



Dated : 12th February, 2024

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– Q3 FY24 held on 09th February 2024

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 09th February 2024 to discuss the financial performance of the company for the 3rd quarter and Nine Months ended on December 31, 2023.

Kindly take the aforesaid information on record and acknowledge

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

SANTOSH KUMAR PATTANAYAK
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Date: 2024.02.12
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“Globus Spirits Limited Q3 FY-24 Earnings Conference Call”

February 09, 2024



**MANAGEMENT: MR. SHEKHAR SWARUP– JOINT MANAGING DIRECTOR – GLOBUS
SPIRITS LIMITED**

**MR. PARAMJIT SINGH GILL – CHIEF EXECUTIVE OFFICER,
CONSUMER DIVISION– GLOBUS SPIRITS LIMITED**

**MR. NILANJAN SARKAR–CHIEF FINANCIAL OFFICER – GLOBUS
SPIRITS LIMITED**

**DR. BHASKAR ROY– CHIEF OPERATING OFFICER – GLOBUS
SPIRITS LIMITED**



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Moderator: Ladies and gentlemen, good day and welcome to the Globus Spirits Limited Q3 FY24 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note, that this conference is being recorded.

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

Shekhar Swarup: Thank you. Good evening, everyone. Welcome to our Quarter 3 & Nine-Months Earnings Call. Our “Results and Other Documents” have been uploaded on the Exchanges and I hope you had a chance to go through the same.

As we have been discussing in the past, we had a sudden stoppage of supply of raw materials in quarter two from FCI for production of ethanol. However, coming into Quarter 3 our plants now have operated at full capacity based on rice mainly as a raw material and in part maize.

In Q3 we had been expecting a cool down of raw material prices given the satisfactory harvest of paddy in the year. However, there has been a unique environment that prevailed where broken rice prices did not correct despite the satisfactory harvest. This is largely to do with the fact that the paddy that has been harvested has not been milled. Broken rice is a byproduct of rice milling of paddy milling and that currently remains a standoff between millers and FCI on commercial terms for milling this paddy.

So, this year milling as on 1st February has been around 6% of the total paddy purchase in the year versus last year which was around 43% as on 31st March 2023. We don't have the same data for 1st February. But this year 1st Feb was 6% last year 31st March was 43% milled of the total paddy purchase of the year. As a result, there has been a shortfall of broken rice in the market. The good news however, here is that maize is looking very interesting for ethanol, in December, the oil marketing companies announced a satisfactory price for maize ethanol. And especially in East India, for Globus where there is sufficient maize cultivation, we have started the process of converting most of our capacities to maize in Q3, late in Q3 and begin in Q4.

So, East India is responsible for 50% of the country's Rabi maize crop this year, which is up 20% year-on-year. So, we are expecting a very interesting outlook from maize based ethanol production, even ENA. Even the raw material situation has impacted our margins, all other input and output dependencies have been favorable.

As I mentioned, capacities are running at 100%, fuel, packaging material and all other inputs are stable or downwards. Some of this cost increase in raw material has been mitigated with increase



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in ENA prices as well as ethanol. And it's worth pointing out that OMCs have increased prices of ethanol six times in the last two years. So, they remain in support of the ethanol industry.

Coming for CAPEX, as of now the Company has decided not to invest in further ethanol capacities as a result the Odisha project is currently on hold, we will relook at this once the raw material policies in the country are a little clearer. And the U.P. project will continue at a reduced capacity as well as bottling to focus on the consumer, the large and growing consumer opportunity of the state.

Despite a quarter of a weak EBITDA margin, the good news is the Company has generated free cash which has been invested in the IMFL business and the growth in the IMFL business is there for all of us to see. Prestige & Above brands now contribute 8.1% of the Company's consumer revenue, which was less than 1% in the previous financial year.

With many new and innovative products, product offerings and expanding distribution presence we are very excited about the prospects of this segment, and I request Param to provide an update on the consumer business now.

Paramjit Singh Gill:

Thank you Shekhar. Good afternoon everyone.

The premium segment is indeed showing very strong prospects. Our volumes in Q3 FY24 were 0.12 cases, which was up by 40% and 40% on a quarter-on-quarter basis. Prestige and overall brands contributed just about 8% of the total consumer revenues in the quarter gone by. Our brands are now present in U.P., West Bengal, Delhi, Haryana and Punjab. And as we speak to you, we have entered Rajasthan and slowly availability there will also increase significantly. Our efforts have started paying off, I am glad to announce that in Q3 FY24 Prestige & Above volume sales have crossed a run rate of 100,000 cases. The next stage of growth has started in coming in from innovative packaging such as the comfy pack which has already been introduced for Mountain Oak, as well as our Snoski Vodka and has been very well received and is driving our growth.

Going forward, we expect more sales from this pack as well as our other offerings that are on standby. We have successfully established a strong route to market in Delhi, West Bengal, Haryana as well as Uttar Pradesh already. Other states like Punjab and Rajasthan will soon get stabilized and we are very confident of levelling them in FY24-25. Rajasthan will take a little more time, but we are very confident of this.

Our flagship product Terai Craft Gin is going strong, and we have decided to widen the distribution of Terai further in existing markets, as well as add new geographies.

Snoski Vodka and its variants are being expanded into Haryana and West Bengal as soon as the new policies kick in. New brands in premium categories including rum, as well as single malt



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whiskey are proposed to be launched in the coming year. We are also launching a new brand called Not Out in the 15% super strong RTD segment competing with strong beer segments. It will be launched in Delhi in this quarter, followed by U.P., Haryana and Punjab in Q2 of FY24-25.

Coming to Value and Value Plus segments: In the overall consumer segment, the total consumer business revenues in Q3 FY24 were up by 4% on a quarter-to-quarter basis, to 3.68 million cases led by improved sales in Rajasthan. A key positive that I would like to highlight here in Rajasthan is, that the favorable excise policy change which has happened has allowed the option to buy back from allotted quota stock from the other brand owners by paying a fee to the trade partners. Now this will generate more revenues on their behalf, and it's received well. This is supported by another price increase of Rs.15 per case in Value and Rs.20 per case in the Value Plus segment for FY25. All in all, we expect mid-single digit growth for Value and Value Plus categories and an increase in profitability.

