Globus Spirits BUY

AlcoBev | Initiating Coverage

DOLAT CAPITAL
IN-DEPTH-PRECISE-ACTIONABLE

CMP: Rs.1,031 | TP: Rs 1,600 | Upside 55%

Transformation underway, growth + PE re-rating likely

We initiate coverage on Globus Spirits (GSL) with 'BUY' rating & SOTP based TP of Rs 1,600 on FY27E multiples, implying ~31x FY27E EPS. Incorporated in 1993, GSL is a noteworthy player in ENA/Ethanol (manufacturing) & Country Liquor (IMIL) segment. Over the past 3 years, it has strategically positioned itself to emerge as a leading branded IMFL AlcoBev player. GSL, after earning super-normal profits over FY20-22 went through severe earnings decline over FY22-25 led by steep increase in RM. We expect headwinds to recede over FY25-27E, positioning GSL's all three segments (manufacturing, IMIL, & IMFL) for strong growth driving superior 37% EBITDA and 101% EPS CAGR (subdued base) over FY25-28E. The IMFL business is projected to be atleast a 5-7 year growth story (GSL has the right to win) and drive multiple re-rating if executed well. The company is currently trading at 28/18x FY26/27E EPS. Initiate 'BUY' rating.

Manufacturing (ENA + Ethanol) business set for ~5x EBITDA growth

In FY20-22, the Govt's ethanol blending policy and low RM prices (broken rice Rs 13-15/kg during FY20-22 vs. peak of Rs 26-28 and current ~Rs 24-25) led to super normal profits with EBITDA/litre of ~Rs 15/litre (peak Rs 17-18/litre). These conditions tempted GSL to expand its ENA/ Ethanol capacities. Thus, GSL expanded from 160mn litres in FY22 to ~300mn in FY25. Led by FCI rice ban for supply to ethanol companies, EBITDA/litre declined to ~Rs1.5-2/litre in FY25 (bottom <Rs 1/litre). With FCI lifting the ban in Feb-25, broken rice prices saw ~10% correction. These, coupled with efficiency initiatives, should help the spread to restore to long-term cycle average of ~Rs 7/litre in a couple of quarters. Hence, the absolute EBITDA of GSL shall inch up from the bottom of ~Rs 300mn in FY25 to ~Rs 1.5bn in FY27E. **We believe that strong cash flow in this segment should help accelerate growth of other segments such as IMIL & IMFL.**

Country Liquor (CL or IMIL): Cash cow + Growth machine (UP)

GSL's IMIL segment generated Revenue/EBITDA of ~Rs 8.7/1.4bn (~15.5% EBITDA margin). It is a market leader in Rajasthan with ~33-35% market share (~70-75% of segment volumes/ revenue). It thus generates healthy profitability. Led by a 4.3% price increase and reduction in RM prices (captive consumption), the profitability shall improve in FY26E. Further, GSL's entry into a large IMIL market of UP (~100mn cases vs. ~35mn in Rajasthan) shall lead to multi-year of growth in the segment. The opening of Bihar state (with GSL having a factory in the state) in FY27 is an add-on growth option. We thus see IMIL as a healthy cash cow (like manufacturing) with UP (and at some stage Bihar/WB too) driving significant volume growth. **The manufacturing and IMIL segments shall also provide downside protection to investors.**

Branded IMFL P&A – structural growth and PE re-rating lever

GSL has been pivoting into the branded IMFL P&A segment for nearly 6-8 years. But it is only in the last three years that serious efforts & progress have been made across categories (whisky, vodka, gin and single malt) in six focused states. UP and Delhi have breakeven, and another is on the verge of breaking even. The company shall venture further into a couple of other new states in FY26. Leveraging GSL's extensive expertise as an ENA manufacturer, third-party bottler for top brands, strong consumer insights in the IMIL segment, and cash flows supported by an experienced team, the company is well-positioned to win in the branded IMFL P&A space, and be a ~Rs 5bn business within 4-5 years. **As growth unfolds in the IMFL segment, the multiple will get re-rated.**

Key Data

Nifty	25,082
Equity / FV	Rs 289mn / Rs 10
Market Cap	Rs 30bn
	USD 345.6mn
52-Week High/Low	Rs 1,370/ 751
Avg. Volume (no)	92,367
Bloom Code	GBSL IN

Stock Performance (%)

Particulars	1M	3M	12M
Absolute (%)	7	2	21
Rel to NIFTY (%)	6	(8)	19

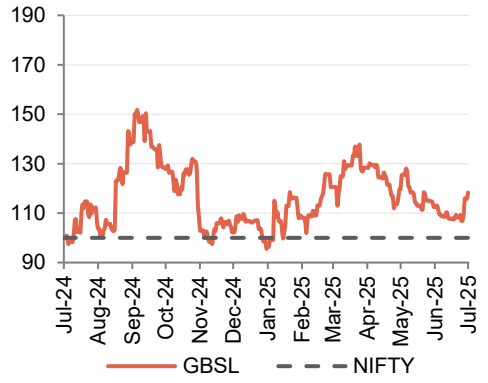
Shareholding Pattern

Particulars	Sep'24	Dec'24	Mar'25
Promoters	50.9	50.9	50.9
MF/Banks/FIs	6.0	5.3	5.8
FIIs	5.6	6.0	6.4
Public / Others	37.6	37.8	37.0

Financials (Rs bn)

Particulars	FY25A	FY26E	FY27E	FY28E
Revenue	25.4	31.0	35.5	37.8
Growth (%)	5.1	22.3	14.3	6.5
EBITDA	1.5	2.6	3.2	3.8
OPM (%)	5.8	8.2	9.1	10.0
PAT	0.2	1.0	1.5	1.9
Growth (%)	(75.9)	318.3	52.9	27.5
EPS (Rs.)	8.1	33.8	51.7	66.0
Growth (%)	(75.9)	318.3	52.9	27.5
PER (x)	127.4	30.5	19.9	15.6
ROANW (%)	2.4	9.3	12.8	14.2
ROACE (%)	3.0	7.7	10.2	11.7

Company relative to NIFTY



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Company Overview

Globus Spirits Limited (GSL) is one of the leading grain-based (broken rice or maize) distillery companies in India. Over the years, the company has transformed its business from a bulk alcohol manufacturer to a 360° alcohol beverage player. GSL has diversified its operations into the entire value chain of liquor from the sale of bulk alcohol/Extra Neutral Alcohol (**ENA**) and **Ethanol** to marketing and selling of Country Liquor (**CL**)/Indian Made Indian Liquor (**IMIL**) and contract bottling for leading IMFL (Indian Made Foreign Liquor) players.

The company has also launched IMFL liquor brands across Whisky, rum, and vodka in the 'Prestige & above' category in a few states and is gradually ramping up its presence in more states.

With a total manufacturing capacity of ~300mn litres of ENA/Ethanol (~50% of it added in trailing three years when EBITDA/litre had glided down significantly) and a bottling capacity of ~18mn cases p.a., GSL operates over five integrated manufacturing facilities in Behror (Rajasthan), Samalkha & Hisar (Haryana), Burdwan (West Bengal), Baharagora (Jharkhand) and Dhandua (Bihar).

Exhibit 1: Manufacturing Units Overview

Manufacturing – Existing State-of-the-Art Units

Globus Spirits

Rajasthan Facility

Capacity: 54.4 Mn Ltrs

Products: Regular & Others, Prestige & Above, Bulk Sales – ENA Only

West Bengal Facility

Capacity: 102 Mn Ltrs

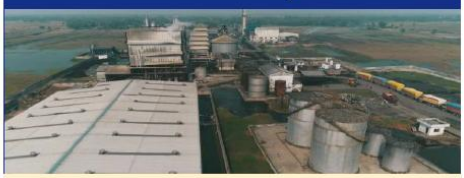
Products: Regular & Others, Prestige & Above, Bulk Sales - ENA & Ethanol, Contract Bottling

Haryana Facility

Capacity: 47.6 Mn Ltrs

Products: Regular & Others, Prestige & Above, Bulk Sales - ENA & Ethanol, Contract Bottling

Bihar Facility



Capacity: 28.9 Mn Ltrs

Products: Bulk Sales – ENA & Ethanol

Jharkhand Facility

Capacity: 68 Mn Ltrs

Products: Bulk Sales - ENA & Ethanol

Uttar Pradesh Facility

Bottling (started in April 2024) - Regular & Others, Prestige & Above

Distillation for 100 KLPD, likely completion in Q3FY26 - ENA (fungible between molasses and grain)

Source: Company, Dolat Capital

Investment Rationale

Manufacturing Business: The Backbone of Growth

GSL's manufacturing (or bulk alcohol) business comprises of **Ethanol** (sold to OMCs) and **ENA** (Extra Neutral Alcohol), which is used for captive consumption, third-party bottling and supplies to other AlcoBev companies. This segment acts as the backbone of GSL, which keeps it tied together in every aspect of different lines of businesses, simultaneously serving as a solid foundation for the consumer business segment. GSL's fully integrated plants facilitate the production of Ethanol, Rectified Spirit, Grain Neutral Alcohol (ENA), value-priced spirits (IMIL), and Premium Spirits (IMFL).

