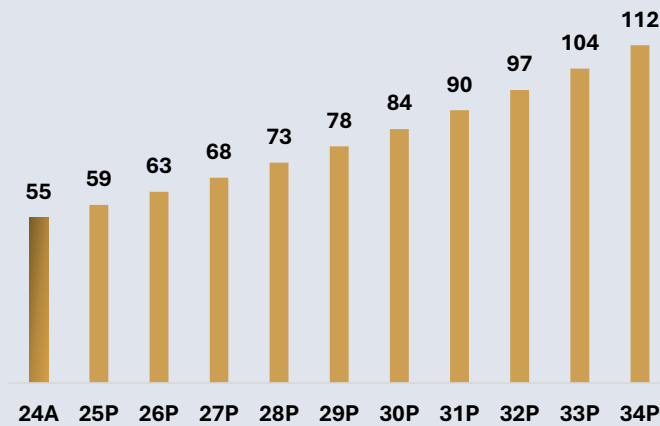
Sources: Company & Peer analysis

Global Alcohol Market - volumes (Trillion)

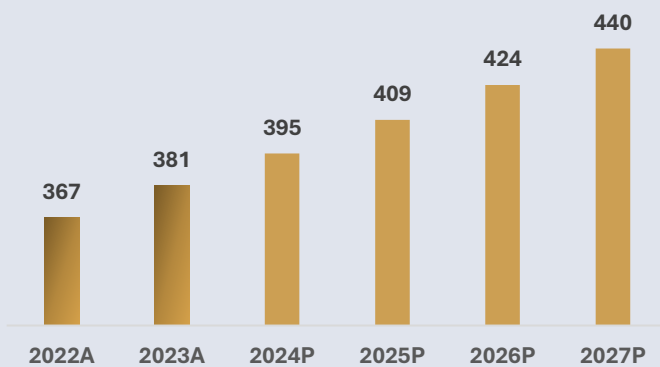


Sources: Statista, IMARC

Indian Alcohol market size in Value (USD Bn)



Indian Made Foreign Liquor (Volumes in Million cases)



Source: Company & Peer analysis

Indian Alcoholic Beverages Industry

Globally, India is set to become the fifth-largest contributor to the Alcohol market's revenues in the near to medium term India's Alcohol industry is projected to experience significant growth, touching a market size of approximately USD 55 billion in 2024 to around USD 112 billion by 2034, with a 7.2% CAGR. According to Euromonitor International, IMFL volumes are expected to reach 511 million cases in CY2028. During the CY2024-2028 period, IMFL sales volume is projected to grow at a CAGR of 5.6%. During the same period, the IMFL industry value is expected to grow by 11.0%.

In India, per capita alcohol consumption is projected to increase gradually, with an estimated rise of 0.1 liters (a 2% increase) between 2024 and 2029. By 2029, the per capita consumption is expected to reach a new peak of 5.06 liters. The sector, a substantial part of the nation's economy, accounts for about 2% of the country's nominal GDP. Extra neutral alcohol (ENA) / rectified spirit¹ and barley constitute ~55% of the input cost for the distillers and brewers, respectively while packaging material such as glass, plastics, and labels contribute to the rest. In 2021, around 1,235 million liters of additional neutral alcohol (ENA) were used in the production of ready-to-drink alcoholic drinks and Indian-made foreign liquor (IMFL), as per the report.

It is anticipated that 1.9 million tonnes (MT) of grain are needed to create 741 million extra liters of neutral alcohol for IMFL. This represents 0.6% of the 316 MT of grain that India will produce overall in 2021-22. or ENA. Grain, sugarcane, and grapes are used for ENA.

(Sources: CRISIL, IBEF, Company & Peers analysis)

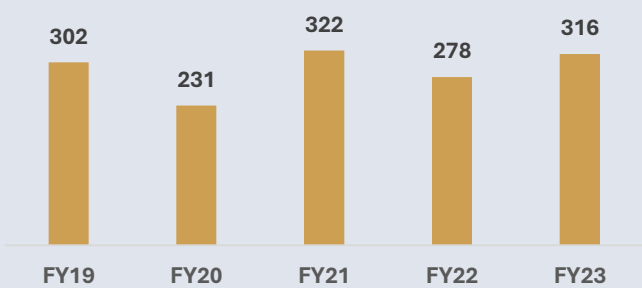
Export

The export of spirits manufactured in India is expected to cross the \$1 billion mark soon. "The global market of alcoholic beverages stands today at USD 130 billion and Indian exports of these products were USD 325 million in 2022-23. In the financial year 2023, brandy, whiskey, scotch, rum, gin, vodka, tequila, and liqueurs had the highest export value at 168 million U.S. dollars from India. In comparison, sparkling, port and red wines, and sherry had an export value of 3.4 million U.S. dollars. As the global demand for Indian spirits is growing, we expect that in a few years, exports of Indian spirits will cross USD 1 billion.

In fiscal year 2024, the United Arab Emirates was the leading destination for alcoholic beverages exported from India with an export value of over eight billion Indian rupees. The second leading destination was Singapore with an export value of over two billion Indian rupees.

Sources: ET, Statista

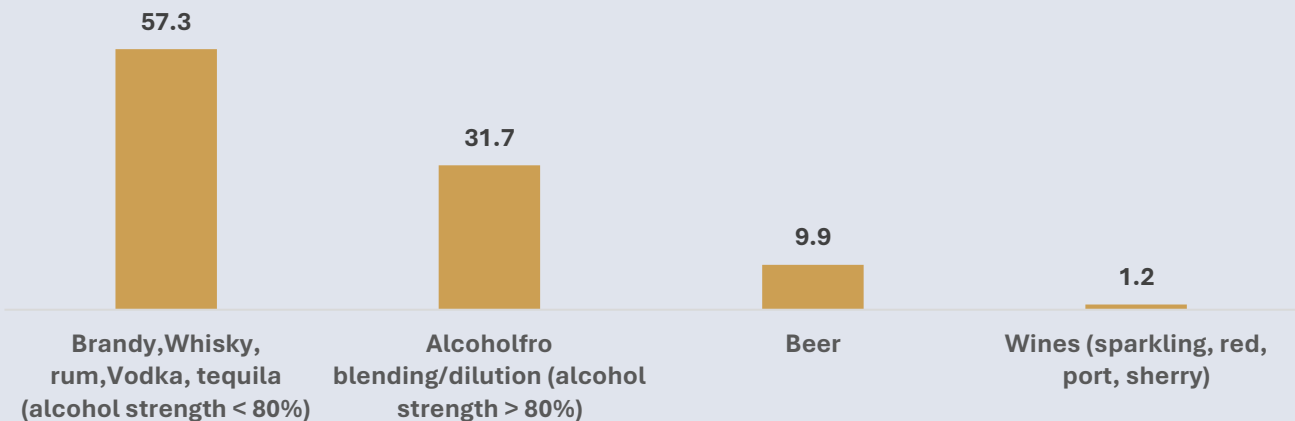
Alcohol Export by Value (in million U.S. dollars)



Export destination by India in 2024 (in billion Indian rupees)



Category wise Alcohol export and % share in quantity (in FY-23)

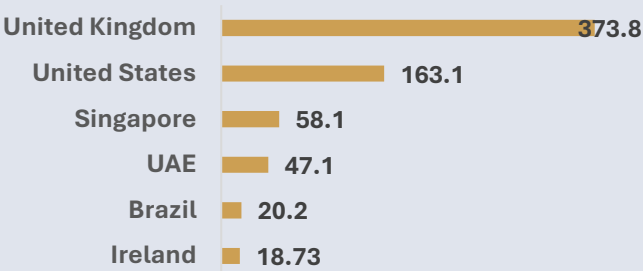


Import

India imported alcoholic beverages from the United Kingdom which amounted to approximately 374 million U.S. dollars in fiscal year 2023. The second leading importer was the United States with an import value of over 163 million U.S. dollars followed by Singapore.

