



Globus Spirits Limited

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Dated : 19th January 2026

The National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G
BandraKurla Complex,
Bandra (E),
Mumbai – 400 051

The BSE Limited
PhirozeJeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001

Subject: Conference call Transcript– Q39M FY26 held on 13th January 2026

Dear Sir,

This is with reference to the above captioned subject and in compliance with Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, attached herewith the conference call transcript w.r.t. conference call held with Investors on 13th January 2026 to discuss the financial performance of the company for the 3rd quarter and Nine Months ended on December 31, 2025.

Kindly take the aforesaid information on record and acknowledge

Thanking You
Yours faithfully
for Globus Spirits Ltd.

Santosh Kumar Pattanayak
Company Secretary
ACS-18721

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“Globus Spirits Limited
Q3 and 9M FY '26 Earnings Conference Call”
January 13, 2026



MANAGEMENT: **MR. SHEKHAR SWARUP – JOINT MANAGING DIRECTOR – GLOBUS SPIRITS LIMITED**
MR. PARAMJIT SINGH GILL – CHIEF EXECUTIVE OFFICER, CONSUMER DIVISION – GLOBUS SPIRITS LIMITED
MR. NILANJAN SARKAR – CHIEF FINANCIAL OFFICER – GLOBUS SPIRITS LIMITED

MODERATOR: **MR. SUYASH SAMANT – STELLAR INVESTOR RELATIONS ADVISORS**

Moderator:

Ladies and gentlemen, good day, and welcome to Globus Spirits Limited Q3 and 9M FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Suyash Samant from Stellar Investor Relations Advisors. Thank you, and over to you, Mr. Samant.

Suyash Samant:

Thank you. Good afternoon, everyone, and thank you for joining us today. We have with us today the senior management team of Globus Spirits Limited, Mr. Shekhar Swarup, Joint Managing Director; Mr. Paramjit Singh Gill, CEO of Consumer Division; and Mr. Nilanjan Sarkar, Chief Financial Officer, who will represent Globus Spirits Limited on the call.

The management will be sharing the key operating and financial highlights for the quarter and 9 months ended 31st December 2025, followed by a question-and-answer session.

Please note this call may contain some of the forward-looking statements, which are completely based upon the company's beliefs, opinions and expectations as of today. These statements are not a guarantee of the company's future performance and involve unforeseen risks and uncertainties. The company also undertakes no obligation to update any forward-looking statements to reflect developments that occur after the statement is made. The call will be limited to 1 hour.

I now hand over the conference to Mr. Shekhar Swarup. Thank you, and over to you, sir.

Shekhar Swarup:

Good afternoon, everyone. Thanks for joining us on the Q3 9 months earnings call. Param and Nilanjan are also with me. Building on our earlier communications, we would like to reiterate our approach. Over the last few quarters, the company has transformed into an innovative and growing brand-led company backed by a robust manufacturing backbone.

We continue to build and strengthen the company to ensure consistent growth of our consumer business in the years to come. To this end, the Board had passed a resolution for a fund raise, which is an enabling resolution. We have a 1-year timeframe for the resolution and basis the requirement of the company and the right investor set, we will evaluate our options.

These actions provide us ability to finance the business, create innovative and world-class brands and ensure industry-leading margins. I will ask Param to walk you through the developments of the consumer business in detail shortly.

Coming to our manufacturing business, which provides -- besides providing us a stable supply and innovation platform, the manufacturing business also ensures high capacity utilization of assets, thereby reducing cost of production for the consumer business.

In the quarter gone by, we have consumed around 15 million liters of ENA and sold 52.25 million liters of ENA and ethanol, driving capacity utilization of 86% in the quarter gone by, which marginally exceeds our guidance of 80% to 85%.

The bulk sales business, the manufacturing business generated a margin of INR7.5 per liter in the quarter, EBITDA margin of INR7.5 per liter in the quarter and an EBITDA margin of INR5.76 per liter in the 9-month period. This is in line with our guidance of INR5 to INR7 per liter for the year.

We're expecting capitalization of our UP assets worth around INR200 crores in Q4, which will add a capacity of 100,000 liters per day of grain ENA production. The facility is also compatible to used molasses. This capacity will help further improve our margins of R&O and P&A portfolio in Uttar Pradesh. Over to you, Param.

Paramjit Singh Gill:

Thank you, Shekhar, and good afternoon, everyone. Coming to consumer business. For Q3 FY '26, Prestige & Above reported a volume growth of 37% year-on-year and revenue growth of 32% year-on-year, excluding Delhi.

Coming to Delhi. In Q2, we had mentioned that Delhi had certain issues. These issues have since been resolved during Q3 and volumes have already started normalizing, and we totally get into a normal stream by end of Q4.

As you will recall, Delhi is one of the first 3 states where our consumer business had started, and hence, the impact on our overall business has been a little more than normal. We are confident of 50% volume growth in the P&A segment in Q4 FY '26, bringing us back on track.

As we keep growing in geographies, the share of business of a single state reduces significantly, and therefore, our overall stability keeps improving. On new states, early reports from Assam, where we launched our 2 key brands, Mountain Oak as well as Brothers are encouraging as we continue to expand our presence there towards improving our presence in the overall Northeast region with Assam being the key anchor. Jharkhand will be the next state where we plan to enter by the end of Q4. We expect overall P&A to grow in the zone of about 50% in this quarter.

