

Brand behind brands

# ASSOCIATED ALCOHOLS & BREWERIES LIMITED

Brought to you by  
O. R. Nirmal



SETTY PICKS

SETTY PICKS  
IND-ARM

efined Taste



enjoy responsibly



## About the Company

The Company was founded by the late Shri Bhagwati Prasad Kedia in 1989. Associated Alcohols & Breweries Limited is among of the flagship companies of the Associated Kedia Group involved in the manufacture and bottling of liquor. The Company took over the distillery operations of the promoter group and extended to the manufacture of premium liquor products. The Company widened its product portfolio to cater the various alcohol-beverage needs of people belonging to all strata of society. Its business range comprises:

- ☒ Premium extra neutral alcohol/ grain spirit
- ☒ Indian made Indian liquor (IMIL)
- ☒ Indian made foreign liquor (IMFL)
- ☒ Rectified spirit
- ☒ Contract manufacturing partnersh





# BUSINESS

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## Clients

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☒ **DIAGEO/ UNITED  
SPIRITS  
LIMITED**

☒ **GOVERNMENT  
REGULATED  
RETAIL**

**CONTRACTORS/AGENCIE  
(BOTH IMFL AND IMIL)**

## Licence brands

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**Bagpiper Deluxe  
Whisky**

☒ **Directors Special  
Whisky**

☒ **Flavoured White  
Mischief**

☒ **Director's Special  
Gold  
Whisky**

☒ **DSP Black Special  
Whisky**

☒ **McDowell's No. 1  
XXX  
Rum.**

## Proprietary brands

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☒ **James McGill  
Whisky**

☒ **Central Province  
Whisky**

☒ **Jamaican Magic  
Rum**

☒ **Bombay Special  
Series**

☒ **Titanium Triple  
Distilled vodka**

**AABL**

# Brand behind brands



Setty picks

People who consume alcohol think the brand which they consume are manufactured by the brand itself by the reality is far different. The Top brands liquor are manufactured by contract manufacturers. AABL is one of the contract manufacturer United spirits in India which is the largest premium liquor brand in India. AABL ALSO HAVE THEIR OWN BRANDS.

## "GOVERNMENT ADVERTISE NOT TO DRINK ALCOHOL BUT NEVER BAN LIQUOR COMPANIES"

In Next 15 to 20 years we may see people having alcohol for family gathering. If it happens in atleast. 5-10% Indian families look at the market these companies are sitting at. People consuming alcohol is raising year on year now Rise of RESTROBARS in INDIA lead to easy accesible for premium liquor nearby . INDIA'S POPULATION gives advantage to these players. There is high probability for rapid expansion of liquor market in india





2021  
Setty picks

**800 CRORES**

Company valuation  
(as of Q1 2021)

## Key Challenges

Government rules and regulation  
increasing raw materials cost  
Taxes main concern.. But increase  
in disposable income is a boon.

25%

Alcohol sold in  
maharashtra are their  
brands

450

Lakh litres per annum,  
ENA capacity,2019-20

4

The Company has  
presence in four  
states. Planning to  
expand its presence  
in Uttar pradesh



# Revenue & Expansion

## COMPANY PRESENCE

The Company is one of the largest distillers in India. It possesses an extensive geographic presence in 4 states across the sectoral value chain. The Company's principal revenues are derived from the States of Madhya Pradesh, Kerala and Delhi, who account for more than 80% of revenue

90  
Million

ENA  
Planning to double the capacity of ENA manufacturing

12.5  
million

Capacity  
Bottling capacity of maharasta plant


## Sources of Revenue


- Contract manufacturing
- Licensed brands/franchise brands
- Proprietary brands



## PROFIT

AABL performance for the year 2019-2020


**535cr**  **Revenue earned during the year (2020)**

**49.3cr**  **Profit earned during the year (2020) after deducting all expenses**


**25%**  **ROCE during the year (2019-20)**

## REVENUE

THE LIST SHOWS MAJOR DISTRIBUTION REVENUE STREAMS OF AABL FOR 2019-2020

**32%**  **Revenue from Indian manufactured Indian liquor (IMIL)**

**17%**  **Revenue from licenced brands**

**23%**  **Revenue from merchant ENA FOR THE YEAR 2019-2020**





Setty picks:  
Our 2021 Strategy.

● Target

CMP - RS 440  
BUY PRICE - 350-370  
TARGET-3000+  
HORIZON- 10 YEARS

● Future plans for growth:

The company is planning to double its ENA production by next year to 90MN liters which is a very good sign. Huge scope for expansion as the market growth is expected in near future.

● Additional sources of revenue:

Company earns money from its own liquor brands  
Company enjoys monopoly status in Maharashtra state  
Company revenue from contract manufacturing, distribution and franchise is extra advantage  
tie-up with Diageo/United Spirits, largest alcohol company in the world