Source: Statista

Alcohol Import by Value Country wise (in million U.S. dollars)





Quarterly Result Analysis: Q3 FY24 and Q4 FY24

Financial Performance:

- ❑ Strong performance in Q3 FY24 with 13% volume (cases sold) and see good growth of 24% in revenue compared to the previous year Q3 FY24.
- ❑ The company achieved volume growth of 0.4% in Q4 FY24 & also 0.4% growth in revenue in comparison to Q4FY24.
- ❑ For Q3, the consolidated revenue was higher at 377 Cr, which represents a 6.5% increase from the previous quarter.
- ❑ For Q4, the consolidated revenue was 359 Cr, which decreased by 4.8% from the previous quarter.
- ❑ For Q3, the consolidated EBITDA for the quarter stood at INR 51 Cr, with a margin of 14% to 13% in the same period last year and slightly lower than the 13% in the previous quarter. For Q4, the consolidated EBITDA for the quarter stood at INR 48 Cr, with a margin of 13% compared to 12% in the same period last year and 14% in the previous quarter.
- ❑ For Q3, the ROCE stood at XXX while in Q4, ROCE stood at XXX
- ❑ The company reduced its debt from Q3FY24 INR 119 crore to Q4FY24 INR 74 crore and reduced financial costs by 38.8%.

Raw Material and Production:

- ❑ ENA prices increased from around INR 69 per litre in Q1, to INR 72 per litre in Q4 same as Q3 for FY24.
- ❑ In FY24 company saw some level of softening in glass prices, and glass costs.
- ❑ Management said that they didn't see any reductions in ENA in the second and the third quarter, but there was some reduction in Q4 of somewhere around INR700 to INR800 a ton.

Capex and Expansion Plans:

- ❑ Capex for FY24 is around INR15 crores, outlook includes maintenance capex of INR20-25 crores.
- ❑ Management said that in terms of making the CAPEX, the regular maintenance CAPEX for the next two years we envisage will be less than Rs. 25 crores per year.

Marketing and Branding:

- ❑ Launched marketing campaigns like "A Warm Welcome" and "The Flandy Song" to promote Brandy brands.
- ❑ The company also focused on providing innovative, premium, and trusted Brandy brands to drive market share gains.

Operational Insights:

- ❑ Primary sales were impacted due to extended receivables in Telangana.
- ❑ Secondary growth outperformed the industry in Q4 FY24. Expecting some softening in glass prices and other packing material costs.
- ❑ Confident about mid-double-digit volume growth driven by market share gains and premiumization strategy.

Future Growth Strategy:

- ❑ Confident about growing market share within the Brandy category.
- ❑ Exploring opportunities for growth in premiumization and expanding market share in the Brandy segment. Launch of premium offering, Mansion House Chambers, showing promising results in Puducherry
- ❑ Considering entry into new categories and geographies with a focus on protecting balance sheet health.
- ❑ Expecting to maintain or increase marketing spend to drive brand growth and market share.



Management Analysis

S.No.	Name	Designation	Qualification /Expreience	Comments
1)	 Amit Dahanukar	Chairman & Managing Director	He is a graduate in Electrical Engineering with a Masters degree in Engineering Management from Stanford University, U.S.A. He also holds director positions in Prag Distillery Pvt Ltd., Kesarval Springs Distillers Pvt Ltd., Shivprabha Sugars Ltd., Srirampur Grains Pvt Ltd., Studd Projects Pvt Ltd., Mykingdom Ventures Pvt Ltd., and Vahni Distilleries Pvt Ltd.	In 2005, Dahanukar took over the reins of TIL. He led the company for more than 2 decades. In 2021, under his guidance, the Mansion House was the top-selling brandy brand in India by the number of bottles sold.
2)	 Shivani Dahanukar	Executive Director	She has a Masters in Business Administration from the University of San Francisco. She is also a graduate in Law from the Government Law College, University of Mumbai.	She indulges in many community welfare activities of the Group in the fields of nutrition, primary education, and healthcare.
3)	 Abhinav Gupta	CFO	He has done an MBA from the Indian Institute of Technology, Delhi, and has over 17 years of experience in the Finance domain. Also worked in Trident as a CFO till 2022.	He is responsible for the overall financial health of the organization. Also awarded by "CFO of the Year-FMCG" award at CFO Vision & Innovation Summit & Awards- 2024 .
4)	 Ahmad Rahimtoola	CMO	He has done his MBA from Symbiosis Centre for Management and HRD. He is an advertising and marketing professional with over 25 years of work experience. He also worked with reputed companies like United Breweries, Reliance ADAG, and Allied Blenders and Distillers.	He has great experience in customer marketing & Corporate branding in the liquor or distilleries industry. He worked as a Head of marketing for more than 14 years in Allied Blenders and Distillers.
5)	 Ameya Deshpande	President - Strategy & Corp Development	He has done his Post Graduate Diploma in Business Management and has a cumulative experience of 13 years as an investment banker and entrepreneur. He started his career as an investment banker in 2008 with Deutsche Bank, working on equity fundraising and M&A transactions.	He is responsible for overall Corporate development & strategy. He is also the co-founder of Authenticook. He also worked as an investment banking associate with BNP Paribas.
6)	 Tarun Behl	Vice President Works	Mr. Tarun Behl has done B.E. in Chemical Engineering and has more than 20 years of work experience in Production & Operations domain in the Liquor industry.	He have also 14 years of experience as a senior manager in United Spirits Ltd & also worked as a general manager in Helios packaging pvt. Ltd.
7)	 Yuvraj Singh Som	Vice President Strategy & operations	Mr. Yuvraj Singh Som is a Cost and Management Accountant from ICAI & CA - Inter from ICAI, having over 15 years of experience in Finance & Accounts.	He is responsible for overall strategy & operations. He has more than 12 years of experience as a general manager strategy in Radico Khaitan also worked as an assistant manager in Tata Chemicals.



Commentary

The company has strong management in the liquor industry many of them worked in the same industry as Radico Khaitan, United Breweries, and Allied Blenders. The Dahanukar took over the reins of TIL during a challenging period and he led the company for more than 2 decades. Under his guidance, the Mansion House was the top-selling brand in India by the number of bottles sold. The Board of Directors comprises professionals from various fields, including civil service, military, and finance. Based on our review of publicly available data, we do not find any significant political affiliations between the management and national or regional parties.

The company quickly reduced its debt, and the chairman stated that they aim to be debt-free at the start of FY25. He also mentioned that they will not incur additional debt for capex in the future, as they have sufficient cash on hand which also helps them to reduce finance costs.

There was a trademark dispute between TI and a Dutch spirits company, but TI won the legal battle, retaining its flagship brand, Mansion House Brandy.

Shareholding Pattern

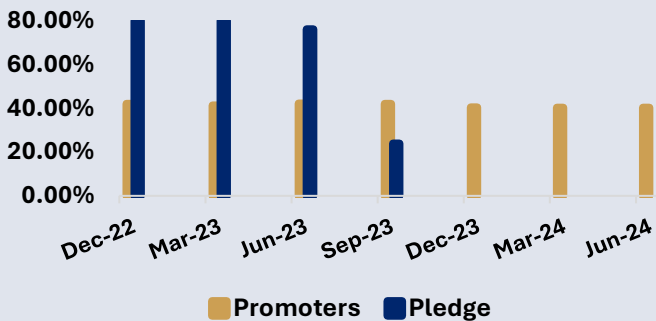
The company's shareholding distribution indicates that Foreign Institutional Investors (FIIs), Domestic Institutional Investors (DIIs), and the public collectively hold almost 60% of the total shares & government has no stake in the company, Promoters also reduced their holdings from FY 2017 54.96% to FY2024 40.17%. FII's increased their holdings from FY 2017 0.02% to FY2024 11.69%.