Since the company manufactures alcohol in-house, it can maintain greater control over product cost and quality, allowing the value-oriented consumer segment direct access to best-in-class, high-quality liquor. The fungible production units allow GSL to **maximize alcohol yield**, while **optimizing the production of by-products**, leading to better utilization of the raw material.

From Super Bull (FY22) To A Super Bear Cycle (FY25)…….

In FY20-22, GSL experienced unprecedented growth driven by healthy demand, favorable government policies (EBP), and raw material prices, positioning it as a key player in the ethanol and ENA segments. However, as industry challenges such as rising input costs, regulatory hurdles, and changing market sentiments emerged, the prospects began to dampen, leading to subdued performance over FY22-25.

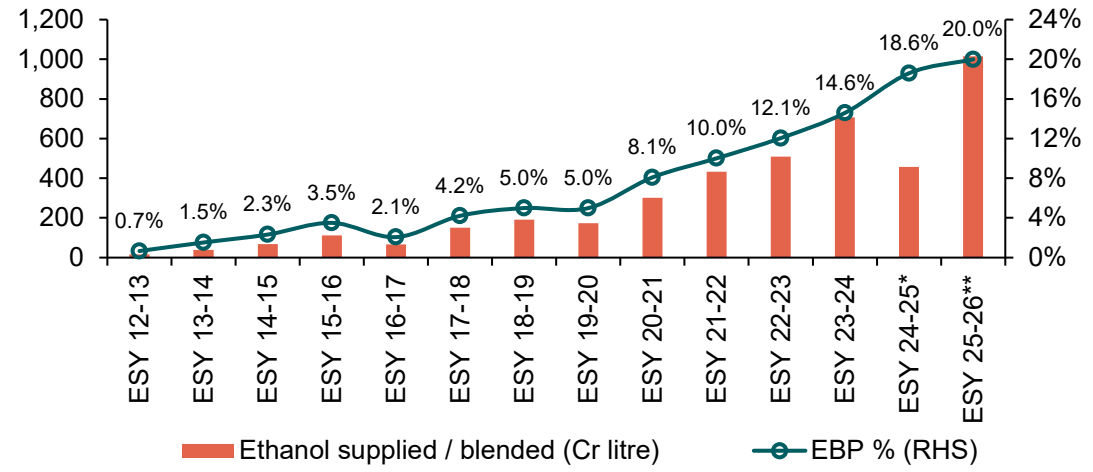
Government's Ethanol Blending Program (EBP): A Brief Overview

The government started the ethanol blending program in 2014 to increase blending, but it picked up only after 2019 when a serious focus was made on the same. The blending target increased from 5% in 2019 to 20% by 2030. Several proactive measures accelerated this shift: 1) reduction in GST from 18% to 5%, 2) interest subvention schemes, 3) increasing scope of RM for ethanol procurement etc., all aimed at boosting ethanol adoption. In 2022, the target of 20% was preponed to 2025.

Till 2019, the ethanol blending percentage stood at ~5% vs. the current ~18% in ESY (Ethanol supply year) of 2024-25. ESY is generally from 1st Nov to 31st Oct. The recent additional measures to support EBP include 1) Long Term Off-take Agreements (LTOAs) to set up Dedicated Ethanol Plants (DEPs) in ethanol-deficient states; 2) encouraging conversion of single-feed distilleries to multi-feed; 3) availability of E-10 and E-20 fuel; and 4) the launch of flexi-fuel vehicles, etc. All these steps also add to the ease of doing business and achieving the objectives of Atmanirbhar Bharat. EBP enables the country in energy security and savings of crucial foreign exchange.

To support EBP, the government ensured the supply of broken rice (key RM) from the Food Corporation of India (FCI), a government agency established in 1965 under the Food Corporations Act, tasked with ensuring food security in India.

Exhibit 2: Ethanol blending trend in India



*Source: MOPNG, Media articles, Dolat Capital; * upto Apr'25 ** Estimate*

EBP: A Boon Turned Challenge for GSL

Shifts & Challenges: From Success in FY20-22 to Hurdles in FY23-25

FY20-22 had been the toughest two years for the Indian economy in the recent past, led by COVID. **However, these two years were the most promising for GSL,** led by robust earnings in the manufacturing business on a lower scale of operations (~160mn litres). The capacity approx. doubled in FY25 (~301mn litres) vs. FY22, yet the segment EBITDA stood at ~1/5th of FY22. The high spread (EBITDA/litre) during FY20-22 tempted GSL (similar to other ethanol manufacturers) to undergo significant capacity expansion.

Exhibit 3: GSL's ENA/Ethanol manufacturing Capacity Overview

State	Capacity (Mn Litres)	Mfg. Products Sold	Remarks
West Bengal	102	ENA + Ethanol	~2/3rd of the manufacturing capacity in Eastern state of WB, BH and JHA which has abundant availability of rice
Jharkhand	68	ENA + Ethanol	
Rajasthan	54	ENA only	
Haryana	48	ENA + Ethanol	
Bihar	29	ENA + Ethanol	
Operational	**301**		
UP*	34	ENA	Q3FY26
Total	**335**		

*Source: Company, Dolat Capital, * Expected to be operationalized by Q3FY26*

Exhibit 4: Manufacturing capacity expansion trend of GSL (Million litres)

Year	Capacity (Mn Litres)		Remarks
	Total	Incremental	
FY21	160	-	
FY22	220	60	60mn litre added in WB
FY23	260	40	12mn litre added in WB and 28mn litre in JHA
FY24	301	41	22mn litre added in WB and 20mn litre in JHA
FY25	301	-	
FY26E	335	34	34mn in UP

Source: Company, Dolat Capital

During FY20-22, because of EBP and the consequent government-regulated prices of ethanol from various sources of raw material (refer table below), there was a steep rise in the ENA prices from ~Rs 47-48 to ~Rs 55-60 and gradually to Rs 72-73 in trailing five years. Both Ethanol (used by OMCs) and ENA (used mostly by AlcoBev companies and a bit by cosmetic companies too) are made from rectified spirits, the source of raw material for which is generally broken rice, maize, molasses or sugarcane juice (starch or carbohydrate rich RM). To support the EBP, higher Ethanol prices led to a steep revision in the ENA prices during FY20-22, which benefited GSL. Since then, both Ethanol and ENA prices have largely been pegged to each other (adjusted for yield, efficiencies, etc.).

Exhibit 5: Administered price* of Ethanol from various sources of RM (Rs/litre)

ESY**	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25
Sugarcane juice	-	-	47.1	59.1	59.5	62.7	63.5	65.6	65.6	65.6
B Heavy Molasses	-	-	47.1	52.4	54.3	57.6	59.1	60.7	60.7	60.7
C Heavy Molasses	42.0	39.0	40.9	43.5	43.8	45.7	46.7	49.4	56.3	58.0
Surplus FCI Rice			-	-	-	56.9	56.9	58.5	58.5	58.5
Damaged Food Grains			-	47.1	50.4	51.6	52.9	55.5	64.0	64.0
Maize			-	-	-	-	-	56.4	71.9	71.9
Chg YoY %										
Sugarcane juice		-	-	25.5	0.6	5.3	1.3	3.4	-	-
B Heavy Molasses		-	-	11.2	3.5	6.2	2.6	2.8	-	-
C Heavy Molasses		(7.1)	4.7	6.4	0.7	4.4	2.1	5.9	13.9	3.0
Surplus FCI Rice		-	-	-	-	-	-	2.9	-	-
Damaged Food Grains		-	-	-	6.9	2.4	2.7	5.0	15.2	-
Maize				-	-	-	-	-	27.5	-

Source: PIB, Media articles, Dolat Capital

* Administered prices excluding GST and transportation costs

** ESY is Ethanol Supply Year normally from Nov-Oct

Navigating Cost Pressures: From Inflation to Efficiency

Over FY23–25, GSL faced intense cost pressures stemming from steep inflation in key inputs like broken rice, power, alongside normalization of by-product pricing. These challenges weighed on margins, despite increased operational scale.

i) By-products: Temporary Upside, Eventually Normalized

During ethanol/ENA manufacturing, DDGS (Distillers Dried Grains with Solubles) and DWGS (Distillers Wet Grains with Solubles) are generated as by-products, widely used as animal feed supplements. Generally, the higher the yield of ENA / ethanol, the lower the by-product and vice versa. Most modern plants, including GSL, prefer DDGS over DWGS due to better **shelf life, and thus realizable value**.

