Management Discussion

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
Thank you. Good afternoon, everyone, and thank you for joining us. We welcome you to Piccadilly Agro Industries Limited's Q2 FY27 earnings call. We hope you have had an opportunity to review our quarterly earnings presentation filed with BSE and NSE. Joining us today are are Mr. Nattwar Agarwal, CFO, Mr. Rakesh Vashisht, President Sales, Mr. DK Batra, Director, Ms. Shalini Sharma, Head Marketing, and other members of the team. Before we begin, please note that some statements made during this call may be forward-looking and are subject to risks and uncertainties.

Actual results may vary materially from those expressed or implied. Please refer to the disclaimer in our earnings presentation. We continued the momentum of the first quarter and delivered our highest ever second quarter revenue from operations. In Q2 FY27, revenue from operations increased 19.4% year-on-year to Rs 277.9 crore. Our distillery business grew faster with revenue increasing 30.5% to Rs 271.3 crore. Distillery contributed over 97% of our quarterly revenue from operations in Q2 compared to 89% last year.

89%. This performance reflects the growth in our branded alcoholic beverages alongside the rising contribution from our newly commissioned Chhattisgarh distillery. The new facility is now moving through its operating ramp-up, while the Indri distillery expansion is strengthening our ability to serve future demand. Our branded Alcobev portfolio comprising Indri, Kamikara, Kashmir, and Whistler continues to build momentum. Branded Alcobev volumes increased 38% year-on-year in Q2. And had increased 45% year on year in H1.

This progress is supported by brand strength, wider distribution, and growing consumer appreciation for differentiated Indian spirits. It is important to recognize what all we have accomplished in just 4 years since the launch of Hindri in 2022, wherein the revenue from branded Alcobev increased from a mere Rs 10 crores to over Rs 500 crores in FY26 and is continuing to grow. In that time, we have created internationally recognized and well-awarded Indian spirits brands, significantly expanded our domestic and export distribution, built a strong maturation inventory, and invested in world-class capacities enhancements at both Indri and Chhattisgarh.

These investments have been made to serve demand well beyond the current year. We believe the forthcoming years offer significant opportunities to monetize this platform through rising utilization, sustained premiumization, product introductions, operating leverage, and stronger cash generation. To reiterate, we now have malt capacity of 30 KL per day and combined ENA ethanol capacity of 420 KLPD across both our facilities. Our maturation inventory has already crossed 96,000 barrels, and we are well on our way to surprising- surpassing the 100,000 barrels benchmark we had set for ourselves by the end of FY27, which we believe will make us the largest maturation inventory at any distillery in India.

We see this as an investment for future demand owing to the growing shift towards premiumization in India and overseas, with increased acceptance of Indian single malt and other Indian spirits. This long-term inventory is essential for building a durable and differentiated aged spirits franchise. While our premium and above branded portfolio remains the center of our long-term strategy, the acceptance of Indian products globally is aiding the momentum for our portfolio. As stated in the Q1 call, we will also use expanded facilities to produce and sell ethanol and IMIL as branded demand stays.

These categories contribute revenue and support asset utilization, but the long-term goal is to

supplement and aid the premium branded spirits portfolio. Consequently, quarterly EBITDA margins will depend on the product mix as well as operating efficiency. We have put in our presentation the net sales revenue or NSR for H1 was Rs 9,274 per case. We would like to mention this NSR is the highest in the country for any Alcobev company, which is owing to our top-down approach. However, while still maintaining the NSR in the respective categories We may see this number vary with the product mix as we scale products for a wider audience and in line with our growth plans.

This quarter saw exceptional pressure from heightened costs of raw material transportation, high-sea logistics due to mainly global geopolitical factors. The festive season in North India is a particularly important demand period for our portfolio Our preparations have included the Indri Diwali Collector's Edition 2026, wider distribution, on-trade engagement, and increased visibility during gifting, gifting and celebration occasions. Looking ahead, Q3 benefits from festive and gift demand and the beginning of the wedding season, while Q4 should benefit from continued distribution expansion, additional product launches and further ramp-up at each of Indri and Chhattisgarh distilleries.