Quarterly & Yearly Shareholders Holdings

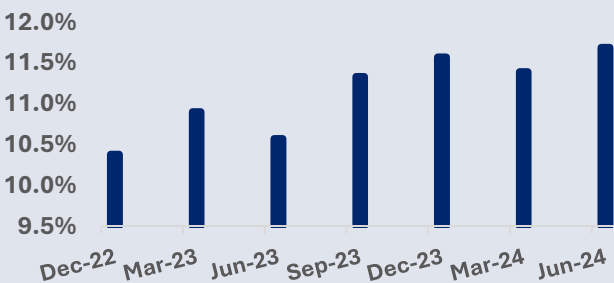
Shareholders	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Promoters	44.86%	42.92%	41.95%	41.15%	42.02%	41.97%	40.26%	40.19%	40.17%
FIIs	0.16%	1.91%	10.38%	10.90%	10.57%	11.33%	11.57%	11.39%	11.69%
DIIs	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%	0.18%	0.11%	0.35%
Public	54.97%	55.16%	47.68%	47.95%	47.39%	46.69%	47.99%	48.32%	47.79%

Shareholders	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Jun-24
Promoters	54.96%	54.96%	54.80%	54.80%	54.67%	44.89%	41.15%	40.19%	40.17%
FIIs	0.02%	0.23%	0.00%	0.00%	0.00%	0.19%	10.90%	11.39%	11.69%
DIIs	0.25%	0.34%	0.03%	0.02%	0.01%	0.00%	0.01%	0.11%	0.35%
Public	44.76%	44.38%	45.17%	45.19%	45.32%	54.91%	47.95%	48.32%	47.79%

Pledge % of Holding % of Promoter



FII's Holding %



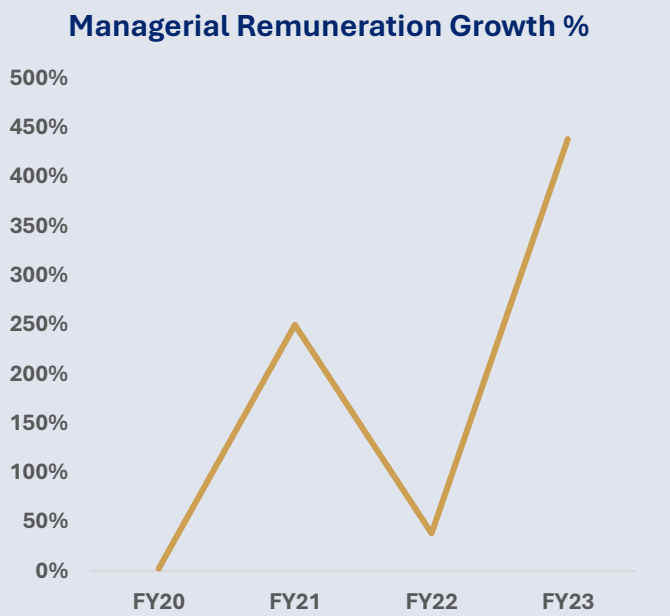
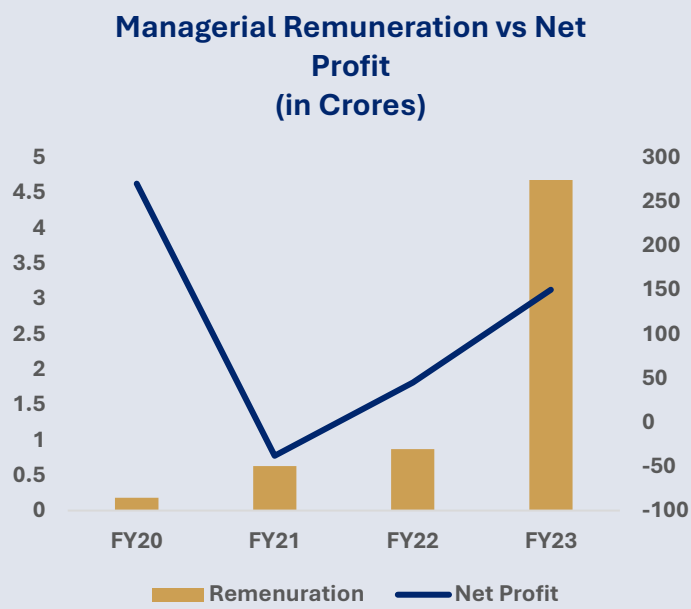


Remuneration

Name	Designation	Ratio of remuneration median employee salary	Growth in Remunerati Sales Growth					Net Profit growth YoY%
			FY-23	FY-22	on	YoY%		
Mr. Amit Dahanukar	Chairman & MD	61.06x	242.52	55.97	333%	49%	233%	
Mr. CR Ramesh	Whole-Time Director	19.65x	57.54	26.62	116%	49%	233%	
Mrs. Shivani Amit Dahanukar	Executive Director	37.19x	145.46	0	Nil	49%	233%	
Total			445.52	82.59	439%	49%	233%	

Peers' Median remuneration	Ratio of remuneration median employee salary
United Spirits Ltd	52x
Tilaknagar Industries	37.19x
Piccadily Agro	26.34x
United Breweries	179.38x
Radico Khaitan	166.8x

The median ratio of the salaries of key managerial personnel to the median employee salary in Tilaknagar Industries is 37.19x. Among the peers of United Breweries (UB), the highest median ratio is 179.3x, and the lowest is 26.3x, observed in Piccadily Agro.



*Note only consider remuneration of Mr. & Mrs. Dahanukar & CR Ramesh. & Mrs. Shivani Amit Dahanukar received a salary in FY23 as an executive director earlier she was in the post of non-executive director.



Commentary

Managerial Remuneration

During FY23, the company incurred managerial remuneration of INR 467.72 lakhs as against INR 86.9 lakhs (PF included) in FY22 (a 438% increase on a YoY basis). Mrs. Shivani Amit Dahanukar joined the company as an executive director in FY23 with a remuneration of 145.46 earlier she was posted to the position of non-executive in FY22. Mr. Amit Dahanukar’s remuneration increased in FY23 by 333% in comparison to FY22. Mr. Amit Dahanukar was paid a remuneration of ` 163.09 Lacs till May 31, 2022, from PunjabExpo Breweries Private Limited, a wholly-owned subsidiary company, and Mrs. Shivani Amit Dahanukar, Executive Director was paid a remuneration of ` 95.76 Lacs till May 31, 2022, from PunjabExpo Breweries Private Limited, a wholly owned subsidiary company. Also, the company gave 32 lakhs in FY23 to directors for sitting fees to directors. The median ratio of the salaries of key managerial personnel to the median employee salary in Tilaknagar Industries is 37.19x



Efficiency of the BoD

During FY23, only a few directors attended all meetings, which did not demonstrate strong involvement in key discussions throughout the year. Only three people excel in financial planning, and all have good expertise in entrepreneurship within the company. Additionally, most directors possess strong expertise in business management and strategic planning. The company also benefits from a significant number of independent directors from diverse industries and respected professions, including advocates, a retired Major General, and IPS officers.

Name of the Director	Category	Board Meetings Held	Board Meetings Attend	Annual General Meeting
Mr. Amit Dahanukar	Chairman & Managing Director	5	5	Yes
Mr. C. R. Ramesh	Whole-Time Director	5	4	Yes
Mrs. Shivani Amit Dahanukar	Executive Director	5	2	Yes
Ms. Swapna Shah	Non-Executive Director	5	5	Yes
Dr. Ravindra Bapat	Independent Director	5	1	No
Mr. C.V. Bijlani	Independent Director	5	5	Yes
Mr. Kishorekumar G. Mhatre	Independent Director	5	4	Yes



Financial Analysis

Consolidated										In Crores
Quarterly Results										
Particulars	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	
Sales	241.06	229.55	274.5	302.87	357.45	304.1	354.39	376.69	358.78	
Total Expenses	215.27	207.84	243.07	262.31	313.98	265.70	306.97	325.30	310.55	
EBITDA	25.79	21.71	31.43	40.56	43.47	38.40	47.42	51.39	48.23	
EBITDA Margin %	10.70%	9.46%	11.45%	13.39%	12.16%	12.63%	13.38%	13.64%	13.44%	
Other Income	21.04	0.67	0.59	52.50	31.49	1.17	5.61	8.43	-4.01	
Depreciation	8.08	8.05	8.22	8.16	7.92	7.81	8.25	8.00	7.84	
Interest	15.50	13.30	9.91	9.02	7.95	6.02	7.74	8.05	4.93	
EBT	23.25	1.03	13.89	75.88	59.09	25.74	37.04	43.77	31.45	
EBT Margin %	9.64%	0.45%	5.06%	25.05%	16.53%	8.46%	10.45%	11.62%	8.77%	
Tax	-	-	-	-	-	-	-	-	-	
Net profit	23.25	1.04	13.88	75.88	59.10	25.75	37.04	43.77	31.45	
Net Profit Margin %	9.64%	0.45%	5.06%	25.05%	16.53%	8.47%	10.45%	11.62%	8.77%	
EPS	1.47	0.07	0.84	4.17	3.19	1.34	1.93	2.28	1.63	