Revenues from by-products are an integral part of the unit economics of ENA/Ethanol. The prices of by-products increased significantly during FY20-22 from Rs 28-30/kg to ~Rs 45-50/kg, before coming back to normalcy.

ii) Broken Rice: Steep inflationary pressure post-COVID

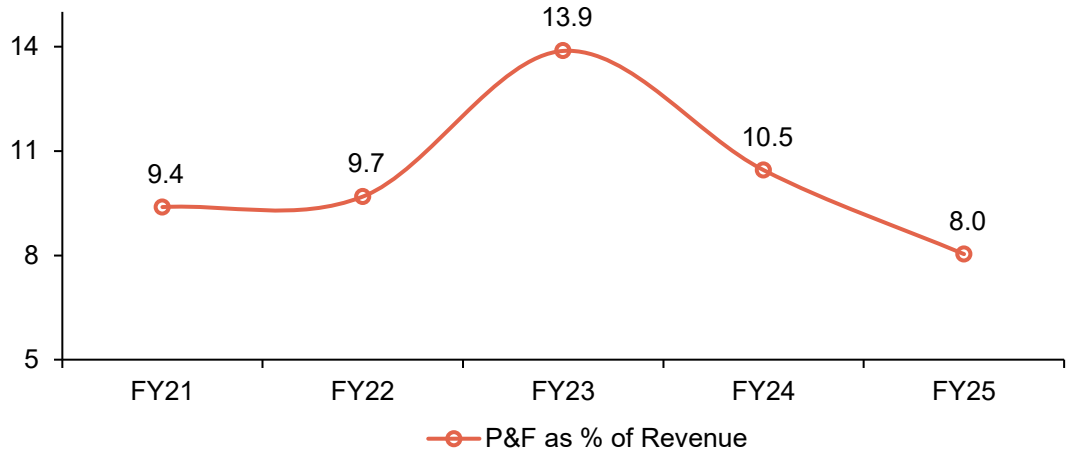
The raw material (broken rice) prices too were subdued at ~Rs 14-15/kg during FY20-22, before rising to Rs 18-19, Rs 21-22 and then to Rs 26-28 over the last 4-5 years.

There had been general price inflation across commodities and services post-COVID, and it was a bit more accentuated wrt broken rice.

iii) Power: Escalating Prices Amid COVID-19 and Geopolitical Tensions

Separately, due to COVID-induced price inflation and the Russia-Ukraine war, the power prices also went up significantly.

Exhibit 6: Power and Fuel costs as % of Revenue



Source: Company, Dolat Capital

iv) Capacity expansion and new businesses further pulls down profitability

During FY22-25 period, GSL expanded its ENA capacity (higher capex, D&A and interests) and seeded for expansion into a branded IMFL business (higher opex), leading to a steep earnings impact and accentuated debt.

v) Efficiency measures kick-off in FY24-25

GSL implemented targeted efficiency measures such as optimizing raw material sourcing, diversifying power sources, and shifting from broken rice to maize to strengthen its supply chain and better realization. While some benefits emerged in FY25, the full impact is expected to be realized in FY26 and FY27, after being initially masked by the steep raw material price increases in FY24.

Exhibit 7: GSL key focus on Maize

Commercial Strategy

- With 7 months of the ethanol year to go, our focus is on Maize based Ethanol.
- 84% of the total allocation will be from Maize based ethanol due to the geographical advantage of our Eastern Units.
- In this area (eastern region)- maize crop has grown up by 12.5% YoY
- In addition, we are securing our maize supply chain by increased storage capacity at the plant and outside warehouses.

Source: Company, Dolat Capital

……turnaround likely driving ~5x EBITDA growth

As highlighted above, to support EBP, the government ensured the supply of broken rice from the FCI. However, in FY24 (Jul'23), there was an abrupt stoppage of the supply of broken rice to the ethanol companies. This, we believe, was to ensure an adequate supply of rice for human consumption on account of a) lower rice production in FY24 and b) impending elections in May'24 (FY25).

In the backdrop of EBP and supported by interest subvention schemes, a significantly large number of companies had put up sizeable capex for the expansion of ethanol capacities and were later starved of RM. To ensure the factories are running and recovery of fixed costs happens, ethanol companies came into the open market for procurement of broken rice (as FCI option wasn't available) leading to steep rise in the prices of broken rice from ~Rs 21-22/kg then to ~Rs 26-28/kg in a short span of time of Q2-Q3 of FY24. The broken rice prices continued to prevail at the same level till the end of FY25.

However, with the increase of rice production in FY25 and with elections getting over by Jun-24, the FCI lifted the ban on the supply of rice in Feb'25 for ethanol companies. This has led to a modest correction of ~8-10% in the prices of broken rice, which has been corrected to ~Rs 24-26/kg from ~Rs 26-28/kg. This should significantly help GSL to improvise its EBITDA/litre (spread) from ~Rs 1.5 in FY25 to a cycle-average of ~Rs 7/litre over FY26-27 in the manufacturing business. **Thus, we expect the absolute EBITDA of GSL to inch-up from the bottom of ~Rs 300mn in FY25 to ~Rs 1.5bn in FY27E.** These strong cash flows should help accelerate the growth of other segments (viz. IMIL and IMFL) for deleveraging.

Exhibit 8: Manufacturing business – key segmental assumptions

Particulars	FY21	FY22	FY23	FY24	FY25	FY26E*	FY27E	FY28E**
Sales Volumes (Mn ltr)	103	116	182	211	192	198	214	210
Revenue (Rs Mn)*	7,102	8,993	13,896	16,279	15,349	19,166	21,049	21,151
EBITDA (Rs Mn)	1,505	1,455	1,557	716	303	1,098	1,495	1,472
Realization/Ltr (Rs)*	69	77	76	77	80	97	99	101
EBITDA/Ltr (Rs)	14.6	12.5	8.5	3.4	1.6	5.5	7.0	7.0
EBITDA Margin (%)	21.2	16.2	11.2	4.4	2.0	5.7	7.1	7.0
Chg YoY %								
Sales Volumes (Mn ltr)		12.9	56.5	16.0	(9.3)	3.5	7.7	(1.5)
Revenue (Rs Mn)*		26.6	54.5	17.1	(5.7)	24.9	9.8	0.5
EBITDA (Rs Mn)		(3.3)	7.0	(54.0)	(57.7)	262.4	36.1	(1.5)
Realization/Ltr (Rs)*		12.1	(1.3)	1.0	4.0	20.6	2.0	2.0
EBITDA/Ltr (Rs)		(14.4)	(31.7)	(60.3)	(53.3)	250.1	26.5	-

Source: Company, Dolat Capital

Note: 1) FY21-24 are partly our assumptions basis disclosures in presentation and earnings call 2) Steep increase in realization/litre is led by shift of GSL from broken rice to maize by GSL from Q2/Q3FY25 for Ethanol. Key monitorable is absolute EBITDA and EBITDA/litre

** Realization per litre is including Animal feed supplement, other operating income, third-party bottling fee etc. Steep increase in realization is on account of shift from broken rice to maize*

*** Reduction in FY28E is on account of higher amount of internal / captive consumption*

IMIL – Cash cow + growth business

GSL's strong manufacturing backbone has empowered it to develop a diverse portfolio of consumer brands, catering to both value-driven (IMIL or CL) and prestige-driven (IMFL) consumers alike.

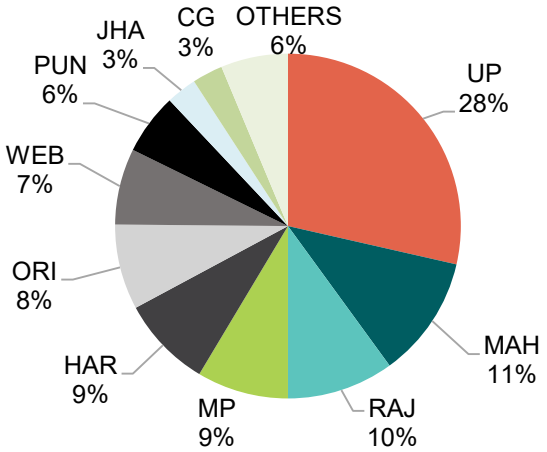
IMIL (Indian Made Indian Liquor) or Country Liquor is one of the prominent drinks within the AlcoBev category for the lower-income strata population. CL is generally seen as a tad inferior in quality due to the lesser / improper distillation of rectified spirit in our view. It had thus in past led to cases of death of people due to drinking of spurious liquor.

In the above backdrop, the five southern states have banned CL since 2008. Some of the states like UP, RAJ etc. have initiated graduating consumers from lower-priced CL to a medium-category better quality liquor with the introduction of UPML (UP Made Liquor, which is a tad lower in quality than Regular IMFL but significantly above CL), RML (Rajasthan Made Liquor, etc). Even Maharashtra introduced a new category between CL and IMFL of 'Maharashtra made liquor (MML)'.

As per our understanding, UPML, RML, etc., are generally made from grain-based ENA, which is smoother for the throat than molasses-based CL. **An eventual migration from CL is a longer-term growth opportunity for the industry participants, both in the CL as well as IMFL (Indian Made Foreign Liquor) segments including GSL.**

In our view, CL has a large ~325-350mn cases mainly in North, West and East since it is banned in South. Thus, South Indian states have a larger proportion of cheap and regular/Popular IMFL vs. Premium IMFL in the overall mix.