Coming to R&O. Rajasthan recorded a volume growth of 2% year-on-year and revenue growth of 3% year-on-year, in line with industry. UP has shown accelerated growth in Q3 with sale in December, reaching the 1 lakh case mark. Overall, R&O segment volumes had flat growth year-on-year and revenue growth of 1% year-on-year.

In Delhi, the excise policy of '24-'25 ended in September '25, and since then, a new policy is awaited. In West Bengal, the company had decided to shift the bottling location and that shift is already underway. This shift has been necessitated due to high labor costs in the previous setup, and we expect our overall R&O growth to remain in mid-single digits in Q4.

With that, I request the moderator to open the forum for Q&A. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Avinash Roy with Nuvama.

Avinash Roy: My first question is on gross margin. As a company overall, I see around 150 bps quarter-on-quarter expansion, 500 bps Y-o-Y. Any one-offs here? And from a near-term perspective, for Q4, how do you expect overall gross margins? You also said that you expect 50% growth in P&A for the quarter. So if you could clarify, is this for Q4, 50% kind of growth expectation for the P&A?

Shekhar Swarup: Thanks for the question, Avinash. The expansion in gross margins are for two reasons. One is a lower cost of raw material in Q3, which is in line with what we had expected, given the structural change in the raw material scenario in the country that transpired even in Q3. So that story is really playing out -- it continues to play out and will remain this way.

The other reason is as our P&A business grows, in fact, even as our R&O business continues to grow, overall gross margins will rise. So all of this is a structural improvement and not one-offs. Param, over to you for Q4 P&A growth.

Paramjit Singh Gill: Yes. So yes, your point, Avinash, was correct that we are projecting a 50% volume growth in P&A consumer business. And our margins in the consumer business, as we have indicated, are already in the zone of about 40-odd percent, and we do not expect any significant change, as we continue our growth path.

Avinash Roy: Understood. My last question is on UP market. You entered a few quarters back in terms of the R&O. So I wanted to understand when you compare a very large state for you, Rajasthan, where you have a very large market share versus a new state like Uttar Pradesh. In terms of gross margin, how do those two states compare?

I understand -- I don't know if I'm right. I understand that UP, the pricing is a bit lower than Rajasthan. But in terms of RM cost, also is there a big difference? So some clarity on that. Plus, you mentioned that around 1 lakh cases in UP in December, I understand it is India's largest market in terms of R&O, 1 lakh cases, how does it measure versus your own internal expectations? Any problems, any big wins, any problems you see currently in UP market in terms of that business?

Paramjit Singh Gill: So in terms of -- if we are looking at comparing R&O margins between Rajasthan and UP, in the initial stages, we definitely see UP while the margins on their own being very healthy, but they will be marginally less than Rajasthan. Coming to the second part of the question, how do we see this 1 lakh cases, we are excited for the pure reason, as you have called out that UP is one of the largest markets of almost 1 crores case per month.

And our current performance of reaching the 1 lakh case is well in line with our -- I mean, journey which we had predicted for ourselves. Very early to start putting it in terms of big wins,

but definitely, it gives us a lot of confidence that the path that we have chosen and the strategy that we have implemented is resonating with the outcomes.

And further, as our manufacturing unit is coming on -- distillery is coming on stream very, very soon, we are very, very confident that this will start as soon as it stabilizes in a couple of weeks, it will start improving our margins in UP also. So the growth journey in UP is very, very exciting from both point of view, high level of excitement, no big wins. It's too early to start reporting big wins on a small base yet.

Shekhar Swarup: So I just wanted to comment here on the margin in UP. There's going to be an expansion in UP margins as soon as the distillery starts. We were expecting to start last month, Avinash, but there were some delays with the licensing. We've received our license early January. And now we've started the process of commissioning, and we hope to announce commissioning very soon. So there will be significant margin expansion now as soon as the distillery starts supplies. And then as the business stabilizes, scales up and stabilizes, there will be further growth in margin.

Avinash Roy: Understood. One clarification here. Once the distillery in UP fully stabilizes, in terms of gross margin, so my question was not for EBITDA margin because EBITDA margin, obviously, for a new business is not the right metric to look at in the initial part of the cycle.

My question was more once the distillery in UP is up and running, then is there a big gap in terms of Rajasthan gross margin and UP gross margin? You did say that the difference is not big, but once distillery starts...

Shekhar Swarup: Not very big.

Avinash Roy: Thanks. That's it from my side. Thank you.

Moderator: Thank you. Next question comes from the line of Himanshu Shah with Dolat Capital. Please go ahead.

Himanshu Shah: Thanks a lot for the opportunity. A couple of questions. First, on the manufacturing business, how much has been the correction in the raw material prices maybe on a Y-o-Y or Q-o-Q basis, if you can highlight, both in broken rice as well as maize, number one.

And secondly, has the entire benefit got factored in current quarter? Or we should see some flow-through impact through higher spread even in the upcoming quarters?

Shekhar Swarup: So Nilanjan, you could please pull out the change in raw material price Y-o-Y, Q-o-Q. Meanwhile, I'll talk about the trend. So, the significant reduction in raw material prices started taking place towards mid-November, which is in line with seasonality. Every year, we see around November and essentially after Dussehra, we start seeing correction in raw material prices.

