Globus Spirits Limited

July 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	628.25 (Reduced from 744.78)	CARE A+; Stable	Reaffirmed
Long-term / Short-term bank facilities	55.00	CARE A+; Stable / CARE A1+	Reaffirmed
Short-term bank facilities	30.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Globus Spirits Limited (GSL) continues to derive strength from its experienced promoter and management team, and its significant presence in the bulk alcohol and Regular and Others (R&O) segment. Ratings consider improvement in capacity utilisation (CU) of bulk alcohol in FY26, due to higher ethanol production amid softening of raw material prices post Government of India (GOI) allowing Food Corporation of India (FCI) to sell surplus rice for ethanol production in January 2025. Ratings also draw comfort from improved financial performance in FY26 (refers to April 01 to March 31) driven by improved operational performance as mentioned earlier, price hike of 4.35% taken in April 2025 in Rajasthan, higher realisation of distiller's dried grains with solubles (DDGS) and increase in scale of operations of Prestige and Above (P&A) segment driven by higher sales volume.

CARE Ratings Limited (CareEdge Ratings) takes note of completion of ongoing capex of extra neutral alcohol (ENA) distillation plant in Uttar Pradesh (UP) with commencement of production in Q4FY26. Ratings also take into consideration improvement in capital structure and debt coverage indicators in FY26, owing to accretion of profits to reserve and reduction in debt levels (majorly working capital borrowings), considering the lower raw material cost.

CareEdge Ratings expects GSL's scale of operations and profitability to improve further with another price hike of 5% approved for Rajasthan market from April 01, 2026, full impact of commencement of production and sales from UP plant in FY27, higher allocation received for sale of country liquor in Delhi market in FY27 and further scaling up of P&A segment.

Ratings are constrained by continuous losses reported in P&A segment, despite significant loss reduction witnessed in FY25 and FY26. Ratings are also tempered by input price volatility with limited pricing power and by highly regulated nature of alcohol industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in net debt to profit before interest, lease rentals, depreciation, and taxation (PBILDT) below 1.50x.

Negative factors

- Deterioration in net debt to PBILDT above 3x.
- Adverse regulatory changes having significant impact on GSL.

Analytical approach: Standalone

Outlook: Stable

'Stable' outlook assigned to the long-term rating is based on promoters' long experience in the alcohol industry and the company's significant presence in bulk alcohol and R&O segment.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

Experienced promoter and management team

The main promoter and IIM-Kolkata alumni, Ajay Kumar Swarup (Managing Director of GSL), has over two decades of experience in the alcohol and distillery industry. He is ably assisted by a group of experienced personnel having wide experience in the alcohol industry.

Significant presence in bulk alcohol and R&O segment

GSL's business is divided into two segments namely manufacturing and consumer segment. Manufacturing segment comprises production and sale of ENA, ethanol and bottling. Consumer segment is further divided into R&O and P&A categories. R&O consists of country liquor while P&A consists of Indian-made foreign liquor (IMFL) under own and other brands.

Bulk alcohol and R&O segment contributed ~94% of the company's revenue in FY26 (PY: 95%). The bulk alcohol segment contributed maximum revenue to the turnover of GSL of ~61% in FY26 (PY: ~61%), followed by the R&O segment, which contributed ~33% in FY26 (PY: ~33%). Revenue from bulk alcohol increased by ~7% y-o-y in FY26 to ~₹1,644 crore, considering an increase in sales volume of ENA/ethanol by ~6% in FY26, and increase in average sales realisation of DDGS by ~26%.

Revenue from R&O segment improved by ~3% to ~₹900 crore in FY26, considering an increase in average sales realisation by ~4% amid stable sales volume. For the R&O segment, the company is majorly present in five states, including Rajasthan, Haryana, Delhi, UP, and West Bengal. Revenue from R&O segment is expected to improve further with another price hike received for Rajasthan market, full year impact of commencement of production and sales at UP plant coming in FY27, and higher allocation received for sale of country liquor in Delhi in FY27.

Experience in bottling high-quality IMFL and supplying ENA to large IMFL players

Apart from foraying into the IMFL market of its own, GSL manufactures IMFL brands for United Spirits Limited (USL) in its Haryana and Bengal plants, and supplies ENA to large IMFL players, such as Allied Blenders and Distilleries Limited, USL, Pernod Ricard, Radico Khaitan Limited, and Beam. The company has a franchise bottling agreement with USL for the bottling of USL brands in Haryana and West Bengal. GSL also does franchise bottling for Bacardi brands from its plant in West Bengal. Since the liquor industry is regulated by the government in terms of distribution, bottling contracts for the franchise is of strategic importance.

Improvement in capacity utilisation in FY26

Bulk alcohol's CU improved from 74% in FY25 to 80% in FY26, despite increase in capacity (owing to commencement of production of ENA at UP plant in Q4FY26). The improvement is due to higher production of ethanol due to softening of raw material prices post GOI, allowing FCI to sell surplus rice for ethanol production from February 2025 onwards.