Exhibit 9: State-wise volume mix of Country Liquor



Source: Dolat Capital; Others comprises of ASM, HP, Uttarakhand, DEL etc.

Exhibit 10: Segment-wise and state-wise overview of the AlcoBev industry

Segment	Key states	Key listed players and their core markets	Key Unlisted Players
CL (~325-350mn cases)	North & West - UPU, MAH, RAJ, WB, MP, CG, ORI, HPH and JHA are amongst prominent states. The top five states alone account for ~65-70% of CL industry	GM Breweries - MAH Globus Spirits - RAJ & HAR RDCK / India Glycols – UP Associated Alcohol - MP	Som Group (in private capacity) Balaji Industries
IMFL (~395-405mn cases)	South - accounts for ~60% followed by West and North	UNSP, RDCK, ABD, TI Emerging – Globus Spirits	Pernod Ricard, John Distilleries, Inbrew
Beer (~385-400mn cases)	South - accounts for ~60% followed by West and North	UBL, Som	ABInBev, Carlsberg, Mount Breweries (Associated group), Dewans
Wine (~4mn cases)	MAH, KTK, TG are key markets – 75% of industry volumes	Sula, Fratelli	Grover Zampa, Pernod Ricard

Source: Dolat Capital, Industry Participants

GSL: Market Leader in Rajasthan's IMIL Segment

Rajasthan, with ~35mn cases, the CL market size is the key market for GSL. UP with ~100mn cases, followed by MAH, RAJ, HAR, WB, ORI, and MPCG are amongst the prominent CL states. In Rajasthan state, the government has ~25% market share (down from ~35%). GSL enjoys a prominent ~30-35% market share in Rajasthan (~50-55% excluding Government share).

The state accounts for ~65-75% of its volumes, revenues/EBITDA. The Rajasthan government reduced its reserved market share in FY25 from 35% to 25% driving volume growth for GSL. Over the decade, it has reduced its share from 50% to 25%. In our view, most state government have been in the business of AlcoBev for better control over the industry. In the longer run, there is a likelihood of Rajasthan State exiting the CL business and undertaking only the administrative role. These would be positive for GSL's volume growth in the state, though we are not building the same.

Whitelace, Ghoomar and Heer Ranjha are amongst the prominent CL millionaire brands in Rajasthan of GSL. Other brands include Gr8 Times-Whisky and Vodka, County Club, Shahi, Shola Shabnam etc.

Exhibit 11: Key Country Liquor brands of GSL

Brand	Segment	Description
Ghoomar	Whisky	Ghoomar – which began as a traditional folk dance of the Bhil tribe in Rajasthan – is closely associated with celebrations and extremely popular now across the state of Rajasthan. A refreshing drink for the dry, amid heat of the desert land.
Heer Ranjha	Whisky	Heer Ranjha is a clean tasting spirit harkening back to a deep-rooted connection with the land. Nearly five centuries later, the epic story of the two lovers lives on in rural Rajasthan and through GSL spirit.
White Lace	Vodka	With distinct notes of fennel and orange in the two varieties available, White Lace fits in well with a wide range of flavors. White Lace Vodka, made in Rajasthan, is a versatile and clean tasting drink.

Source: Company, Dolat Capital

We expect GSL's volumes to grow in low-to-mid single digits in Rajasthan in line with industry and historic average. GSL has received ~4.35% price hike at the portfolio level (3rd hike in a row) in the state, w.e.f 1st Apr'25. These, too, shall drive revenue growth and improve margins.

Exhibit 12: EDP Pricing in Rajasthan

Particulars	FY25 EDP/Case (Rs)			FY26 EDP/Case (Rs)			Chg in EDP (%)		
	Glass	PET Bottles	Aseptic PET	Glass	PET Bottles	Aseptic PET	Glass	PET Bottles	Aseptic PET
IMIL/CL									
40 UP or ~35% AbV	650	560	595	662	600	635	1.8	7.1	6.7
50 UP or ~28% AbV	-	518	520	-	556	558		7.3	7.3
60 UP or ~23% AbV	-	370	370	-	402	402		8.6	8.6
RML - 25 UP or ~43% AbV	730	650	710	777	693	756	6.4	6.6	6.5

Source: Company, Dolat Capital;
UP is Under Proof Litre; Britian's use to measure Alcohol in proof litre;
AbV is Alcohol by Volume or Pure Alcohol content in the liquor

Haryana and WB: Important states, but unlikely to contribute materially

For GSL, Haryana's CL industry with ~30mn cases and WB with ~23-25mn cases are other important states. It has ~5-8% market share in these states, in our view. Historically, GSL has struggled for growth in these states due to lower margins (Haryana) or state-specific regulations (WB). These are unlikely to change in the foreseeable future, and we thus don't expect (or build) growth from these states soon. Both states, we believe, contribute ~20% of GSL's volumes.

The company also has modest operations in Delhi within the CL segment. But, like Haryana/WB and for similar reasons, the CL growth outlook remains bleak for Delhi.

Uttar Pradesh: Key growth engine for IMIL

As highlighted above, UP is the largest IMIL market in the country with ~100-110mn cases p.a. India Glycols is the market leader, followed by Radico. Together, they account for ~45-50% market share in the state, followed by several other players. GSL is focusing on UP as a key geography for its expansion and growth, both in the IMFL and the IMIL segment. GSL has commenced IMIL operations in UP towards the end of Q4FY25.

Assuming GSL gains 7-8% market share in 3-4 years in the UP state in the IMIL segment, it would be a major contributor to the overall growth of the segment for GSL.

GSL has been in the IMFL segment in UP for 2-3 years and has seen healthy success with its product segments, especially whisky. GSL is clocking ~0.6-0.7mn cases p.a. on a run-rate basis (~3% market share) and is already breaking even or profitable.

GSL's bottling plant became operational in FY25, and the distillery shall become operational in Q3FY26. The distillery shall help drive accelerated growth in both the IMIL and IMFL segments.

Bihar: Optionality!

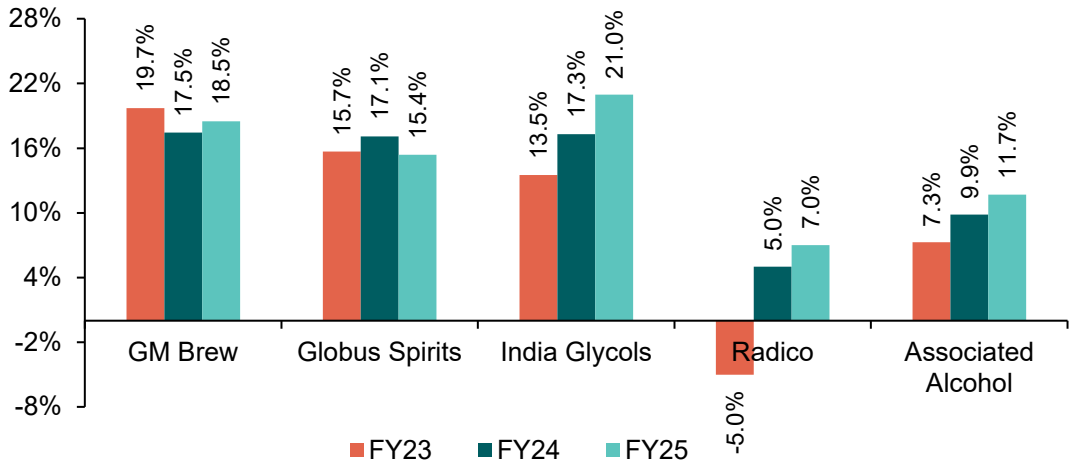
GSL has ~35mn distillery in Bihar, which is primarily used for ethanol manufacturing. The company had put up this plant in FY16 with a capex of ~Rs 1.5bn. Unfortunately, GSL investments coincided with a ban on liquor in Bihar. Since then, its investments in Bihar have remained underutilized. With elections scheduled in Nov'25, there is a possibility of the state becoming wet in FY27. If that happens. GSL, with its footprint and fungible distillation capacity in Bihar, would have a first mover advantage in the state across its business segments. We aren't building the same into our estimates.

CL segment's EBITDA margin: A Hidden Strength

Contrary to popular perception, surprisingly, most of the CL players such as GSL, GM Breweries, India Glycols, Associated Alcohol, etc. make higher (or healthy) EBITDA margin (except Radico) than the large listed branded players.

Radico's CL margin could be lower due to their internal cost allocation principles between business segments, viz., non-IMFL comprising of CL and Bulk Alcohol (ENA / Ethanol) and branded IMFL business comprising of Popular and P&A.

Exhibit 13: EBITDA margin of CL players



Source: Company, Dolat Capital

In the backdrop of the above, we estimate the EBITDA margin of GSL in the CL segment to sustain around 15-17% in-line with the management guidance.

