



Globus Spirits Limited

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Dated : 13th May 2026

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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– Q4 FY26 held on 08th May2026

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 8th May 2026 to discuss the financial performance of the company for the 4th quarter and Year ended on March 31, 2026.

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
Q4 and FY26 Earnings Conference Call”

May 08, 2026



**MANAGEMENT: MR. SHEKHAR SWARUP – CHIEF EXECUTIVE OFFICER
AND 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 Q4 and FY26 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.

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

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, CEO and Joint Managing Director; Mr. Paramjit Singh Gill, CEO of the 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 full year ended 31st March 2026, 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.

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

Shekhar Swarup: Thank you, Suyash. Good afternoon, everyone, and thank you for joining us today for the Q4 and FY26 Earnings Call. I assume you've reviewed the investor presentation uploaded to the exchanges and our website. Param and Nilanjan are also with me on this call. In the year gone by, we have executed a structural overhaul across multiple facets of the business this year and the underlying growth in our core areas is exceptionally strong.

Let me once talk about the fundamental architecture of the business before coming to operational updates. We operate our business with a consumer focus built upon a solid manufacturing base. This dual structure allows us to innovate rapidly in the alcobev space with the lowest cost of production and the fastest time to market. This is not just a structural setup, but also a financial engine. The robust cash flows generated by our manufacturing operations act as a primary funding mechanism for the aggressive expansion of our consumer business.

Our consumer portfolio is segmented to drive specific strategic outcomes. Regular and others is our core category. It delivers high volume and deep distribution across our core markets of Rajasthan, UP, Delhi and West Bengal, offering superior value to the conscious consumer. Prestige & Above is our future core category, operating at substantially higher per unit contribution. This segment is the vehicle for our geographic expansion and is systematically driving up our average realizations per case.

Within the P&A segment, we have isolated a luxury segment. These brands are not just premium offerings, they are market makers designed to define categories and lead consumer trends. We take immense pride in the fact that our portfolio has secured 34 national and international awards. To quantify the shift that's been taking place in the business, in FY26, nearly 40% of our total revenues came from the consumer portfolio. And within this, P&A contributed 16% of the revenue. Just by example, in FY24, the P&A business contributed just 6% of our total consumer revenues.

Coming to some manufacturing updates. Param will, of course, give you a deep dive in the Consumer business. I'll talk about the manufacturing updates now. Following the commissioning of our UP distillery last quarter, our installed capacity base stands at 334 million liters per annum. This marks the culmination of the capacity enhancement journey we initiated a few years ago.

We now operate 6 highly flexible distilleries strategically located across the raw material and consumption hubs of North and East India. For the year, we achieved a strong 80% capacity utilization, adjusting for the UP start-up period. Our multi-raw material multiproduct strategy has successfully stabilized our margins, delivering INR6.2 per liter EBITDA for FY26 and INR8.3 per liter for Q4 FY26.

I want to proactively address some concerns around volume pressure and revenue dynamics observed in this segment for the quarter gone by. We executed a strategic shift in our Bihar and Jharkhand facilities, transitioning from predominantly ethanol production to a mix of ENA and ethanol on the back of lower offtake of ethanol by oil marketing companies. Because ENA currently commands a lower market price in ethanol, this shift naturally contributed to a slight top line revenue drop.

More importantly, the supply and dispatch cycle for ENA is inherently longer due to the web of state permissions required. This friction resulted in a one-time inventory buildup at our facilities during Q4. This is obviously a timing issue, and we do not see this as a demand issue. This inventory buildup will get liquidated in Q1.

Additionally, optimizing our raw material feed between maize and rice requires certain technical changes. For instance, when we run our Eastern plants entirely on maize as opposed to rice, the system derates our total capacity by 75 KL for those units, 75 KL per day. This derating is a known operational variable that we actively factor into our profitability models when deciding between maize and rice procurement. We're obviously optimizing for margins and cash flow and not just absolute volume.

Some macro tailwinds and strategic outlook going ahead, we've positioned the manufacturing business to capitalize on 3 distinct trends. First, ethanol blending. We are seeing that the national mandates for ethanol blending is on the up, and we forecast strong and sustained demand growth. Second, there's a global ENA arbitrage available.

The current global environment has presented an opportunity with elevated global energy costs severely constraining international ENA supply. We have actively pivoted to exploit this and

our facilities in Haryana, Bihar and UP are already operationally geared for large-scale ENA exports. In Q4, we started this journey and exported 3.7 million liters. This opportunity is an additional volume driver for us.

Third is obviously the situation in Bihar. We are actively monitoring the legislative landscape and policy regarding prohibition. If or when that market reopens, the first-mover advantage should be significant because we have a fully operational footprint in the state, we are perfectly positioned to take advantage of this opportunity. Finally, I want to provide clarity on the enabling resolutions for a fundraise.

Over the past few months, we have proactively engaged with the investor community. These conversations have been highly productive, providing us with a clear validation of our strategic road map and confirming strong institutional appetite for the Globus consumer story. However, as we move into the execution phase of our FY27 business plan, the immediate necessity for external capital has been abated.

Two factors have shifted our stance. Number one, internal accruals. Our revised business plan demonstrates a cash flow trajectory that is stronger than was initially projected around Q2 or Q3 of last year, allowing us to self-fund our current growth initiatives. Secondly, debt optimization. We have successfully renegotiated our debt terms, fundamentally improving our liquidity profile and reducing our cost of capital. Nilanjan will talk more about this later today.

While we continue to evaluate opportunities and maintain a dialogue with potential investors within the validity period of our resolution, we are in no immediate pressure to dilute equity at this stage. Our priority is clear. We will leverage our robust internal engine to drive towards our FY29 goals.

Param, I request you to take us through the consumer business performance.

Paramjit Singh Gill:

Thank you, Shekhar, and good afternoon, everyone. Starting with the Prestige & Above, the P&A segment, FY26 delivered a robust aggregate performance with revenue increasing 27% year-on-year to INR164 crores and volumes rising 31% to 1.19 million cases. Surpassing the 1 million case mark is a critical milestone for this business.

However, looking strictly at the blended top line growth masks the true underlying momentum of our P&A portfolio. To accurately contextualize our performance and to understand where this business is heading, it is necessary to break down our market architecture. Our distribution strategy is built on 2 distinct classifications, core markets and emerging markets.

Now core markets are those where we have surpassed 3 full years of operations. These are the engines of near-term volume growth and profitability. We currently have 5 core markets, 4 of which are already profitable. Emerging markets are those in the 0 to 3-year gestation phase. These geographies require foundational investment and are systematically being groomed through transition into core markets, at which point they will contribute significantly to the top and the bottom line. We began this journey 4 to 5 years ago, and our pipeline is functioning precisely as designed.

Let me chat a bit about the Delhi impact and the underlying growth. Within our core markets, Delhi has historically been an outsized contributor, representing 33% of our total volumes in FY25. In FY26, a specific isolated disruption in Delhi severely impacted our aggregate growth. Delhi volumes in Q3 FY26 dropped drastically to 60% of the Q3 FY25 volumes. While we engineered a sharp recovery in Q4 FY26, bringing Delhi volumes back to 90% of Q4 FY25 levels, the Q3 trough diluted Delhi's share of our overall business to 23% for the full year.