In Delhi, a delay in excise policy did cost us revenues. On the long-term positive side however, it helped us secure a price increase of Rs.40 per case which will start getting Value accretive here on. I will now request Nilanjan to take the lead.

Thank you very much. Over to you Nilanjan.

Nilanjan Sarkar:

Thank you, good afternoon everyone. As illustrated in the investor presentation the fall in the margin and outlook going forward has been explained by Shekhar hence I will be touching up on certain specific developments.

First is the tax regime: During the current year the Company has adopted for transition of income tax to the new regime. Accordingly, the rate of tax and the new regime is 25.17% as against the rate at the old regime at 34.94%. This has resulted in rebasing our deferred tax liability in the current quarter as per new tax regime, which was earlier at a higher tax regime, and accordingly a benefit of approximately 30 crores has been taken in the tax line and has improved the PAT.

Secondly, As on 31st December 23, the Company has 38.08 stake in Bored Beverages Limited, consequently Company has recognized net loss of its share of 15.60 lakh towards post-acquisition loss in the consolidated financial results and adjusted in carrying Value of investment as per relevant accounting standards.

Thirdly, Our Value and Value Plus segment in Rajasthan has been the Company's strength in the consumer division portfolio. GSL continues to be indomitable in this segment, not only with respect to market share, but also with respect to margins. Our margins in the Value segment is approximately 24% and Value Plus segment it is 20%. With the current price increase this will be more Value accretive.



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To conclude we are hopeful about upcoming quarters because of the initiatives that has been mentioned. With this, I request the moderator to open the call for questions. Thank you.

Moderator: Shall we begin the Q&A session?

Management: Yes, please.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Tushar Raghatate from KamayaKya Wealth Management. Please go ahead.

Tushar Raghatate: Sir my question is on your raw material, how do you see that the margin in terms of margin in the next quarter in the Q4 and in terms of shift from rice to maize, how do you see that panning out, because the maize are getting a good realization going forward and government is focusing in order to increase the maize root ethanol so that will be my first question sir?

Shekhar Swarup: So, in April is when in East India, we are going to see the maize crop, or the Rabi maize crop harvest take place as I mentioned earlier, East India is responsible, last year was responsible for 40% of the country's maize crop. And this year, it is expected to yield about half, 50% of the country's maize crop. So, there has been a 20% growth in the area under cultivation. 67% of Globus's ethanol and ENA capacity is in East India. And as a result, we will stand to benefit from the maize crop, you are right that, in saying that maize is being promoted as the future crop for ethanol in India. And that's to do with the water consumption per acre of, per tonne of maize as well as yield of ethanol per acre of crops. So, in the case of rice ethanol is produced from only 7% of the rice that is produced the balance 93% of the rice goes for human consumption. So, the yield of ethanol per acre is much less. So, we are very happy about this development. Our capacities in East India when they were set up, were set up as dual feed capacities for the maize as well as rice and therefore we have been able to switch between the two raw materials with ease, it's been completely fungible based on arrivals of raw material what is more beneficial for the Company, we are able to switch. The reason why it's become front, and center today is because of the correction of price of maize ethanol. So, till now, there was always maize ethanol that was promoted, but the price of maize ethanol was not viable and in December or was it November the OMCs revised this price to make it viable. And as a result maize cultivation is up especially in East India, and we are in that region using a lot of maize.

Now to your question about margins in the upcoming quarters. Till now, rice remains the majority raw material for ethanol in India. In the Rabi crop this year is the first time we are going to see a significant increase in maize cultivation after many, many years. And we have to, and basis that there will be a significant switch to maize, till then rice remains the main raw material. So, till such time as the government does not start milling the paddy that has been procured in the last Kharif marketing season, broken rice remains in short supply, there is a higher price for rice. So, in Q4, I'm not expecting margins to go up dramatically. There will be an improvement based on already the maize arrivals that I'm seeing. But I'm not expecting a huge upward revision



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in Q4. Coming into Q1 and onwards, around the end of Q1, Q2, the rice situation will cool down as well. And of course, there is going to be a lot of maize. So, that's when I'm expecting a significant change in margins.

Tushar Raghatate: Fair enough sir. And sir currently in terms of the raw materials basket, how much is broken rice and what percentage would be the maize, the contribution?

Shekhar Swarup: It's difficult for me to give you that number, but my sense is about 70% to 80% would be rice. But it's difficult to give you an exact number right now, we can compute that if you would like exact number, but in my senses it would be 70% to 80% as of now.

Tushar Raghatate: Okay. And sir in terms of broken rice, do you see that, that being a temporary issue, or do you foresee, ethanol industry might get the broken rice going forward maybe one year, two year?

Shekhar Swarup: So, I do believe, so the issue with FCI is a larger issue, the quality of rice that is with FCI contains 25% broken and there are very few people in the country that are willing to buy that material for food. As we have seen, and I don't know if you have been following this, but the government has announced their own brand of rice called Bharath Rice and in the process of packing Bharath Rice, the Bharath Rice will be made from the rice stocks with FCI. In the process of packing that rice they will be separating the brokens and making it available for industry. So, FCI eventually has to liquidate its rice position otherwise, they cannot move their paddy, if they cannot move their paddy they cannot buy next year's paddy which will come up in the current year's Kharif season. So, that rice has to find its way into the market and the way of doing that is to clean up the rice, remove the brokens and then sell it, Bharath Rice is a step in that direction but it's still very small quantities that have been given for Bharath Rice, but in my view in the next one to two quarters. So, by the end of Q1 there will be a clear policy on this, and the rice market will start to ease at that point.

Tushar Raghatate: Fair enough sir. And last question in terms of your consumer business in this Bored business, how do you see the gross margins for this business and in terms of getting EBITDA positive what are our internal target?

Paramjit Singh Gill: So, in terms of margin in IMFL we have a brand range at this point of time, which is working in the range of early 30s to mid-30s margin and Value and Value Plus this moves between 20 and 24. Now, obviously we are launching new brands, we are adding states so the margins will continue to move up and down till they stabilize once the brands level themselves out, so it is very difficult to predict the composite margin. As of now the new brands are still finding their trajectories and some are moving very fast, and some are taking a little more time. But suffice to say the range that I have given is the range we are eyeing in the short medium term. And obviously, as the medium term starts to play out, this will then very slowly start picking up.