Exhibit 14: GSL's IMIL segment – key assumptions

Particulars	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Volumes (Mn cases)*	12.4	14.6	14.0	14.2	15.8	17.2	19.8	21.8
Revenue (Rs Mn)	5,170	6,729	6,867	7,416	8,717	9,720	11,346	12,668
EBITDA (Rs Mn)	1,105	1,865	1,081	1,271	1,342	1,679	1,853	2,006
Realization/case (Rs)	417	460	490	524	551	565	573	582
EBITDA/case (Rs)	89	127	77	90	85	98	94	92
EBITDA Margin (%)**	21.4	27.7	15.7	17.1	15.4	17.3	16.3	15.8
Chg YoY %								
Volumes (Mn cases)*		18.2	(4.2)	1.0	11.7	8.8	15.0	10.0
Revenue (Rs Mn)		30.2	2.0	8.0	17.5	11.5	16.7	11.7
EBITDA (Rs Mn)		68.8	(42.1)	17.6	5.6	25.1	10.4	8.2
Realization/case (Rs)		10.1	6.6	6.9	5.2	2.5	1.5	1.5
EBITDA/case (Rs)		42.8	(39.5)	16.4	(5.5)	15.0	(4.0)	(1.6)
EBITDA Margin (%)**		29.7	(43.2)	8.9	(10.2)	12.2	(5.4)	(3.1)

Source: Company, Dolat Capital

** Volume growth driven by low-to-mid single growth in Raj. (~70% of volumes) and incremental from UP*

*** Increase in EBITDA margin in FY26 driven by price increase in Raj and RM softening*

IMFL: Structural growth engine (5-7 yrs) and re-rating trigger

GSL ventured into the IMFL segment before COVID through a subsidiary, Unibev. It was later merged with GSL. The segment was then headed by Mr. Vijay Rekhi, Ex-MDB, USL based out of Bengaluru, whereas GSL was operating from Delhi. The segment had seen limited scale-up, if any.

GSL re-entered in the IMFL segment in FY22 end focusing only on the profitable P&A segment (~170-180mn cases of P&A industry out of ~410mn cases of IMFL across India), created a portfolio of products and ventured into six focus state of operation with either an entire portfolio or limited set of products that it feels had chances of success basis its own market research.

Exhibit 15: IMFL - Product Portfolio basket of GSL – comparable to larger peer-set

Segment Indicative MRP	Whisky	Rum	Vodka	Gin	RTD & Beer
Luxury MRP: Rs 2500+	Dōaab			TERAI	
Semi Luxury MRP: Rs 1300+	Seventh Heaven				
Super Premium MRP: Rs 800+	Oakton Barrel Aged Grain		Snoski - Green Apple		
Semi Premium MRP: Rs 750	Brothers & Co.				
Premium MRP: Rs 650+	★ Coming Soon	Mountain Oak – Rum	Snoski		NOT OUT Rs 165 (330 ml)
Prestige/Deluxe MRP: Rs 500+	Mountain Oak				CARIB® Rs 130 (500 ml)
Regular & Others MRP: < Rs 500	GR8 Times	Black lace	White lace, GR8 Times	Globus Dry Gin	

Source: Company, Dolat Capital

At the outset, it may seem GSL is focusing on too many product segments at the same point of time and may lose focus. However, GSL has created a highway (a bouquet of products) on which different cars (products) would see varying speeds (success). Eventually, few (if not all) are expected to come out as winners. Further, it is also essential to have a bouquet of products across categories to penetrate with the distributors, in our view.

Basis management feedback and channel checks, GSL's four products viz. Mountain Oak Whisky, Snooski Vodka, Terai Gin and Dooab Single Malts have seen meaningful consumer traction and, more importantly, repeat purchases which is a key measure of success.

Exhibit 16: GSL's key brands – awards and recognition

Brand	Segment	Award
Mountain Oak	Whisky	Bronze at the Spiritz Achievers Awards 2024
Brothers & Co	Whisky	Grand Gold at the Spiritz Achievers Awards 2024
Dooab	Whisky - Single Malt	Multiple Awards
Terai	Gin	Multiple Awards
Snooski	Vodka	Multiple Awards

Source: Company, Dolat Capital

As per our channel check, in FY25, Mountain Oak whisky accounted for a sizeable portion of the volumes (~60-70%) and UP state in terms of revenues (~50%).

GSL's right to win

With GSL's deep domain expertise as an ENA manufacturer, third-party bottler for leading brands, consumer understanding in the IMIL segment, cash flows from manufacturing and IMIL segment to support growth (though not required), and a team in place in IMFL, **GSL has the potential to win in the branded IMFL P&A space to be an ~Rs 5bn business in 3-5 years. As growth unfolds in the IMFL P&A segment, the overall GSL's multiple shall get re-rated.** Even if it sees limited or delayed success in the segment, the manufacturing and IMIL shall provide downside protection to investors.

Key state of operations

UP, Delhi, West Bengal, Haryana, Rajasthan and Punjab are the six key states of operations. **These six states account for ~80-90mn cases (~20-22% of pan India IMFL) and ~40-45mn cases of P&A, key addressable market of GSL.** UP, Delhi and West Bengal were the first states of operation before gradual expansion into others. Even today, GSL is present only in 60% of districts of UP. GSL takes a cluster approach with a focus on profitable growth instead of carpet bombing across states (or pan India) and product categories. B**esides, GSL also sells certain premium products like Terai Gin and Dooab single malt in Maharashtra and Goa.**

GSL plans to enter another mainstream state in South India in FY26 with gradual expansion of the entire product portfolio across the state. With the right to win, IMFL P&A is a multi-year growth story for GSL.

Profitability approach and break-even targets

GSL targets to break even in a state within three years of operations. It currently breaks even in UP, Delhi and is near break-even in one more state. While we have assumed lower margins in the IMFL P&A segment even in FY28, we foresee no reason why GSL's margin shall be lower than IMIL (technically even higher). As per mgmt. it targets to break even (or low single digit EBITDA loss percentage) in IMFL segment in FY26 vs. our estimate of ~10.5% EBITDA loss percentage.

Paramjit Singh Gill: The keyman driving the consumer business

GSL hired an ex-UNSP veteran Mr. Paramjit Singh Gill in Nov'20 (~5 years back) to drive the consumer business viz., both IMIL and IMFL. Initial years were impacted by Covid, especially for the IMFL business, before GSL scaled up the product portfolio and started expanding state by state.

Mr. Gill has 4+ decades of experience, of which nearly three decades is in the AlcoBev industry. He was earlier the President – All India Operations of UNSP before moving to Allied Blenders as President and CEO.

GSL's ESOP pool/skin in the game

GSL had approved ~0.29mn share options at Rs 10/sh for Senior Managerial Personnel as part of its 'ESOP 2021' scheme. As of FY24 end, GSL had ~0.19mn ESOPs yet to be vested.

Mr. Gill has exercised ~72k ESOPs till FY25 end of which he sold ~24k shares and holds a balance of 48k shares as on date. Besides ESOPs, the table below highlights the gross remuneration of Mr. Paramjit.

Exhibit 17: Consumer Business CEO – Gross Remuneration

Gross Remuneration	FY22	FY23	FY24
Rs Mn	20.0	22.4	24.2
Chg YoY (%)		12.0	8.0

Source: Company, Dolat Capital

Exhibit 18: Consumer Business CEO – ESOP exercised

ESOPs exercised	No of Shares
FY23	14,450
FY24	43,350
FY25	14,475
Total	**72,275**
ESOP sold (FY25)	24,450
Balance ESOPs/Shares Held	47,825

Source: Company, Dolat Capital

Exhibit 19: IMFL – key assumptions

IMFL	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Volumes (Mn cases)	-	0.2	0.4	0.9	1.5	2.2	2.9
Revenue (Rs Mn)	62	328	452	1,293	2,147	3,062	3,941
EBITDA (Rs Mn)*	-	(181)	(281)	(178)	(225)	(104)	313
Realization/case (Rs)		1,586	1,189	1,420	1,401	1,388	1,374
EBITDA/case (Rs)		(878)	(739)	(195)	(147)	(47)	109
Chg YoY %							
Volumes (Mn cases)			84.0	139.6	68.2	44.0	30.0
Revenue (Rs Mn)			38.0	186.1	66.1	42.6	28.7
Realization/case (Rs)			(25.0)	19.4	(1.3)	(1.0)	(1.0)
EBITDA Margin (%)		(55.3)	(62.2)	(13.8)	(10.5)	(3.4)	7.9