When we isolate and remove the Delhi anomaly from the data, our P&A business grew at an exceptional 58% year-on-year. This 58% underlying growth rate aggressively outpaces industry benchmarks and demonstrates the immense traction our brands possess where operations are uninterrupted. Furthermore, as our emerging markets scale and transition into core markets, our reliance on any single state like Delhi is systematically diluting. This provides a structural hedge against state-specific volatility and secures the more stable accelerated growth journey.

Coming to operational and regional updates. In Q4 FY26, specifically, P&A revenue stood at INR40 crores, reflecting 34% year-on-year growth with volumes up 39% to 0.29 million cases. We are executing a clear path towards profitability, effectively reducing losses within this segment. Overall, the segment generated an EBITDA level loss of INR5 crores in the quarter and INR9.4 crores for the year. Regionally, the North continues to function as our primary springboard followed closely by the East. In the North, we have doubled our execution in UP, penetrating deeper into Tier 3 and Tier 4 cities and expanding the availability of our portfolio in Haryana and Rajasthan.

We are simultaneously expanding our luxury footprint into smaller affluent markets. In the East, following the stabilization of West Bengal, we advanced into Assam in Q3 and initiated operations in Jharkhand last month. The early data is highly encouraging, validating our strategy to expand our portfolio in these states. In Assam, we have already initiated Phase 2 of our geographical spread this quarter, establishing the East as a definitive second growth engine.

Now coming to Regulars and Other segment. Transitioning to the Regulars and Other segment, Q4 FY26 revenue stood at INR224 crores, reflecting a top line growth of 2% year-on-year, with volumes holding stable at 3.97 million cases. EBITDA for the quarter, however, outpaced revenue, expanding by 8% year-on-year to INR41 crores.

For the full year FY26, revenue was INR900 crores, up 4% with volumes at 15.7 million cases and EBITDA delivering a 12% expansion to INR158 crores. The headline volume growth in this segment requires immediate contextualization as it masks a deliberate and aggressive structural overhaul of our operational footprint.

During FY26, we executed a strategic wind down of our legacy portfolios in key markets, specifically West Bengal and Haryana. This was a calculated near-term absorption of the volume pressure. We intentionally cleared the channels in these geographies to prepare for the deployment of an entirely new highly optimized portfolio in the near future. While this transition inherently suppressed our aggregate growth, it was a necessary structural reset.

That transitional phase is now decisively behind us and the rebasing of this segment is complete. The operational constraints of FY26 have effectively created a coiled spring. We are already deploying the catalysts to unlock this pent-up momentum. We are highly confident that UP will emerge as a massive growth engine, and we have backed that conviction by introducing our full range of brands, adding 5 new SKUs to the market.

Simultaneously, we are attacking the sluggishness in Rajasthan head on. We are sequentially injecting 4 new to category brands to expand consumer choice, reignite category growth and aggressively reclaim market momentum. Investors should view the FY26 R&O performance not as a plateau, but as a foundational exercise.

With the imminent portfolio injections in West Bengal and Haryana, the rapid scaling of UP and the strategic interventions in Rajasthan, we are entering the new fiscal year at a very definitive inflection point.

I now request Nilanjan to continue with his speech on the financials. Thank you.

Nilanjan Sarkar:

Thank you, sir, and good afternoon to everyone. Following the strategic overview provided by our Joint MD, I will now detail the financial mechanics and balance sheet developments executed during Q4 and the full year FY26. Our mandate for FY26 was not just revenue expansion, but rigorous balance sheet optimization.

We have aggressively refined our capital profile to ensure our financial foundation is as formidable as our operational footprint. Debt optimization, the most critical intervention this quarter was the optimization of our long-term debt profile. We recognized an inefficiency in our cost of capital and executed a comprehensive strategic refinancing of our existing term loans.

This proactive step acts as a massive catalyst for free cash flow by leveraging our strengthened credit profile to secure superior interest rates and optimizing the repayment schedule, we have systematically reduced our annual debt outflow from INR67 crores per annum to just INR14 crores projected for FY27. This action alone unlocks INR53 crores of direct liquidity in the coming year.

This is unencumbered cash flow that is immediately available to fund the consumer business expansion, entirely bypassing the need for external equity. Through this refinancing and broader treasury management, we have driven down our blended rate of interest, combining all forms of borrowing by a full 50 basis points.

Now let me touch about deleveraging and capital efficiency. While we are expanding our consumer footprint, we are simultaneously deleveraging the enterprise. In FY26, we reduced our absolute borrowings by INR57 crores compared to FY25. We are funding our growth through internal accruals, not the balance sheet. The disciplined capital allocation has resulted in a radical improvement in our solvency and return metrics.

Current ratio, we have successfully driven our current ratio from 0.96x in FY25 to 1.01x in FY26. Crossing this 1x threshold is a critical indicator of structural health. It proves that our

aggressive interventions in working capital management have eliminated short-term liquidity deficits, shifting the company into a position of operational surplus.

Interest coverage ratio. Our ability to service our debt has expanded drastically. The interest coverage ratio has improved from 1.76x in FY25 to 3.14x in FY26. We have nearly doubled our safety margin, effectively derisking the enterprise against macroeconomic volatility or interest rate shocks.

Return on equity, ultimately, our capital strategy is measured by the value generated for shareholders. Through the combination of debt reduction, lower interest burdens and optimized asset utilization, our return on equity has increased 3x in FY26 compared to FY25.

I now leave the phone to the moderator for question and answers. Thank you.

Moderator: Thank you so much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. Our first question comes from the line of Abneesh Roy from Nuvama Wealth Management.

Abneesh Roy: Thanks and congrats. My first question is on the consumer part of the business for P&A. Overall, year ended on a strong note and clearly, Delhi will soon come back to growth. What kind of growth would you be targeting for P&A for FY27?

And given favorable policy changes in some of the states like Karnataka, where they are saying that based on liquor content, alcohol content taxation, that activity will be there, and maybe some more markets and maybe UP is a big market for you given you have entered a few quarters back. What kind of growth you'll be targeting in P&A and maybe even the regular also, if you could give some kind of guidance?

Paramjit Singh Gill: Thanks, Abneesh. So coming to the second part of the question, as of now, we do not have presence in South with reference to the Karnataka landscape change. But we intend as soon as we strengthen our reach, then obviously, we intend picking up the next region, and those are greener pastures for us. UP, each and every positive opportunity, we are going to leverage because UP, we have a full presence with a captive distillery where the expansion has ensured that we are servicing our requirement.

On the growth target, Abneesh, we are totally committed to delivering the F '29 objective, which we said that we are going to ultimately work towards managing a 50% total growth on our P&A portfolio, and we are totally committed to that. Time to time, there will be quarters up and down where some growth projections will either exceed expectations or fall soft, and we would not like to give piecemeal commitments to growth at this stage.

Abneesh Roy: Understood. Now a follow-up to what you said, Eastern India, clearly a big opportunity, especially given what has happened in Bengal. Why I wanted to highlight first Bengal was clearly same party runs in government in Uttar Pradesh, which I think is one of the best examples of how favorable liquor policy should be there for customer, government and for the industry. So do you think any changes possible in Bengal medium, long term given new government or the Bengal taxation or policies are reasonably good?

And second follow-up on Eastern India is obviously on the most important state from your side, Bihar. Bihar one is the current Chief Minister, the new Chief Minister just a few months back, had highlighted loss of opportunity given the taxation impact. So do you think that at some stage, clearly, government would want to open up any initial talks happening?

