Globus Spirits Limited
(Corporate Identity Number: L74899DL1993PLC052177)

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Dated : 06th November 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– Q2 H1FY27 held on 30th October 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 30th October 2026 to discuss the financial performance of the company for the 2nd quarter and Half Year ended on September 30, 2026.

Kindly take the aforesaid information on record and acknowledge

Thanking You
Yours faithfully
for **Globus Spirits Ltd.**

Santosh Kumar Pattanayak
Digitally signed by Santosh Kumar Pattanayak
Date: 2026.11.06 12:10:24 +05'30'

Santosh Kumar Pattanayak
Company Secretary
ACS-18721

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"Globus Spirits Limited

Q2 and H1 FY27 Earnings Conference Call"

October 30, 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. SUMEET KHAITAN – MUFG INTIME**

Moderator: Ladies and gentlemen, good day, and welcome to Q2 and H1 FY27 Earnings Conference Call of Globus Spirits Limited, hosted by MUFG Intime. 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. Sumeet Khaitan from MUFG Intime. Thank you, and over to you, sir.

Sumeet Khaitan: Thank you. Good evening, everyone. I welcome you all to the earnings conference call to discuss Q2 and H1 FY27 results of Globus Spirits Limited. To discuss the results, we have from the management, Mr. Shekhar Swarup, CEO and Joint Managing Director; Mr. Paramjit Singh Gill, CEO, Consumer Division; and Mr. Nilanjan Sarkar, CFO. They will take you through the results and the business performance, after which we will proceed for Q&A session.

Before we proceed with the call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties. For more details, kindly refer to investor presentation and other filings that can be found on the company's website.

With this, I now hand over the call to the management for their opening remarks. Thank you, and over to you, sir.

Shekhar Swarup: Good afternoon, everyone. Thank you for joining us for our Q2 and H1 FY27 earnings call. At the outset, I wish everyone a very happy and joyous festive season. Param and Nilanjan are with me today and I will cover the overall direction of the business. Param will then discuss consumer, followed by Nilanjan on the financials.

The first half has seen continued progress in our consumer business and strengthening of our financial position. The P&A business has moved close to EBITDA breakeven, benefiting from growing scale, while regular and others continues to grow year-on-year, supported by great performance in Uttar Pradesh.

Manufacturing revenue in Q2 was INR455 crores with volumes of 55.26 million litres and EBITDA of INR25.4 crores. EBITDA per litre came at INR4.6 a litre, reflecting higher grain and fuel costs. Q2 is typically a period of higher raw material and fuel costs ahead of the new crop season as well as scheduled plant maintenance. We, therefore, evaluate manufacturing performance across the 12-month period.

For H1, EBITDA was INR5.59 per litre, whilst trailing 12-month figures stood at approximately INR6.6 per litre. Our operating flexibility extends across both product and feedstocks, ENA and ethanol and maize and rice, allowing us to optimize contribution as market conditions change.

Looking ahead to the ethanol supply year '26-'27, which is scheduled to begin later in November, reduced availability of sugar-based ethanol is expected to create greater procurement

opportunities for grain-based producers. We expect this to support higher capacity utilizations at Globus and better absorption of overheads.

On feedstocks, greater FCI availability is expected to moderate pressures on both rice and maize prices. We also expect enhanced broken rice availability following the reduction in permissible broken grain content in raw rice from 25% to 10% being implemented progressively from the Kharif marketing season '26-'27.

Together with our feedstock and product flexibility, long-term offtake agreements with OMCs and the contribution from value-added byproducts such as DDGS and corn oil, these developments support our confidence in maintaining the INR5 to INR7 per litre annual EBITDA targets, whilst recognizing that actual allocations, offtake and input prices will determine the outcome.

Turning to capital allocation. We completed our INR200 crores QIP during the quarter. We welcome our new institutional shareholders and particularly value the continued support of existing investors who participated in the fundraise.

The QIP enabled us to strengthen our balance sheet further through debt reduction, providing additional room for the consumer business to grow. Nilanjan will cover the detailed financial impact. Our focus remains unchanged to convert consumer growth now into improving profitability, manage manufacturing economics across the cycles and deploy capital with discipline.

With that, I hand over to Param.

Paramjit Singh Gill: Thank you, Shekhar, and good afternoon, everybody. I will begin with Prestige & Above, where increasing scale is translating into improved operating economics. P&A revenue grew 54% year-on-year to INR59.9 crores while volumes increased 64% to 0.46 million cases. Sequentially, revenue grew 9% and volumes 10%. EBITDA loss narrowed down to INR0.2 crores, bringing the segment very close to breakeven.

For H1, P&A revenue was approximately INR114.9 crores with volumes of approximately 0.88 million cases. Importantly, improved economies of scale helped mitigate cost pressures during the quarter. Gross margins remained broadly unchanged sequentially despite input cost inflation, while higher volumes supported better cost absorption and improved EBITDA.

We now have 5 profitable states across our 12 market P&A footprint, while net sales value trends have stabilized sequentially. Our focus is to deepen established markets and expand selectively where we see a clear path to profitable scale. Our next phase of expansion includes 5 additional duty-free channels and entry into 2 new states during FY27.