This lasts till about end -- so Q3 and early Q4 is usually very good for margins. And that's the trend that's playing out even now. Nilanjan, do you have the Q-on-Q and Y-o-Y numbers?

Nilanjan Sarkar: Yes. The Q-on-Q reduction has been 4% and Y-o-Y reduction, 15%.

Himanshu Shah: Okay. And so sir, Shekhar, just a follow-up. So we should see some more flow-through benefit because this price reduction has happened from mid of November. So full benefit should come in Q4, and we should see some further healthy margin improvement for Q4, too. Fair to assume that?

Shekhar Swarup: No. So February and March prices will start firming up again. Overall, for the financial year, the margins will be around INR6 to INR7. In fact, it should be around INR7 a liter. Strategically, INR5 to INR7 is our guidance, and that is what we will continue to maintain.

Himanshu Shah: Fair. Secondly, on UP capex, you mentioned is INR200 crores. In presentation, we were seeing UP capex as to INR120 crores. Any reason for this sharp increase in capex for UP?

Shekhar Swarup: I don't know about the INR120 crores number. I think our CWIP is around INR180 crores. Nilanjan, can you talk about this?

Nilanjan Sarkar: Yes, CWIP is at INR184 crores.

Shekhar Swarup: I'm expecting a little more capex, which is not yet -- which happened in Q3 and is still pending. So INR120 crores, I'm not sure what this number is yet.

Himanshu Shah: I'll share the screenshot of the presentation separately after the call.

Shekhar Swarup: Okay. Maybe there was an error. I apologize for that, but please do share that information so we can correct, yes.

Himanshu Shah: Sure. Thirdly, just a bookkeeping question. We have seen a change in numbers for Q3 FY '25 between IMFL, consumer IMFL and manufacturing numbers of the base quarter last year, Q3 FY '25. Last year, IMFL revenue was INR48 crores, which has been reported as INR43 crores. Any specific reason for this?

Nilanjan Sarkar: No. There was a reclassification as per Ind AS and that reclassification has been addressed in this quarter.

Shekhar Swarup: Nilanjan, that reclassification was only in Q3 last year?

Nilanjan Sarkar: Only in Q3, Q3 of last year versus Q3 of this year.

Himanshu Shah: Okay. And on IMFL, basis our vision statement, what we have guided for, basically 50% revenue from consumer and within that 50%, 25% coming from P&A. This ballpark implies a 50% revenue CAGR over FY '26 to '29. How confident are we on this? And what will drive this? Because last 2 quarters' performance is not indicating any kind of positivity from an IMFL

perspective. So on a higher base of IMFL revenue, we are guiding for indirectly a 50% CAGR. So how confident are we...

Paramjit Singh Gill: So thanks, Himanshu. There's some background noise here. So thanks, Himanshu, for the question. Obviously, overall, you see we had called out in the last quarter itself, Delhi has been a drag on us for the last 4, 4.5 months, and that has had a big impact. Except for that, our overall strategy and growth are in line.

Now there is obviously -- there can be a month or a quarter as we go forward into our next couple of years' journey where there can be a performance which can exceed the projection and another quarter where it can slip. That is what, but we are very confident of our overall projection and our numbers purely because strategically, we are going to grow within each state as well as we are organically also growing geographies.

Further to top it up, also, we have a lot of support coming in from luxury to build up the top line and the bottom line growth, which is being driven by P&A. So overall, we are very, very confident because what we have narrated is part of a well-crafted strategy that has been successfully implemented for the last 3 years.

We must keep it in mind that there will be these quarters of over delivery and some quarters of softer delivery. And that is part of the journey. These will start getting less and less impactful as we keep going forward and have more brands, more geographies so that any individual state tailwind or headwind will start becoming a very normal consequence of part of the journey as it is well known in our industry.

Himanshu Shah: That was helpful. And how much dependent our vision FY '29 statement is on the QIP? Assuming if the QIP doesn't go through, would we still be holding on to our vision statement or we may recalibrate that?

Shekhar Swarup: No, we'll be holding on to our vision statement in either scenario. What we are getting with the QIP is an ability to grow our business a little bit faster to be able to have certain opportunities for growth as and when the opportunity is available to be taking actions in those opportunities as well as for increasing our malt whiskey inventory. So in either scenario, these are the numbers that we are projecting to achieve.

Moderator: Thank you. Mr. Shah, please rejoin the queue for more questions. Next question comes from the line of Nitin Awasthi with InCred Research. Please go ahead.

Nitin Awasthi: Hello sir. One question on the manufacturing side and one question on the consumer side. On the manufacturing side, our utilization has been tagged below the numbers we used to do in the earlier years. I'm talking about...

Shekhar Swarup: Sorry, Nitin, your voice is very soft.

Moderator: Mr. Awasthi, please speak a little louder?

Nitin Awasthi: Yes. Am I clearly audible now?

Moderator: Yes, please go ahead.

Nitin Awasthi: Okay. Great. So sir, on the historical front, from the historical perspective, our 9-month utilization number for the manufacturing business seems to be on the lower end. So is it because of the capex that we were doing and the refurbishing of the plants that we were doing? And do we expect this to again go back to the historical level of 90% plus?