And second is, supposing at some stage, and this is not some time line I'm putting from FY27 or '28 perspective. I'm just saying currently, you do utilize your current assets in Bihar. Supposing there is a reasonable opening of Bihar market at some stage, then what changes for you?

Because already, obviously, B2B and exports are happening, then what changes either from revenue or profitability perspective? I know a lot of things are unknown given taxation, but we have seen Andhra market, for example, open up, right? It was restricted to local players. So some clarity I'm asking, not full clarity.

Paramjit Singh Gill:

Thanks, Abneesh. See, on West Bengal, while at this point of time, we have a cooperation market and private retail, our subject is obviously such a constraint subject that there is always opportunity to become more liberal in the excise policy to propel West Bengal to the next level of growth.

My thought is that over the medium term, the environment to operate alcobev industry, especially spirits in West Bengal is likely to get more favorable. And that is something we are very keenly waiting and looking forward to while we build our strength in the state. So from my side, we are holding and watching like you are. But overall, it is likely to move into a positive - more positive zone in the medium term.

Coming to Bihar, see, Bihar, in my personal view, is going to open. It's a question of when because it's surrounded by all sides with states progressively reaping in a lot of revenue from our category, and there is no reason why it should just be missing out on it. The one change that will happen when Bihar opens, whether selectively in 2, 3 steps or overall in one step will be that when Globus entered the P&A segment about 4.5, 5 years ago, we came in brand by brand. We built the momentum for the brand, learned our lesson.

But now when Bihar opens, we will have the full portfolio moving in like any strong and a stable organization. So the journey in Bihar will be full fledged because it will be literally the same for every company. So we do not have to start testing the waters in Bihar and go in phases. So Globus will enter lock, stock and barrel in Bihar at the moment Bihar opens.

We definitely see an inherent advantage for any organization that has a base layer of manufacturing. We definitely have, and we see that as a structural advantage for us in the short, medium term for sure. And probably on this strength, once we build our base, this advantage will be there for many years to continue.

Abneesh Roy:

Understood. Last quick question. Obviously, Iran crisis has impact on everything in the world. So I wanted to understand from glass bottles and say, now election done, results done, diesel price hike is just a formality in my view.

How do you see your P&L getting impacted, especially the P&A because there was an increase in losses there, INR5 crores versus the full year number. And clearly, everyone is seeing the pain. So I wanted to understand glass bottles and logistics costs, what can be the impact?

Paramjit Singh Gill:

So you are correct in saying that, obviously, this political development has just come as a surprise to most industries, if not all, and we are no exception. While we were caught by surprise, we have quickly geared up and a lot of efficiency measures are already up and about. While we see that there will be an impact, but the way we see most of the impact, we should be able to neutralize.

And I'm also confident that looking at what's happening is the governments will eventually concede into a price increase because many operators will struggle under these circumstances. Luckily, we have activated very promptly on all efficiency measures, whether it is on packaging material, raw material, freight costs, we have a full-fledged project going on for that, and we are tracking it. So we should come out with much more modest hits, if I may say so.

Shekhar Swarup:

I just wanted to add to what Param said, one mitigating factor to higher raw material costs this year is going to be lower tariff on scotch. So that's a mitigating factor. It doesn't offset the entire amount. But -- so overall, there will be an impact, but not very considerable.

Abneesh Roy:

Scotch benefit from Q3 or you expect maybe Q2 also some benefit can come?

Shekhar Swarup:

Let's see how it finally plays out, Abneesh, in terms of the timing of inventories that are in the pipeline and so on. But this year, of course, we will start getting that benefit.

Moderator:

Our next question comes from the line of Bhargav Buddhadev from Ambit Asset Management.

Bhargav Buddhadev:

Thank you very much for giving clarity on the fundraise part. So just to extend that question. So is it possible to quantify what is the funding requirement now to expand the IMFL portfolio? I mean, as we build our vision for FY29, you're looking to sort of reach to about closer to INR500-odd crores. How much money do we need? And is the internal cash flow good enough post the debt restructuring to fund that plan?

Shekhar Swarup:

Bhargav, thanks for the question. So many of these things are wait and watch. We can say that this year, we do not see a need to achieve the business plan given some of the operational improvements and leverage we've been able to get. The added liquidity from the debt optimization that Niranjana spoke about also supported that. We are expecting margins, cash flow from manufacturing to remain stable at these levels going forward.

And if that's the case, we should be able to avoid the fundraise altogether. But for now, this year, we don't see a need at all. For subsequent periods, let's wait and watch a little bit, see how the first 2 or 3 quarters of this year plays out in terms of, of course, our own performance, but more importantly, some of the larger political macroeconomic events, and then we'll be in a better position to comment.

Bhargav Buddhadev: Okay. And secondly, sir, is it correct to highlight that in rising crude prices, typically, the oil and marketing companies would want to buy ethanol more from sugar-based companies rather than alcohol-based companies or that hypothesis?

Shekhar Swarup: No, we don't see that. I mean ethanol, whether sugar or grain, the oil companies have 0 preference or any of that. The other factor to consider is that sugar has a limit to the amount of capacity it can shift to ethanol. There's also the need to produce sugar, right? There is a very significant grain ethanol capacity base in the country.

Over the last few months, we've seen oil marketing companies, Government of India start preparing towards higher ethanol blends. And I believe flex fuel mandates for new cars is also on the angle. So overall, ethanol demands are going to be quite strong going forward. And I guess it has been expedited due to higher crude prices.

Moderator: Our next question comes from the line of Himanshu Shah from Dolat Capital.

Himanshu Shah: Sir, just a couple of questions. First is on the manufacturing business, we have shifted on the Eastern side of our plant from ethanol to ENA, which has resulted into lower volumes. Is that what you clarified?

Shekhar Swarup: So there are a few different aspects that have gone into play here. One is that when we shift from rice to maize, there is a small capacity derating that takes place in each plant. I explained in my opening remarks that if we are to shift all 3 of our Eastern plants to maize, it would lead to a derating of 75 KL per day okay? This of course, it's not a decision taken for all 3 plants all at the same time. Each plant has its own decision parameters. And we optimize the model for profitability and cash flow rather than volume. So that's number one.

Number two is that when we are shifting from ethanol to ENA in a sizable quantity, there is a period of inventory buildup due to an extended permissions process that is required in India from multiple state excise departments, multiple in the sense, the importing state, the receiving state as well as the supply. And thirdly, with increasing exports, there is also an increased amount of material in the pipeline.

So a combination of these 3 factors led to a slightly lower volume in Q3 -- sorry, in Q4. Overall, our capacity utilization was 80%, and that's well within the annual guidance that we have of 80% to 85%. The lower -- or rather the volume buildup, the inventory buildup that we've seen in Q4 will get liquidated in Q1 in addition to the capacity of Q1. So we're going to see an increase in volume in Q1 because of this pipeline buildup that we had in Q4.

Himanshu Shah: Okay. Just to simplify this historically, we have been able to sell around 19 to 20 crores liters of bulk alcohol annually. And with UP capacity coming on stream till the time it gets captively consumed in UP over the next couple of years, fair to assume we should be able to sell 20 crores to 23 crores liters of bulk sales in FY27. We have those kind of visibility and ethanol orders?

Shekhar Swarup: A combination of ethanol is ENA, yes, not just ethanol.