Improvement in financial performance in FY26

In FY26, GSL reported total operating income (TOI) of ~₹2703 crore registering a y-o-y growth of ~6% in FY25 (₹2,542 crore), considering increase in revenue from consumer segment (comprising R&O and P&A segments) by ~6% and increase in revenue of manufacturing segment by ~4%.

Revenue from R&O segment improved by ~3% to ~₹900 crore in FY26, considering an increase in average sales realisation by ~4% due to price hike of 4.35% taken in April 2025 in Rajasthan (its largest market for R&O segment).

Revenue from P&A improved significantly by ~27% to ₹164 crore in FY26 (PY: ₹129 crore), considering increase in sales volume by ~32% despite dip in average sales realisation by ~3% in FY26.

Revenue from bulk alcohol increased by ~7% y-o-y in FY26 to ~₹1,644 crore, considering an increase in sales volume of ENA/ethanol by ~6% in FY26, and increase in average sales realisation of DDGS by ~26%.
PBILDT per litre improved significantly from ₹2/litre in FY25 to ₹6.2/litre in FY26.

GSL's PBILDT margin improved significantly from 6.06% in FY25 to 9.64% in FY26, due to softening of raw material prices (rice and maize) from February 2025 post GOI allowing FCI to sell surplus rice for ethanol production and higher capacity utilisation (80.5% in FY26 vs 73.7% in FY25) in manufacturing segment. Apart from that, improvement in profitability margin is also attributable to price hike of 4.35% taken in Rajasthan for the R&O segment from April 2025, y-o-y increase in average sales realisation of DDGS by ~26% and increasing sales volume in P&A segment leading to better spread of fixed overheads and lower operating losses.

Consequently, profit after tax (PAT) margin also improved from 0.98% in FY25 to 3.51% in FY26, despite increase in finance cost and capital charge in FY26.

As articulated by the management, profitability is expected to improve further with another price hike of 5% approved for Rajasthan market from April 01, 2026, full impact of commencement of production and sales at UP plant in FY27, higher allocation received for sale of country liquor in Delhi market in FY27 and further scaling up of P&A segment. Improvement in profitability margin will remain key rating monitorable.

Improvement in capital structure and debt coverage indicators in FY26

Overall gearing improved from 0.79x as on March 31, 2025, to 0.66x as on March 31, 2026, considering accretion of profits to reserve and reduction in working capital borrowings (including acceptances) by ~₹65 crore as on March 31, 2026, leading to reduction in debt levels. Reduction in working capital borrowing is attributable to lower raw material cost. Interest coverage and total debt (TD)/PBIDT improved from 3.30x and 5.07x in FY25 to 4.45x and 2.79x in FY26, respectively, considering reduction in debt levels and significant improvement in operating profitability. Net debt/PBILDT has also improved from 4.51x in FY25 to 2.50x in FY26.

In FY26, GSL has strategically refinanced its existing term loans, resulting in reduction in the company's blended reduced interest rate by 50 bps and its annual term debt obligation has reduced from ~₹67 crore earlier to ~₹14 crore in FY27, freeing up ~₹53 crore of cash flows.

GSL's Board of Directors at their meeting dated November 20, 2025, and shareholders in EGM dated December 18, 2025, have approved a proposal to raise upto ₹500 crore from qualified institutional buyers in one or more tranches to repay debt and to fund growing working capital requirement. The management estimates that they would be raising ~₹150 crore under qualified institutional placement (QIP), which is expected to be received by Q2FY27. This would be utilised towards prepayment of term debt in FY27.

Going forward, capital structure and debt coverage indicators are expected to improve given healthy accretion of profits to reserve, absence of debt-funded capex in near-to-medium term and prepayment of term debt through QIP funds.

Key weaknesses

Continuous losses reported in P&A segment despite significant improvement witnessed in last two years

The segment's operational performance witnessed improvement in FY25 and FY26. In FY26, revenue of P&A segment increased by ~27% to ₹164 crore against ₹129 crore in FY25, backed by an increase in sales volume from 0.90 million cases to 1.12 million cases in FY26.

Although operating margin has improved from -62% in FY24 to -16% in FY25, and further to -6% in FY26, owing to increase in scale of operations. However, the segment continues to be loss making.

Input price volatility with limited pricing power

GSL uses grains (maize and rice) as a raw material for its production. Since grains are seasonal products and its production depends on vagaries of nature, price of which may vary depending on production. On the other side, considering limited pricing flexibility for its final product (as most of the liquor market is controlled by government distribution channels), the company's profitability is affected. GSL also has its own storage facility for storing raw material apart from appointing third parties like Cargill and logistics distribution centre (LDC) for storing raw material in godowns of third parties. This ensures continuous availability of maize and also insulate the company from volatility in raw material price.