Tushar Raghatate: Sir, the No label business margin?



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- Paramjit Singh Gill:** I wouldn't be speaking under correction, I don't have it, I can check the number, but I think it should be mid-30s, I am seeing as correction, but I will go back and check.
- Shekhar Swarup:** As a policy the sweet spot for the IMFL business for Globus right now is products that have gross margins of at least 35%. And some of the products have gross margins of as high as 70%, 75%. The business projections that we have seen internally, the majority of the growth is going to come for products that are between 35% to 50% gross margin. And the higher gross margin products will help in accelerating breakeven from state-to-state.
- Moderator:** Thank you. The next question is from the line of Tarang from Old Bridge Asset Management. Please go ahead.
- Tarang:** Couple of questions from my side, Shekhar as you plan your production for the next year. What percentage of your overall production do you think you will be able to supply through maize?
- Shekhar Swarup:** That's a great question. So, in Q4, and Q1, I have a better sense of Q4 and Q1 right now. I see as much as 50% of our total ethanol being produced from maize. All things remaining constant. assuming there are no further price increases on rice ethanol, we will move at least 50% of our total capacity to maize ethanol for Q4 and Q1.
- Tarang:** Okay. And by then you would anyway have adequate supply kicking and so.
- Shekhar Swarup:** My sense Tarang is that, end of Q1, mid Q1, end Q1, there's going to be a clear policy on rice. Till then there's going to be a status quo.
- Tarang:** Okay, that's helpful. Second, I just wanted to get a sense, you have been spending about six to six and a half crores per quarter on the consumer business. Would that trajectory continue, and how much was it in Q3?
- Paramjit Singh Gill:** Q3 was in the same range, the trajectory will start tapering down as we go into Q1 of FY24-25 these numbers because what will happen is the first couple of states will start getting around the bend, we are actually expecting Delhi to become EBITDA positive as the first state. So, these numbers will start softening, though we are going to expand geographies. I still think we are expanding geographies also the investment required will start to taper down now.
- Shekhar Swarup:** So, Tarang, from a capital allocation point of view. I'm quite happy investing this money in the IMFL business as the existing set of brands and states start becoming less capital demanding will be looking for opportunities to deploy this in other brands, in other opportunities to bolster our growth.



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- Tarang:** Okay. So, typically the 20, 25 crore per annum run rate will continue, while your initial geographies will start making money, but you will redeploy that capital to grow your business, correct?
- Shekhar Swarup:** Yes. So, for another two years, we would like to deploy this money till we get to a certain base.
- Tarang:** Sure. Just a couple of more, the ready to drink acquisition was quite interesting. If you could just give a sense in terms of how do you complement it with an existing business or it's, you are more so going to be a capital provider and that business is going to be driven on its own?
- Shekhar Swarup:** As you know it's not a capital, the intention of this is not to provide capital and the business runs on its own. The idea, I've always said that we are creating the highway and then we want more cars on this highway. So, in these four, five states, Delhi, U.P. and a few others, we are at a more advanced stage of highways being complete and Bored beverages is one of the vehicles we would like to at this highway used by, so there is strategic importance for Globus in this business.
- Tarang:** Understand. Just a couple of bookkeeping questions, how has DDGS realization standing right now?
- Shekhar Swarup:** So, we find that DDGS or animal feed supplement is largely currently in India a protein ingredient, the price of protein, the gold standard for price of protein for animal consumption is the price of soya DOC, which contains between 45% and 50% protein. So, let's say the price of protein, a pure protein derived from soya DOC is Rs.100 per unit of protein, then rice rates at about 20% discount to that, and maize would trade at between 20% and 30% discount to that, but that's made up, by having about in fact, almost 75% higher production by volume of maize DDGS. So, whereas you lose on the Value you make up on the volume of production.
- Tarang:** Okay, I'll probably touch base again to understand this better. But just two, three more questions, power and fuel expenses for Q3, net debt as on 30th December 23 and what is your CAPEX been like for nine months FY24?
- Nilanjan Sarkar:** So, our net debt as on December is at, net of cash and cash equivalence is at 252 crores. And your next question was on power, and fuel spends, the power and fuel spend you want in rupees crores?
- Tarang:** Yes.
- Nilanjan Sarkar:** The rupees crore power and fuel in Quarter 3 was 64 crores. And what was your last question sir?
- Tarang:** CAPEX for nine months FY24. And how should we see it for full year 24?



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- Nilanjan Sarkar:** CAPEX for nine months 24, 125 crore.
- Shekhar Swarup:** So, for CAPEX going forward. Currently, we are completing our U.P. bottling plant which will be commissioned by the end of this quarter. Thereafter, there is no significant CAPEX planned in terms of new capacity. We do have CAPEX that we are undertaking for setting up malt whiskey maturation, cask purchases and malt whiskey production. But these would be in the range of 20 to 30 crores per year or rather for the next six months. So, that's the current CAPEX plan, there will be a need to set up a small distillery in U.P. to take advantage of the country liquor markets in U.P., so that the engineering is currently on, but it's going to be a much smaller capacity as compared to the past projects we have done.
- Moderator:** Thank you. The next question is from the line of Nitin Awasthi from InCred Research. Please go ahead.
- Nitin Awasthi:** Major question revolves around the new segment that you have entered into. I agree to what you are saying that the highway requires more cars. However, this product wouldn't it be more comparable to the pure segment rather than the IMFL segment. And if that is the case, wouldn't you require a different highway than what you already have?
- Paramjit Singh Gill:** So, the route to market in terms of the outlets where these brands are sold, except for the, U.P. where it is also sold from adjacent shops and from these shops as well. In most of the other states, the brand is even sold from the same shops using the same fridges which are existing in these outlets. So, in the larger sense of the term, having a complementing sales team, using the relationships, using the basket is accretive to us. Would there be a little bit of a specialization, Yes. For marketing activities, there will be a little bit of fine tuning for which we have provided for that the marketing today investments as well as the type of investments, there would be a little bit of overlap as well as a little bit of differentiation in that.
- Nitin Awasthi:** Understood sir, and with the current investment that you have made, I'm guessing that the whole operation is outsourced manufacturing?
- Paramjit Singh Gill:** Yes, it is indeed.
- Nitin Awasthi:** In that case are we able to make any EBITDA?
- Paramjit Singh Gill:** Yes, there is enough delta once we secure the volumes, there is enough delta as one of the esteemed investors have earlier asked I'm sure the margins are in 30% plus range. While I promise I'll recheck it.
- Nitin Awasthi:** Understood sir. Sir, on this just a last question on the ready to drink segment, on accounting front your financial disclose that you have 38.08% stake in the Company?