Historically, for us, the second half has a stronger contribution from branded spirits, which supports our expectation of a stronger H2. During Q2, we expanded our footprint to 33 countries by adding Qatar and Oman, Oman, and increased our presence to 43 duty-free locations comprising 23 in India and 20 internationally. Our brands now reach 29 Indian states and union territories, including CSD, and over 25,700 retail and on-trade outlets domestically. We are also investing in consumer experiences, brand advocacy, and on-trade engagement, some of which we have alluded to in our presentation.

Product innovation remains an important growth driver. Indri continues to earn recognition globally And our new extension expressions strengthen the premium and luxury positioning of the portfolio. We wish to reiterate and mention that all our products, not just Indri, have won international accolades in diverse geographies from US to Europe and other countries. For Kamikara, Kashmir, and Whistler, we are developing additional offerings from Indri Distillery and Chhattisgarh Distillery. The objective is to build sustainable higher-value revenue streams.

In summary, our priorities are clear: scale our differentiated premium portfolio, strengthen distribution in India and overseas, monetize our recently expanded capacities, improve our mix progressively, and maintain operating and financial discipline. What we have created in the last 4 years provides a platform for long-term value creation over the years ahead. I will now hand over to our Chief Financial Officer, Mr. Natar Agarwal, to take you through the financial performance in greater detail.

Over to you, Natar.

Natwar Agarwal - Chief Financial Officer, Piccadily Agro Industries Ltd
Thanks, Sudhir. Thanks for giving strategic overview for this quarter. Good afternoon, everyone. Hope everyone is doing great. Talking about the financial performance for Q2, Our standalone revenue stands at Rs 277.9 crore compared to Rs 232.7 crore on year-on-year basis, an increase of 19.4%. And our distillery revenue stands at Rs 271.3 crore compared to Rs 207.9 crore, and this increases by 30.5% on year-on-year basis. For the first half of our FY27, revenue from operations was Rs 548.4 crore compared to Rs 461.7 crore, and this is up by 18.8%.

And distillery revenue increased by 28.7% to Rs 477 crore. So overall, we see a growth in quarter and for a half-yearly basis. If we talk about our branded Alcobev business, uh, which in terms of

products are Indri, Kamikara, Kashmir, and Whistler, uh, that grew by 29% to Rs 175 crore on year-on-year basis at H1 level. Uh, talking about the profitability, here also we grew, uh, like the revenue. In Q2, EBITDA stands at Rs 53 crore. Compared with Rs 48.4 crore on a year-on-year basis, an increase of 9.5%.

EBITDA margin stands at 21.7%, uh, in a standalone basis. Talking about our Chhattisgarh plant, uh, at Chhattisgarh, sales of ethanol and IMIL have commenced. And utilization continues to increase with new orders of ethanol for FY27 and 28 already allocated to us. We expect the scale-up, operating efficiencies, and planned product launches to improve the plant's contribution over the time. Our near-term priority is to convert the installed capacity into sustained production. Sales and profitability.

Uh, with regard to a demerger of sugar business we announced, uh, 6 months back, the necessary regulatory process is underway. We will communicate the next material milestone through the stock exchanges in accordance with the regulatory requirements. Overall, our focus remains on improving capacity utilization, strengthening working capital and translating our investment into manufacturing maturation and brand revenue, cash flow, profitability over the medium term. Uh, thank you everyone. Uh, over to Sudhir.

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
We may now open the floor for questions.

Questions & Answers

Operator
Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and 1 on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to please use handsets while asking a question. Ladies and gentlemen, we will now wait for a moment while the question queue assembles. Our first question comes from the line of Himanshu Shah from Daulet Capital. Please go ahead. Hello,

Himanshu Shah - Analyst, Daulet Capital
You are audible,

Operator
Sir.

Himanshu Shah - Analyst, Daulet Capital
Yeah, thanks, thanks for the opportunity, sir. So first is, can you just give us the disclosures? Uh, last 3 quarters we have been giving disclosure on the breakup of distillery revenue between bulk alcohol and IMFL. Suddenly this quarter we have stopped giving the disclosure. Can you first just give what has been the breakup of distillery revenue into bulk alcohol and IMFL business, blended IMFL business?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
So Himanshu, this is Sudhir. We did mention it in the script, but to, uh, come to your point, it was Rs 110 crores including excise and Rs 92 net of excise in Q2.