Highly regulated nature of the alcohol industry

The organised alcohol industry is dominated by a few large players. High taxation and heavy regulation also make the industry dynamics complex. The government levies duties, such as excise duty, sales tax, license fee, state-level import and export duty, bottling fee, welfare levy, assessment fee, franchise fee, turnover tax, and surcharge, among others, which varies across states. There is a ban on all forms of direct and indirect advertising for liquor in the country, leading to market players resorting to surrogate advertising. Industry complexity further lies in different types of distribution models followed across states, such as government-controlled agencies, private distribution system, and auction. Regulations at state levels are prone to frequent changes and are sudden and uncertain. Direction or timing of regulatory changes being difficult to predict, and the industry is vulnerable to such unanticipated changes.

Liquidity: Adequate

Liquidity is adequate marked by gross cash accruals of ₹188.03 crore against debt repayment obligations of ~₹72 crore in FY26 and ~₹18 crore in FY27. The liquidity is supported by free cash and liquid investments of ₹74.47 crore as on March 31, 2026. Average utilisation of fund-based limits for 12 months ended March 2026 stood at ~68% and non-fund-based limits utilisation for nine months ended March 2026 stood at ~52%.

Environment, social, and governance (ESG) risks

CareEdge Ratings believes that GSL's ESG profile supports its strong credit risk profile.

Environmental: The alcohol sector is exposed to environmental risk, primarily due to manufacturing process being waste-intensive.

- GSL has adopted a holistic approach towards Net Zero pollution, and it involves its business and operational impact and strategy.
- Air pollution control through collection, purification, and sale of CO_2. All carbon dioxide generated in fermentation is collected, purified, and sold to buyers including soft drink manufacturers and others, abating air pollution.
- Proper disposal of all effluent related products, such as spent grain and fly ash. Spent Grain is being sold as cattle feed and fly ash/ash disposed-off for land fill or for brick making.
- Water is re-circulated to process with or without treatment, thus there is no discharge of wastewater stream.

Social: GSL also actively promotes the cause of education in the country by promoting education, including special education and employment enhancing vocation skills.

Governance: The company has been practicing principles of fair, ethical, and transparent governance practices over the years and lays strong emphasis on transparency, accountability, honesty, integrity, and ethical behaviour.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast-moving consumer goods	Fast-moving consumer goods	Beverages	Breweries and distilleries

Promoted by Ajay Kumar Swarup of Delhi, GSL is engaged in manufacturing, marketing, and selling branded IMFL, IMIL, and bulk alcohol comprising ethanol and ENA and involved in franchisee bottling to cater to renowned brand owners. GSL operates six fully integrated grain-based distilleries at Behror (Rajasthan), Samalkha (Haryana), Panagarh (West Bengal), Vaishali (Bihar), Baharagora (Jharkhand) and Lakhimpur Kheri (Uttar Pradesh), having a combined capacity of ~335 million litres per annum.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (Abridged)
Total operating income	2,541.57	2,702.74
PBILDT*	154.14	260.61
Profit after tax (PAT)	24.97	94.89
Overall gearing (x)	0.79	0.66
Interest coverage (x)	3.30	4.45

A: Audited; Note: These are latest available financial results.
*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	390.00	CARE A+; Stable
Fund-based - LT-Term Loan	-	-	-	March 31, 2034	238.25	CARE A+; Stable
Fund-based - ST-Bill Discounting/ Bills Purchasing	-	-	-	-	30.00	CARE A1+
Non-fund-based - LT/ ST-BG/LC	-	-	-	-	55.00	CARE A+; Stable / CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based - LT-Cash Credit	LT	390.00	CARE A+; Stable	-	1)CARE A+; Stable (09-Sep-25)	1)CARE A+; Stable (05-Jul-24)	1)CARE A+; Stable (07-Jul-23)
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	55.00	CARE A+; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (09-Sep-25)	1)CARE A+; Stable / CARE A1+ (05-Jul-24)	1)CARE A+; Stable / CARE A1+ (07-Jul-23)
3	Fund-based - LT-Term Loan	LT	238.25	CARE A+; Stable	-	1)CARE A+; Stable (09-Sep-25)	1)CARE A+; Stable (05-Jul-24)	1)CARE A+; Stable (07-Jul-23)
4	Fund-based - ST-Term loan	ST	-	-	-	-	1)Withdrawn (05-Jul-24)	1)CARE A1+ (07-Jul-23)
5	Fund-based - ST-Bill Discounting/ Bills Purchasing	ST	30.00	CARE A1+	-	1)CARE A1+ (09-Sep-25)	-	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities- Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - ST-Bill Discounting/ Bills Purchasing	Simple
4	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the rating notes subsequent to issuance(s), CARE Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

[2] SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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