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Shekhar Swarup:

Yes, you are right, this is part of the definitive documents with Bored beverages. There is a sum amount that was to be invested in the first tranche and a sum amount that's to be invested at a certain events, that event is after the certain amount of sale, on a very small amount of sale, which essentially implies launch. So, in the next quarter or so, all of that will be completed and it will be 51% by the end of it. And all of that is happening at the pre decided valuation and the Value is all agreed. This is just a process of trancing the payment.

Nitin Awasthi:

Understood, sir. Sir lastly, just to understand broadly, how things are shaping up, I know that there are complex factors as of now which are leading to the changes in gross profit margins for the Company. However, if you could just name or say how the key commodities are shaping up, number one, how the ENA prices are shaping up, how have they been, would have been going through a curve and they would have been going completely berserk because of the policies that have come in. So, if you could just see ENA prices what has been the trend, what is stabilizing at and similarly, the cost of grain?

Shekhar Swarup:

So, just from a sort of a helicopter standpoint for a minute. ENA prices have been moving along with average cost of raw material, let's say two months, trailing average cost of raw material, ENA prices have been moving along with that. And the way that the Company hedges, its bets between ethanol and ENA has really been beneficial for us. We are able to maximize our average realization of our capacities, non-consumer capacities in that manner. Unfortunately, the reality is that, if you can't convert all your ethanol capacity into ENA, as soon as you do that, you will start putting pressure on ENA prices. So, we believe that the current level of split that we have, that we have maintained in the last couple of quarters, which has been pretty much consistent is a pretty healthy spirit. In terms of commodity pricing, the only commodity in the country which hasn't corrected or softened in the last few months is rice. And that's to do with this weird FCI situation that exists today. As I had explained earlier on the call too, so I won't get too much into that. But, I'm very clear that this stalemate has to resolve otherwise, the entire crop procurement cycle fails in the country. So, it's going to take a couple of quarters for it to resolve for various reasons. And at that point it will resolve. The good news is we have maize, and we are able to hedge up that's between the two. So, ENA prices are keeping track with the margin, with the raw material price situation, however, ethanol isn't. The other factor that obviously impacts us is that our Value, Value Plus pricing, which is a large share of our total business is also fixed for the year, the raw material price increase that has happened this year, we are having to absorb that. But the good news is, the price correction that happened in Rajasthan, will give those margins back to us. So, couple of quarters we have to see how this rice situation plays out. And then we will be back to our original indications of margins, et cetera.

Moderator:

Thank you. The next question is from the line of Imran from Longbow India. Please go ahead.

Imran:

My first question is on the production of ethanol from maize. Can you tell us the yields that you get when you make ethanol from maize?



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- Shekhar Swarup:** So, I can't give you the exact numbers. This is I believe competitive advantage for us; I can give you a typical industry range if that's okay, that ranges from about 370 to 380-85 liters per tonne.
- Imran:** And yours would be obviously because you do things better than the industry, yours would be on the higher side or even higher to this number right?
- Shekhar Swarup:** Yes, that's the industry standard let's just stay with that.
- Imran:** Got it. And the other question is, on Rajasthan, what would be the market share with the number two player in Rajasthan IMIL?
- Shekhar Swarup:** That's a great question. I'll take that. So, Rajasthan State Ganganagar Sugar Mill is a state owned alcohol producer, they stopped producing alcohol earlier and they get us to produce the alcohol and they package. Get us meaning, get private industry to do it and we are one of the suppliers to the distiller, to their bottling plants. In their excise policy of Rajasthan the excise department has a minimum market share, which they give to the brands of this Company, in most of the areas of Rajasthan the consumer demand for their brands does not exist. Up till the current year, they have a minimum market share of 35% and that makes them the second largest player. Coming into the next year, that market share or that minimum market share has been dropped to 25%. And because we have close to 50% market share of the balance of the entire industry but if you look at 50% of the available market. Sorry, if you look at that as a proportion of the available market it's a significant number. So, that reduction in volume or reduction in market share of RSGSM we will get, the six to seven cases of every 10 is what we expect.
- Imran:** Right, perfect and on similar line the policy document also mentioned that, whatever rectified spirit, stock RSGSM have they can sell it up to March and which was not earlier allowed. So, you think it would have any impact on the overall volumes of your and others.
- Shekhar Swarup:** I am not sure what you are referring to exactly, but that's just procedural, Param have you picked up anything?
- Paramjit Singh Gill:** No, not really.
- Shekhar Swarup:** I think that's just procedurally they may have written-down a procedure that's been followed all the time, but there's no real impact.
- Paramjit Singh Gill :** And just to add one thing to what Shekhar referred, in the larger context, the government is of the view that they don't want to be doing business unless there is a specific need to navigate a particular industry, either defended, or it is favorable for the national interest. And my view is that this would be probably also a step in that direction. Moving from 35%, to restricting their commitment factor to 25% could be a step in that direction, which will play out over the next couple of years.



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Imran: All right. And on the similar lines, the policy document also mentions that the wholesaler margins would be reduced from 11% to whatever 9%, the price increase includes this, or this is extra for you?

Shekhar Swarup: So, we were to pay a certain margin to RSGSM, when we were selling our products, so RSGSM not only were the competitor, but they were also our distributors. So, that margin is reduced, so that's within the price increase that Nilanjan mentioned earlier.

Imran: Okay, so that's included. So, Shekhar you mentioned that you would be able to pass on cost in Rajasthan. But this is barely, it's not even Rs.4 a liter, or maybe slightly over Rs.4 a liter, whereas the raw material inflation has been close to Rs.12 a liter. So, how would you, what do you think about this, you would be suddenly not be able to pass on the whole or at least half of?

Shekhar Swarup: But we have also saved a lot of money on glass bottles and on packaging material. So, it is a very fair price increase, in my view. It's also something that will remain applicable for the whole year, I don't believe rice prices will remain at this level or go higher any further, it's just not possible anymore. So, in my view, it's a fair increase keeping in view that we have got a whole year ahead of us.