- Himanshu Shah:** Yes, I'm saying all put together, ENA, ethanol export sales all put together, we should because our exit run rate has been much lower, INR4.2 crores, which is like annually INR16 crores, INR17 crores, although you have clarified that the left out sales inventory buildup should get sold in.
- Shekhar Swarup:** Nilanjan, can you comment on this? What is our exit FY volume for bulk for the manufacturing business?
- Nilanjan Sarkar:** Exit FY volume for bulk for manufacturing business FY26 has been 199.5 million liters.
- Shekhar Swarup:** So it's in the INR20 crores, it's nearly INR20 crores. So that's the -- it's in the guidance that we have. Okay. I'm not sure what you were talking about INR16 crores, INR16.4 crores. I'm not sure what that was?
- Himanshu Shah :** Sir, I was going for quarter run rate, 4.2 crores liters in Q4.
- Shekhar Swarup:** Okay. Got it. Got it. So I mean you're right in saying that INR20 crores is our annual guidance. And on top of that is UP. So yes, there is going to be growth on top of the INR20 crores.
- Himanshu Shah:** And we have visibility of ethanol orders, export orders on that front?
- Shekhar Swarup:** Yes.
- Himanshu Shah:** Okay. And secondly, sir, you mentioned that the EBITDA per liter or spread should remain in ballpark in the current range, which is annual range or the H2 range which is?
- Shekhar Swarup:** INR5 to INR7 is our guidance for the EBITDA per liter. That's the range in which it will remain for the year. We've seen higher realizations in Q4, but my expectation is to be firmly within INR5 to INR7 for the year.
- Himanshu Shah:** So the EBITDA per liter range should actually go down is what you are indicating on a full year basis in FY27?
- Shekhar Swarup:** We achieved INR6.3 in Q4 and that's within that INR5 to INR7 range. The strategic margin profile of the bulk business is in that INR5 to INR7 range. I do not see any event in FY27 where our margins will be strategically higher. So INR5 to INR7 is our guidance for each of the years. FY26 was that range and FY27, we expect the same range.
- Himanshu Shah:** Sure. And what kind of cost increase are we looking at, because of this geopolitical situation on our PET bottle and across our other cost line items, some ballpark if you could give. While we have taken some mitigating measures, but if you can just give what kind of cost pressures are we looking at?
- Shekhar Swarup:** So Param, do you want to talk a little bit about this, please?
- Paramjit Singh Gill:** Yes. So thanks, Shekhar. So it's difficult to put a number out there, Himanshu, but what we have as of now is we built multiple scenarios of the time line, what if scenarios. And basis that, what we have done is we have our mitigation plan already rolled out as we are speaking, it is in full

force. So basis that outcome, regardless of how long this agony prolongs within this year, we see that our hit will be modest.

Should this agony sort of immediately get capped, then maybe with a good day, we may have some benefit also coming to us with all the efficiency measures we have put in. So we are fairly -- how should I say, uninterrupted in our pursuit of where we are going and assume that these are things that will happen every year or 2 years, there will be this sort of a thing. So we are not overtly concerned about this unlike some other players, we are not overtly concerned about it at this stage.

Himanshu Shah: And just lastly, sir, while you are maintaining your Vision '29 or guidance, which has been given, it implies a very significant CAGR in terms of revenue across all the 3 business segments. So we remain confident on that particular front, it looks like challenging.

Paramjit Singh Gill: Yes. So point is well noted. See, the way we see it is and as I have sort of shared a little bit more detail, you see as more and more emerging markets move into the core markets, the number of core markets will eventually outweigh the emerging markets within this 2.0 business plan. And that is where the momentum will start multiplying because when we have x number of emerging markets and 5 core markets, the ratio starts being diluted.

But as the 5 core markets become 8, 9, 10, suddenly the whole drawing board starts giving different results. And that's what we are trying to clarify that the number of core markets as it starts increasing, the whole momentum will continue to build and accelerate for times to come. And that is why we are still confident that what we have set out, we are still on line or on track regardless of this thing of Delhi. And who knows in future, there could be another small spring surprise down the corner.

Himanshu Shah: Sure. And just last small follow-up. Delhi has now fully normalized for us?

Paramjit Singh Gill: Almost there -- as I said, the last quarter, we came in with 10% shortfall to come at par with the previous year. So it shows from 40%, we came down to 10%. So we are fairly confident that we are almost over the hump and the buildup of the growth should start beginning. How soon we can neutralize this and build it into an accelerated momentum is as we'll go forward, we will keep sharing the Delhi performance for a couple of quarters so that all the investors also have a little bit more view into how we have traveled the journey from 2 points.

One is obviously, since it has been something we have spoken about. And second, also to -- for everybody out there to sort of understand that these challenges will happen. It's the ability of the organization and the professional team how to navigate them quickly and turn them around into opportunities rather than let them keep draining the medium term. The short-term hiccups, of course, can't be prevented. So we will keep sharing, but I'm very optimistic on Delhi going forward.

Moderator: Our next question comes from the line of Soumya S. from Insightful Investments.

Soumya S.: I just had a question regarding the P&A EBITDA for Q4. It has increased -- as in the loss has increased from what was around INR1.2 crores to INR2 crores for the previous quarters to INR5 crores itself. So could you just explain the reason for the same?

Paramjit Singh Gill: Yes. So thanks for the question and the opportunity, Soumya. See, the way we have structured our business journey is that there are some quarters when new emerging markets have not opened up or they are in that mode where we are still sort of in a very early seeding place and then a time comes when emerging market needs investment.

So -- and that reflects in quarter-to-quarter. So the yoyo of these quarters is likely to continue for another -- maybe another year and a bit and then this starts moving into the next zone of profitability because in the quarter, when we have expanded and opened up East, extra investments have gone in, we have opened up Jharkhand.

And hence, it is very difficult for us to track our business decisions basis to try and level out each quarter performance in P&A because that would be suboptimal. So we are sticking to our business plan. And as and when the right moment comes, we inject our financial force onto the market either to expand or bring new launches or deeper either width of distribution or depth of distribution. So -- and that obviously that is in the quarter adds up that.

Shekhar Swarup: Sorry to interrupt. I just want to give a little color. So in this quarter, for example, we had around INR3 crores to INR3.5 crores of additional label registration costs that were paid for new brand launches. And this was done because we felt the timing for launching these brands in Jan and Feb is more favorable than doing it as soon as the excise year changes.

Now of course, all of that has to be booked into expenses, and that drives the losses a little bit higher. But this does not, of course, show accurately the underlying health of the business, which is that what Param mentioned in his opening remarks that 4 out of 5 states of the core markets are now profitable.

Moderator: Our next question comes from the line of Nitin Awasthi from InCred Capital.

Nitin Awasthi: First question, could we get a numerical clarity on the Delhi numbers? Like we have understood that our segment numbers of the regular category are significantly impacted because of Delhi and hence, looking at the overall number doesn't give a true picture of the growth of the company. So if you could just quantify FY25, what was the sales -- million cases sales in the regular segment in Delhi and FY26, what it is? So that distinction could be clearly made.

Shekhar Swarup: Nitin, I accept your feedback on this. We are not prepared to give you the numbers immediately on this call. But what I can say is that year-on-year, UP and Rajasthan together have grown in volume by 7%. I don't have the number.

Nitin Awasthi: UP was zero, right? Last year, UP was zero.

Shekhar Swarup: Correct. So if I put those 2 states together, then seen a 7% growth, Rajasthan and UP in the last year. Overall, our volumes are flat. So the other markets degrew by 7% in the overall contribution.