Shekhar Swarup: Nitin, we are expecting capacity utilization at 80% to 85% going forward. Given the capacity base that -- our current capacity base and the incremental growth after UP, that's what we're going to be able to achieve, and that's been our guidance since last quarter.

Nitin Awasthi: Understood, sir. Sir, on the second question on the consumer front, Rajasthan had a multiyear policy, which was implemented last year. It has done this before also. However, in the midyear, it used to come and give a policy again for the next year. And that used to normally make Q4 a bumpy quarter because the new excise policy used to have higher prices come in from April and people used to stock up in Q4. So this time around, are we expecting any such movement because of the multiyear policy? Or we just expecting normalization of the whole thing?

Shekhar Swarup: So I can -- Param, I can comment on this, if that's all right. So Nitin, typically, the one issue that I have here this time is that given our stabilization of our SAP HANA project, this quarter, we've been able to announce our results a lot sooner than in the other quarters. We hope that this kind of momentum will continue now going forward. The one problem because of this is that usually Q3 results are towards mid or end of February. And by then, I have complete clarity about next year's policy.

Sitting mid-Jan right now, there are talks that are on for a potential price increase in Rajasthan. If that price increase is to come through, then yes, similar ordering pattern will continue as there was last year. But if it isn't to continue, then there won't be any change. Regardless of this, we are expecting this mid-single-digit kind of volume growth in the R&O segment, whether it is a little bumpy or not in Rajasthan, but we should be able to deliver on this mid-single-digit growth.

Nitin Awasthi: Understood, sir. Thank you.

Moderator: Thank you. Next question comes from the line of Sid with Minerva India Under-served. Please go ahead.

Sid: Yes. Hi, my first question is that what is your guidance for EBITDA per liter for FY '27? And for this, what would be your underlying assumption for rice and maize price for this guidance?

Shekhar Swarup: Our guidance remains INR5 to INR7 per liter for the next financial year at 80% to 85% capacity utilization. My assumption for maize and rice prices is a similar trend that has played out this year. If there is significant change, then we expect that prices will also move in line with the significant change that takes place.

Sid: Okay. So the margin should be in this range regardless...

Shekhar Swarup: Yes.

Sid: Okay. My second question was, how do you see profitability for IMFL in the next financial year, FY '27? And if you could also give any inputs on FY '28 profitability, that would be helpful?

Shekhar Swarup: At this point, we've given a guidance for FY '29 profitability. We are not in a position to give year-wise guidance for the P&A business. So we request you to bear with us for a few quarters till then.

Sid: Okay. So for IMFL, you can't give FY '27 or '28 profitability?

Shekhar Swarup: No, not at the moment. We've given a 15% to 17% EBITDA margin guidance in FY '29 for P&A.

Sid: All right. So then my last question is that what are our plans for UP for IMIL in the next financial year? Can you provide a target for -- like in terms of millions of cases that we are planning to reach in FY '27?

Shekhar Swarup: Yes. So Param, over to you.

Paramjit Singh Gill: Yes. See, we don't want to project individual cases by a state. What we are expecting is, as we have called out, that overall, we are indicating that the R&O business will continue its mid-single-digit growth.

Now we obviously are expecting that UP will continue to drive growth as well as the support from Delhi and West Bengal will kick in once the new policy of Delhi excise comes through, which definitely will come through, if not sooner than in March. And West Bengal by the latter half of this quarter, end of this quarter, our operations will start. So individual state-wise guidance, we are not releasing at this point of time. Kindly bear with us.

Sid: Okay. So -- but it's fair to assume then that for IMIL and UP, we can expect similar mid-single-digit growth in volumes.

Paramjit Singh Gill: No. I mean UP...

Shekhar Swarup: Overall, I said across IMIL, not for UP. UP will obviously grow much, much faster than that for the simple reason that the base is very slow, very small. UP is a very small base. We are seeing across the total performance of Globus across all five states.

Moderator: Next question comes from the line of Soumya S. with Insightful Investments.

Soumya S.: So basically, my question was similar to the last participant. In the Delhi market, since you're saying that it has come back and now we are expecting better performance going ahead. If there is any chance you could give us what kind of volumes and revenue we're expecting going

forward since it's a market that we were previously present in and are now sort of seeing a revival?

Paramjit Singh Gill: Yes. So thanks, Soumya. To give you a broader indication we have given the performance of P&A that we reported a 37% year-on-year growth -- volume growth. Without Delhi, you have our overall numbers of volume growth, which we have already published, starts giving you that Delhi obviously was a salient market for us.

As I have said, we individually do not predict state-wise, quarter-wise growth, but we are very confident of Delhi's turnaround, the turnaround, which has already begun, should totally normalize by the end of this quarter itself.

Soumya S.: All right sir, thank you.

Paramjit Singh Gill: Thank you so much, Soumya.

Moderator: Thank you. Next question comes from the line of Aashish Upganlawar with InvesQ PMS, please go ahead.

Aashish Upganlawar: Firstly, on the fundraise that we have taken enabling the revision of the Board. So any concrete plans as of now as to how much are we doing out of the INR500 crores and what time line? And secondly, the utilization of that, how would you plan it...?