Himanshu Shah - Analyst, Daulet Capital
Okay, and what would have been the growth on a YOY basis?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
YOY, we have grown about 16% at the net level.

Himanshu Shah - Analyst, Daulet Capital
16% at the net level. This is very helpful. And H1 was- yeah,

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
H1 growth was higher at 29%, 135 going to 174 at the net of excise level.

Himanshu Shah - Analyst, Daulet Capital
Okay, 135 going to 174

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
Net of excise, correct? 29%, which we have just stated in our call also.

Himanshu Shah - Analyst, Daulet Capital
Sorry, I have just joined. So, and would we be giving this disclosure henceforth and as part of presentation, or it would be as part of script only?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
We'll see as we go along. Uh, I'll probably talk to you and understand your concern better.

Himanshu Shah - Analyst, Daulet Capital
Sure. Secondly, any specific reason for such a steep moderation in growth versus on an overall actual basis or versus Q1, in Q2 specifically?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
See, there's, there's the- what has happened in the last quarter is that there has been a lot of volatility in the international markets, and there's been a lot of pressure from, uh, the FDA and other things coming in. So there has been a recalibration in the industry which kind of is taking effect, um, which we, we feel is settled down now. And going forward, we'll have a clearer path to growth.

Himanshu Shah - Analyst, Daulet Capital
Okay, and in this backdrop, can you give us an outlook like last year, last full year, what would have been the branded Alcoa business revenue and what kind of growth are we envisaging for the current financial year?

Natwar Agarwal - Chief Financial Officer, Piccadily Agro Industries Ltd
Yeah, go ahead. Yeah, so, uh, you know, we, uh, Uh, in terms of outlook, we are very positive. As we said, we are growing and we see H2 be much, much better, uh, in, in growth, uh, what we have grown in H1. So our growth, uh, story will continue. Uh, overall, we should see a significant growth, uh, over the, you know, FY26 and FY27 as the new capacities also have come into play. They will scale up. So we see a significant growth, uh, you know, in terms of, uh, year-on-year basis.

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
Now if you compare our last year historically, I understand your question that historically also our H2 has been the larger part of our growth throughout the journey in the last 3 to 4 years. So we should

see definitely, um, I, I wouldn't want to put a number on there, but Uh, we- you will see a marked difference in the numbers for the, uh, for Q3 and Q4 and H2 coming forward.

Himanshu Shah - Analyst, Daulet Capital
Okay, so at start of the year we had guided for around 60-70% growth in the distillery business including bulk alcohol. Uh, so should we presume similar kind of growth even for the branded IMFL business, or it will be more driven by bulk alcohol and branded IMFL should be in the vicinity of the H1 or Q2 where we are currently?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
No, so that's a combination where, uh, in fact branded alcohol, if you see in the H1 finished now, um, our bulk business has degrown and the branded business has, uh, grown more than our bulk business. So, uh, going forward we expect the same, the branded business to be the stronger performer than the bulk business. However, the bulk business did suffer because, um, you know, the capacities which were increased- so government ethanol orders were on a stay by a High Court order in Chennai, and now last week orders have been released across the nation.

So everybody has now got their orders for ethanol for the next coming year. So those volumes will also come up to match what we had expected earlier. However, that being said, our branded alcohol has performed stronger than the bulk alcohol, and we envision that that will continue to do so.

Himanshu Shah - Analyst, Daulet Capital
Sure, sir. That's it from my side. Thank you.

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
Thank you.

Operator
Thank you. Our next question comes from the line of Ruchika Bhatia from Alchemy Capital. Please go ahead.

Ruchika Bhatia - Analyst, Alchemy Capital
Uh, yeah, it's actually- thanks for taking my question. So it's in continuation with, you know, your earlier guidance of 60-70% growth in the, uh, the distillery division. So we've just, uh, this first half also, if we see, we've increased by Rs 106 crores. So how do we see the second half shaping up? Like, because the Diwali season has already played and, you know, the early wedding has started. So how do you see the demand going forward so far?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
Yes, as we've entered Q3, we have seen quite an increase in demand pickup, and we envision that that should carry on all the way through to the coming new year and the winter season, which in North India predominantly, where, you know, most of our sales happen, um, North India is more concentrated towards brown spirits in the winter. So we are expecting these numbers to stay and achieve the guidance that we can- we gave earlier.