Work towards CSG entry is also progressing with entry targeted during Q3, subject to approvals. We have also introduced DWAAR our new Indian blended luxury whiskey. This has been initially launched in Haryana, Chandigarh and Goa. We intend to build its distribution supported by consumer trials in the initial markets.

Turning to Regular and Others. Revenue grew 14% year-on-year to INR242.8 crores, while volumes increased 16% to 4.24 million cases. EBITDA grew 4% to INR38.6 crores. For H1, revenue stood at approximately INR499.2 crores and EBITDA at INR82.6 crores.

Uttar Pradesh continues to expand our growth base, while Rajasthan remains a strong and established market. In Rajasthan, price increases have helped offset input cost inflation during this year. However, lower sequential volumes reduced contribution and fixed cost absorption, resulting in some margin moderation compared with Q1.

As Uttar Pradesh grows, R&O is also becoming less concentrated in Rajasthan. Each state has different realization and economics, so the blended margin will reflect this evolving composition. UP margins will strengthen as we continue building on our business and volumes there.

Our focus remains on profitable growth within each market. We will continue to deepen markets where we have traction, invest behind brands demonstrating consumer acceptance and keep the path to profitable scale central to our decisions.

With that, I will hand over to Nilanjan. Thank you.

Nilanjan Sarkar: Thank you. I'll briefly cover the financial performance and the changes to our balance sheet following the QIP. For Q2 FY27, revenue stood at INR758 crores, registering a year-on-year growth of 15%. For H1 FY27, revenue reached at INR1,541 crores, reflecting an 11% growth over the corresponding period of the previous financial year. On the profitability front, EBITDA for Q2 FY27 stood at INR63.8 crores, representing a year-on-year growth of 2%.

For H1 FY27, EBITDA increased by 17% year-on-year to INR143.3 crores. While quarterly EBITDA growth was relatively moderate, the overall H1 performance reflects a healthy improvement in operating profitability. Q2 FY27 PAT degrew versus Q2 FY26 on account of additional depreciation from UP as well as a onetime deferred tax benefit that was taken in Q2 FY26.

Turning to cash flow generation. Cash flow from operating activities for H1 FY27 stood at INR139 crores compared to INR270 crores in H1 FY26. The moderation in operating cash flow is primarily attributable to an increase in trade receivables driven by higher business volumes during the period. The principal balance sheet development this quarter was the deployment of our INR200 crores QIP proceeds.

By September end, INR155 crores had been utilized towards repayment of long-term debt, contributing to an overall INR200 crores reduction in the debt between March and September. Our reported debt-to-EBITDA ratio improved from 2.63x at March end to approximately 2x at September end.

Alongside the refinancing completed earlier, the debt repayment has reduced outstanding borrowings and future financing commitments. We estimate interest savings of approximately

INR6 crores in H2 FY27, equivalent to INR11 crores to INR12 crores on an annualized profile basis.

The combined effect is a more comfortable debt profile, lower financing costs and greater flexibility to meet working capital requirements and support our consumer growth plans. Our focus remains on disciplined deployment of capital, efficient working capital management and continued strengthening of the balance sheet.

Thank you. We now open the call for questions.

Moderator: Thank you. We will now begin with the question-and-answer session. Our first question comes from Bhargav Buddhadev with Ambit Asset Management.

Bhargav Buddhadev: Sir, if you look at your IMFL business, it's been sort of now growing at a fairly strong pace. So just wanted to know in terms of if you take a 2- to 3-year view, in your opinion, which are the key states which can sort of further accelerate the growth or possibly take you towards your INR450 crores to INR500 crores revenue target, if you can highlight that? And then I'll ask the second question.

Shekhar Swarup: Param, would you like to take that?

Paramjit Singh Gill: Thanks, Bhargav, for encouraging our performance on the call. So at this point of time, obviously, in our current scenario, we are fairly dependent on UP, West Bengal, Delhi and Jharkhand as key states. And going forward, we are adding a few key states with Odisha being the first one. We see at least 7 to 8 key states, which will all support broad-based growth and reduce our dependency on 3 to 4 states.

We earlier had dependency on 1. We made it 2, 4. Now we are at about 4 to 5 states dependency. The whole plan is to make this very broad-based, Bhargav. So you expect us to have at least 7 to 8 fairly profitable state businesses growing a broad-based growth. And not only that, we expect that we will have 3 to 4 well firing brands also on the brand parameter, allowing us to support the broad-based growth.

Bhargav Buddhadev: Great. And my second question is that, obviously, there has been a recent change in terms of the prices from maize-based ethanol being reduced by INR3 per litre. So obviously, in your opening remarks, you did mention that Globus has a flexibility to go to rice as well as broken rice. So do you think that this -- despite the INR3 cut, you still can maintain your INR5 to INR7? If you can spend some time on that math, that would be very helpful. And that would be my last question.

Shekhar Swarup: So, Bhargav, principally, what I have found is changes in ethanol price impact raw material prices directly. When you look at -- we have 3 raw material options, FCI, broken rice as well as maize. This year, the big change over last year on the raw material mix is that there is clarity on how much FCI rice is going to be allocated for ethanol and we have that clarity right in the beginning of the year.

Second, we have a much larger availability of broken rice given the change in quality norms of FCI. Based on these 2 factors, I believe maize prices are going to remain lower in the new year, which is yet to start. Combined with our ENA flexibility, we are not seeing too much threat on the INR5 to INR7 guidance.