- Nitin Awasthi:** Understood. Understood. Okay. Now that clarifies a lot of things. So if you just remove the impact of Delhi, we actually have grown 7%.
- Shekhar Swarup:** No, no, it's not just Delhi. It's not just Delhi. So Param mentioned this in his opening remarks. Delhi -- and this is -- okay, let's separate P&A Delhi and R&O Delhi.
- Paramjit Singh Gill:** So he's talking of R&O.
- Shekhar Swarup:** Yes. So I just want to clarify to Nitin as well as the others who are on the call that right now, we're talking about R&O Delhi, not P&A Delhi, okay? So R&O Delhi in the last year, we have experienced in some periods, absolutely 0 volumes. And in some periods, we've experienced, in fact, a growth over last year, okay? And this is a month-on-month variation. So Delhi policy for R&O brands has been in complete flux. As of the end of Q4, we decided until the policy is not stabilized, we will not operate in Delhi.
- Okay, for R&O brands. The 7% degrowth in volumes essentially from overall volumes from the other markets is a combination of Delhi, West Bengal and Haryana. In West Bengal, we have also pulled out our portfolio, redoing the portfolio as well as shifting the manufacturing location.
- And in the near term, we will relaunch that market. So essentially, it's UP and Rajasthan that have grown 7%. Hopefully, we'll be getting to higher levels of growth from these 2 markets in the near future. And the other markets has been quite problematic and therefore, overall volumes are flat.
- Paramjit Singh Gill:** And a little more detail on West Bengal. Se, West Bengal, we had constraints to grow. And as a result, it was a choice we made to shift our whole manufacturing license to a different location to set ourselves up because the industry is almost about just short of 3 million cases a month there. So the whole objective was and the whole license shifting and setting up is going to take some time. So we have kept it out of the equation.
- And when we enter it back, we are going to enter with a full-fledged new portfolio with the same aggressive stance as we have done in UP to make it then the next powerful state, by which time we obviously would have picked up a lot of momentum in UP, as you will see in the coming quarters.
- Nitin Awasthi:** Understood, sir. Got it. Sir, second question on the balance sheet front. Of course, you've given a detailed presentation on how the cost constraints, how the treasury management, how the renegotiation of terms of the loans are happening. However, one clarification required is that we had seen a trajectory of the interest cost per quarter continuously falling.
- Q4, we saw a jump. So basically, we were at INR13 crores roughly. Q4, we saw a jump to INR15.5 crores. Now was that a result of the cost of renegotiation being incurred? And if so, what should be the trajectory going forward?
- Shekhar Swarup:** Nilanjan, can you talk about that?

- Nilanjan Sarkar:** No, no. Q4, the increase of INR3 crores is basically till Q3, we were capitalizing the interest cost on UP term loan, okay? So the interest cost was less in Q3, which from Q4 has gone up by INR3 crores, after commissioning, the interest cost has to be expensed out. However, with this refinancing, again, it will plateau down to a reasonable level.
- Nitin Awasthi:** So what is the expected interest cost? I think that's the question going forward.
- Nilanjan Sarkar:** Interest rate?
- Nitin Awasthi:** No, no interest cost. So you can do it either which way, rates wise also or cost-wise also.
- Nilanjan Sarkar:** INR14 crores to INR15 crores.
- Moderator:** Our next question comes from the line of Sunny Gosar from MK Venture.
- Sunny Gosar:** I just wanted to basically build on the earlier participant's question on the regulars and other category. So if we take a 2, 3-year historical view of the performance of the category, we were at about 14.5 million cases 3 years back. We are now about 15.7 million cases like low single digit growth.
- And I understand there have been lots of challenges with -- state challenges with Haryana, Delhi, West Bengal. Now assuming that a lot of these have kind of solved for and in the base, how should we look at the next 2, 3 years from the regular and others category? And what is our outlook on the growth in this category?
- Paramjit Singh Gill:** So thanks, Sunny. It is precisely this very sort of a scenario, which prompted us to pivot into UP with a full-fledged commitment and investment that the overall -- because Rajasthan was the growing market and a couple of other markets were yo-yoing and not showing long-term stability. And that is exactly the reason why we entered into UP, which is 3x bigger market than Rajasthan itself. And the Delhi, obviously, as we have pointed out, we are waiting for clarity on way forward on the policy front and the tender front.
- In West Bengal, our license is in process, and it's very difficult to commit a particular quarter when everything gets kicked off and signed off, but the process is robustly being chased. Haryana still happens to be a yoyo, but UP itself is going to be the huge driver. Since we don't give volume projections in the short term, but the very fact that Uttar Pradesh is a 3x bigger industry size, almost like 95 lakh cases to a 1 crores case market per month, we are very, very confident of pulling in robust volume growth in this category collectively.
- Sunny Gosar:** Sorry to harp on this a little more, but you mentioned that there is still lack of clarity in terms of when we can kind of get back to West Bengal at full swing. So there would still be an impact in the base quarter, right? Like at least for the next 1 or 2 quarters, we will have West Bengal.
- Paramjit Singh Gill:** It's negligible. It's now negligible going forward. It's negligible because we had initiated -- when did we initiate Nilanjan? I think somewhere around August, September already, we have started initiating isn't it?
- Nilanjan Sarkar:** End of July, end of July.

- Paramjit Singh Gill:** End of July. So it's almost negligible now because we have started softening our whole approach and sort of heading towards 0 base while we were migrating. So I think most of it is behind us already.
- Shekhar Swarup:** Yes. So Q1 will have some West Bengal number.
- Paramjit Singh Gill:** Very little marginal. Very marginal.
- Shekhar Swarup:** So the rebasing is nearly complete, Sunny. And the earlier question, I gave some color as to the Rajasthan, UP combined growth in the last year. I think we'll be able to be -- grow more than that, UP, Rajasthan combined. And since the rebasing is complete or nearly complete, that should reflect in the overall number as well. There should be some Bengal volume in Q1. I don't recall what it was. So that's the only caveat over here.
- Sunny Gosar:** Got it. And from a profitability standpoint, does it mean that both UP and Rajasthan as a portfolio will be better -- will have better profitability and as some of these smaller states become negligible, the overall profitability also will kind of start improving on the regular?
- Shekhar Swarup:** So our profitability in the regular and others, I think Q4 was 18%. Nilanjan, please correct me if I'm wrong. That's a little bit on the higher end of what we feel is sustainable. UP growth is not as profitable as Rajasthan volumes naturally. So I don't foresee this 18% margin continuing. It is going to be a little bit lower. I think our target in this space is 16% to 18%. So it will be a little bit lower than that for sure.
- Sunny Gosar:** From an absolute margin standpoint, it should be?
- Shekhar Swarup:** Yes. Yes. Right, of course. So on absolute rupee terms, it will be larger, yes. Of course, that goes without saying yes, absolutely.
- Sunny Gosar:** Just one last question from my side. On the Prestige & Above segment in terms of the brand portfolio that you kind of built up now in terms of the whiskey and vodka that we have. So what is our thought process on the brand buildout? Or will we kind of and go deeper on the current portfolio of brands at least for a while and then look to add more brands. So what is the thought process on the growth there?
- Paramjit Singh Gill:** So we see -- at this point of time, obviously, if we keep luxury still as a bucket and luxury at this point of time has Doaab and Terai families, and we see ourselves making a lot of effort at strengthening them at this point of time. On the mainstream P&A, Mountain Oak, including its family, Brothers & Company, including its family, Snoski, including its family and also these are the ones which are going to be core drivers as we are driving these families. There will be variances and time to time, there will be strategic fits.
- But in terms of real contributors to top line and bottom line, all these 3 families will continue to be significant drivers for us. And we are building around these families. Mountain Oak has now a varietal of Lemoned Rum along with it. Snoski has quite a few flavors and there are some more works, which we will all see in the future. Similarly, Brothers has B15. So these brands are being built, and we see these 3 as main drivers in the short, medium term, these 3 families.