Shekhar Swarup: Currently, there's nothing concrete. As I mentioned in my opening remarks, it's an enabling resolution. And based on how the business is growing, the requirement as well as environmental factors, we will take a decision later in the year.

Aashish Upganlawar: Okay. And what's the thought process on utilization of that, where are we going to utilize it?

Shekhar Swarup: Utilization is -- it's essentially for growing our consumer business, both in terms of working capital finance as well as increasing inventory of malt whiskey.

Aashish Upganlawar: Okay. So the only point is that given the market cap of our company, INR500 crores seems to be a reasonably big dilution that would come in. So as investors, I mean, we would be looking at lesser of a dilution because unless it's a dire need for the business to...

Shekhar Swarup: No. Like I said, there is no dire need firstly. Secondly, this is an enabling resolution and INR500 crores is the limit. The requirements that we are foreseeing are lower than that. So let's see how things shape up as the year progresses, and we'll keep you informed.

Aashish Upganlawar: Okay. Secondly, one more thing on the drop in prices of raw materials, can you help me with the numbers on what would be the drop in maize prices what you would have seen and also on the broken rice, what was the kind of drop that we saw?

Shekhar Swarup: Nilanjan, you have the drop separated for broken rice and maize? I think it's an overall thing. No, it's not the right way to see it because we may not have been purchasing maize in a certain period that we're purchasing maize right now. So the base may not be comparable. Nilanjan mentioned that 15% is the reduction in raw material price year-on-year and 4% quarter-on-quarter, and that factors in the raw material mix.

Aashish Upganlawar: Right. So would we have used more of broken rice this time around? I mean is that a fair assumption? Or we are using a mix of both whenever...

Shekhar Swarup: It's a mix of 3, right, FCI, broken rice and maize. In the North, maize prices are not that favorable. In the East, they are more favorable. So it's a mix.

Aashish Upganlawar: Okay. I mean just looking for a direction as to in the market, what would be the drop in the maize price? I don't have the data overall...

Shekhar Swarup: So in terms of total raw material price difference is 15% year-on-year. But if I were to talk about maize last year, December, maize price in December last year was about INR2,300, and this year, it's about -- INR2,400 and this year, it's about INR2,150 to INR2,200. But these are spot price changes, not average of quarter or any such number. So the average of quarter, the right way to see it is average raw material price for that period.

Aashish Upganlawar: Sure. Thank you so much.

Moderator: Thank you. Next question comes from the line of Hitaindra Pradhan with Maximal Capital. Please go ahead.

Hitaindra Pradhan: Good afternoon sir. Sir, if I heard you right, you said for Q3, you did 37% Y-o-Y on P&A ex of Delhi and overall 9%. Do you have the similar figure for 9M also?

Paramjit Singh Gill: No. Beyond this, there is not much more detail at this point of time. We are sharing. The reason why we called out was just to point out the impact of Delhi, because Delhi was one of the first 3 states we had entered UP, Delhi and West Bengal. And as we continue with our growth journey, it still is a significant contributor and the impact on Delhi has been noteworthy in our business.

As I have said that we are very quickly normalizing the situation and the momentum will be there for all to see in Q4 itself. And going forward, obviously, such blips will become less and less noteworthy as we expand into more geographies and more brands.

Hitaindra Pradhan: Okay. And similarly, sir, on the R&O business, so from the beginning of the year, we were expecting a mid-single-digit sort of sales volume growth, but we have been more or less flat. And so let's say, Rajasthan, you have called out about inventory alignment in Q2. So let's say, if you remove Q2, then Q1, Q3, how has been the growth in Rajasthan market in terms of volume, if you can give some flavor on that?

Paramjit Singh Gill:

Three-ish. At this point of time, Q3 is 3-ish. There is also an impact of -- you will note, sir, that we have called out -- I think even in the last Q2 one, we had announced that Delhi policy is coming to an end. So as of now, there is no sale in Delhi of any company because the policy has concluded and the excise has not released the new policy, unfortunately.

And West Bengal obviously is undergoing the transition, which will in the medium term, which will be very beneficial to us. As a result, both these states having no volume contribution or top line contribution, it has that, I mean, short-term impact on the business. But we hold our overall guidance of mid-single digit.

Hitaindra Pradhan:

Okay. You also mentioned about significant margin increase once the UP distillery will come up. So that is going to be only on the R&O sales that we are doing on UP? Or what will be the base over which this margin expansion will play out?

Shekhar Swarup:

It will play out on R&O and P&A.

Hitaindra Pradhan:

Okay. So it will play out on both R&O and P&A sales, which we are doing currently in UP?

Shekhar Swarup:

Yes.

Paramjit Singh Gill:

Current and future sales.

Hitaindra Pradhan:

Okay. Okay. And sir, on the fundraising side, unless we have an inorganic opportunity in sight, given that now the bad times that we had in manufacturing, now that is turning around and that should positively contribute to the cash flows. And given that we don't have any future capex requirement coming from manufacturing. So in absence of any inorganic opportunity, why there should be any fundraising requirement for the company as such?