Bhargav Buddhadev: Okay. Understood. So you are fairly confident on that number that on an annualized basis, that number can be -- because at times, we have also seen that obviously, the EBITDA per litre could sort of go down drastically. But this time around, you seem to be fairly confident on that.

Shekhar Swarup: For the last few quarters, I think now it's been 6 to 8 quarters, the company has been in that zone. Of course, this quarter, we are at about 4.7% -4.6%. But 5% to 7% is the guidance, and I'm quite confident about it. Yes.

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

Himanshu Shah: In continuation of previous question, what has led to the sharp drop in EBITDA for retail this particular quarter? Any specific reason?

Shekhar Swarup: I covered that, Himanshu, in my opening remarks as well. It's the sort of quarterly changes in commodity prices. If you look at a longer trend, Q2 is usually the time where we have the greatest amount of inflation in raw material and fuel, which starts tapering off in the middle of Q3 and stays pretty depressed for the rest of the year. So it's a play out of that. It's not a concern in the overall business.

Himanshu Shah: Okay. What would have been the inflation in the raw material prices, grain prices like broken rice or maize during the quarter either or...?

Shekhar Swarup: I think September end, we should have finished -- should have ended September at about INR27, INR28 per kilo of rice and about INR22 -- it's about INR23, INR24 for maize. Of course, these are sort of end Q2 prices, not the average of Q2. I don't have the average figures with me at the moment.

Himanshu Shah: And this would be higher by how much, on a Y-o-Y or Q-o-Q basis?

Shekhar Swarup: So Q1, April, May, June, so that's the sort of crop season, right, in Bihar and the East. So Q1, we would have ended at about INR21, INR22 of maize and about INR24, INR25 of rice.

Himanshu Shah: Okay. Got it. The second question is of the manufacturing volumes annually around 21 crores, 22 crores litres that we must be doing. What would be the share of maize-based ethanol in that bulk alcohol sales on an annualized basis?

Shekhar Swarup: So it varies quarter-to-quarter. I don't have that figure with me.

Himanshu Shah: Ballpark range, sir?

Shekhar Swarup: Nilanjan, do you have share of ethanol -- maize ethanol in the total sale of ethanol -- total sale of manufacturing?

Nilanjan Sarkar: Yes. On total sale of manufacturing for H1 on maize is almost 60% on the ethanol part.

Himanshu Shah: And how much would be ethanol of the total sales?

Nilanjan Sarkar: Ethanol for H1?

Himanshu Shah: Yes, sir, H1 will also be fine.

Nilanjan Sarkar: 60%.

Shekhar Swarup: I think -- sorry, I just want to jump in here, Himanshu. I think what you're trying to figure out is this impact of the change in price of maize ethanol. I'm afraid comparing historical maize volumes to what it might be in the future is not representative because we will be changing the product mix from time to time depending on what is most profitable. There is a chance, a pretty good one that maize ethanol is not going to be very profitable in the next year or not as profitable as FCI and broken rice.

So H1 might have been 60% of total ethanol, which is maize. I won't be surprised if this number is 30% going forward. I mean I don't know whether it will be 30% or it will be 60% as of now. It depends on raw material scenario shapes up. In either scenario, whether we sell 60% maize or we sell 30% maize or some other combination, we believe that the combination of ENA and ethanol, combination of FCI, damaged grain and maize will give us INR5 to INR7 margin per litre.

Himanshu Shah: And lastly, in our R&O volumes, what would be the share of UP in H1 of this year versus last year? On an absolute basis, if you can let me know how much UP would have contributed? Or is it fair to assume the growth entirely in R&O volume is largely driven by UP?

Shekhar Swarup: R&O Rajasthan has been growing at the rates it was in the past, which is small single-digit sort of, mid-single-digit volume growth. A lot of the balance growth, in fact, entirely the balance growth has come from UP.

Himanshu Shah: Okay. And R&O volume -- R&O margins have also declined on a Y-o-Y basis by almost 160 basis points. This would also be on account of increase in RM prices, fair to assume that?

Shekhar Swarup: And PM, right? I mean the 2 things that have played out -- actually, the one thing that's played out this year, which is unique and not prevalent in the last or the preceding years is the packing material inflation due to the whole oil scenario in the world.

A lot of our raw materials are dependent on petroleum prices. So that has impacted our margins to some extent. Of course, the price increase in Rajasthan helps that -- help mitigate that almost entirely. So the balance fluctuation in margin that we are seeing quarter-to-quarter is raw material price movement.

Moderator: The next question comes from the line of Hitaindra Pradhan with Maximum Capital.

Hitaindra Pradhan: Most of the questions have been answered, but 2 things I wanted to know. First of all, on the R&O, we have seen some depression in the margin and you alluded that to RM -- sorry, packaging material increase, etcetera.

But going forward, like what could be the sort of margins that we should work with given that the mix of UP is going to increase significantly, I think, in the coming years. So how should we look at the overall margins in the R&O segment?

Shekhar Swarup: So we've always maintained the sort of guidance on R&O margins of between 16% and 18% at EBITDA levels. So we are very much within that zone. I don't see any material sort of change to report in that guidance. 16% to 18% is going to be our range for R&O margins.