Imran: Right. And just one last thing on the consumer side, I just wanted to understand your U.P. strategy better, as of now you are only doing IMFL, and even in IMFL if you look at a typical, Vodka 180 nip, for the competitor who is also market leader, and between your prices it's only Rs.5, Rs.7 difference or maximum Rs.8, Rs.10 difference when a consumer is buying. So, what do you think, why would a consumer take your bottle compared to the leaders bottle?

Shekhar Swarup: Okay, that's a great question. Param, you want to take that?

Paramjit Singh Gill: See, what happens and obviously, there is a whole Value in, first thing is we have to start believing that the new brands that are entering the segment especially we can say that it is true for Globus, is that our offerings are significantly superior at similar prices. And when we say offerings are superior, we believe our packaging is better, our innovation is better, our liquid deliveries stronger as our researches reflect because we do intense research, third party research before we introduce the brand. And as a result, we are giving the consumer an opportunity to upgrade sometimes with paying a little bit of premium and in other instances, without paying any premium. Now the second challenge is how do you get the consumer to try it out till he really recognizes these facts and becomes our consumer. And that is the journey we are on where we induced trials, we do all the levers that are required, depending on the state applicability of law to make the consumer to try our products and then these reflects on the growth of our brand as it is happening now. So, I would not want anyone to believe that since the products are priced the same, the offering is the same.

Imran: Right. And similarly, in U.P., how would you think about going into IMIL and U.P.ML and what would be your strategy there?

Shekhar Swarup: So, there's one other aspect I would like to talk about. In any consumer category just because a brand has leadership position doesn't mean that they have an impregnable moat around themselves. In any category, a consumer whether it's consumer power we have seen that new brands are able to come up, make a profitable business and grow. So, I am very much a believer in the compelling forces of competition, which ensure that brands that are coming up innovate, give consumers better offerings, and therefore create space for themselves. There is room for innovation at every category. As the Value of the product is higher, brands have a larger sort of elbow room for innovation. But as the price points are reduced, as the Value of the product is less, the amount of innovation is limited. But yes, there is still scope for innovation. And a lot of that comes from packaging, from liquid, liquid is where our greatest strength lies, being producers of alcohol for such a long time. And we are using all of these levers at every single price point. Granted that in country liquor and medium liquor especially U.P. or pretty much any other markets for country liquor and medium liquor, distribution plays a much larger role than innovation, consumer power reduces as the price point comes down. So, we have to be cognizant that as well. So, we would like to give our distributors, good margins, so that they promote our products.

Imran: Happy to hear that. The other last question that I have, and I'll fall back in the queue after this, I have at least witnessed even operating leverage or something of that sort in your other expenses. If I remove power and fuel, is it going to stay or do you think this is temporary, and then again the other expenses will go up as you grow?

Shekhar Swarup: So, one of the aspects of other expenses was our pre-operative expenses at the factories as they were expanding in the last say six quarters, as all of our capacities are now commissioned, barring an expansion in Jharkhand, in West Bengal which is waiting for our consent to operate, the CAPEX is complete, we have been doing some trials there, a lot of these pre-operative expenses will naturally come down as revenue, as a share of revenues, because the revenue will start coming in from unutilized capacities.

Moderator: Thank you. The next question is from the line of Saket Kapoor from Kapoor and Company. Please go ahead.

Saket Kapoor: Sir firstly, if you could just quantify in terms of the savings that we are going to have in the power and fuel especially for the coal part with the type of linkages as mentioned in your PPT, what should be the absolute number in terms of the savings annually?

Shekhar Swarup: On the deck says and I will have it looked at it again in case there is some sort of an error. But the deck says is that, power and fuel should now remain pretty much at this level. Despite going into monsoons and summer where power cost, the fuel cost typically go up, because of the



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linkages we have done. So, 30% of our East India demand is taken care of the, maybe it's a bit more actually, large part of our demand is taken care of by the linkages, which is fixed price for five years. In addition to that, the plants where we don't have linkages, we do now have multi-fuel capability between rice husk, mustard husk and paddy straw and other biomass, which we have done long term contracts in the season, to get supplies in the offseason. So, the point really is, that power and fuel should remain in control at these levels. And in the past, the wide fluctuation we've seen between winter periods, and summer periods that fluctuation should be a thing of the past.

Saket Kapoor: So, sir taking these expects and other optimization of course, what should be now a steady state EBITDA margin and trajectory for us, Q-on-Q also we have seen a 100 basis point reduction in our EBITDA margin from 7.2?

Shekhar Swarup: So, what I mentioned earlier was every, every business parameter has been favorable for us in Q3 aside from raw material. Raw material, Q3, Q4 is typically a time where raw material is favorable, this year due to the reasons I mentioned earlier it's not favorable, we will have to wait till Q1, Q2 sorry not Q2, but at least Q1 for things to change on the raw material front. For another one, one and a half quarters, raw material is expected to remain at present levels.

Saket Kapoor: So, to conclude the EBITDA margin will be in this band of 6.2 to 6.5% only?

Shekhar Swarup: The band can be a little bit larger 6 to 7, 6 to 8 should be the band for the next one or two quarters till the rice situation eases out, which will be mid Q1 to end Q1.

Saket Kapoor: So, sir if the margin expands from six to eight in that trajectory, if we remove the RM part, what will add to the efficiency of 200 basis point?

Shekhar Swarup: It will be RM, there will be some efficiencies of RM the other factors are pretty much we expect them to be constant.

Saket Kapoor: Sir, next point is about the ENA market dynamics, we have seen that in interstate also there is a duty structure that gives advantages to some states in terms of the import. So, we are expanding our capacity in the state of West Bengal. So, currently, do we have any duty protection or do you find any change?

Shekhar Swarup: Largely duty protection is a thing of the past, you are able to gain on logistical advantages from being located within the state. Globus Spirits endeavors to sell its ENA capacities within the state we do not like to do interstate sale. There are other companies out there that have specialized on interstate sale. Our strategy is intrastate sale only. So, all of our capacity we sold within the state. The duty protection is gradually a thing of the past.