Yes. The whole intent here is Sunny, that we started with being a one-brand show, which was Mountain Oak and like the whole experience of Delhi as a state, we realize that eventually when we are a mini market P&A segment, we also will be a many good brands P&A segment so that we are not dependent on any short-term vagaries of the environment of business. So that's where we are building these portfolios.

Moderator: Our next question comes from the line of Romil from Electrum PMS.

Romil: It's heartening to know that I think this year, you unlocked a good amount of free cash flows and probably might not need external funding. And I hope you do better in the coming years. Just a couple of things on -- so first is just needed some breakup of manufacturing. So how much was ethanol, how much was ENA and how much was captive, probably if you can give some data points around this? So for the whole year and Q4?

Shekhar Swarup: After around 20 crores liters of sale in the manufacturing space, there is 0 captive within this. Captive is on top. Okay. And within 20 crores, Niranjana again, just feel free to come in. We are about 70-30, 70 ethanol, 30 ENA.

Nilanjan Sarkar: Yes, it's almost there, 72-28. Okay.

Romil: Got it. And I think there was -- we also mentioned that there was some issue on the pricing front on the ENA side. So if you can just throw some light on what was it and whether it's condition now?

Shekhar Swarup: It's not an issue. It's just the way the markets are structured. ENA prices are a little bit lower than that of ethanol. And this quarter gone by Q4, the same quarter previous year had a much higher ethanol share. So as we shifted to ENA, that revenue was a little bit lower. In addition, we had an inventory buildup, which also impacted revenue.

So it's not an issue per se. It's just those markets are strategically different. What's essential for us is monitoring our profit per liter. And we've over-delivered on our guidance for this quarter. But going forward, our guidance remains between INR5 and INR7 a liter regardless of ENA or ethanol.

Romil: Okay. And so this year, did we export ethanol? I think you mentioned about 3 crores or something?

Shekhar Swarup: We started in Q4 3.7 million liters.

Romil: Okay. 3.7 million liters we started in Q4. So going ahead, this number can keep on increasing and whether this is -- like in terms of profitability is exports similar to what we are doing for the bulk sales in terms of profitability overall?

Shekhar Swarup: It changes month-on-month. So I don't want to -- it's not strategically more profitable or less profitable. I think overall, the basket will give us is INR5 to INR7.

Romil: Okay. Got it.

- Shekhar Swarup:** It becomes an additional volume driver. I think that's really the point here.
- Romil:** Yes, yes, correct. So I was just coming to the volume side. So with exports now also coming in and UP also coming in, how do you see the overall bulk volume growth going ahead?
- Shekhar Swarup:** So 20 crores is what the other units will give us aside from UP, and UP should give us about somewhere around 2 crores liters. We are seeing sort of a volume -- we're projecting volume growth in UP. So some part of that capacity might get consumed internally. So well over 20 crores will be the target for this year.
- Romil:** Okay. And on this -- just on the premium segment. So the realization per case, what we can just calculate, how do you see that going ahead? So apart from the volume growth, which is obviously coming in very well, how do you see this shift?
- Shekhar Swarup:** So again, that answer, of course, this is Param's domain and Param, please come in after I'm done. But that answer really has to be thought through in this way that Param sort of spoke about earlier in his opening remarks, which is that we have these 4 markets and emerging markets.
- So in the core markets, that number is a little more easily -- we can easily project that number a lot easier than we can for emerging markets because we don't have -- we launch a portfolio, sometimes certain set of brands do better than the others, and those brands may have higher price or a lower price.
- So strategically, as the luxury portfolio starts coming in into all the markets on top of the Prestige & Above or rather the core segments of Mountain, Snoski and Brothers, the NSVs are going to go up. But on a quarter-by-quarter basis, may well be blipped, and those don't really affect the strategic nature of the business.
- Paramjit Singh Gill:** What we can do is that like we keep calling out that at this point of time, 4 out of 5 core markets are profitable. Even when the emerging markets start becoming core markets, we will keep on sharing that information so that -- because the whole objective is for us to increase more and more core markets at the best possible pace and because those are the ones which give stable top and bottom line growth.
- So we will keep going forward also updating the investor community on that how -- as soon as the market moves into it, we will keep changing our numerical numbers. And when the fourth become fifth, we will call it out that now we have so many markets. We'll keep updating that part at least surely.
- Romil:** Okay. Okay. And lastly, on the UP side, if you can just give some number on the monthly volumes. And as a suggestion, because UP is now getting bigger and bigger of the overall pie, would you call out separate numbers going ahead on this?
- Shekhar Swarup:** Currently, we are not calling out separate numbers for UP. We'll have a think internally on how to do that to protect our competitor sort of information as well. And if we feel that the information is not going to weaken our position in UP, then perhaps we can start putting it out.

Our primary objective is to secure our strategic sort of expansion in the state or in various states that we're in, whilst being as transparent with investors as possible.

- Moderator:** Our next question comes from the line of Hitaindra Pradhan from Maximal Capital.
- Hitaindra Pradhan:** So sir, first question on the P&A side? So given since you alluded that we are still going by FY29?
- Shekhar Swarup:** Your line is bit.
- Hitaindra Pradhan:** Is it better now?
- Shekhar Swarup:** Yes, yes.
- Hitaindra Pradhan:** Yes. So on the P&A side, sir, this year, we have seen a sort of a steep deceleration in the growth rate. And even excluding Delhi, you called out a number of 58%. Now given your FY29 sort of a vision of INR1,000 crores plus in this segment, we need to almost double our revenues every year for the next 3 years.
- Paramjit Singh Gill:** So the number is not INR1,000 crores for P&A, Hitaindra.
- Nilanjan Sarkar:** The number for P&A is INR500 crores, not INR1,000 crores.
- Paramjit Singh Gill:** INR500 crores is what we have called out. So yes, that's the number we are holding on to not INR1,000 crores. I don't think we've ever given that guidance of INR1,000 crores there's a miscommunication.
- Hitaindra Pradhan:** Okay. My bad.
- Paramjit Singh Gill:** No. Not a problem.
- Hitaindra Pradhan:** But given that sort of a vision also, I think we need to grow 3x in 3 years. So that is even now like 40-odd percent growth and our growth rate has decelerated. So what -- I mean, is it looking achievable given where we stand?
- Shekhar Swarup:** Yes. So I think even after Delhi, last year, we grew 40% -- our volumes 40% there was maybe 3% price mix based change, and that's why the revenue doesn't reflect it. I don't see any concern on achieving this target.
- Paramjit Singh Gill:** Yes. I mean, see, as the base keeps on increasing, you can see the numbers multiplying if you do your own math, you will see the numbers multiplying because as we have called out, as more and more markets move from emerging to core, the buildup will start happening on a higher base.
- And so what looks like -- it's like when we were INR20 crores, suddenly INR164 crores looks very difficult to us. So it's a multiplier effect that starts moving. So moving INR100 crores plus a year is not something that is going to be something to be thought out as is it too tall an order because the base will keep on increasing with every year.