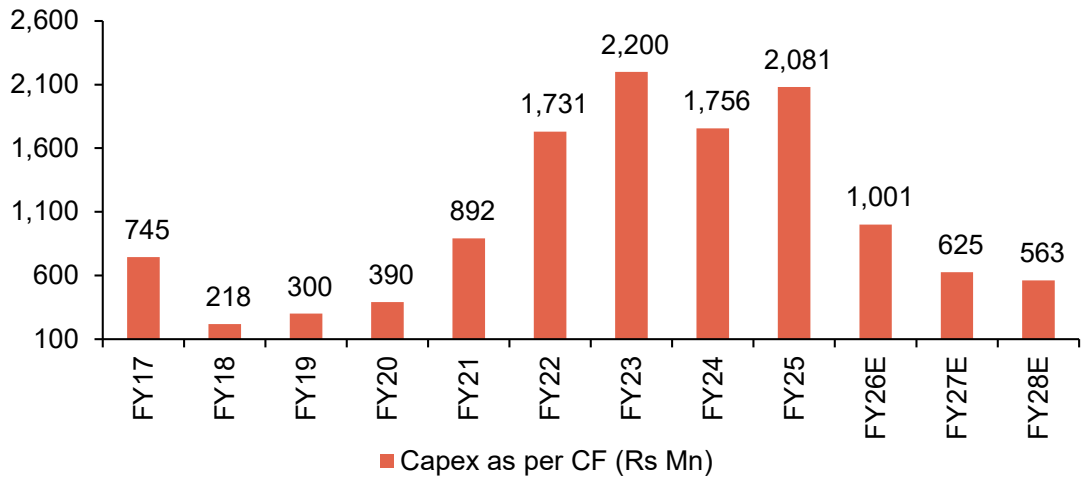
Source: Company, Dolat Capital

Operating and Financial Leverage to play-out

Capex – peak behind

GSL has spent ~Rs 8.5bn in capex in the trailing five years (FY21-25) in capacity expansion from ~160mn litres to ~305mn. For perspective, RDCK has spent ~Rs 11.5bn in capex over FY23-25 for ~120mn litres of additional capacity at Sitapur, DDGS at Rampur, malt maturation, bottling lines and PET bottles capacity addition.

Exhibit 20: Capex trend as per Cash Flows of GSL



Source: Company, Dolat Capital

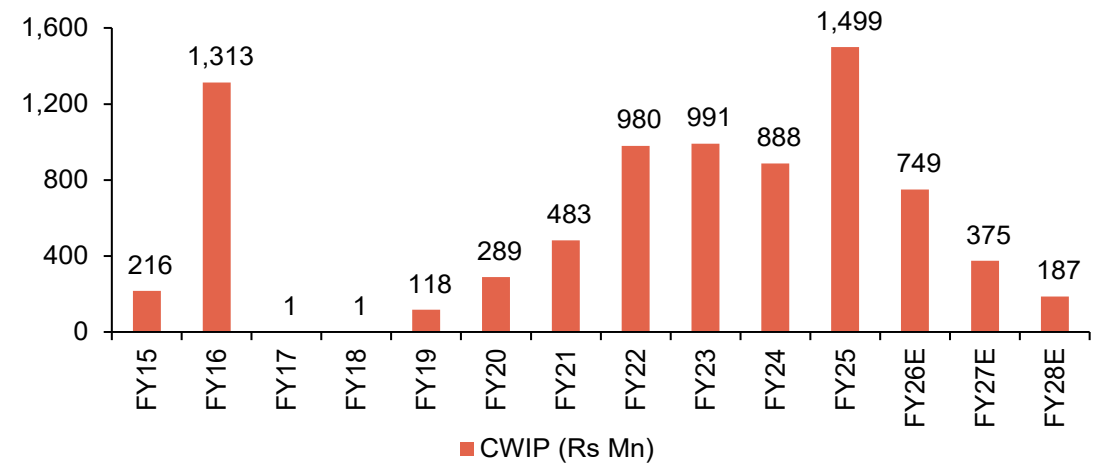
We expect a substantial moderation in GSL's capex intensity as ongoing capital expenditure projects, totaling around Rs 2bn with ~Rs 1-1.5bn already spent as reflected in FY25 CWIP. GSL had announced two years back and reiterated in Q4FY25 earnings call too that it won't be taking up any further expansion of Ethanol / ENA capacities viz. greenfield or brownfield, except ongoing capex in UP. The capex required will be for upgradation or certain maintenance capex.

Exhibit 21: Capex projects – pipeline and status

Capex Project	Location	Amount	Status
Malt spirit maturation	Rajasthan	300	Trial run in-place; Live from April 2026
Plant Upgrades for Maize	WB, BH, JHA	300	WIP; Expected completion by Q1FY26
Corn Oil	JHA, BH, WB	200	WIP; Expected completion by Q1FY26
Distillery & Bottling	UP	1,150	100 KLPD completion expected Q3FY26
Total		**1,950**	

Source: Company, Dolat Capital

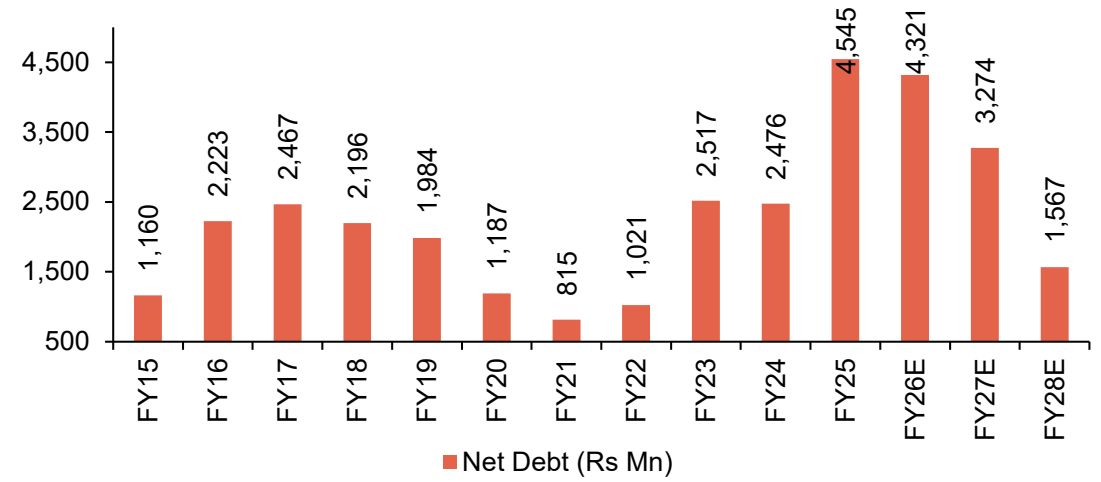
Exhibit 22: CWIP trend of GSL



Source: Company, Dolat Capital

With the peak capex intensity behind and robust FCF generation in the manufacturing and IMIL segment, we believe the operating (stable D&A cost) and financial leverage (lower finance costs) will both play out in the medium term. Thus, the net debt of GSL we envisage to decline from Rs 4.5bn in FY25 to ~Rs 1.5bn by FY28E.

Exhibit 23: Net Debt trend of GSL



Source: Company, Dolat Capital

Subsidiaries and JVs

GSL has one subsidiary, Bored Beverages Pvt Limited'. GSL acquired 38% ~stake in the company which was later increased to ~51%. Bored specializes in ready to drink AlcoBev (brand 'NotOut') space in which GSL believes have great potential.

Apart from this, GSL has entered a Joint Venture partnership with Ansa McAL Ltd, a diverse conglomerate with a rich Caribbean heritage, the primary objective of this venture is to engage in the manufacturing, sourcing, and distribution of beer in India, with the initial focus placed on introducing the world-renowned Carib® beer brand to the Indian market. The JV is named as Globus Ansa Private Limited ("GAPL"). The JV recently launched their first beer in the UP state in 500ml can Rs 130.

About Ansa McAL Group: Headquartered in Port of Spain, Trinidad and Tobago, the ANSA McAL Group is a publicly traded diversified multinational company spanning 8 sectors. Through its subsidiary, CARIB Brewery, it operates 4 breweries located in Trinidad and Tobago, St. Kitts and Nevis, Grenada and Florida. Carib® beer is the largest selling beer in the Caribbean region and is an intrinsic part of the culture of the region, with long standing and active support of Carnival and the Caribbean Premier League.

In our view, GSL has invested less than ~Rs 100mn in both the ventures together. We don't foresee either of the above investments to be material needle-mover (or significant cash guzzlers) in our SOTP valuation. We are thus ascribing nil value to both the above. But both the above tie-ups highlight the strategic strength of GSL and its openness in partnering with peers.

Key Risks

Lack of improvement in EBITDA/litre in the manufacturing business: GSL's EBITDA growth is highly dependent upon the improvement in EBITDA/litre in the manufacturing segments, closer to the long-term cycle average of ~Rs 7/litre. These cash flows would be crucial (or provide a cushion) for driving accelerated growth in the consumer businesses (viz. in IMIL segment in UP and pan India expansion of IMFL).

Adverse CL regulations in Rajasthan: CL accounts for ~90% of GSL's FY25 EBITDA and ~60% in FY27E as manufacturing business EBITDA stabilizes, yet high. A significant portion of GSL's CL EBITDA will be from Rajasthan state in the foreseeable future. Adverse government regulations wrt CL, if any, in Rajasthan would be a key risk.