Consolidated										In Crores
Yearly Results										
Particulars	FY19	FY20	FY21	FY22	FY23	FY24	FY25 E			
Sales	661.33	652.83	548.75	783.37	1,164.36	1,393.95	1,742.44			
Total Expenses	605.19	704.78	494.54	671.25	1,027.13	1,208.51	1,450.21			
EBITDA	56.14	-51.95	54.21	112.12	137.23	185.44	292.23			
EBITDA Margin %	8.49%	-7.96%	9.88%	14.31%	11.79%	13.30%	16.77%			
Other Income	5.20	485.13	11.31	23.68	85.20	11.20	32.00			
Depreciation	36.75	32.98	33.12	32.74	32.35	31.89	32.50			
Interest	184.21	128.93	70.97	61.87	40.19	26.74	45.00			
EBT	-159.62	271.27	-38.57	41.19	149.89	138.01	246.73			
EBIT Margin %	-24.14%	41.55%	-7.03%	5.26%	12.87%	9.90%	14.16%			
Tax	0.06%	0.57%	0.47%	-9.71%	-0.01%	-	20.00%			
Net profit	-159.52	269.73	-38.39	45.19	149.90	138.01	197.38			
Net Profit Margin %	-24.12%	41.32%	-7.00%	5.77%	12.87%	9.90%	11.33%			
EPS	-12.75	21.56	-3.06	2.85	8.09	7.16	10.23			





















Annual Balance sheet

Consolidated							In Crores
Balance Sheet	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Equity Share Capital	₹ 124.76	₹ 125.13	₹ 125.13	₹ 125.43	₹ 158.62	₹ 185.34	₹ 192.73
Reserves	-₹ 254.80	-₹ 412.35	-₹ 142.51	-₹ 181.15	-₹ 37.36	₹ 288.78	₹ 461.16
Borrowings	₹ 1,031.49	₹ 1,110.89	₹ 578.61	₹ 702.46	₹ 585.18	₹ 255.54	₹ 121.44
Other Liabilities	₹ 382.65	₹ 457.39	₹ 518.83	₹ 364.78	₹ 306.84	₹ 281.88	₹ 258.11
Total Liabilities	₹ 1,284.10	₹ 1,281.06	₹ 1,080.06	₹ 1,011.52	₹ 1,013.28	₹ 1,011.54	₹ 1,033.44
Fixed Asset Net Block	₹ 587.48	₹ 551.59	₹ 501.72	₹ 468.57	₹ 439.28	₹ 420.03	₹ 396.34
Capital Work in Progress	₹ 113.25	₹ 114.28	₹ 100.36	₹ 100.10	₹ 100.22	₹ 0.11	₹ 0.28
Investments	₹ 0.04	₹ 3.48	₹ 0.04	₹ 0.04	₹ 0.04	₹ 22.61	₹ 11.78
Other Assets	₹ 261.88	₹ 219.86	₹ 134.75	₹ 141.52	₹ 94.03	₹ 69.60	₹ 63.91
Total Non-Current Asset	₹ 962.65	₹ 889.21	₹ 736.87	₹ 710.23	₹ 633.57	₹ 512.35	₹ 472.31
Receivables	₹ 173.14	₹ 240.99	₹ 243.38	₹ 181.10	₹ 236.77	₹ 338.81	₹ 418.50
Inventory	₹ 79.98	₹ 97.80	₹ 60.10	₹ 72.08	₹ 72.32	₹ 116.21	₹ 100.83
Cash & Bank	₹ 68.33	₹ 53.06	₹ 39.71	₹ 48.11	₹ 70.62	₹ 44.17	₹ 41.80
Total Current Assets	₹ 321.45	₹ 391.85	₹ 343.19	₹ 301.29	₹ 379.71	₹ 499.19	₹ 561.13
Total Assets	₹ 1,284.10	₹ 1,281.06	₹ 1,080.06	₹ 1,011.52	₹ 1,013.28	₹ 1,011.54	₹ 1,033.44



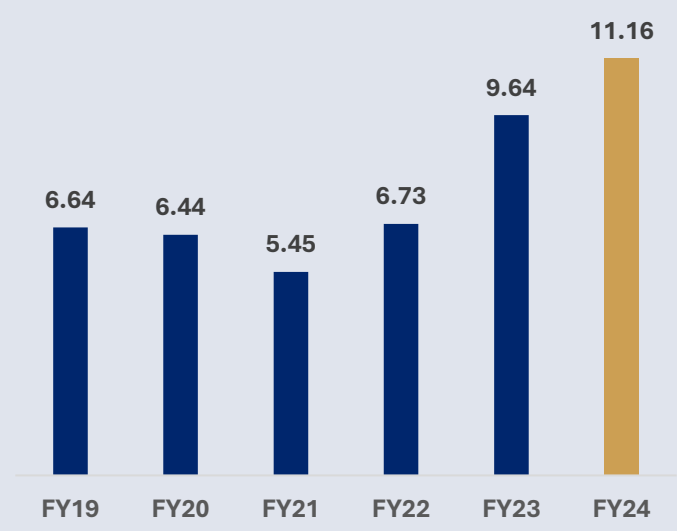
Ratio Analysis

Ratio Analysis								
Ratios	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Trend
% Change								
Sales Growth	12.18%	14.46%	-1.29%	-15.94%	42.76%	48.63%	19.72%	
EBITA Growth	-103.15%	1796.62%	-192.54%	-204.35%	106.83%	22.40%	35.13%	
EBIT Growth	-35.64%	-11.53%	29.75%	-76.68%	-135.10%	269.45%	96.03%	
Net Profit Growth	-34.36%	-10.75%	30.77%	-76.93%	-143.28%	200.79%	96.00%	
Dividend Growth	0.00%	0.00%	0.00%	0.00%	0.00%	149.24%	100.21%	
Profitability Ratio								
Gross Margin	41.53%	39.50%	36.25%	37.63%	40.97%	37.63%	45.79%	
EBITDA Margin	0.51%	8.49%	-7.96%	9.88%	14.31%	11.79%	13.30%	
EBIT Margin	-5.95%	2.93%	-13.01%	3.84%	10.13%	9.01%	11.02%	
EBT Margin	-32.24%	-24.92%	-32.76%	-9.09%	2.24%	5.56%	9.10%	
Net Profit Margin	-31.95%	-24.91%	-32.99%	-9.06%	2.75%	5.56%	9.10%	
Other Ratio								
Return on Capital Employed	-3.81%	2.35%	-15.13%	3.26%	11.24%	14.37%	19.80%	
Retained Earnings%	0.00%	0.00%	0.00%	0.00%	92.61%	92.84%	92.40%	
Retained on Equity%	141.93%	57.35%	1239.36%	89.20%	17.74%	13.65%	19.39%	
Interest Coverage Ratio	-0.23x	0.11x	-0.66x	0.30x	1.28x	2.61x	5.74x	
Turnover Ratio								
Debtor Days	109 days	133 days	136 days	120 days	110 days	106 days	110 days	
Payble Days	242 days	252 days	290 days	243 days	143 days	88 days	68 days	
Inventory Days	51 days	54 days	34 days	48 days	34 days	36 days	26 days	
Cash Conversion Cycle	-82 days	-65 days	-120 days	-74 days	1 days	54 days	68 days	