Ruchika Bhatia - Analyst, Alchemy Capital
Okay. And so if you could also help me with the breakup of north, south, east, west, since you're mentioning that it's more north-heavy.

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
So I, I won't have it offhand. I will definitely message you, but, uh, we are definitely lopsided towards the north much more than the south, and we can have a better figure, uh, because I don't want to give you a wrong figure right now. Don't have it offhand.

Ruchika Bhatia - Analyst, Alchemy Capital
And also the lower margins, you know, we did mention about the raw material cost pressure in the first quarter, uh, so we think that this is more or less kind of done, uh, hereon, or we still expect some pressure. So that changes our guidance for the entire 23-24 4% was guided. How, um, how close are we to that number?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
These pressures, although if you see our numbers, these pressures have been there, they have not given us the kind of growth we would have wanted or the margin improvement. However, our margin of, you know, cost of production has gone down even with these margin pressures coming up. But, uh, we would want to scale up even more And these pressures are due to the weather patterns, some droughts in the south, some corn crop failing, some rice also getting marginally hit. So therefore, these will now- with the new crop coming in December, should ease out for the next 6 to 8 months.

Ruchika Bhatia - Analyst, Alchemy Capital
Okay, fine. Thank you so much. I'll correct you for the, for the breakup.

Operator
Definitely. Thank you. Our next question comes from the line of Kumar Saurabh with Scientific Investing. Please go ahead.

Kumar Saurabh - Analyst, Scientific Investing
Hello, am I audible?

Operator
You are audible, sir. You may proceed.

Kumar Saurabh - Analyst, Scientific Investing
Yeah, so actually you had guided, uh, previously about 3 to 4 times growth in 3 to 4 years. Are we still on that? I mean, even if there's a little bit delay because of the current FDA and all of those issues?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
So since we started from Kumar, if you've seen in our presentation when Sudhirji was speaking, he mentioned in the last 4 years we've grown from a Rs 10 crore Alcobet business to a Rs 500 crore Alcobet business. So we've surpassed that growth projection by quite a bit already, although we are not satisfied. We want to grow more, but definitely we have grown much more than we had anticipated or guided.

Kumar Saurabh - Analyst, Scientific Investing
Right, so, and recently there has been a lot of news in, in the CSD canteen banning, say, something like an Old Monk and all other flavored alcohol, and there has been a crackdown from FSSAI. Does it help brands like Kamikada and Kashmir, and, and how are you guys playing or trying to, uh,

capitalize on that? Could you just- we are

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
From the same industry, so we wouldn't want to, uh, you know, downplay anybody, but yes, uh, the philosophy at Piccadilly is very clear. We want to give the consumer the best product. We have an ecosystem where we are- we don't bring in foreign malts or scotches to supplement our major brands. We work on zero flavor profiles. We are working on 100% maturation. That's why you see us maturing 100,000 barrels, which is a substantial investment And if you see our balance sheet, most of our money that we are earning goes into making liquid and purchasing barrels, which are- we are trying to gear ourselves up for the coming years, the demand that will rise, the people understanding what they are going to drink.

They are going to start asking questions with FSSAI. Now everybody will look on the back of the label to see if there's any flavor or concentrate in there, because people ideally, it's a product of choice. So it is not a necessity. So people would want to drink better, um, and they are more conscious of their health now. So definitely, uh, this will definitely help us in the long run. And this is part of the ethos of the company, that the philosophy that we are following.

Kumar Saurabh - Analyst, Scientific Investing
Right, understood, sir. So, and another thing that I wanted to understand was on the barrel economics, without getting too deep into your IP and all. Just could you help me understand what is the typical barrel economics, the life of the barrel, and number of cycles that we can use just to get a sense of it?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
So a barrel typically, depending on what kind of barrel it is- so there's wine barrels, whiskey barrels, and sweet wine and specialty barrels- they range anywhere from $250 all the way to $1,000 for Sherry-certified barrels. So the average price, if you so to say, could be around a benchmark of Rs 30,000-35,000 per barrel, including duties and taxes which we pay in India. That is the cost of the bare barrel. Then goes in the warehousing cost, the racking cost, and the liquid cost. And each barrel, on average, the American bourbons are 200 liters, the wine barrels are 225 liters, and the sherry butts around 500 liters.