Hitaindra Pradhan: And secondly, sir, on the manufacturing segment, just to harp on further. So while you can switch, let's say, from ethanol to ENA to avoid that INR3 cut. But at the same time, the other players may also want to do it. And as such, there might be a glut, for example, in the ENA itself. So that could cause a lowering of prices of ENA for example. So how confident are we given that sort of a circular loop argument, right? Maize product prices can also...

Shekhar Swarup: I would say that circular loop argument is, it's not a perfectly circular loop for a couple of reasons. One is that we do not intend to shift en masse from ethanol to ENA. We intend to shift the raw material or rather the product mix within ethanol between FCI, DFG and maize.

We believe there is going to be a much higher supply of damaged grains or broken rice in the year to come because of the change in quality norms that I alluded to earlier. And therefore, broken rice prices are likely to remain a little bit depressed.

And of course, FCI supplying its raw material at a fixed price provides, in a sense, a stop loss, right? And prices will not be allowed to move up further because there is this FCI rice supply option that's available.

So it's not just a shift to ENA, which gives me this confidence. It's also a shift between raw materials. And the other is the shift to ENA, whereas yes, other people would be thinking the same things. ENA is not a product that is easy to move from state to state.

There are state taxes that need to be paid, import duties and export duties as they're called by different terms in different states. And given the way we've strategically located our distilleries in Rajasthan, Haryana, UP, Bengal, Jharkhand and Bihar, I mean, aside from Bihar, where there is no local demand. But the other states, there is a local demand for us to lean on while shifting capacities between ethanol and ENA.

In addition to this, there is a very important aspect that is we are expecting higher capacity utilizations going forward because of a lower sugar ethanol demand next year. So higher capacity utilization is also going to help offset fixed costs further and therefore, give us higher margins. So we've been consistently between 80% and 85%. And I believe in the year to come, that number is going to be meaningfully higher.

Hitaindra Pradhan: Okay. And sir, finally on this INR200 crores QIP money. So I understand that it has been currently used to pay down the debt. But at the end of the day, what is the plan in, let's say, the next remaining 6 months and next year, how exactly are we going to use this INR200 crores equity money that we have raised to sort of further our business plan?

Shekhar Swarup: Right. So this was part of our QIP statements as well. We've discussed this in the past quarters. Happy to go through it again. INR200 crores was the raise, INR150 crores or approximately INR150 crores has been used to pay down debt and the balance amount is currently liquid. This paydown of debt releases a fair amount of cash from the operations, from free cash flows, which can be used to further grow our IMFL business.

And the liquidity that's available today can get used for some additional bottling and more whiskey-related expansion. So all of this is to create some financial flexibility in the company to be able to take cash in the IMFL business to grow that business further.

Moderator: The next question comes from the line of Nitin Awasthi with InCred.

Nitin Awasthi: Two questions. Firstly, I wanted to understand what is the amount of orders we received for ethanol in the final tender of the last year, FY26? And have we delivered all of that quantity or we'll be delivering it in the current month with the extension of the government coming in?

Shekhar Swarup: Sorry, Nitin, I don't have with me the final allocation numbers of last year. And there was a secondary allocation that was made midyear as well, which sort of needs to be added to it. I'm happy to share it with you. This is, in any case, available to OMCs as well.

So I can share that with you subsequently. So no, we have not completed all our orders. The understanding with the OMCs is that these orders will be completed by around 30th of November. By which time we are hoping that the new tender will also have been concluded.

Nitin Awasthi: Fair enough, sir. Understood. Got that. Sir, second, I had a question on particularly the margins within the Regular and Other segment. We are expanding rapidly in Uttar Pradesh, whereas we are stable in the other markets that we are operating in Rajasthan namely.

Now because of that, how much is the impact on EBITDA that a person sees on the consolidated front? Are we where we intended to be in Uttar Pradesh? Or are we far away from that? And that's why the margins that one sees in consumer and regular today do not reflect the true picture of the organization?

Shekhar Swarup: Param, would you want to take that? Yes, maybe Param's line dropped or something. I can take that.

Paramjit Singh Gill: No, I'm here. Yes. So Nitin, we are overall expecting the margins to be in the same range of 15% to 18%. Obviously, as we continue to strengthen our presence in UP, it will start improving our gross margins further because as the volumes and the base grows, many of the costs like logistics and other overheads start getting neutralized.

But even in the short term, we are holding on to our range of 15%, 16%, 18% regardless of how fast UP moves. So it's not a sort of a flag that deviates us from our path. Obviously, the opportunity is huge as we continue to chug along there.

Nitin Awasthi: Understood. However, with the large investment we have made, we would still be having a large differential with our mature market of Rajasthan. That's what would be the understanding, right?

Paramjit Singh Gill: Large is not necessarily the term. There is obviously, as we are investing -- we are investing more heavily into UP at this point of time, like is normal for a state where business is initiated and then built upon. But then that is also the natural path to growth in geographies, isn't it?

Nitin Awasthi: No, I completely agree. That's what I was talking about.

Paramjit Singh Gill: The range of margin is still within the same range. So the play is within the range. It's not a play where we see ourselves really falling out of the range just to build a state today, it can be UP and tomorrow, again, as we enter West Bengal in times to come, there will be more geographies. So the intent is not to deviate in a meaningful way from our existing margin trends.

Nitin Awasthi: Understood, sir.