- Hitaindra Pradhan:** Yes. So that was my question. As the base increases, your growth rate is decelerating. So given that, do we still feel that we will be able to achieve, let's say, 40%.
- Paramjit Singh Gill:** Yes. That's why we saw us on a higher base, even a lesser slightly modest growth brings us to INR500 crores. Exactly, that is the reason why we are very confident.
- Hitaindra Pradhan:** Okay. And secondly, on the R&O market, now given that we will be having UP this year, so what is the -- so as one more participant alluded to that this has been growing in a lower single-digit fashion. But at least for this FY27, FY28, how are we looking at the growth?
- Shekhar Swarup:** So I mentioned this earlier as well. Rajasthan plus UP last year give us 7% growth. I believe in the coming year, Rajasthan plus UP will give us higher than 7% growth. At this point, we are not in a position to give a more specific guidance for Rajasthan plus UP for this year. But basis the brand launches we've had that Param spoke about earlier, the markets are looking quite exciting.
- Hitaindra Pradhan:** And UP specifically, sir, let's say, in the last month, let's say, April, what kind of monthly run rate have we achieved in terms of cases?
- Shekhar Swarup:** So let's just wait a little bit for the momentum to settle down. In April is a new excise year. There is -- in this year, there was a change in the route to market. So we saw inventory buildup taking place in April. We also saw new brand launches. So I don't want to talk about the April number at this point. Suffice it to say, we're going to exceed our Rajasthan plus UP FY26 growth number, and you'll start seeing that performance in Q1 and onwards.
- Hitaindra Pradhan:** Okay. Rajasthan last year, sir, we had got a 4%, 5% price increase also. So that also helped our revenues in FY26. For this year, have we got any price increase in Rajasthan, Haryana or any of the major markets?
- Shekhar Swarup:** Nilanjan, can you just confirm that?
- Nilanjan Sarkar:** Yes. This year also, we've got a price increase in Rajasthan to the extent of INR30 a case. So that has been replicated for this year also. UP, as of now, no, Haryana, no, but Rajasthan, we've got a price increase.
- Shekhar Swarup:** Yes. But we've got to be a little cautious of that price increase because there's been inflation in prices. So -- and in addition, UP growth is going to be at a lower margin than Rajasthan. We closed Q4 with 18%, which is a little bit higher than the sustainable margin profile. Our guidance is around the 16%, 17% kind of mark. So we do see margins coming down a bit, but the overall pool is going to be much larger in terms of rupees as the business grows in the coming year.
- Hitaindra Pradhan:** Okay. And on the manufacturing segment, so what is our maintenance capex now that we won't be growing any further beyond UP? What is our maintenance capex per year?
- Shekhar Swarup:** Maintenance capex is around INR40 crores to INR50 crores. However, we also have additional capex in terms of increasing our malt whiskey inventory capacity for aging malt whiskey as well as growing our bottling infrastructure to keep up with the demands of the consumer business.

So overall, I foresee somewhere between INR60 crores to INR80 crores of capex sustaining for a few years.

Hitaindra Pradhan: So INR40 crores to INR50 crores is maintenance?

Shekhar Swarup: Yes, INR40 crores to INR50 crores is maintenance plus another INR20 crores to INR30 crores to grow whiskey as well as bottling infrastructure, whiskey aging and bottling infrastructure.

Hitaindra Pradhan: So sir, given that plan, so that means that this year onwards, we'll start paying down our debt aggressively given the kind of cash flow we are earning. So maybe next 1 or 2 years, we can go to 0 debt?

Shekhar Swarup: I won't comment on zero debt. But yes, what I mentioned earlier on the call as well that given the cash flows that we have, the plan for capital raise -- equity capital raise has been put on hold. We are able to manage our expansion based on our internal cash flow. Debt will be the residual cash that is in the year after providing for working capital for our IMFL business, the residual cash will obviously go to paying down debt.

Moderator: Our next question comes from the line of Devam from Ardeko.

Devam: Really appreciate the stacking down of the KPI since it's managed from debt and internal accruals combination of the both. So my question was more regarding that, let's say, we are doing multiple businesses, ethanol, ENA, R&O, P&A, luxury, and there are different narratives, drivers, asset turns, different margins, different gross margins return ratios involved in each of them.

Now in the last 3 years, we have been trying and there were probably some headwinds from some of those verticals. We have seen some release the numbers are struggling because of one-offs in one of the divisions or whatever that is happening. As an investor, I would like to understand that what is our commitment and thought process to sort of deliver a respectable ROE at an aggregate basis in the coming 2 to 3 years period? And what is the timeline, what is the accountability on that front?

Shekhar Swarup: So we have, in the past, published FY29 guidance for revenues as well as profitability. And whereas in the process of rolling out that plan process of growing our footprint in a state-by-state fashion and a brand-by-brand fashion, there are going to be blips in a quarterly manner, but we remain committed to our FY29 volume as well as profitability guidance.

Devam: And sir, any reason why the margins in our manufacturing business have consistently, especially the ethanol piece have been a tad lower than competition in the past few quarters?

Shekhar Swarup: For us, we believe that the basket of ENA plus ethanol at a capacity utilization of 80% to 85% will give us INR5 to INR7 of EBITDA. We operate a scaled business, which includes integration in bottling as well as, as I said, ENA and ethanol, multi-markets, whether it's within the state, outside the state as well as outside India. At that capacity utilization at the scale we are, we believe that the margins are around INR5 to INR7 per liter.

Each company has their own situation. Some people are more concentrated in a particular region. So if you did do a deep dive into one of our factories, you might find that margins are a little bit higher. So given the spread we have, the scale we have, we believe INR5 to INR7 is what is our number.

Devam: And there, because of the fact that probably ENA or bulk alcohol is the raw material for all the divisions, there is no risk of any cross subsidization of margins in the division, right?

Shekhar Swarup: No, we have a policy on that. We maintain transfer prices of ENA between divisions at after factoring in INR5 margin for the manufacturing business. So that's within the zone. However, the bulk sale number that I'm reporting to you does not include -- the volume does not include the manufacturing volume.

Moderator: Our next question comes from the line of Nishant Bhatt from Equity Works Limited.

Nishant Bhatt: Can you just explain the manufacturing segment once more because you mentioned that there was a strategic shift which you did in -- which led to the onetime inventory buildup. So will this -- the blip which has been caused in the volumes, will it be recovered in the next quarter in the Q1?

Shekhar Swarup: Yes, it will be. So this is due to a longer supply cycle that exists in ENA, both for within India sale and for outside India sale because of a larger paperwork requirement because ENA can be converted to alcohol, states want to protect their revenue and therefore, need far more accountability on the movement of alcohol. So that increases the supply lead time as compared to ethanol, which doesn't have that requirement of paperwork. Because of the substantial shift in the East, especially in Bihar and Jharkhand, we saw a buildup in inventory, and that should get normalized or reduced in Q1.

Nishant Bhatt: And regarding -- just one question was regarding the Rajasthan policy, which was a recent announcement, right? I think you declared that there is a 50% decrease in the bottling fee, which will happen.

Shekhar Swarup: That is for exports. So that is the material -- the material that's produced in Rajasthan and that is sold outside of Rajasthan, we will have a nominal increase in profit or rather reduction in cost on that portion. So that impacts our P&A business. But frankly, it's a nominal amount, which is part of the business plan now going forward.