So those are different sizes of barrels which you import.

Kumar Saurabh - Analyst, Scientific Investing
And is that a one-time use or you could use it multiple

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
Times? So typically sweet wine barrels are used twice, bourbons are used 3 times, and the wine barrels are used twice. So each cycle will be between 4 and 7 years.

Kumar Saurabh - Analyst, Scientific Investing
Understood, sir. And for anybody to, uh, compete with you in the single malt category, they would need to do this substantial investment, and, and there's a time delay also. I mean, if- because we do see some competition coming up from here and there, but from a volume point of view, it won't be easy. If I- if you can show something,

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
We are hoping more of area, uh, you know, because it's a category which is developing, uh, like the single malt developed, people became aware, and, uh, We would be more than happy for more and more people to join and mature whisky because the thought process once people start maturing is that I don't want to drink a whisky which is not matured. I don't want to drink a whisky which is ENA colour and flavour. So the day that people start asking that question, it will become definitely a level playing field for the Indian alcohol companies and the Scotch companies.

Because I'm- we are a very firm believer that the minimum age of a Scotch whisky, which is 3 years, and the main- if the minimum age of Indian whisky is 3 years, our product quality will be far superior to any Scotch.

Kumar Saurabh - Analyst, Scientific Investing
Understood, sir. One last question is on the capacity utilization of the ethanol plant, and both in Indri and Chhattisgarh. And by Q4, should we kind of go towards peak capacity utilization Can you please give some sense on that? So

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
We are in Chhattisgarh, we are looking- it looks like, um, for the second half of the year we should be able to achieve about a 70% utilization of capacity. And in Indri, um, we are also looking at about a 70 to 75% capacity utilization because, um, as you know that the ethanol tenders which have come, uh, only 33% on an average has been allocated to all the aggregators.

Kumar Saurabh - Analyst, Scientific Investing
Understood, sir. Thank you. I'll get back into it.

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
Thank you.

Operator
Thank you. Thank you. Ladies and gentlemen, if you wish to ask questions, you may please press star and 1. Our next question comes from the line of Debashish Niogi with EYBAN Dubai. Please go ahead.

Debashish Niogi - Analyst, EYBAN Dubai
Am I audible?

Operator
You are audible,

Debashish Niogi - Analyst, EYBAN Dubai
Sir. My question is one on the India business and the other on the, you know, International business. On India business, what would be our value share in single malt for India? And do we get penetration data amongst male and female, you know, as a category? How much, you know, single malt is penetrated in men consumption and female consumption?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
So a categorical differentiation between male and female consumption is not something which, you know, it is readily available or we get to know. But the distribution seems to be quite evenly

balanced as we see the traction in events and, you know, tasting sessions that happen. Whereas if we talk about international versus India, India has seen a decent growth this year. International has also grown, but we've had some headwinds from UAE, which is almost down to 10% of natural sales due to the geopolitical situation there.

Some tariffs imposed by the US have also impacted sales. However, I'm happy to say that our sales have not gone down in the US, and versus every other single malt manufacturer globally losing market share in the US.

Debashish Niogi - Analyst, EYBAN Dubai
So my first question was regarding value market share of Indri in India. Uh, do you- do we, uh, subscribe to any syndicated data, or we do have a, you know, sense that what is the market share? Yes,

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
We, we do. And, uh, last year, um, IWSR named Indri the largest Indian single malt, uh, for second year consecutively. Um, uh, I don't want to give a number because everybody doesn't disclose their figures. So, you know, uh, but we are- we, we, you know, internally our numbers say that we should be 40% of the market share.

Debashish Niogi - Analyst, EYBAN Dubai
Oh, that's, that's big. And, uh, sir, in terms of international market, we are, uh, you know, I stay in Dubai, so I know what Indri has created, and I travel frequently to many countries in the world. You know, Indri has created a global trend, specifically amongst NRI. You know, it's a pride that there is a single malt coming out of India and fighting, uh, the, uh, Glencarig of the world. And, uh, there is a pride in that. And I see, you know, uh, the market share also increasing intuitively when you go to different households.