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- Saket Kapoor:** Okay. And do you have any specific duty protection for the state of Bengal or you do not have it?
- Shekhar Swarup:** No.
- Saket Kapoor:** Right. And lastly about this maturation part in your PPT, maybe you have mentioned that Rs.85 per bottle.
- Shekhar Swarup:** Per liter.
- Saket Kapoor:** So, taking to account our sales what should be the absolute amount saved?
- Shekhar Swarup:** At present, these would be small numbers, I don't think any of these are going to be significant contributors to our margins. The point that's being made on a maturation facility is the preparation that we are doing in advance for our IMFL business. And also, the innovations that we will have access to with our own maturation facility currently we are dependent on others.
- Moderator:** Thank you. The next question is from the line of Rahil Shah from Crown Capital. Please go ahead.
- Rahil Shah:** Sir, firstly you mentioned a certain percentage of total ethanol to be produced from maize in quarter four and quarter one that was 15%. right?
- Shekhar Swarup:** 50%.
- Rahil Shah:** Okay. Now, the second one was on these margins in the previous question, so you expect them to be in the band of six to eight for the next one to two quarters. But you had mentioned earlier that you also expect significant change in the rice situation, by early quarter two, I guess?
- Shekhar Swarup:** Yes, by the end of quarter one, there will be a policy.
- Rahil Shah:** So, post that then to what degree can the margins be benefited?
- Shekhar Swarup:** Let's chat about that in the next quarter, let some more visibility come around. But, we should go back to our earlier trajectory it's difficult for me to give you a number right now. It's completely speculative. There's a lot of events, large scale events taking place between now and quarter one. So, let's just wait and watch a little bit.
- Rahil Shah:** Okay, no problem. And just lastly then, if you given your view of the market what do you expect overall business growth next year, just a directional or if you are able to provide a ballpark guidance, that would be.



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- Shekhar Swarup:** Bengal and Jharkhand new capacity trials have been on we are waiting for consent to operate so that we can fully utilize this. So, 120 KL per day of production is going to come in. I think there are some quarters in the current year where our capacities were underutilized, because of FCI and for some other reasons so, there should be no such event in the current year, we don't foresee any such event in the current year. But the real growth is going to be in our consumer business, Value, Value Plus we are expecting like Param said mid, mid-single digit type of growth. But the IMFL business is looking very, very interesting, we've closed the last quarter with 40%, quarter-on-quarter growth. Q4, typically we would like to be a little conservative on our dispatches, because of change in policies. But then getting into Q1 and onwards. We are really excited about the growth prospects here. We could well exceed the growth that we have demonstrated in the current quarter.
- Moderator:** Thank you. The next question is from the line of Tarang from Old Bridge Asset Management. Please go ahead.
- Tarang:** I missed the power and fuel hedging that you spoke about, you said 30% of your Eastern capacity?
- Shekhar Swarup:** It's around 30%, 35% of East India fuel requirement has been linked with, the long term linkages that Coal India has, we have gone in for that for the next five years. So, for five years, our price of fuel to that extent is fixed.
- Tarang:** Got it. Sir, as you gear up for Q4 and Q1, my sense is a large part of your raw material would have been procured or would be in the process. So, how are prices trending right now for both maize and rice?
- Shekhar Swarup:** Maize is a little more profitable than rice, margins are similar as Q3 right now.
- Tarang:** Okay. At least from what we, I've been seeing maize prices have been hovering at about Rs.24, Rs.24.5 a kg. Would that be accurate?
- Shekhar Swarup:** Yes, that's completely correct. But the margins on maize are higher. And that's why I've said that our margins will expand a little bit. But that's the range 6% to 8% till the policy of rice scales out.
- Moderator:** Thank you. The next question is from the line of Nikhil Chandak from JM Family Office. Please go ahead.
- Nikhil Chandak:** So, Shekhar if I see the Company as a whole manufacturing is almost 65%, 66% of the business and consumer is roughly 34%. Now, I just wanted to understand say, over the next two, three years how do you see this share moving because frankly as an investor one would be more or should be more focused on the consumer business because that's where the longer term Value



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clearly gets created. But how does the business move say over the next two to three years, is the focus more on manufacturing, less on consumer or how should one or would it be equal because if I see the margin trajectory also over the last few years, I am saying. The margin has now gone from at one time from somewhere in the range of 20% to as low as what it is at this point of time because of the manufacturing business. And in the process what is happening is, the market I am seeing the investors have completely got focused on the manufacturing business rather than the consumer business and the Value of that is somewhere getting lost in the stock completely. So, how should one understand the trajectory set from a three-year perspective?

Shekhar Swarup:

So, consumer businesses is the business that we want to grow, and we have been working on growing. Unfortunately, or fortunately it depends how you look at it, we have had more capital available to deploy than what the consumer business could take. During this period, we saw a very good opportunity in the ENA, ethanol space, and we deployed capital there. Most of the CAPEX that was made has already been paid back, because of the high margins we enjoyed for about three years. And now we do not see the need, or rather the rationale to make any further investment in pure ethanol plants. Any investment being made in capacity, or now is going to be done to supplement the consumer business for example in Uttar Pradesh, where we need capacity to make country liquor, we will set up a small distillery over there. The Company's focus has been and remains the consumer business. Now onwards, we do not see any capital deployment taking place in pure ethanol capacities. So, over the next year, two years, three years, the weight of an alcohol, ethanol manufacturing capacity versus that we just we deploy, we utilize it 100% as soon as it starts up, so you get this massive growth spurt. But there after there is no further growth. On the other hand, in the consumer business there is regular growth that comes in as the business gather scale. So, over the next year, or two or three, we do see this number looking like the inverse of what it does today. And that is what our goal is.

Nikhil Chandak:

Understood. And say three years out when this number inverses or whole year out when the number inverses. I know it's a long shot, but where do you see the margins moving towards?

Shekhar Swarup:

Okay. The margins off the consumer business will start looking like about 20%, 25%, 30% at that point, because that's the kind of margin we are able to generate today. Of course, right now our other expenses at the share of margins is very, very high, because we are growing this business. But it's very clear to me that as soon as the state starts becoming profitable, what Param mentioned, as Delhi is becoming profitable this year, you start getting 20% to 30% margins from this business. Now, how that averages out and gives us a blended margin is difficult for me to say, I do believe that a fair long-term margin for the manufacturing business is around 15%. But a few policies need to be re-arranged for that. So, if 25% you are getting say from the consumer business, say 15% from the manufacturing business and around 20% is what your margins are looking like at that stage. Maybe a little bit higher, it's depending on the share of the consumer business.