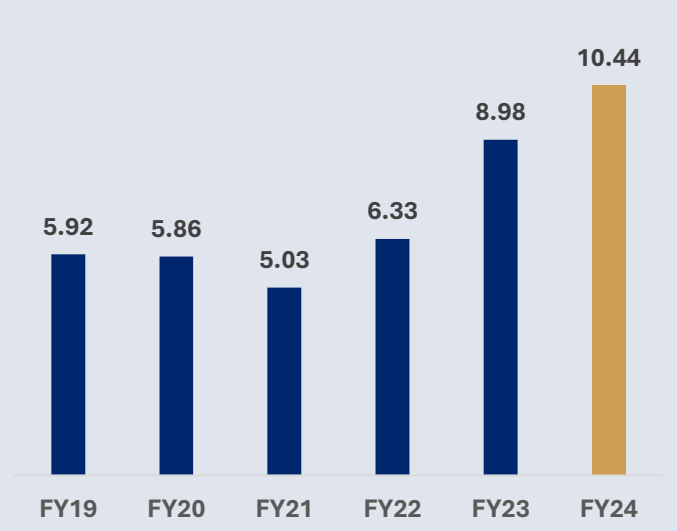


Revenue & Volume Analysis

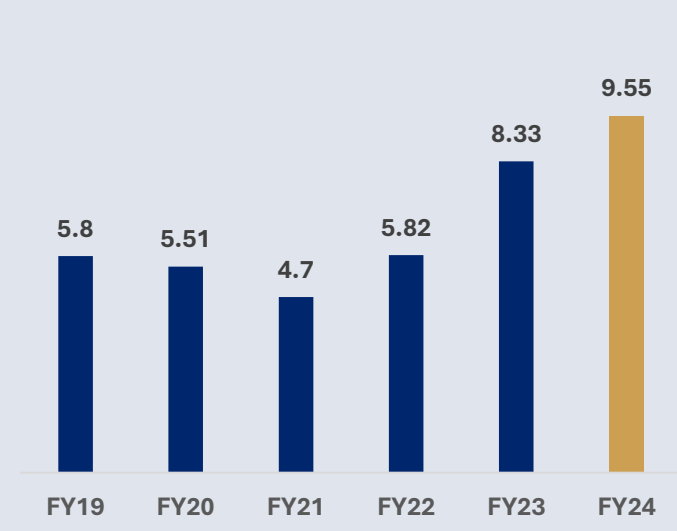
Total Volumes sold (Mn cases)



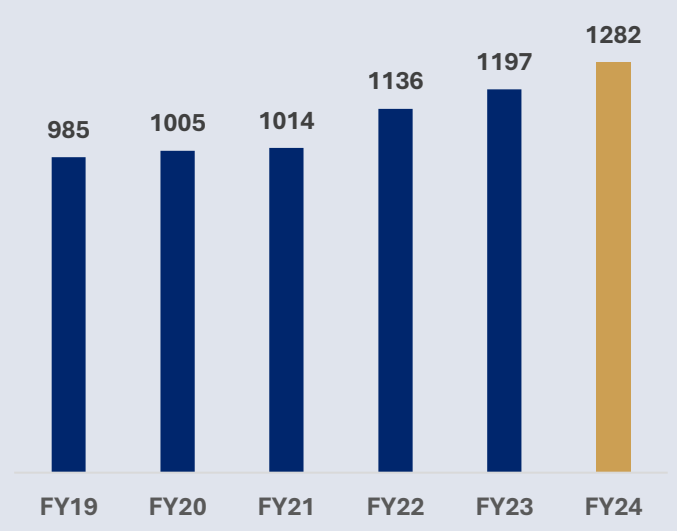
Brandy Sales (Mn cases)



Sales in South India (Mn cases)



Net Sales Revenue per case (₹)

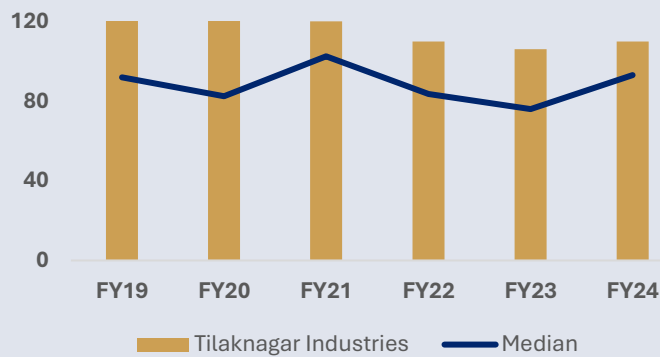




Debtors' days & Days Payable Analysis

The company's debtor days are higher than the industry median – 110 days compared to 93 days also among its peers this is the only company who have higher debtor days (110) which may also affect its cash conversion cycle or slow recovery of amount dues. Since the company has higher debtor days compared to its peers, it might be at a competitive disadvantage in terms of cash flow and liquidity. Peers with lower debtor days are likely more efficient in collecting payments, which can improve their financial stability and operational flexibility.

Debtor Days

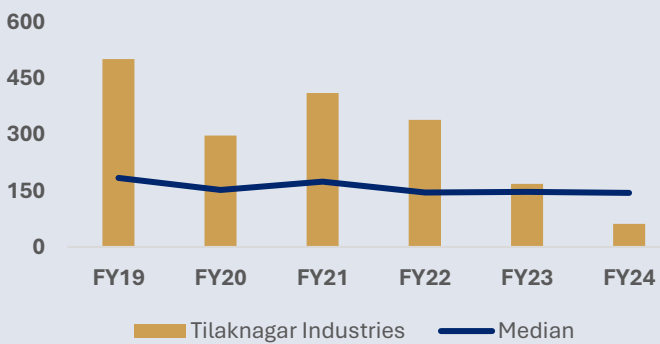


Debtor days

Companies	FY19	FY20	FY21	FY22	FY23	FY24
United Spirits	99	89	98	89	84	99
United Breweries	85	76	120	78	68	104
Radico Khaitan	114	125	107	96	96	87
Piccadily Agro	41	30	38	32	42	64
Median	92	83	103	84	76	93
Mean	85	80	91	74	73	89
Tilaknagar Industries	133	136	120	110	106	110

The company's payable days have been reduced significantly, from 502 days in FY19 to 62 days in FY24, reflecting a good improvement. The company's current payable days (62 days) are significantly lower than the industry median (145 days). While this reflects good financial management, it might also indicate that the company is not fully utilizing the available credit terms, which could be a strategy to strengthen supplier relationships or negotiate better terms.

Days Payable



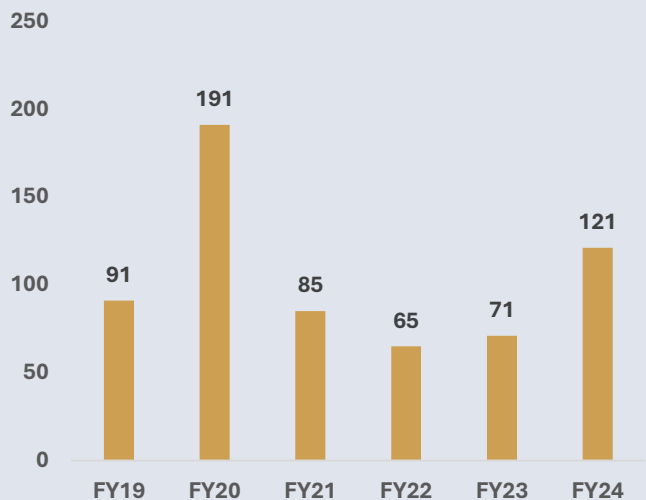
Days Payable

Companies	FY19	FY20	FY21	FY22	FY23	FY24
United Spirits	171	124	176	168	154	176
United Breweries	186	156	311	206	161	207
Radico Khaitan	183	148	151	102	112	71
Piccadily Agro	214	172	174	123	140	113
Median	185	152	175	146	147	145
Mean	189	150	203	150	142	142
Tilaknagar Industries	502	298	412	340	169	62