So my question is that, and you're expanding big time internationally, plan to do 50% of total sales through export, and US seems to be one of the big markets where you are penetrating every state in US almost. So I'm saying, I'm just looking at a broad guideline in terms of 50% of the if export happens in near future, where do you see the biggest contribution? Is it US, is it UK, is it Europe, or is it UAE?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
So for whiskey and especially single malt, US is the number one globally for all brands, China being number 2. We think UAE can be one of the big drivers for us. Along with France and emerging economies like Brazil, which are growing quite rapidly in the segment of whiskey. So we are looking at these markets very carefully and trying to invest resources and time over there.

Debashish Niogi - Analyst, EYBAN Dubai
My last question, sir. You know, in India, the duty structure is, is, is very, very high. You know, what I understand is 75-80% of the MRP goes in duty in India. That may not be the case outside. So if our- say I'm just indexing to X- if our margin of inventory is X in India, what it would be internationally?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
Um, to be very honest, it kind of balances out. Um, for example, if you go to the US, you have a 3-tier system. So anything that goes into the US, the importer will charge you about 25% over and above. The distributor will charge you about 25%, and the retailer between 25% and 35%. So

ultimately it's the government duties, it's taxes, or it's the margins by retailers and distributors. Ultimately the net realized value that the company gets evens out globally. For us.

Debashish Niogi - Analyst, EYBAN Dubai
Understood, sir. Thank you, sir, and all the best to you. Thank you, thank you very much.

Operator
Thank you. The next question comes from the line of Himanshu Misani with Pinpoint X Capital. Please go ahead.

Himanshu Visani - Analyst, Pinpoint X Capital
Thanks for the opportunity. So my first question is on the longer-term guidance that you gave in the last quarter. Of around 5 lakh cases of Indri in coming 3 to 4 years. Um, just want to understand how things are looking at things, how do you feel that, and are we on track for that?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
Yes, it looks, um, it looks decent. We are growing. We gave a guidance that Indri should, from the base that we've created, which is fairly large, should grow at about 20 to 22%, uh, year on year, and which will take us to that number that the magic figure that we're talking about in the next 3 to 4 years.

Himanshu Visani - Analyst, Pinpoint X Capital
Understood. And so over the same 3-4 years, what volumes or revenue contribution we can expect from, you know, other brands such as Kamikara and Kashmir?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
So Kamikara and Kashmir are 2 brands. The company already has a full pipeline of a couple of other brands coming into the market. Um, of course, we know that single malt will have a certain limitation in size. However, the Indian alcohol sector is very buoyant, and at every price point there is space for people to grow. So the company will be tapping into those segments as well, and that revenue should also be added. So, but we are not giving that as any guidance as of today because brands are something which are quite unpredictable and have a journey of their own.

So the pipeline is full. We are looking at coming out with a couple of other brands and hope that these- those brands can also supplement the growth along with Kindri.

Himanshu Visani - Analyst, Pinpoint X Capital
So continuing on that, I think for Q2 and Q3 we're earmarked for some launches. Um, so do we- we will be able to see some new, uh, offerings from Piccadilly in this quarter?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
There will be probably one offering in this quarter and a few in the first quarter of '27.

Himanshu Visani - Analyst, Pinpoint X Capital
Got it. Lastly, sir, on the duty and the FTA, I think there have been some media articles on, you know, some companies being very cautious on the foreign imports. What is our take on that? And obviously the opportunities, the export market also opens up. So how are we thinking about both of it?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
We are not a large net importer from overseas, so those don't really materially affect us. Um, we

stay isolated from that. And of course, overseas opportunities- we are opening new markets, um, or as many as possible. We're opening new duty-free and GTRs, and we are looking at all the opportunities available to us.

Himanshu Visani - Analyst, Pinpoint X Capital
Got it, got it. Thank you so much and all the best.

Operator
Thank you. A reminder to all the participants, ladies and gentlemen, you may press star and 1 to ask a question. The next question comes from the line of Kumar Saurabh from Scientific Investing. Please go ahead.