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Moderator: Thank you. The next question is from the line of Nitya Shah from KamayaKya Wealth Management. Please go ahead.

Nitya Shah: I just wanted to ask for Terai, what has been the sales growth and volume growth Q3 FY24 versus the same quarter last year?

Shekhar Swarup: Param, do you have that?

Paramjit Singh Gill: In general, we are looking at just short of 70 odd percent growth. So, my take is, it will be a little less than Q3 because Q3 peak quarters the growth is a little less. But I'll take a couple of minutes for me to develop the number. You want me to come back, circle back to you Nitya you can leave your details and we can do that.

Nitya Shah: Just a few more questions regarding this. How do you see this business shaping up, let say for Craft Gin, there's a lot of other players in the market in India today. So, how would Terai Gin brand create a mark in that market. Now, even you are coming out with a single malt whiskey next year. So, I just want to understand what the initiatives are you will take to make a mark for yourself since there are so many players already.

Shekhar Swarup: So, the way we see Prestige & Above space evolving going forward is that they're going to be three categories. One is IMFL which we all understand very well. The other is imported products whether bottled in India or bottled overseas, Scotch BII, Scotch BIO and there is evidence, there is reason for us to believe that there is going to be a third category which is going to be high end Indian made products, this category of the share of wallet has till now been reserved for imported products. But there is a change now where Indians are looking to spend high give their share of wallet to high price Indian liquor and that's where the India Crafts Spirit Company comes in, India Craft Spirit Company is not a separate Company, it's a brand of Globus Spirits, where we have sort of housed all of our high end Indian alcohol, Terai Craft Gin is the first of that, the single malt is the next brand under that and we are hopeful for many other variants of new products or new brands entirely within this umbrella. So, that is our strategy with the India Craft Spirit Company.

Nitya Shah: So, Gin and whiskey are the only two spirits which you would be focusing on in the Craft segment no other?

Shekhar Swarup: No, I did not say that. Currently, Gin is the first, the next is a whiskey in the future there will be more and within Gin and whiskey, there will be several expressions of variants. That will be launched.

Nilanjan Sarkar: One minute, Terai between Q3 and Q2 has grown by 18%.

Nitya Shah: I meant Q3 of this year versus Q3 of last year for Terai the volume growth?



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- Paramjit Singh Gill:** Okay, we will come back and answer it on the call.
- Moderator:** Thank you. The next question is from the line of Tushar Raghatate from KamayaKya Wealth Management. Please go ahead.
- Tushar Raghatate:** So, within the single malt whiskey what is the price?
- Shekhar Swarup:** I think I got a sense of the question; it was price of single malt whiskey. I'll just go ahead and answer that. As of now, we would rather not make the announcement of the price. But it's suffice it to say that there is a price band, an accepted price band of Indian single malts that's emerging. There are three or four other brands that are operating in India at those price points. So, we are evaluating within that price band. Can you go to the next question please.
- Moderator:** Thank you. The next question is from the line of Dhruv Kashyap, an Individual Investor. Please go ahead.
- Dhruv Kashyap:** Good evening Shekhar and unfortunately, I am always the last one. So, I know there will be paucity of time. So, I'll try to hasten my question. On the consumer front, if I was to look at IMIL, and sort of IMFL separately, let's take IMIL first. So, there will be external consideration. So, all the various state excise liquor policies, and there will be an internal strategy. So, currently, you have a favorable Rajasthan excise policy as you current touched upon, of the Delhi part as well. So, given the other states we operate in Haryana, West Bengal, et cetera, if you were to give a one or two or three year out view on the IMIL shape to business in terms of both geographies and products?
- Shekhar Swarup:** Unfortunately, it's very hard to do that for Haryana and West Bengal. The political affiliations there, make it very hard to make that prediction. States like Uttar Pradesh, Delhi, Rajasthan, these are clear, the government is a single party government largely or a majority of it is a single party. In the other states, so in West Bengal actually but that's a completely different animal. Unfortunately, I'm not able to give guidance on how Bengal and Haryana will shape up and accordingly our investments in these two states behind Value and Value Plus segments are structured, we are in a holding formation, we are very much spectators over there. If things change for the better we believe that there is a strategic shift or structural change over there, then we will reassess our capital allocation strategies for growth. The growth in the consumer business is very much based on Prestige & Above brands, as well as an U.P. Value, Value Plus category that we are now looking to create for Globus.
- Dhruv Kashyap:** So, Shekhar, let me rephrase that question. Maybe, I didn't frame it very well. So, there is a Rajasthan which is a massive part of our business which is very favorable in terms of the excise policy for next year, there is Delhi which also seem to have some sort of favorable factors to the policy, then there could be an entry into new markets, and you have created a sort of a Value



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Plus segment. So, I just want to understand those vectors as a product segment, and as geography where do you see it go in the next one, two, three years in terms of the IMIL business?

Shekhar Swarup:

So, U.P. has the possibility to give us a very large growth rate, U.P. Value, Value Plus market in 95 lakh cases per month, the IMFL market is 35 lakh cases per month. For Globus U.P. is going to be a significant focus, especially this year for sure. But even in the years to come. For Value Plus for Globus, it is going to be Rajasthan and U.P. as the main horses currently. We've got presence in Haryana and West Bengal; we are not letting go of that. But I'm not expecting much growth from there.

Dhruv Kashyap:

Okay, perfect. So, my last question would be on the IMFL part where you explained it beautifully in terms of the Prestige Plus, let's say a sort of Craft space, and then below that you spoke about the regular IMFL. So, if I was to ask you a similar question that, in terms of the product whitespaces and the geography whitespaces in the next one, two, three years, where do you see the IMFL business progress in terms of the product categories, in terms of the geographies, where we are today and where we will be on a two, three years later?