Key man risk: Mr. Paramjit Singh Gill had been a key managerial person in shaping and driving the consumer business strategy to its current shape and form. We find the current strategy to be broadly fine with the need for acceleration. Resignation by the Consumer division CEO could be a setback. Recently, GSL saw Mr. Bhaskar Roy, Executive Director and COO, leave GSL after nearly two decades.

Contingent Liabilities: GSL has contingent liabilities of ~Rs 490mn as of FY24 (of which ~Rs 350mn is already deposited under protest and thus shown as recoverable in financials). In addition to the above, the Income Tax department carried out search and seizure operations at the head office and other premises of GSL from 30th Jan'23 to 3rd Feb'23. Subsequently, GSL received assessment orders for the last 10 assessment years in April'24, disallowing certain expenses, resulting in an aggregate tax impact of ~Rs 565mn (including interest). The Company has no tax demand for the AY2014-15 to AY 2020-21, and for the remaining 3 years, the amount of tax demand is ~Rs 401mn, out of which it paid Rs 53mn as self-assessment tax. GSL has filed an appeal for all the assessment years covered by the order and has paid Rs 251mn under protest. Based on legal advice and the company's preliminary assessment, management has determined that no material adjustments are needed concerning the above matters in the financial results. The adverse outcome of IT proceedings could be negative in our view.

Key Assumptions

Exhibit 24: Operating and financial assumptions

Particulars	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Manufacturing								
Volumes (Mn ltr)	103	116	182	211	192	198	214	210
Revenue (Rs Mn)	7,102	8,993	13,896	16,279	15,349	19,166	21,049	21,151
EBITDA (Rs Mn)	1,505	1,455	1,557	716	303	1,098	1,495	1,472
Realization/Ltr (Rs)	69	77	76	77	80	97	99	101
EBITDA/Ltr (Rs)	14.6	12.5	8.5	3.4	1.6	5.5	7.0	7.0
EBITDA Margin (%)	21.2	16.2	11.2	4.4	2.0	5.7	7.1	7.0
Chg YoY %								
Sales Volumes (Mn ltr)		12.9	56.5	16.0	(9.3)	3.5	7.7	(1.5)
Revenue (Rs Mn)		26.6	54.5	17.1	(5.7)	24.9	9.8	0.5
EBITDA (Rs Mn)		(3.3)	7.0	(54.0)	(57.7)	262.4	36.1	(1.5)
Realization/Ltr (Rs)		12.1	(1.3)	1.0	4.0	20.6	2.0	2.0
EBITDA/Ltr (Rs)		(14.4)	(31.7)	(60.3)	(53.3)	250.1	26.5	-
IMIL								
Volumes (Mn cases)	12.4	14.6	14.0	14.2	15.8	17.2	19.8	21.8
Revenue (Rs Mn)	5,170	6,729	6,867	7,416	8,717	9,720	11,346	12,668
EBITDA (Rs Mn)	1,105	1,865	1,081	1,271	1,342	1,679	1,853	2,006
Realization/case (Rs)	417	460	490	524	551	565	573	582
EBITDA/case (Rs)	89	127	77	90	85	98	94	92
EBITDA Margin (%)	21.4	27.7	15.7	17.1	15.4	17.3	16.3	15.8
Chg YoY %								
Volumes (Mn cases)		18.2	(4.2)	1.0	11.7	8.8	15.0	10.0
Revenue (Rs Mn)		30.2	2.0	8.0	17.5	11.5	16.7	11.7
EBITDA (Rs Mn)		68.8	(42.1)	17.6	5.6	25.1	10.4	8.2
Realization/case (Rs)		10.1	6.6	6.9	5.2	2.5	1.5	1.5
EBITDA/case (Rs)		42.8	(39.5)	16.4	(5.5)	15.0	(4.0)	(1.6)
EBITDA Margin (%)		29.7	(43.2)	8.9	(10.2)	12.2	(5.4)	(3.1)
IMFL								
Volumes (Mn cases)	-	-	0.2	0.4	0.9	1.5	2.2	2.9
Revenue (Rs Mn)	-	62	328	452	1,293	2,147	3,062	3,941
EBITDA (Rs Mn)	-	-	(181)	(281)	(178)	(225)	(104)	313
Realization/case (Rs)			1,586	1,189	1,420	1,401	1,388	1,374
EBITDA/case (Rs)			(878)	(739)	(195)	(147)	(47)	109
Chg YoY %								
Volumes (Mn cases)				84.0	139.6	68.2	44.0	30.0
Revenue (Rs Mn)				38.0	186.1	66.1	42.6	28.7
Realization/case (Rs)				(25.0)	19.4	(1.3)	(1.0)	(1.0)

Particulars	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Overall								
Revenue (Rs Mn)	12,273	15,783	21,091	24,147	25,368	31,034	35,456	37,759
Gross Profit (Rs Mn)	4,615	5,873	5,553	5,144	5,440	7,284	8,675	9,616
EBITDA (Rs Mn)	2,610	3,320	2,456	1,706	1,467	2,552	3,244	3,791
EBIT (Rs Mn)	2,204	2,895	1,893	1,050	651	1,690	2,329	2,820
APAT (Rs Mn)	1,478	1,913	1,222	739	233	975	1,491	1,902
Margin %								
Gross Profit	37.6	37.2	26.3	21.3	21.4	23.5	24.5	25.5
EBITDA	21.3	21.0	11.6	7.1	5.8	8.2	9.1	10.0
EBIT	18.0	18.3	9.0	4.3	2.6	5.4	6.6	7.5
APAT	12.0	12.1	5.8	3.1	0.9	3.1	4.2	5.0
Chg YoY %								
Revenue		28.6	33.6	14.5	5.1	22.3	14.3	6.5
Gross Profit		27.3	(5.5)	(7.4)	5.8	33.9	19.1	10.9
EBITDA		27.2	(26.0)	(30.5)	(14.0)	73.9	27.1	16.9
EBIT		31.3	(34.6)	(44.5)	(38.0)	159.6	37.8	21.1
APAT		29.4	(36.1)	(39.5)	(68.4)	318.3	52.9	27.5

Source: Company, Dolat Capital

Outlook and Valuations

GSL is a multi-year growth and compounding story with a long runway of growth, especially in the key IMFL segment. Our valuation is based on the SOTP, assigning 8x EV/E FY27E to the manufacturing business, 12x EV/E to IMIL, and 5x EV/Sales to IMFL. **We initiate coverage on the stock with a 'BUY' rating & SOTP-based TP of Rs 1,600 on FY27E multiples, implying ~31x FY27E EPS.** We would revisit our target multiples and estimates basis how the growth (or lack of it) unfolds.

Exhibit 25: SOTP based valuation

Rs Mn	Method	Multiple (x)	EBITDA/Sales (Rs Mn)			Enterprise Value (Rs Mn)			Value Per Share (Rs)		
			FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Manufacturing	EV/E	8.0	1,098	1,495	1,472	8,784	11,959	11,779	304	414	408
IMIL	EV/E	12.0	1,679	1,853	2,006	20,151	22,241	24,072	697	770	833
IMFL	EV/S	5.0	2,147	3,062	3,941	10,735	15,310	19,703	372	530	682
EV (Rs Mn)						**39,670**	**49,509**	**55,554**	**1,373**	**1,714**	**1,923**
Net debt/(cash)						4,321	3,274	1,567	150	113	54
Equity Value						**35,349**	**46,234**	**53,988**	**1,224**	**1,600**	**1,869**

Source: Company, Dolat Capital

Exhibit 26: Sensitivity of TP to PE multiple (x) and EPS (Rs)

EPS ----------→	**33.8**	**51.6**	**65.8**
PE multiple (x)	**FY26E**	**FY27E**	**FY28E**
20	675	1,033	1,317
25	844	1,291	1,646
30	1,013	**1,550**	1,975
35	1,182	1,807	2,304
40	1,351	2,065	2,634

Source: Company, Dolat Capital

Exhibit 27: Stock Price Performance*

Company	Mcap (Rs bn)*	CMP	1M	3M	6M	1Y	3Y	5Y
Nifty		**25,082**	**(2)**	**(8)**	**(12)**	**2**	**30**	**150**
United Spirits	991	1,362	(6)	(9)	(3)	5	67	131
United Breweries	516	1,952	(4)	(6)	0	(5)	20	100
Radico Khaitan	366	2,736	5	14	25	64	203	630
Allied Blenders	136	486	15	57	20	-	-	-
Tilaknagar Industries	66	342	(8)	41	(14)	47	335	1,965
Piccadily Agro	54	577	(1)	(3)	(25)	(22)	1,557	6,476
Som Distilleries	30	153	(5)	17	42	36	433	1,259
Globus Spirits	30	1,026	7	(1)	33	21	3	649
Sula Vineyards	25	298	(3)	6	(21)	(40)	-	-
Associated Alcohol	21	1,168	10	(5)	9	76	175	390
GM Breweries	17	762	2	16	5	(9)	71	159
Jagatjit Industries	9	201	19	6	(10)	(4)	249	485