Shekhar Swarup:

So currently, in the IMFL business, the way it's growing as well as poised to grow. Of course, we've had a couple of quarters of setback in Delhi. But leaving aside that, Param mentioned that the growth in all other states has been completely on track. There is a need to be a little more aggressive on investments behind the consumer business, both in terms of working capital as well as advertising opportunities.

Our entire aggression currently is based entirely on raw material price movement. So once raw material price comes down, our aggression increases, raw material prices go up, our aggression reduces. And that kind of strategy is not wise as we are now shaping up the future of states of the consumer business in the new states that we're entering. So that is the reason strategically for doing the fund raise.

Hitaindra Pradhan:

Okay. What is the net debt that we have right now, sir?

Nilanjan Sarkar:

INR570 crores.

Hitaindra Pradhan:

570?

Nilanjan Sarkar: Yes.

Hitaindra Pradhan: Thank you sir and all the best.

Moderator: Thank you. The next question comes from the line of Himanshu Shah with Dolat Capital. Please go ahead.

Himanshu Shah: Sir, just a follow-up, would promoters be participating in QIP?

Shekhar Swarup: As of now, there is no commitment either ways. So I currently can't speak on behalf of the promoter block, but let's see how things shape up.

Himanshu Shah: Sure, that's it from my side. Thank you and all the best.

Moderator: Thank you. Next question comes from the line of Nishant Bhatt with Equity Works Limited. Please go ahead.

Nishant Bhatt: Yes. Am I audible, sir?

Shekhar Swarup: Yes.

Nishant Bhatt: Yes. Sir, my question was regarding the P&A segment. So currently, my question was like when can we expect a breakeven in this segment? Can we expect a breakeven in this financial year because I think we are very close to breakeven and I guess, within two to three quarters, it should turn positive? Am I right in my assessment?

Shekhar Swarup: I believe so. Param, do you want to talk about it?

Paramjit Singh Gill: Yes, yes. See, the way -- if you will recall, since the inception of our journey we have been saying is that each individual market in its third full year will start accruing and will become profitable and new markets will continue to add and they will obviously need investments. And as we keep pursuing aggressive growth, these investments will continue to feed into it.

Overall, we have shared that where our journey is that from a position of where we started, we are now almost in the zone of, you know, very close to breakeven. It is very difficult to start predicting quarter-on-quarter on the growth here that how soon we will break even because it is the aggression at which we will grow the existing states paralleled by an aggression with which we will continue to find new geographies and invest there.

So my – my take here is that overall, as far as we continue to drive growth and keep moving towards profitability, profitability is just a function of the journey. Our individual margins basis the strategy that we are using on choosing brands, segments, geographies and our right to win are in the zone of 40% already, which is in the zone of best-in-class 45% across leading brands and companies. So I think these are the parameters where we would like to anchor our business on. And sooner than later, you will see that we will breach the line.

Nishant Bhatt: Got it. And then I think -- so my question was, again, on the P&A segment itself, see majority of the players have a very decent margin somewhere near 15% to 17%. Like -- but because we are like fully integrated player like can we expect a margin which can be greater than this particular price band over the years?

Shekhar Swarup: So our A&P spends are significantly higher than competitors. On the other hand, our gross margins are in line with competitors. We expect that by FY '29, our EBITDA margins will be in line with competitors. Even though our A&P will be higher than competitors in FY '29 and that is the -- that is the strength of our integrated model.

Paramjit Singh Gill: We would not want to make any projections or predictions beyond that because we have benchmarked our first large pit stop at FY '29, where we have declared we will be between 15% to 17% EBITDA.

Nishant Bhatt: Got it, got it. Yes, that's from my side. Thank you.

Moderator: Thank you. Next question comes from the line of Raman K V with Sequent Investments. Please go ahead.

Raman K V: Hello sir, can you hear me?

Shekhar Swarup: Yes, please go ahead.

Raman K V: Yes, sir. Sir, I just want to understand, I have three questions. One is with respect to the upcoming UP distillery facility. From what I can observe over the past two quarters, we are able to do around 50 million to 52 million liter per quarter of sale in terms of manufacturing business, that is ENA and ethanol. So once this UP facility comes in, in Q4, how much will be the incremental sale in terms of manufacturing business once this UP distillery commences in FY '27?

Shekhar Swarup: Yes. Just a second. About 20 million liters -- 15 million to 20 million liters more.

Raman K V: Per quarter?

Shekhar Swarup: Per year?

Raman K V: Per year. So -- and you have given the guidance of around 80% utilization, 80% to 85% utilization, that is including this new facility, right?

Shekhar Swarup: Yes, yes. So this 20 million is at about 90% capacity utilization. So 15 million to 20 million, yes.

Raman K V: And my second question is, sir, I just want to understand growth of your consumer business in terms of volume or sales, if you can give a ballpark figure for FY '27. You have given with

respect to consumer business, I think, mid-single-digit volume growth. And what about the Prestige & Above, will it continue to grow at 15%?

Paramjit Singh Gill: No. So we have not given any guidance for '27 and '28. We've given a guidance for '29 for our P&A business. We've given an R&O volume guidance and revenue guidance of mid-single digits year-on-year. For the manufacturing business, the reason it is hard to give a revenue growth run rate is because that business, the realization is dependent on raw material price.