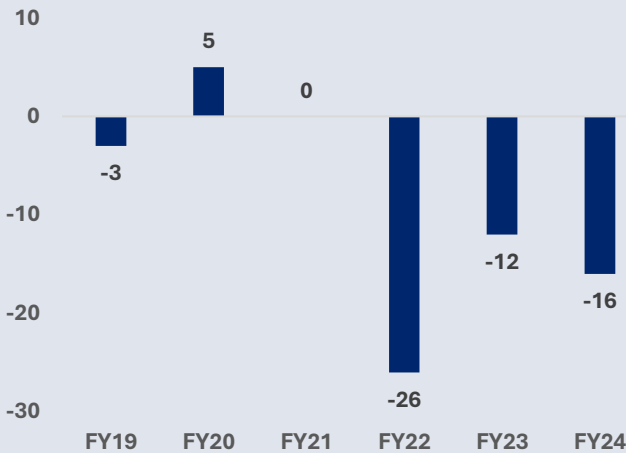


Cash Flow

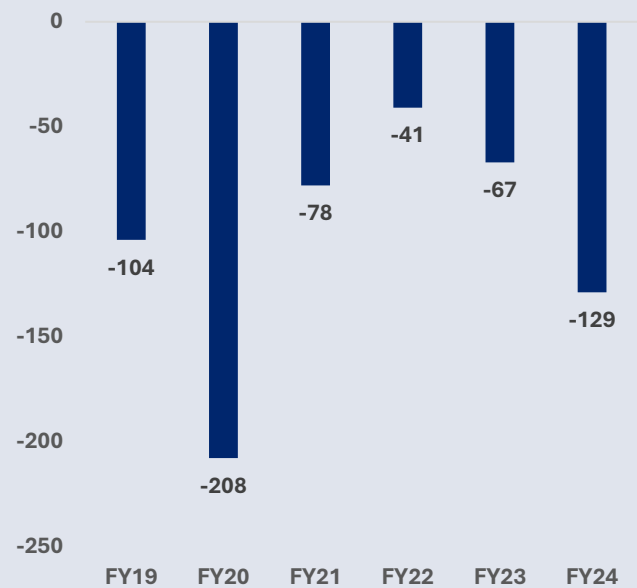
Cash Flow from Operating Activities (in Cr.)



Cash Outflow from Investing Activity (in Cr.)



Cash Flow from Financing Activity (in Cr.)



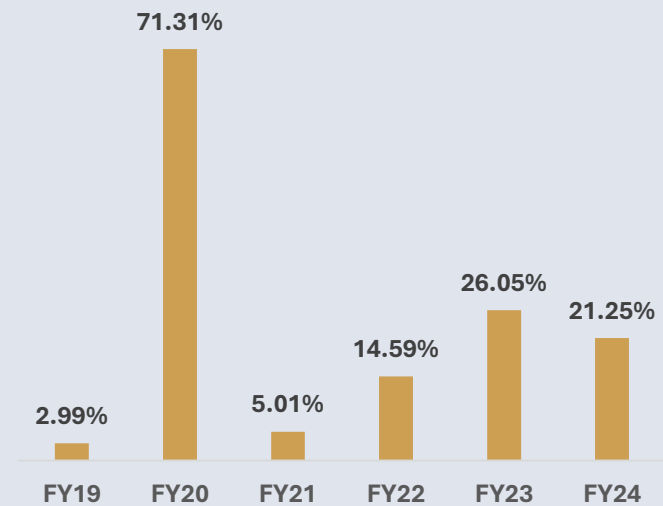
Net Cash Flow (in Cr.)



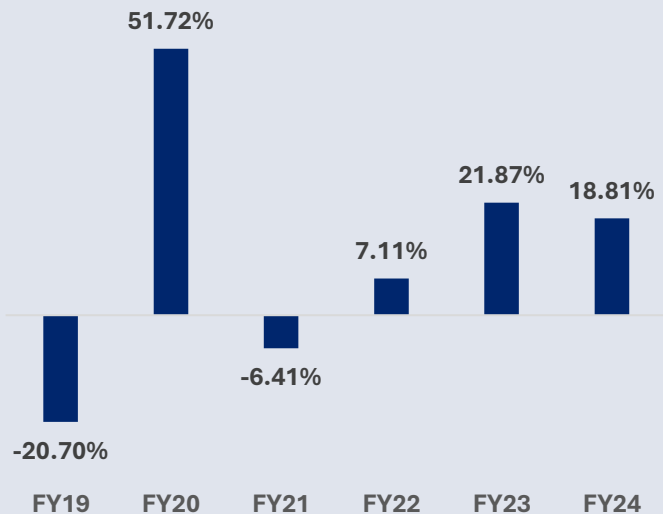


Key Ratios

ROCE %



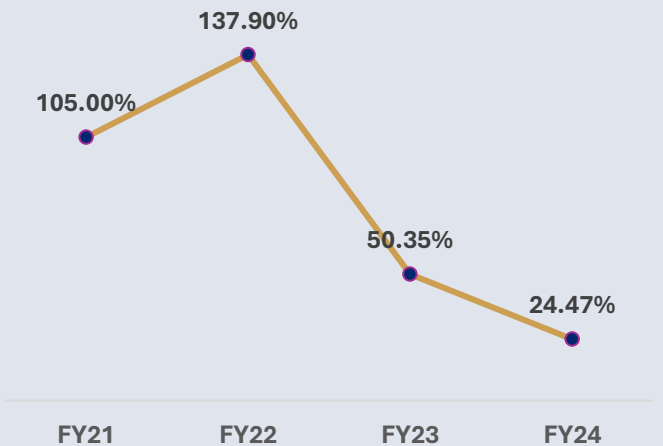
ROIC



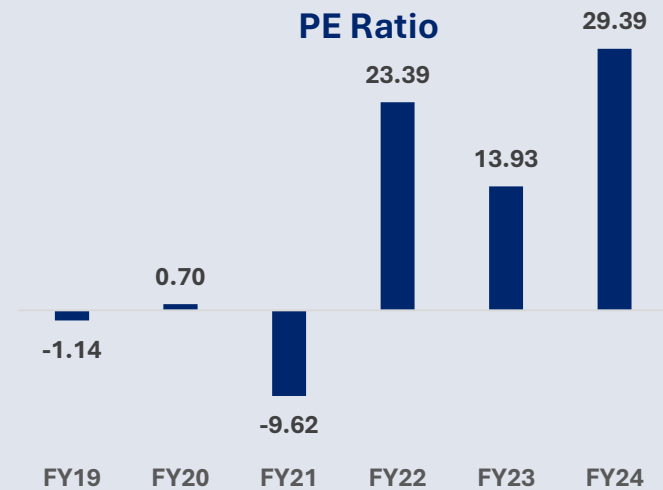
EPS (in Rs)