*Source: Company; * Stock Price as on 14th July, Sorted basis Mcap*

Exhibit 28: Shareholding Pattern

Particulars	UNSP	UBL	RDCK	Globus	ABD	TI	Sula
Promoters	56.7	70.8	40.2	50.9	80.9	40.0	24.7
DIIs	14.6	16.2	26.8	5.8	4.0	1.3	18.3
FII	15.0	6.9	16.9	6.4	2.7	15.3	8.0
Others	13.8	6.1	16.1	37.0	12.3	43.4	49.1
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Company

Valuation Snapshot

Company	Mcap	CMP	TP*	+ /(-)	Reco*	P/E (x)			EV/EBITDA (x)			P/B (x)			ROE (%)			EV/S (x)		
	Rs bn	Rs	(Rs)	%		FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
UNSP	996	1,362	1,335	(2.5)	SELL	68.7	69.1	56.5	47.1	48.6	40.9	12.6	11.0	9.6	19.5	17.0	18.1	8.4	8.1	7.4
Radico	364	2,736	2,740	0.7	ACC.	105.4	74.7	59.8	54.7	42.4	36.2	13.5	11.7	10.0	12.8	16.5	17.5	7.6	6.6	6.0
UBL	518	1,952	1,865	(4.9)	SELL	111.0	76.0	57.1	62.0	45.2	35.2	11.9	10.8	9.6	10.9	14.9	17.8	5.8	5.2	4.7
Globus	30	1,026	1,600	56.1	BUY	127.0	30.4	19.9	23.3	13.3	10.1	3.0	2.7	2.4	2.4	9.3	12.8	1.3	1.1	0.9
ABD**	137	486	NA	NA	NA	74.4	48.1	41.1	34.6	27.5	24.3	8.9	7.5	6.3	18.9	16.9	16.7	4.1	3.7	3.5
TI**	67	342	NA	NA	NA	33.3	33.7	30.0	29.3	25.0	20.8	7.6	6.3	5.4	26.1	20.4	19.3	4.7	4.0	3.5
Sula**	26	298	NA	NA	NA	42.5	33.7	28.7	20.6	17.2	15.3	4.4	3.9	3.4	10.3	11.5	11.9	5.0	4.5	4.0

*Source: Company, Dolat Capital; * As per last published report ** Not in coverage*

Financial Performance

Profit and Loss Account

(Rs Mn)	FY25A	FY26E	FY27E	FY28E
Revenue	**25,368**	**31,034**	**35,456**	**37,759**
Total Expense	**23,901**	**28,482**	**32,213**	**33,968**
COGS	19,928	23,750	26,782	28,143
Employees Cost	885	1,086	1,330	1,416
Other expenses	3,088	3,646	4,101	4,409
EBIDTA	**1,467**	**2,552**	**3,244**	**3,791**
Depreciation	816	862	915	971
EBIT	**651**	**1,690**	**2,329**	**2,820**
Interest	413	498	453	400
Other Income	97	118	127	133
Exc. / E.O. items	0	0	0	0
EBT	**335**	**1,309**	**2,002**	**2,553**
Tax	102	334	510	651
Minority Interest	0	0	0	0
Profit/Loss share of associates	0	0	0	0
RPAT	**233**	**975**	**1,491**	**1,902**
Adjustments	0	0	0	0
APAT	**233**	**975**	**1,491**	**1,902**

Balance Sheet

(Rs Mn)	FY25A	FY26E	FY27E	FY28E
Sources of Funds				
Equity Capital	289	289	289	289
Minority Interest	0	0	0	0
Reserves & Surplus	9,658	10,633	12,125	14,027
Net Worth	**9,947**	**10,922**	**12,414**	**14,316**
Total Debt	5,236	4,543	3,795	2,866
Net Deferred Tax Liability	963	1,059	1,165	1,282
Total Capital Employed	**16,146**	**16,525**	**17,374**	**18,464**
Applications of Funds				
Net Block	**11,681**	**11,832**	**11,557**	**11,163**
CWIP	0	0	0	0
Investments	1,240	1,294	1,351	1,412
Current Assets, Loans & Advances	**8,042**	**8,765**	**9,794**	**10,681**
Current Investments	0	0	0	0
Inventories	2,081	2,419	2,625	2,656
Receivables	3,225	3,748	4,068	4,115
Cash and Bank Balances	691	222	521	1,300
Loans and Advances	0	0	0	0
Other Current Assets	2,045	2,377	2,580	2,610
Less: Current Liabilities & Provisions	**4,817**	**5,367**	**5,327**	**4,791**
Payables	1,871	2,126	2,293	2,288
Other Current Liabilities	2,946	3,241	3,035	2,503
sub total				
Net Current Assets	3,225	3,398	4,466	5,889
Total Assets	**16,146**	**16,525**	**17,374**	**18,464**

E – Estimates

Important Ratios

Particulars	FY25A	FY26E	FY27E	FY28E
(A) Margins (%)				
Gross Profit Margin	21.4	23.5	24.5	25.5
EBIDTA Margin	5.8	8.2	9.1	10.0
EBIT Margin	2.6	5.4	6.6	7.5
Tax rate	30.4	25.5	25.5	25.5
Net Profit Margin	0.9	3.1	4.2	5.0
(B) As Percentage of Net Sales (%)				
COGS	78.6	76.5	75.5	74.5
Employee	3.5	3.5	3.8	3.8
Other	12.2	11.7	11.6	11.7
(C) Measure of Financial Status				
Gross Debt / Equity	0.5	0.4	0.3	0.2
Interest Coverage	1.6	3.4	5.1	7.1
Inventory days	30	28	27	26
Debtors days	46	44	42	40
Average Cost of Debt	9.7	10.2	10.9	12.0
Payable days	27	25	24	22
Working Capital days	46	40	46	57
FA T/O	2.2	2.6	3.1	3.4
(D) Measures of Investment				
AEPS (Rs)	8.1	33.8	51.7	66.0
CEPS (Rs)	36.4	63.8	83.5	99.7
DPS (Rs)	0.0	0.0	0.0	0.0
Dividend Payout (%)	0.0	0.0	0.0	0.0
BVPS (Rs)	345.1	379.0	430.7	496.7
RoANW (%)	2.4	9.3	12.8	14.2
RoACE (%)	3.0	7.7	10.2	11.7
RoAIC (%)	3.2	7.9	10.5	12.4
(E) Valuation Ratios				
CMP (Rs)	1031	1031	1031	1031
Mcap (Rs Mn)	29,716	29,716	29,716	29,716
EV	34,260	34,037	32,990	31,282
MCap/ Sales	1.2	1.0	0.8	0.8
EV/Sales	1.4	1.1	0.9	0.8
P/E	127.4	30.5	19.9	15.6
EV/EBITDA	23.4	13.3	10.2	8.3
P/BV	3.0	2.7	2.4	2.1
Dividend Yield (%)	0.0	0.0	0.0	0.0
(F) Growth Rate (%)				
Revenue	5.1	22.3	14.3	6.5
EBITDA	(14.0)	73.9	27.1	16.9
EBIT	(38.0)	159.6	37.8	21.1
PBT	(63.5)	290.6	52.9	27.5
APAT	(75.9)	318.3	52.9	27.5
EPS	(75.9)	318.3	52.9	27.5

E – Estimates

Cash Flow

Particulars	FY25A	FY26E	FY27E	FY28E
Profit before tax	**335**	**1,309**	**2,002**	**2,553**
Depreciation & w.o.	816	862	915	971
Net Interest Exp	413	498	453	400
Direct taxes paid	102	334	510	651
Change in Working Capital	(781)	(642)	(769)	(645)
Non Cash	0	0	0	0
(A) CF from Operating Activities	**584**	**1,576**	**1,964**	**2,496**
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(2,036)	(1,014)	(639)	(578)
Free Cash Flow	**(1,452)**	**562**	**1,325**	**1,918**
(Inc)./ Dec. in Investments	(299)	42	49	56
Other	97	118	127	133
(B) CF from Investing Activities	**(2,238)**	**(854)**	**(464)**	**(388)**
Issue of Equity/ Preference	1	0	0	0
Inc./(Dec.) in Debt	1,992	(693)	(748)	(929)
Interest exp net	(413)	(498)	(453)	(400)
Dividend Paid (Incl. Tax)	(3)	0	0	0
Other	0	0	0	0
(C) CF from Financing	**1,576**	**(1,191)**	**(1,201)**	**(1,329)**
Net Change in Cash	(78)	(469)	299	779
Opening Cash balances	**768**	**691**	**222**	**521**
Closing Cash balances	**691**	**222**	**521**	**1,299**

E – Estimates

Notes

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Dolat Rating Matrix

Total Return Expectation (12 Months)

Buy	**> 20%**
Accumulate	**10 to 20%**
Reduce	**0 to 10%**
Sell	**< 0%**

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