So you could have periods of even degrowth in revenues, but capacity utilization and EBITDA margins, those are the main ways to monitor that business. So 80% to 85% capacity utilization with INR5 to INR7 EBITDA margin regardless of revenue growth or decrease. However, in FY '27, revenue is going to grow because of new capacity coming in.

Raman K V: Yes.

Paramjit Singh Gill: And this is the last increase of capacity that is expected going forward.

Raman K V: Understood, sir. Hello.

Paramjit Singh Gill: Yes.

Raman K V: Hello Can you hear me?

Shekhar Swarup: Yes. I hope I have answered your question.

Raman K V: Yes, sir. So my final question is with respect to the QIP. We have received an approval of INR500 crores of QIP. I just want to understand if you can give us a ballpark figures where we'll be using these funds for?

Shekhar Swarup: So the upper limit is 500. Our requirement is lower than that. The funds will be utilized, as I mentioned earlier for growing our consumer business. It will be utilized for working capital as well as for increasing our malt whiskey inventory in maturation.

Raman K V: Sir, can you explain the last part of it, increasing the...?

Shekhar Swarup: So, for our single malts, given the expected growth rates of the single malt whiskey brand, DOAAB, we need to increase our inventory of whiskey in maturation...

Raman K V: Okay. Understood, sir.

Shekhar Swarup: Which will be available after a few years for bottling.

Raman K V: After a few years, what's the last word?

Shekhar Swarup: For bottling.

Raman K V: Okay, understood sir. Thank you, sir.

Moderator: Thank you. Next question comes from the line of Dhaval Dama with Enigma Small Opportunities Fund. Please go ahead.

Dhaval Dama: Hi, sir. Thank you so much. Sir, just wanted to understand, basically, recently, I don't know, there has been some buzz that OMCs have started reducing the offtake of ethanol. So do we have any color on that? Or our agreements are still in place for the next 1-year, and we are pretty confident in terms of volume outlook over the same?

Shekhar Swarup: We are confident of 80% to 85% capacity utilization between ENA and ethanol. So within this, we do not see any significant threat. Yes, I have also been hearing that OMCs are reducing volume offtake. But so far, we are not impacted and our contracts are in place for the capacity utilization guidance that I have provided you.

Dhaval Dama: Okay. And sir, I think that would be great if you can just give us some more color in terms of the impact of Delhi because I think at the beginning of the current financial year for FY '26, we were confident of delivering a much higher number in terms of revenue, at least on the P&A segment.

So would it be possible for you to provide some more color on that in terms of how the recovery is shaping up? What was the bottom that we hit in terms of volumes in Delhi and how things could shape up from here on?

Shekhar Swarup: Sure. Param, could you take that please?

Paramjit Singh Gill: Yes, yes, yes. Thanks for the question. As we have already called out the revenue growth, excluding Delhi, to give you a fair idea of the impact of Delhi. In terms of how the business is shaping up, we expect January to March quarter to totally normalize Delhi. We have already begun our journey of normalizing Delhi in the last month of the previous quarter.

And while we do not release individual state-wise volumes or growth, we are collectively, obviously, Delhi still being one of the early three states and being a reasonable contributor to our journey, when you start seeing the projection of 50% growth for Q4, we believe that it gives you sufficient confidence that Delhi will be totally normalized and back on track within this quarter.

Dhaval Dama: Sure. And sir, any -- basically any time lines that we have in terms of getting into CSD or some duty-free channels in terms of projecting the brand or increasing the awareness. So any color or any time lines on that?

Paramjit Singh Gill: So it's difficult to project time lines, but we are very happy to share that we are pursuing both these verticals as we talk to you, we are -- our file is moving in CSD. The first-time entry into both these channels does take time over which we do not have enough control.

And hence, we cannot take the liberty of putting time lines, but we are also aggressively pursuing both these channels, and we hope to share good news with our investor partners sooner than later.

Dhaval Dama: Sure, sir. That's it from my side. Thank you so much, sir.

Moderator: Thank you. Next question comes from the line of Chandrasekhar Sridhar with Fidelity International. Please go ahead.

Chandrasekhar Sridhar: Hi, gentlemen. Good afternoon. I just wanted to get some math clear in my head. We are sort of clocking about 210-ish million liters in the manufacturing at this point in time. I think Param, you made a point that you will be able to do another 220 -- another 20 million liters of external sales, which is sort of maybe a 10% increase in additional volumes. So is that right?

And if that were to be the case, how do we sort of get to your FY '29 number in terms of your manufacturing sort of EBITDA even -- so I just want to understand first, if that is right. And then if -- given that we'll be sort of 330 million capacity and you're talking about 85% utilization, it doesn't seem that there's a lot left which you'll be consuming internally. So just trying to get the math around this right.

Shekhar Swarup: Hi, this is Shekhar. I'm sorry, I lost track of some of the numbers you mentioned. Our current capacity base is 330 million liters. We are adding another 30 million liters in Uttar Pradesh. So that takes it to 360. 85% of this is about 306 million liters of capacity.

Chandrasekhar Sridhar: Right. Okay. So, we will, I mean...

Shekhar Swarup: So what was the question, please?

Chandrasekhar Sridhar: So about 220, 230 sort of for external sales and the rest is sort of what we think we'll consume internally over a period of time.