Shekhar Swarup: So Nitin, I mean, Rajasthan is definitely a little bit higher on that range and UP is a little bit lower on that range. So that's the spread. I mean there's no significant concern on the UP profitability.

Nitin Awasthi: No, no, I understand that. There was never a question on whether there will be profitability and how much the profitability will be. It was just the time to reach optimal profitability was the question which was there. I understand all those things now that…

Shekhar Swarup: Yes. UP will still be on the journey to reach its optimal profitability because we see it getting better and better as we continue to improve our heft there.

Nitin Awasthi: Understood, sir. Understood. One more question, sir, finally. We are entering a phase which is very different from where you have been as a company operating within the ethanol space. We are entering a phase wherein this year, definitely next year maybe sugar is not going to be allowed in the mix. Now that gives a very big opportunity for everybody who is in the grain universe.

Number two, we also have seen at least the trade is very significantly reflecting of this that domestic consumption of ethanol for the chemical industry is shifting to the domestic players and the imports from countries like U.S. have completely dropped. Now that is again something that you guys can cater to, not everybody within the industry can cater to it.

Number three is the impact of the first 2 things I spoke upon the ENA prices. Now this situation is something which has not emerged or happened in the past. On ground with figures in play, can you elaborate on this?

Shekhar Swarup: So we are expecting a demand of about 900 crores litres for grain-based ethanol from OMCs for grain-based ethanol. There is about 100 crores to 150 crores litres, which the chemical industry uses. And there's about 300 crores to 400 crores litres that the beverage industry uses. There is likely to be a significant growth in the beverage number for this -- in the coming year as well or in the current financial year rather as UP shifts more of its country liquor from molasses-based to grain-based.

That said, Nitin, there is a lot of capacity in place in India, as you have correctly identified. The opportunity for distilleries is not homogeneous. There are 2 groups or maybe 3 groups of distilleries. There are players who have long-term offtake agreements with OMCs and then there are players who don't have long-term offtake agreements. And the third group is players who are combination of ENA and ethanol, which is a fewer number of players and a smaller amount of capacity.

Aside from our Bihar unit, Globus Spirits has long-term offtake agreements at all of its facilities, Bihar and -- pardon me, aside from Bihar, Rajasthan and Uttar Pradesh, where in any case, where in Rajasthan and Uttar Pradesh, there is no ethanol capacity, all other units have long-term offtake agreements.

Given that in these units, which are Bengal, Jharkhand and Haryana, we are foreseeing a significantly higher capacity utilization in the coming year. In addition, Behror is largely internal consumption. There is very, very little sales. So I'm going to disregard that unit as part of this discussion.

Uttar Pradesh, which is currently not operating at 100% capacity utilization or 85% plus capacity utilization is going to start increasing its capacity utilization. In fact, already in the last 3 or 4 months, we've seen much higher capacity utilizations than the periods before, largely because of the changing policies in UP towards moving away from sugar-based molasses to grain-based -- sugar-based -- molasses-based country liquor to grain-based country liquor.

All in all, I do not believe that there is a case for increasing our guidance on the rupee per litre margins that we have because of the large amount of capacity that exists in India. But I am very confident that we'll be able to maintain the guidance or achieve the guidance we have maintained.

Nitin Awasthi: Understood, sir. Also, I was not looking for a guidance here on the per litre EBITDA…

Moderator: I'm sorry to interrupt…

Nitin Awasthi: Let me just complete this point, if possible.

Shekhar Swarup: Go ahead, Nitin, please.

Nitin Awasthi: Yes. I was looking at because of all these developments, volume offtake.

Shekhar Swarup: Volumes are going to be great. We are going to have significant volumes.

Nitin Awasthi: So that's where I was coming. Of course, EBITDA spread is something else, but the whole thesis was building whether we would say record volumes from Globus in the coming years.

Shekhar Swarup: Yes. I'm expecting in the next sort of ethanol year, which starts, it's supposed to start 1st November, but I guess...

Nitin Awasthi: Tomorrow.

Shekhar Swarup: Yes. I guess it will start a little bit later, but whatever. So November to October, we can expect much higher volumes.

Moderator: The next question comes from the line of Ashmita with Electrum PMS.

Ashmita: I just had a few questions. Just wanted to know if all the potential impact for the current maize price increase has been factored in? Or do we see any more further price inflation in the coming quarters?

Shekhar Swarup: So Q3, typically, every year, sort of mid-Q3 onwards, sort of Diwali onwards is when harvest really kicks in and the material starts coming into the market, we see it -- the evidence of that is the air quality worsening that happens across North India, which is the stubble burning that takes place across Punjab and Haryana. So we're going to start seeing that harvest coming in a little bit later, a few days away. That's typically the trend that plays out there.

Ashmita: Yes, sure. Also, just one more point. If we see that because of this INR3 per litre the development which has happened and if more players shift to FCI rice in the broken rice, do we see more price increase in the rice?

Shekhar Swarup: No. In fact, I believe that price of rice is going to be subdued in the coming year for the reasons that there is FCI available and there is a change of quality of FCI rice, which is going to release more broken rice in the market. So previously, raw rice was purchased with 25% broken. And this year onwards, FCI is going to purchase rice with 10% broken.

Ashmita: And just one last point. What would be the update on the ENA export business? And how much volume have we exported in Q2? And how do we see it in Q3?