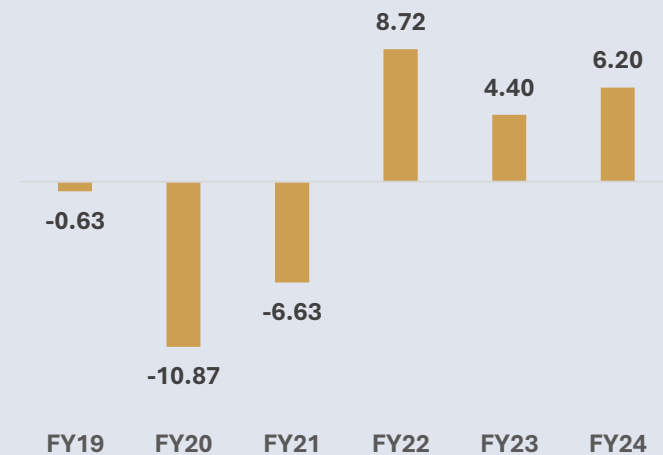
ROE



PE Ratio



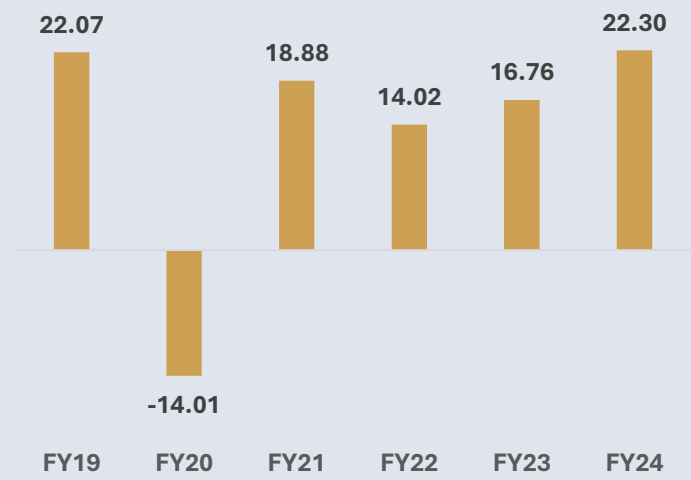
PB Ratio



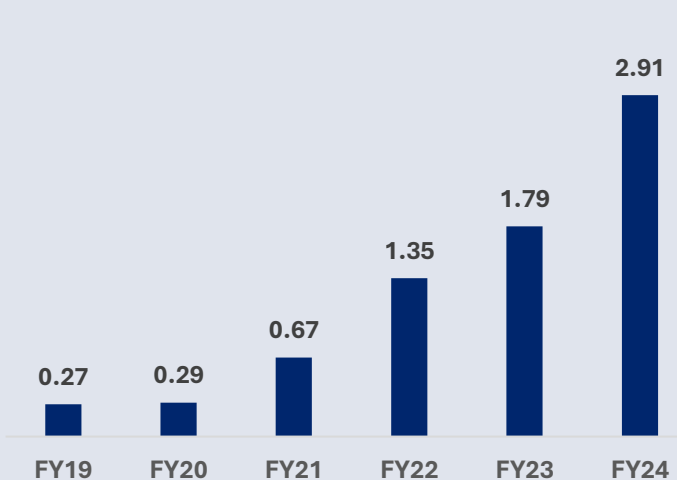


Key Ratios

EV/EBITDA



EV/Sales



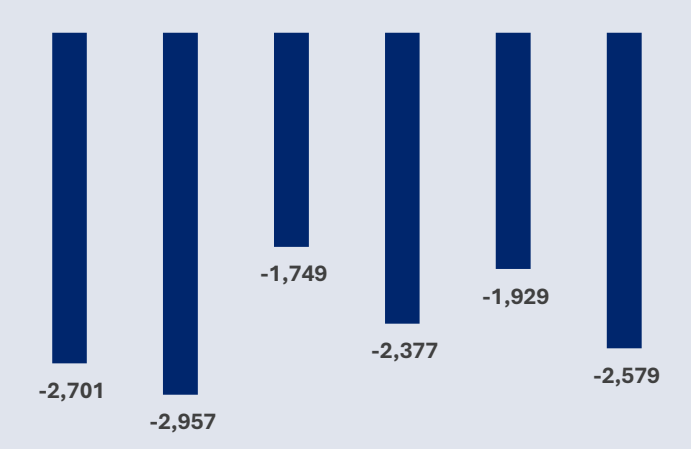
Interest Coverage Ratio



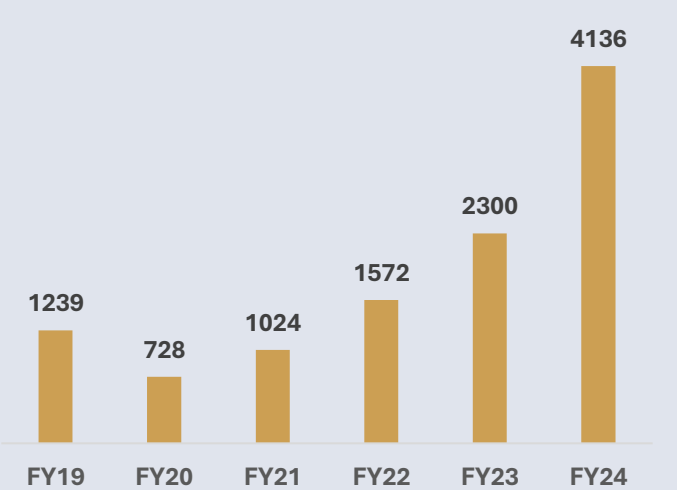
Debt to Equity Ratio



FCF (in CR.)



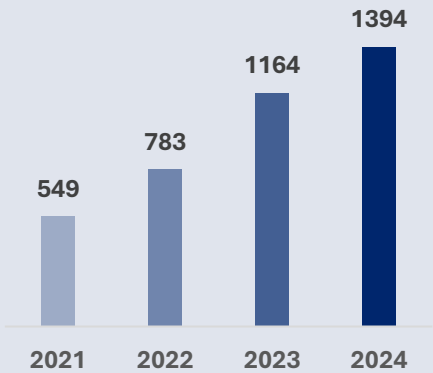
Enterprise Value in Crores



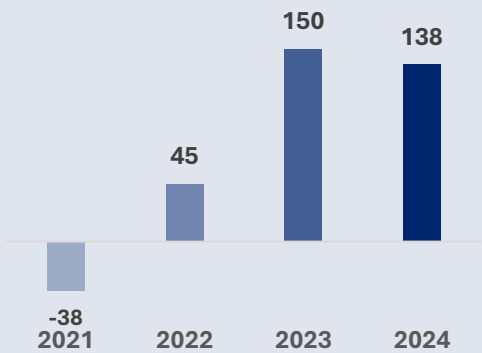


Dupont- Analysis (1)

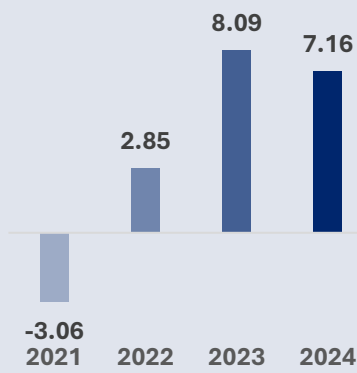
Revenue (INR Cr.)



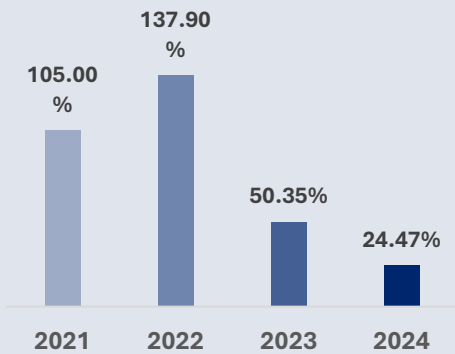
Net Profit (INR Cr.)



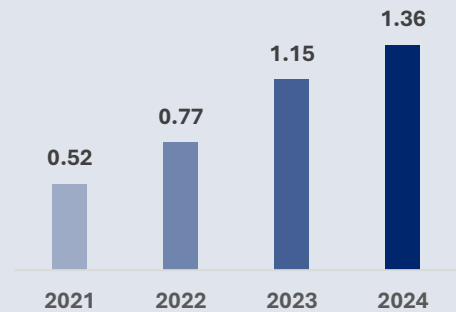
EPS



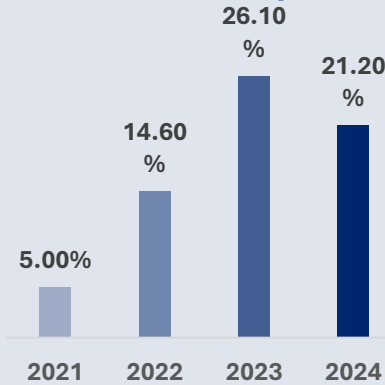
Return on Equity



Asset Turnover Ratio



Return on Capital



RETURN ON EQUITY (ROE)				
	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	₹ -38.39	₹ 45.19	₹ 149.90	₹ 138.01
Average Shareholder Equity	₹ -36.55	₹ 32.77	₹ 297.69	₹ 564.01
Return on Equity	105.03%	137.90%	50.35%	24.47%