Moderator: Our next question comes from the line of Ashish from Leo Capital.

Ashish: I wanted to know what's the net debt levels as of now? And what are the working capital needs in the R&O as well as the IMFL business? And how many days of working capital does it need?

Shekhar Swarup: Nilanjan, can you take that, please?

Nilanjan Sarkar: So the net debt business for the company is at INR627 crores. That's the net debt. And the working capital days for R&O is 5 to 6 days.

Shekhar Swarup: That's exit Q4, right? So for R&O, that number will go up slightly in Q1 and onwards.

- Moderator:** Our next question comes from the line of Manoj, an Individual Investor.
- Manoj:** Sir, my question is just I was going through our investor presentation that you have the plan by FY29 to go in another 8 states. So what will be your strategy for going to the other geographies? So is it by acquisition or our existing manufacturing unit will be able to handle all this new territory? That's my first question.
- Paramjit Singh Gill:** Okay. So the expansion, see, even in one of the -- let me just step back, even in the current market of, for example, Assam, we are going with third-party manufacturing. So every state that we expand will not have a captive Globus manufacturing unit servicing it. It depends on the efficiency. If we find that our unit servicing is more efficient, we will choose our unit, obviously, as a base unit to service that state, whether in state or the neighboring state.
- Alternately, we will choose the best possible business partner who will manufacture on our behalf. When we said the 8 states, that is a minimum number where we definitely are ensuring the expansion will happen. And as we keep moving forward, there is no reason to say that number can't go up. But that is what we have baked in and envisaged in our guidance when we came up with the F '29 business plan and we stand committed to that.
- Manoj:** And sir, my another question is what is the realization per case for that is a premium product, which is the Doaab and Terai family, this is nowhere it is mentioned. So just I wanted to know how much is the realization per case is in rupees terms?
- Paramjit Singh Gill:** We do not release that, isn't it?
- Nilanjan Sarkar:** No, we don't release it. We don't release it.
- Paramjit Singh Gill:** We don't release it. We will have to do an internal hurdle because as of now, we are not releasing the realization by category. Yes. We have, obviously, in our paper called out our gross margins, and we have in the business plan called out that our gross margins will be in the range of -- if I'm just recalling correctly, in the range of about 47-odd percent, Nilanjan?
- Nilanjan Sarkar:** Yes. And also, if you refer to our last investor deck, you'll get a fair idea of our MRP equivalent to Mumbai pricing that will give you an MRP.
- Paramjit Singh Gill:** Yes. So we don't release realization per case on an ongoing basis.
- Manoj:** So is there any harm?
- Paramjit Singh Gill:** Something of -- some food for us to think about. Let us see if there is anything that sort of comes as a concern to us. Let's take your question away and mull through it. So we'll make a note of it.
- Shekhar Swarup:** I'm sorry, my line got disconnected. I think it makes sense to show the core markets, NSV and keep emerging markets out because emerging markets can impact the numbers considerably.
- Paramjit Singh Gill:** No, net realization per case, the conversation was around net realization. And I've taken it on board as Manoj was asking, is there any harm in sharing that information? I said no, it's

something we will just do an internal think around it and try and weigh the decision and then we'll come back on it, but we have taken your thought and input on board.

Moderator: Our next question comes from the line of Chandrasekhar Sridhar from Fidelity International.

Chandrasekhar Sridhar: I have 3 questions. One for Nilanjan, sorry, if you could just remind me again on the mathematics of how are you going to save on interest cost because it just seems that you're going to go down, it's going to be INR14 crores, INR15 crores a quarter. So where does it free up sort of the money to invest in the IMFL business? That's the first question.

Second question for Shekhar. You did mention about the profitability of the bulk segment, but you did say that structurally, you think the long term is INR5 to INR7. So you do say there is a possibility, I mean, just in the near term that we can still overshoot that number. But just from a prudent assumption, the way you think about it, it's more INR5 to INR7 over the long run. And maybe just one question for Param. Did I hear you right that you said that sort of IMFL profitability is now pushed to FY27?

Paramjit Singh Gill: No, no, no. So the way we said it was that we had called out, Chandrasekhar, was that in the third complete year of operation, our endeavor is to make each individual state profitable, okay? After completing 3 full years, we have called out that out of 5 states, 4 are profitable and 1 is still work in progress purely from the fairness of where we set out from.

Then there was another question which revolved around that while our cumulative losses in the first 3 quarters were in the range of about INR4.5 crores, which means INR1.5 crores per quarter, Q4 suddenly came at INR5 crores. What does it do? Contextually answering that, I said these investments are basis the requirement of our growth path at that point of time, we may choose to overinvest in an emerging market. We may choose to spread geography. We may choose to add a market.

And then Shekhar had also given addendum to it that in this particular case, there was a INR3 crores additional investment made because over the years, we have realized that it is better to enter new brands a little before the excise year begins rather than delay or drag if they are up and ready. So in that context, we had answered.

We had not said in any way that the profitability is pushed forward or backward. It was the concern that are the losses going to be INR5 crores per quarter by one of the investor and family persons on the call. I don't remember the name. It was in that context, the conversation happened. Does that clarify?

Chandrasekhar Sridhar: Sure.

Shekhar Swarup: So your question regarding margins, in fact, I can take up both regarding liquidity and margins. So margins, you've understood correctly, we've overshoot the guidance. Strategically, we should be within the guidance. What we do see is typically end of Q1 into Q2, and this is an annual sort of feature with monsoons across the country, raw material, fuel prices, there is just a general bit of inflation in agri commodities. And then again, going into end of Q3 and Q4, we see raw material prices come down.

So Chandrasekhar, it's INR5 to INR7 is the guidance, we will have periods of a little bit higher and a little bit lower. And the year we've closed at INR6.3. So I see that we will continue to be within that INR5 to INR7 range. Q4, INR8.3 doesn't mean that Q1 also will be INR8.3. It is a bit of a seasonal business with regard to agri commodity purchase.

With regard to liquidity, the debt optimization had 2 parts. I think the first thing that we were after was reducing cash flow, debt repayment burden so that it frees up liquidity. And the other thing that we went after was interest rates. The team did a fantastic job on this. And I think we've saved the total of INR50 crores. Nilanjan, is that right, INR50 crores for FY27?

Nilanjan Sarkar: INR50 crores, yes.

Chandrasekhar Sridhar: Sorry. So you're essentially saying you refied it in sort of the principles you push it back a little further principal payments. Is that what you are actually saying? So the debt repayment obligations go down this year.

Nilanjan Sarkar: Also to add to what Shekhar say is that we have also renegotiated our interest rates. Our interest rate should effectively come down by INR2.5 crores to INR3 crores, which effectively means that our debt levels will also come down on borrowings by another INR30 crores to INR35 crores.

Shekhar Swarup: Yes. Be that as it may, rupee has been capitalized. So interest will go back to around INR14 crores, INR15 crores per quarter.

Nilanjan Sarkar: Yes. Yes. Yes.

Moderator: Ladies and gentlemen, due to the time constraint, that was the last question for today. I now hand the conference over to Mr. Shekhar Swarup for closing comments. Thank you, and over to you, sir.

Shekhar Swarup: Thank you, everyone, for joining us today. And if there are any unanswered questions, please do reach out to us, and we will get back to you as soon as possible. Thank you again. Have a great day and a good weekend. Bye.

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