Kumar Saurabh - Analyst, Scientific Investing
Thank you. So, uh, sir, when you mentioned that there are certain white spirit, uh, which will be- sorry, not white- new categories that would be, uh, announced. So these are currently under maturation, like a certain volume of it, and once you announce, you start delivering?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
Yes. Um, going

Kumar Saurabh - Analyst, Scientific Investing
Through

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
The history of, uh, uh, industry that, um, you know, with the growth that we had, we had to ramp up capacity. And maturation to meet the demand for Indri. The newer products, once we have secured, um, you know, the, the runway for Indri for the next 5 years for what we envision we'll require, then we will use these stocks to come up with new products and brands. And they are under maturation, different varieties of it. And also not just brown spirits under maturation, the company is also looking at other exciting areas where there is a substantial growth available.

Kumar Saurabh - Analyst, Scientific Investing
Understood. And so once you- I mean, we will probably by the end of the year, as you mentioned, we'll reach the 1 lakh barrel, uh, number. What could we do from next year where we get the cash? How would we deploy that? Any sense on that?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
Oh, more barrels and more liquid. By the end of the year, we will give you a new, uh, you know, we are working on a plan. We are thinking of, uh, revising our target. So we will give you a new plan for what the company's vision in the next 3 years will be.

Kumar Saurabh - Analyst, Scientific Investing
Got it, sir. And how do you see marketing? I mean, building a brand is not easy. And I think if I, I was going through one of the articles on previous such alcohol branding, I mean, many times the brand fails, it doesn't click with the customer. So how were you planning that? Uh, you have some material under maturation and say the brand doesn't pick up. So what's the fallback? Or

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
The fallback is new brands, other brands. There's no limitation on how many brands one can bring

out.

Kumar Saurabh - Analyst, Scientific Investing
And, and also,

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
Let me, let me come to your question. I know what you're asking is we earlier used to sell a lot of bulk, um, and that was a very high margin business. However, we are not planning to do that as of now. We'd want to bottle and sell. But if there is a fallback required, that definitely is available.

Kumar Saurabh - Analyst, Scientific Investing
Okay, understood, sir. And I mean, with respect to taste and categories, you're trying to experiment with variety. I think in your slide also there are some blended alcohol categories coming up as well.

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
Yes, there is. There's blended whiskies, there's white spirits. There's a couple of other categories we are looking at.

Kumar Saurabh - Analyst, Scientific Investing
Okay, sir. Thank you so much and best of luck.

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
Thank you.

Operator
Thank you. We have a follow-up question from the line of Debashish Niogi with EYBAN Dubai. Please go ahead.

Debashish Niogi - Analyst, EYBAN Dubai
Yeah, sir. Alcohol is a restrictive category, so I'm assuming most of the marketing spend would be retail activities and it would be marketing activation. And if you look at marketing activation or BTL, okay, or I'm not putting trade broads, but between BTL and marketing activation, what would be the percentage to sales in terms of spend?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
Marketing spend that we kind of earmark for the brands across categories is about 10%.

Debashish Niogi - Analyst, EYBAN Dubai
10%. Okay. And, uh, so between the 4 brands, okay, what if, if you index 4 brands to 100, what would the Indri share and what would be the other 3 brands share?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
Um, I- we don't get into those specifics because, uh, you know, some of those things then affect our marketability with other companies which are competitors. So we don't get into those numbers for our different brands.

Debashish Niogi - Analyst, EYBAN Dubai
Okay, I understand then. Appreciate that. Do you- do you- what is your, you know, in terms of- in terms of, uh, Tamil Kaga, it is well, very well positioned, you know. So are you getting traction from international market also?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
Yes, we are. Although, um, Indian rums in the international market is a hard sell, but we are getting some traction from France and the US, which is very encouraging.

Debashish Niogi - Analyst, EYBAN Dubai
And what about Kashmir Heritage Grain Vodka? You see the same there also?

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
Yes, we are seeing Kashmir grow for the flavor profile, and it has started winning awards globally, and we are now en route to taking it to the US as well and other countries, whereas the exports only have started to a few countries. Thank you,

Operator
Sir. Thank you. A reminder to all the participants, you may press star and 1 to ask a question. As there are no further questions from the participants, I now hand the conference over to Mr. Sudhir Bhargava for closing comments.

Sudhir Bhargava - Investor Relations, Piccadily Agro Industries Ltd
Thank you everyone for your time and joining us. Look forward to interacting with you in the future. Bye-bye, have a nice day.

Operator
Thank you. On behalf of Piccadilly Agro Industries Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.