Shekhar Swarup: Over a period of time, the internal consumption number, I know we've done a working on it. I don't have it ready off hand. I can send you that breakup. FY'29, what is the internal consumption and external sales. I will send that to you.

Chandrasekhar Sridhar: Sure. Can we also get some sense around what's the potential market share, which you're thinking about UP over a 3-year view? I mean this is obviously a 120 million case market, much larger than Rajasthan, but do you have some sense that by then, UP could be almost as large as the 10 million, 11 million which you're doing in Rajasthan?

Shekhar Swarup: Param, can you answer that?

Paramjit Singh Gill: Yes. Thanks for the question. So we have in our FY'29 projection anchored UP at 5 million cases, which pegs us even if the market does not grow and holds its volume, it pegs us 5% share. And that's the best breakup at this point of time on the table.

Chandrasekhar Sridhar: Understood. Okay. Thank you.

Paramjit Singh Gill: Thank you.

Moderator: Thank you. Next question comes from the line of Vijay Shah with Insightful Investments. Please go ahead.

Vijay Shah: Hello. Am I audible?

Shekhar Swarup: Yes, sir.

Vijay Shah: Thank you for the opportunity. Just two questions. One is, currently, we said our net debt is about INR570 crores. Just one question, what kind of debt-to-EBITDA levels will we be comfortable over the next couple of years?

Shekhar Swarup: Nilanjan, do you have the working of debt going forward?

Nilanjan Sarkar: Two or less. It's a working capital business. So next few years, while our long-term debt will come down, but our working capital will increase with increase in IMFL business. So anything in the level of two or less is an ideal position on a debt-to-EBITDA.

Vijay Shah: Okay. So you think two or less. And second is just one small clarification. We said that we will see sharp volume growth in Q4. Will that base number for last year's Q4 change or that will remain constant?

Nilanjan Sarkar: No, the base number for last Q4...

Vijay Shah: We changed, the base number for this year, it's already for this quarter. So I just want to clarify upfront.

Nilanjan Sarkar: No, no, no. That was a reclassification matter. Q4 base numbers will not change.

Vijay Shah: Okay. Thank you so much.

Moderator: Next question comes from the line of Nishant Bhatt with Equity Works Limited. Please go ahead.

Nishant Bhatt: This is just a follow-up question I wanted to ask. See, we are seeing the trend that a lot of other companies are acquiring this homegrown distilleries as inorganic acquisitions. Like ABD just acquired, I think, Fullarton Distilleries, right? So similarly, Param, are you seeing some kind of opportunity for Globus over here to like -- because we are focusing on premiumization of our brands, right? So that's one question I wanted to ask.

Paramjit Singh Gill: You want to take it or you want me to take it, Shekhar?

Shekhar Swarup: I can take it no problem. So I think this is one area where Globus differentiates itself from a lot of the other companies out there, which is our internal capability to innovate and create products.

A lot of the other companies need to acquire new products in order to get innovative products as part of their portfolio. However, we are able to create that innovation internally.

Let me talk about a recent launch, which is DOAAB Expression 02 matured in Japanese Mizunara Oak. This is the first Indian single malt whiskey to be matured in Japanese Mizunara Oak. Another product, TERAI vodka, which is priced premium to Absolut vodka in all states. This is the world's first vodka to be filtered with amethyst crystals. And this is a technique created entirely in-house.

So a lot of our plans for innovative brands is based on internal innovation. On the other hand, coming to acquisitions, there may be opportunities to acquire regional brands that have distribution salience in certain geographies that we are not present in. So those are the kind of opportunities we would be interested in looking at.

Nishant Bhatt: Got it. So we are confident on our basically branding and in-house capabilities. That's what you are saying...

Shekhar Swarup: For the FY '29 plan, yes.

Nishant Bhatt: Got it. And see, this is just a suggestion because I can see you have been creating wonderful brands, but we don't see it in the social media this DOAAB, especially in Mizunara, it was an opportunity to market it in YouTube. I see a lot of other radios also, like there are some other companies which are marketing. I don't see your products. Even TERAI amethyst, it has such a very catchy kind of bottle design and the amethyst crystals as well. So -- but I don't see it in social media, that's the suggestion I wanted to give.

So you can go aggressive because you are mostly -- the target is on the younger audience, right? So some experimental consumer events, live concerts, that kind of marketing you guys can do, because I think the brand actually hits with the young consumers more. I see many of my friends consuming TERAI Gin, that's why this was just a suggestion to add on.

Shekhar Swarup: So thank you for that suggestion. And our market -- our A&P spends are based on the needs for the business in the markets that we are present in, so they are prioritized according to that. And as the priority for social media increases, we will increase our spends in that channel. But yes, thank you very much for the suggestion.

Nishant Bhatt: That's all from my side. Thank you.

Moderator: Ladies and gentlemen, due to time constraints, we have reached the end of question-and-answer session. I would now like to hand the conference over to Mr. Shekhar Swarup, Joint MD for closing comments.

Shekhar Swarup: Thank you, everyone, for joining today's call. As always, we remain available for any further questions you may have. Please do reach out to us directly or to our Investor Relations agency, Stellar. Thank you again, and have a good evening.



Globus Spirits Limited
January 13, 2026

Moderator: Thank you. On behalf of Globus Spirits Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.