Shekhar Swarup: So I don't have the exact number of how much we exported and it's not a -- we don't track it as a separate business as it's part of the sort of manufacturing basket and it's one of the tools we have to improve our margins, improve our volumes.

My sense would be that H1, there would be about 5 million litres or so would have been the exports, just to give some sense to the numbers, that's H1. So I don't really track it as a separate business, neither is it housed with separate teams. It's part of the manufacturing basket.

Moderator: The next question comes from the line of Aashish Upganlawar with InvesQ PMS.

Aashish Upganlawar: Yes, just one aspect I wanted to sum up. From the overall discussion that we're doing in this call, it makes kind of picture where we are already passed last year on the INR6 a litre kind of, largely

higher side on the profitability for the manufacturing segment. And you've been struggling on the Prestige & Above. So does it mean that we have more hurdles next year or maybe the next 12 months in terms of profitability of the overall portfolio?

I can't see even if the profitability improving from here it can have overall. So does it get compensated by the growth on the revenues overall or maybe the volumes overall? So I just wanted overall picture of the business as you see over the next maybe 4 quarters or the next 12 months coming.

Shekhar Swarup: Yes, I can answer that for the next few quarters as well as for the next few years. The manufacturing business is steady at INR5 to INR7 a litre. Obviously, H1 is a little bit lower on that. We expect maize prices, rice prices to start cooling off post Diwali. So hopeful for higher realizations in H2 or higher EBITDA from this business in H2. But more importantly, from a more longer-term point of view, the manufacturing business is really the base where we utilize our capacities and make incremental cash flow. The long-term guidance on that remains at INR5 to INR7 a litre.

And whilst we invest that cash flow in growing our consumer businesses, both R&O and P&A, we're at the sort of a pivotal point of breaking even in the P&A business and that business is going to add to a considerable amount of profitability in the years to come. Whilst also the incremental growth in the R&O business and already the high profitability of that business will continue to grow profits for the company.

The manufacturing business is sort of steady at that range, 5% to 7% with a 20 crores to 25 crores litre kind of capacity, kind of sale annually. That's how I see the business shaping up in the next few quarters and the next few years.

Moderator: Mr. Aashish, does that answer your question?

Aashish Upganlawar: So I was just trying to understand the profitability of the Prestige & Above segment that I mean, still it would be 18 months, 24 months away from achieving some sort of profitability, right, in terms of numbers. Is that a fair understanding?

Shekhar Swarup: So it really starts -- it really comes down to how much we continue to invest in growth, right? I think in the consumer -- in the P&A business, growth is a function of spending. Currently, we are completely focused on building scale in the business in terms of new products, new geographies, growing existing products as well in terms of whether it's advertising or any other type of activities at the retail level. So it's really a function of growth.

I mean, at this point, do I want more profitability or do I want more growth? I would pick growth. And the journey is long in terms of how much headroom we have to grow in this space. So I would, for sure, pick growth at this point given the strength in the balance sheet, the very healthy cash flows that the company has. Let's grow the business. There is opportunity to grow. Let's grow the brands. There's some tailwinds behind some of the brands.

And then when one needs to sort of start taking chips off the table, start cashing in, we can start pulling back on some of the expenses and profitability is a very simple thing to achieve at that point. So it's growth that's coming in from deploying the profits that are being generated. So Param mentioned that 5 of 12 states are already profitable.

So the other 7 states are being invested in from the profits of those 5 states. And if one was to just simply chase profit, then one wouldn't go into these states and these 5 or 6 states that we have will be able to already print profitability. So it's a conscious decision to chase growth given the strength of the balance sheet and the strength of our cash flows.

Moderator: The next question comes from the line of Imran with Longbow India.

Imran Khan: Very nice to see the business growing. So congratulations on the part, especially the consumer business. So before I ask the question, can I maybe request Nilanjan sir to quickly look for the power and fuel cost for this quarter and the last quarter? And maybe whenever he has, he can give it to us in between the conversation.

My question is largely on the consumer business, right? And especially in the IMIL category, so we have Rajasthan, UP, Delhi, Haryana, West Bengal, either the target markets. Rajasthan, we are the leaders, right? And then I want to know in Rajasthan over the last 3, 4 years, the growth has largely been coming from price increases or there has been any volume growth as well?

Shekhar Swarup: So Rajasthan has been growing at about mid-single digits, low to mid-single digit volume growth. And then we get about 4% to 6% price increases annually. And therefore, you get a high single-digit kind of revenue growth from Rajasthan. And that's largely because the market is well entrenched. 40% or so of the total Rajasthan R&O market is sort of reserved for the state-owned company.

There's a Rajasthan state Ganganagar Sugar Mills that's a competitor or a market player there. And the balance 60% or so is available to private entities. And within that 60%, we have about a 50% market share. So given how entrenched we are, there is limited room to grow market share unless the state market share reduces. And that is not something that we've been seeing over the years.

Imran Khan: That's not happening.

Shekhar Swarup: The growth that's been coming in, in the last few quarters, has been on the back of our launches in Uttar Pradesh. Uttar Pradesh has a significantly higher headroom for growth as compared to Rajasthan. If my memory serves correct, I think UP is about 3x or plus the size of Rajasthan in terms of the R&O market size.