Shekhar Swarup:

I can answer that from a Globus point of view, it's difficult for me to give a guidance on where the industry would go and hopefully Globus's picks would be based on our understanding of industry. There would be some categories, some products that would be high volume brands which have lesser innovation so, a Mountain Oak for example it's a phenomenal products, it's a great liquid, but there is little room for innovation and within what their brand has started to do very well. On the other hand, there are going to be brands like Terai, where there is an immense scope for innovation. Some of the products that we are looking at in the office are things that the industry has never seen before in India in some parts and never been done anywhere in the world either. So, there are categories which do not allow us to do something like that. But then there are categories that do, as a Company the way we are creating our portfolio, beer as I mentioned earlier, categories which have at least 35% or so margin, is where we would like to begin and we go all the way based on our current portfolio to about 70% margin. In every state, we look at opportunity that exists in this sort of pyramid, and we decide on which brands are to be launched, in which market based on the opportunities in that state. So, I hope I've been able to answer your question, I know you were asking something else, but I hope this gives a bit of a flavor.

Dhruv Kashyap:

No, absolutely in fact, I was asking from a Globus perspective and not from the industry that, in the next one or two, three years out, which would be the geographies that you would be participating in IMFL and with what kind of product portfolio?

Paramjit Singh Gill:

So, we at this point of time, are looking at adding two types of states, one states, which will carry a significant part of our portfolio as it keeps emerging and the current portfolio and second will be states which will be in service of our super premium range, which as of now, we have Terai, and we have some more waiting on the wings. So, two types of geographical expansion will happen. For the first one, which will carry a more comprehensive range, we are expecting that



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FY25, we see ourselves adding two to three states if we time them well, because we are waiting for the policies, which may get dragged a bit because of our elections scheduled. In terms of the second category, where we are widening the net, to offer our super premium range, a much wider platform for consumers to experience. It could be beyond two in the coming year and similar pattern at this point of time. I am hopeful we will be able to continue to build a couple of states every year. A little less aggressive here we will end up with maybe one and then with probably three in a more aggressive year. So, at this point of time two are definitely looking on the horizon for each category, two plus two so that's the way we are looking at 24-25.

Moderator: Thank you. The next question is from the line of the Dinesh an Individual Investor. Please go ahead.

Dinesh: Actually, pardon me this was already answered. I just want to know about, what is the reason behind the hold on Odisha greenfield CAPEX plant is it majorly because of the conflict that is happening in the raw material that is broken rice and maize in the ethanol segment or is there any other reason behind it?

Shekhar Swarup: There's no conflict really, the reason is really simple, we don't believe that without a clear raw material policy anymore, the ethanol business warrants any further investments. In the past there has been a clear policy, where distilleries can buy raw material from the open market in case that doesn't, is not viable then FCI would supply raw material. Now, suddenly FCI will not supply raw material. So, there is a fixed contract I have with OMCs but the supply side is completely open. So, till the time there is a clear policy on raw material for the ethanol industry. I do not believe it makes sense for further investments into ethanol.

Dinesh: Okay, got it sir. And my second question is on the Bored Beverages Limited one, so it was mentioned in the filing that the status of Bored Beverages there has been changes from subsidiary to associate. So, what is the reason behind it?

Shekhar Swarup: That's just for accounting purposes, there is no change in the business, in our investment, that's merely for accounting reasons. And if you would like to know more, I can ask Nilanjan to answer that.

Dinesh: Okay, no problem got it. And lastly, it was mentioned in the presentation that in this quarter the ready to drink segment, Not Out, we are entering the product into the Delhi state. So, consequently, it was mentioned that after Delhi we will be entering Punjab and Haryana. So, will it be in Q1 FY25 or what can be the timeline for those markets?

Shekhar Swarup : Between Q4 and Q1 we will launch it in all the states that we intend to. So, in another three months.



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- Paramjit Singh Gill:** U.P. will be the second one too, between U.P., Punjab and Haryana as soon as we can get the formalities done they will be launched followed by Delhi, all three depending on which sequence they queue up.
- Dinesh:** Okay. So, within this next three months?
- Paramjit Singh Gill:** Definitely Q1, we definitely see because if the excise policies in these states get dragged and then they get pushed off to let's say towards the end of April, then yes, probably the end of Q1 then it will happen. So, it all depends on whether the excise policies get released before the code kicks in or do they get affected by the code. So, it depends on that.
- Dinesh:** Okay, got it. Just lastly, is this Not Out one a completely beer product or it is somewhat a bro code kind of a product where beer and the wine mixture like that of product sir?
- Shekhar Swarup:** So, to the extent the similarity is that this is also a fortified product, we are not using wine. However we are fermenting it, we are not using wine, but it is a fortified product. Yes.
- Moderator:** Thank you. The next question is from the line of Imran from Longbow India. Please go ahead.
- Imran:** Just one question on U.P. again. How does the distribution works in U.P.? Is it through a government entity or is it like a standalone wholesalers, how does it work?
- Paramjit Singh Gill:** So, the market is private, so the government does not do wholesale, the stock is supplied to private wholesalers and from there onwards it moves to private retail to the consumer.
- Imran:** And the margins are fixed by the government on the wholesale side or this is open?
- Paramjit Singh Gill:** No. So, the margins are fixed by the government for the wholesalers as well as the retailers having said that, obviously there are other things into play of how the market competes with each other, they have their margins decided by the government.
- Imran:** Understood sir. And how does the other markets like West Bengal and Haryana works, very similar to this?
- Paramjit Singh Gill:** I will answer specifically the two question states. So, West Bengal the depot's belong to the WBCL which are now being managed by what they call distributors. It is a new development probably a year back, year and a bit back and these distributors have a fixed margin given by the government under the cost card and then again the market plays out with competition. These distributors all have a few states each, but they are not allowed to take other companies or other brands and the companies at this point of time, cannot change distributor so easily. The retail, however, is totally private and works independently and they become strong from the distributors.



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Imran:

Similarly, Haryana?

Paramjit Singh Gill:

Haryana is totally private; the wholesalers are appointed by the government most of the wholesalers are those who also own retail outlets. Very few of them are there who only have wholesale and not retail. As a result, they have high leverage because they also own the outlets, and they also own the wholesale. Here wholesalers are free to buy any stocks from the Company and companies are obliged to supply the wholesaler provided the terms and conditions of both parties are met by each other. So, private wholesaler and private retail.

Moderator:

Thank you. I now hand the conference over to Mr. Shekhar Swarup for closing comments.

Shekhar Swarup:

Thank you everyone for attending this call today. We will remain available for any further questions. In case you have kindly reach out to us. Our details are on the website and today's release. Thank you again and have a good night.

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.