ROE - DUPONT EQUATION				
	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	₹ -38.39	₹ 45.19	₹ 149.90	₹ 138.01
Revenue	₹ 548.75	₹ 783.37	₹ 1,164.36	₹ 1,393.95
Net Profit Margin (A)	-7.00%	5.77%	12.87%	9.90%
	Mar-21	Mar-22	Mar-23	Mar-24
Revenue	₹ 548.75	₹ 783.37	₹ 1,164.36	₹ 1,393.95
Average Total Asset	₹ 1,045.79	₹ 1,012.40	₹ 1,012.41	₹ 1,022.49
Asset Turnover Ratio (B)	0.52	0.77	1.15	1.36
	Mar-21	Mar-22	Mar-23	Mar-24
Average Total Assets	₹ 1,045.79	₹ 1,012.40	₹ 1,012.41	₹ 1,022.49
Average Shareholder Equity	₹ -36.55	₹ 32.77	₹ 297.69	₹ 564.01
Equity Multiplier (C)	-28.61	30.89	3.40	1.81
Return on Equity (A*B*C)	105.03%	137.90%	50.35%	24.47%



Dupont- Analysis (2)

RETURN ON ASSETS (ROA)				
	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	₹ -38.39	₹ 45.19	₹ 149.90	₹ 138.01
Average Total Asset	₹ 1,045.79	₹ 1,012.40	₹ 1,012.41	₹ 1,022.49
Return on Equity	-3.67%	4.46%	14.81%	13.50%

ROC - DUPONT EQUATION				
	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	₹ -38.39	₹ 45.19	₹ 149.90	₹ 138.01
Revenue	₹ 548.75	₹ 783.37	₹ 1,164.36	₹ 1,393.95
Net Profit Margin (A)	-7.00%	5.77%	12.87%	9.90%
	Mar-21	Mar-22	Mar-23	Mar-24
Revenue	₹ 548.75	₹ 783.37	₹ 1,164.36	₹ 1,393.95
Average Total Asset	₹ 1,045.79	₹ 1,012.40	₹ 1,012.41	₹ 1,022.49
Asset Turnover Ratio (B)	0.52	0.77	1.15	1.36
Return on Asset (A*B)	-3.67%	4.46%	14.81%	13.50%

Commentary

The company earned a good profit in FY23 compared to FY22 but less in FY24 compared to FY23. Also, the company spent a lot on raw materials (INR 692 Cr. in FY24 compared to INR 296 Cr. in FY22). The company also gave its highest dividend payout of 7% since FY2015. The EPS of FY24 was INR 7.16, slightly less than FY23's INR 8.09.

The company increased its reserves from INR 289 Cr. in FY23 to INR 461 Cr. in FY24. Also, management stated they would refrain from taking on any debt and aim to be debt-free by mid-FY 2025. The debt was INR 74 Cr in FY24, and they reduced their finance cost by 38.8%.

The net profit margin increased from 5.77% in FY22 to 12.87% in FY23 but saw a decline to 9.90% in FY24.

Also, the return on capital decreased from 26.10% in FY23 to 21.20% in FY24.

Overall, the company is in good condition and its growth stage. The debt reduction is a positive sign, and the company has been increasing its revenue year by year while focusing on its marketing campaigns. However, the reduction in promoters' holdings is a matter of concern, as they have decreased their holdings by 14.8% from FY17 to FY24.



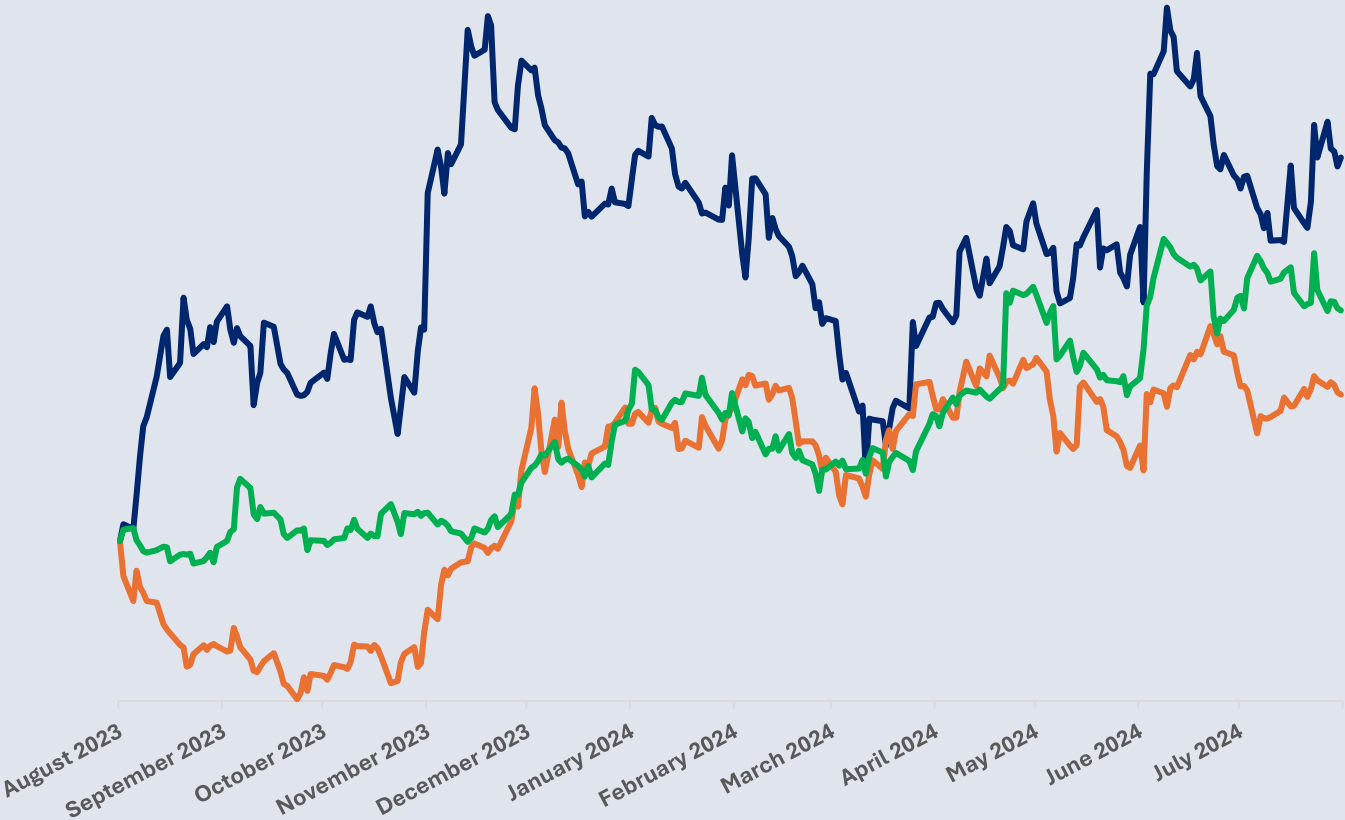
Cash Flow

Peers Comparison

Name	Market Cap. Rs. Cr.	EV Rs. Cr.	Net Profit Rs.Cr.	Debt Rs.Cr.	PE Ratio	PEG	CFO/EBIT DA	Debt / Eq	P/E	EV / EBITDA
United Spirits	103356.56	102352.6	1415.5	265	73.17	4.65	0.56	0.04	73.17	45.76
United Breweries	52817.87	52705.7	448.32	102.03	118.09	-19.2	0.09	0.02	118.09	63.56
Radico Khaitan	22812.5	23530.89	255.76	818.35	89.23	14.07	0.36	0.34	89.23	45.66
Piccadily Agro	8138.18	8291.44	109.76	171.8	92.9	0.84	0.34	0.51	92.9	54.94
Tilaknagar Industries	4827.84	4907.48	138.01	121.44	34.25	1.46	0.65	0.19	34.25	24.59

Peer Stock Performance - 1 yr (Indexed)

— Tilaknagar Industries — Radico Khaitan — United Breweries





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I would like to extend my heartfelt thanks to my mentor, **Parth Verma**, for his invaluable support, guidance, and unwavering encouragement throughout this journey. His insights and expertise have been instrumental in my growth.