Imran Khan: Shekhar, sorry to disturb you there. See, we'll go to UP. I'm trying to understand your states one by one here. So Rajasthan is clear. So we have not seen any market share reduction in the state company. So that remains constant. So neither they're losing nor they're gaining, right? And the other players who are competing with you in Rajasthan, have you seen any one of them gaining or losing market share, anything that you want to highlight?

Shekhar Swarup: No, not meaningful. Pretty stable scenario up until now. Yes.

Imran Khan: Right. And any risk or that you would like to highlight in Rajasthan to the consumer business? Or do you think it's not worth mentioning? Any risk that you see going forward or maybe now to the Rajasthan business?

Shekhar Swarup: I mean we need to work on shoring up our brands, which is something which is a constant exercise. We -- and for that, we have new brand launches that take place even in Rajasthan and we follow sort of consumer trends. We get exposure to sort of emerging consumer trends based on some of our launches in P&A and the innovations we do there and we are able to sort of bring them in or engineer them even for the R&O business.

So the risk really for us is to be on the ball with regard to new products and changing consumer preferences. And up until now, I think we've done an okay job with that. And yes, so I mean, beyond that, I don't really see a meaningful risk in Rajasthan.

Imran Khan: Right. And Shekhar, what kind of capacity utilization we enjoy at our Rajasthan plant? Because at some point of time, because there is a -- even though there's a single-digit growth every year on the volume side. So at some point of time, you have to add some capacities there so to maintain your market share or even gain market share.

And I think Rajasthan government doesn't allow any further increase in the capacity, if I'm not wrong, because we are importing ENA from outside state. And on similar lines, are you also taking advantage of that because we have plants in the neighbouring states, so we can also supply ENA. So 2 questions in one part.

Shekhar Swarup: Yes, sure. So no, you're absolutely right. That is a ceiling that is very much prevalent. We've got headroom for, in my view, about another 400,000 to 500,000 cases a month easy. So there is some sale that we do. And if we were not to sell that, we convert it to about 500,000 cases of finished product every month. So there is a headroom, but it's -- there is a ceiling, sorry, but there is headroom that is available still.

And I think it's a good problem to have where we don't -- where we sort of -- where we have a larger need for alcohol than we're able to produce because the company has a significant amount of alcohol in its system. So we'll just move capacity from one state -- move alcohol rather from one state to another. I wouldn't, at this stage, for the foreseeable future, even put down the possibility of expanding capacity in Rajasthan. Our capital is 100% focused on growing the consumer business.

Imran Khan: Right, right. And Shekhar now coming to UP. I don't know how much time we have, so maybe I'll try my luck here. Coming to UP, I think you have mentioned in the past calls that the market is about 100 million cases, right? So about -- so if we multiply that INR450 or INR500 per case, the market comes out to be only INR4,000 crores to INR5,000 crores market, right?

And then you initially said you want to target 5% of the market. So that's barely INR200 crores on a base of close to INR3,000 crores overall revenue you do. Don't you think the ambitions are a little low there? You can go maybe much -- target a much higher market share?

Shekhar Swarup: I think if you look at UP growth and I can -- we can look at those numbers. I don't -- in the interest of time, I want to get into the numbers so much. But the way to look at the revenue of the company is to separate manufacturing and consumer and look at the growth that we are able to generate in Uttar Pradesh as a share of the consumer business, not as a share of the overall revenue. So I mean, the manufacturing business is best understood as a rupee per litre converter.

And the rest of it is largely crop revenue to the farmer that's been passed through to either the OMCs or to other customers. And our share, our net value add in that business is INR5 to INR7 a litre even if the realization of that product was to go up by INR10 or to go down by INR10, our net realization, our net value add would still be INR5 to INR7. And hence, I would not look at the revenue of the company as a sort of homogeneous number.

So -- and when it comes to the scale of UP and how much we can grow there, I think R&O is one piece, right, whether it's INR200 crores or INR300 crores, I don't have that figure with me. But R&O is one piece. It's about growing the consumer business as a whole and UP is an exceedingly important part of that story.

Imran Khan: Right, right. And I saw the latest Delhi excise numbers because they are published in July, I guess. And you have got the allocation almost double of what you used to have, right? So congratulations on that part. Within the similar lines, could you talk about UP IMIL market, how large it is? My estimate is that it is anywhere between INR150 crores to INR200 crores, but can you put some more light on that?

Shekhar Swarup: Sorry, are you talking about the UP market or the Delhi market?

Imran Khan: Delhi market.

Shekhar Swarup: It has been undergoing some sort of structural shift. There is -- given how porous the Delhi borders are or how many state borders Delhi has, we see a lot of product moving from one state to another. And as a result, the industry of Delhi has compressed.

So whereas we've got an allocation of a larger amount, you are right, but we are seeing that the industry sale volume is much lower, significantly lower than what they had envisaged. So given that Delhi is currently not a business which is meaningful, not interesting. So we are sort of re-evaluating our plans for Delhi currently.

Imran Khan: Haryana and West Bengal, they are also not contributing any...?

Shekhar Swarup: Haryana contributes. West Bengal is zero currently. We will be re-entering Bengal in the next financial year. Haryana is contributing, but not growing as meaningfully as UP.

Imran Khan: Got it. And can you maybe give ENA realizations or market price, if possible, what is the Premium price?

Shekhar Swarup: As I mentioned earlier, the price of the product is not so meaningful. If I sell product at INR50 or if I sell it at INR70, my net realization -- my net margin is still going to be INR5 to INR7 a litre. It is a result of raw material price movements that moves the finished price of the product.

Our net value add will remain at that INR5 to INR7 range. So that's why I don't want to get into too much of what is the price of ENA or the price of ethanol because it's really not a meaningful figure to track quarter-to-quarter.

Imran Khan: And Shekhar, I have been juggling with this question for the last 3, 4 years when I look at the IMFL business of our company. And I'll give you an example, maybe you're selling Mountain Oak, let's say, a quarter for about INR150-odd, right? And then there are alternatives available, which are legacy products in the market, IB or McDowell's or whatsoever, right, in the same category. I have heard your argument that the quality is superior, you mentioned. But despite that, you can use some tricks to get the consumer try your product by, let's say, hypothetically making your availability and other people not selling in the same store, right?

But at the end of the day, consumer is actually using the other product from last many, many years, and he sort of liked the taste, brand, everything. So -- and the moment you take out your trade incentives, etcetera, then again, he switches to the product that he used to have. So how can you solve this problem?

Shekhar Swarup: So I think maybe we are overreacting to this problem. I mean -- sorry, just a sec. I mean by this analogy, there should never really be any new companies entering any consumer space because once the company is established, there can be no space for anyone else. So I don't -- I think we're over-indexing this issue a little bit.

Sorry, and I'm happy to set up a call and get into what we do in order to acquire market share and how we believe for our products that's going to be sticky. But in the interest of time, I want to just move on to some of the other questions. I hope you won't mind and we'll set up a call to address this one.

Imran Khan: Sure. No problem. And Nilanjan sir, could you please give the power and fuel cost, if it is there?

Nilanjan Sarkar: This quarter, it was INR6.3 per kg, which last quarter, it's an inflation of 10% to 11%.

Imran Khan: The overall cost are in crores rupees for the whole quarter?

Nilanjan Sarkar: It's roundabout INR60.43 crores.

Imran Khan: INR60 crores.

Moderator: The next question comes from the line of Shivakshi Bhardwaj, an Individual Investor.

Shivakshi Bhardwaj: I have a question on A&P budget. I would like to understand is there an A&P budget for the next half of the year considering as per my understanding that the times coming forward are going to be friendly to our portfolio. So I'd like to understand overall about the budget. And if you can shed some light on it with examples, that would be really helpful.

Shekhar Swarup: So Param, can I ask you to take that, please?

Paramjit Singh Gill: Yes, of course, we have an A&P budget as almost all the brands are expected to have. And you have rightly pointed out the A&P budget has obviously got many elements and also has spread towards different geographies and different brands as well as different parts of the calendar year.

And obviously, as we head into the festive season, the A&P is indexed higher at all the categories which have a higher relation to festivities and upward mobility towards purchases. Yes, without A&P, one wouldn't really survive in a branded industry.

Shivakshi Bhardwaj: That's helpful. I have one more question. I'll just quickly set up the context for that question and then ask the question if that's all right. So I did a bit of ground research and I found that our brands are either sales in the shelf either on the top, which is hard for customers to reach or at the very bottom where like a lot of customers don't really look. So is there some kind of metric or something that you track which basically tells you about the shelf space that we are taking and our brands are taking and how it is impacting our margins?

Paramjit Singh Gill: So yes, yes. I think all -- we definitely do track how our shelf presence is. Having said that, we must understand that unlike in the FMCG industry where there are millions of outlets, we have a restriction of 75,000 to 80,000 outlets across the country, jockeying for all the brands that are available. So first and foremost, what is important for a company with our portfolio is that is our visibility punching above our size. That's the first point.

If it is punching above our size, then obviously, immediately along with that comes is how much of the shelf space can be secured, which is in the diamond zone of visibility and also in a walkaway outlet, which are in the niche areas.

Not always are we able to secure the best spot at every outlet. And so is the case with all the brands regardless of whether they are category leading or they are evolving because everybody is fighting for the same space everywhere. So the intent is that when you visit an outlet, the first thing we look for is in terms of visibility, are we punching above our weight.

If our market share in that city is 3%, 4%, 5%, then are we punching above our weight in terms of many brands around in the shop. And that's the first parameter which we look for. And then, of course, how much of our brands are in the diamond zone of high visibility.

Shivakshi Bhardwaj: That's really helpful to know. So do you do this analysis state-wise or outlet-wise?

Paramjit Singh Gill: Ma'am, we don't -- nobody is able to do it outlet-wise. So all our executives have apps that do it. But very broadly, it is tracked. Every outlet is not tracked with its own history. But yes, we have internal audit teams. We have customer marketing teams who keep on tracking all the elements that we put invested into the outlet and rate visibility in terms of our own internal parameters, how the visibility is. This is done with category A outlets separately. And then it is done by team member, how is the team member reacting to this key ingredient, which is expected of him.

Moderator: Ladies and gentlemen, in the interest of time, that was the last question for today. I now hand the conference over to the management for their closing comments.

Shekhar Swarup: Thank you, everyone, for joining the call. Please feel free to reach out to us if you have any questions about the business. I wish you all a very Happy Diwali and the festive season ahead.

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