

November 10, 2025

Globus Spirits Limited: [ICRA]A+ (Stable); assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based - Cash Credit	390.00	[ICRA]A+ (Stable); assigned
Long-term – Fund-based - Term Loans	354.00	[ICRA]A+ (Stable); assigned
Total	744.00	

**Instrument details are provided in Annexure I*

Rationale

The rating assigned for Globus Spirits Limited (GSL) factors in the company's established track record of operations and extensive experience of its promoters of more than four decades in the alcohol beverages (alcobev) industry. Over the years, the company has grown into an integrated alcobev player, with diversified business operations across bulk manufacturing and consumer segments. Under the bulk segment, it manufactures and sells ethanol along with its byproducts, and extra neutral alcohol (ENA) along with franchise bottling. Under the consumer segment, it manufactures and sells country liquor (CL) and Indian-made foreign liquor (IMFL). GSL operates through its integrated manufacturing facilities across six key states, with fungibility between manufacturing ethanol and ENA and proximity to places where raw materials are available, marking operational efficiencies for them. GSL enjoys a healthy presence in the bulk manufacturing segment, supported by long-term offtake agreement with oil marketing companies (OMCs) for ethanol and long established relationships with large alcobev players for franchise bottling of ENA. Additionally, the company has a strong market presence in Rajasthan for CL and Indian-made Indian liquor (IMIL), backed by its key established brands.

GSL's revenues rose at a compounded annual growth rate (CAGR) of 17% from FY2021 to FY2025, aided by steady increase in volumes and realisations across its liquor segments. The company's operating profit margin (OPM) moderated in the past three fiscals on the back of significant volatility in prices of rice, its key raw material, partially induced by the ban imposed by the Food Corporation of India (FCI) on lifting rice from its depots. GSL's bulk alcohol segment profitability was impacted the most during this period. Moreover, the company ventured into the IMFL segment in FY2021, which remains a loss-making business segment for them, also contributing to moderation of OPM. However, losses in the IMFL segment have tapered considerably with scale-up in revenue and increasing brand penetration in recent years. Additionally, correction in raw material prices in recent quarters as FCI resumed sale of surplus rice for ethanol production, along with some premiumisation benefits resulted in an improvement in OPM to 8.2% in Q1 FY2026 from 6% in FY2025. Going forward, ICRA expects the company to continue its growth momentum over the near term, backed by steady improvement in the bulk and CL segment volumes and scale-up of recently launched brands and IMFL business. ICRA notes that the company has been able to secure sizeable contracts for supply of ethanol for the ongoing ethanol supply year and its ability to maintain an optimum capacity utilisation for its bulk alcohol segment will remain a key monitorable.

GSL had been in the process of setting up a greenfield distillery in Uttar Pradesh (UP) with a total project cost of Rs. 160-170 crore, funded by a mix of debt and internal accruals. The proposed unit is expected to be commissioned in November 2025 and is likely to support scale and earnings profile for the company in the coming years. Owing to the debt-funded capex plans and high working capital requirements of the company, the debt levels for GSL increased considerably as on March 31, 2025. This resulted in a moderation of its capital structure and debt coverage metrics. However, with an expected improvement in its earnings and scheduled repayments, the coverage indicators are likely to improve over the near-to-medium term. ICRA notes that GSL operates in a highly regulated and competitive industry, with state-specific policies and presence of several mid-scale and large-scale reputed and regional players. This exposes the company's earnings to any unfavourable policy

changes in the key operating states as well as limits pricing flexibility to an extent. Further, the ratings are constrained by the vulnerability of GSL's profitability to adverse changes in the prices of key raw materials.

The Stable outlook on the long-term rating reflects ICRA's opinion that the company will benefit from its track record in the alcobev industry and the healthy demand outlook. Moreover, foray into new states will augur well for its earnings growth.

Key rating drivers and their description

Credit strengths

Established track record of operations and experienced promoters in the alcobev industry – GSL is promoted by Mr. Ajay Kumar Swarup and family, who have an extensive experience of more than four decades in the alcobev industry. Over the years, the company has established a long track record of operations across its four key alcohol segments of bulk ethanol, bulk ENA (including franchise bottling for large alcobev companies), CL/ IMIL and IMFL wherein it has diversified its presence across various categories of alcohol and price categories.

Healthy presence in bulk manufacturing segment and strong market presence in the country liquor segment – The company has a healthy presence in the bulk manufacturing of ethanol (along with its byproducts) and ENA (along with bottling), which account for 46% and 15% of its revenues as of FY2025, respectively. GSL supplies ethanol to the OMCs with which it shares a long-term offtake arrangement under the ethanol blending programme (EBP) of the Government of India. Under the EBP programme, the company has a fixed offtake with OMCs, providing revenue visibility. Moreover, its established relationships with reputed large players of the alcobev industry such as United Spirits Limited, Bacardi Limited, Radico Khaitan Limited, Diageo India Private Limited, among others, for franchise bottling of ENA, supports operations. The company also utilises its facilities for captive consumption of ENA. Monetisation of ethanol byproducts, the recently commenced corn oil production in West Bengal and utilising a mix of maize, broken rice and FCI rice has resulted in better realisations for the company over the years. Further, GSL has a strong market presence in the CL segment, supported by strong presence in Rajasthan wherein it sells alcohol ranging between Rs. 100 and Rs. 500 per bottle. At present, the company holds a market share of 40-70% in the Rajasthan-made liquor category.

Steady revenue growth – GSL's revenues rose at a compounded annual growth rate (CAGR) of 17% from FY2021 to FY2025, aided by a steady increase in volumes and realisations across the liquor segments. In FY2024 and FY2025, the company recorded a YoY growth of 15% and 5%, respectively, driven by a mix of healthy growth in volumes and improving realisations of the consumer segment. In FY2025, the CL segment grew by 17%, while the IMFL business grew by 186% on a YoY basis, whereas the overall growth in revenue remained steady at 9% on a YoY basis in Q1 FY2026. The company's steady scale-up of CL and IMFL businesses through expanding geographical presence and deepening presence in existing markets are expected to support the growth momentum over the near-to-medium term.

Upcoming unit in Uttar Pradesh to support scale and earnings profile – Since FY2025, the company has been in the process of setting up a greenfield manufacturing unit for manufacturing of ENA (through molasses/grain) in Uttar Pradesh. The total project cost is Rs. 160-170 crore, of which the company incurred Rs. 115 crore in FY2025. Funding of the same is through a mix of debt and internal accruals. The unit is expected to commence operations by the end of November 2025. The company's current capacity of 301 million litres per annum (MLPA) is expected to increase to 335 MLPA, post the commencement of this unit. This is expected to support scale and earnings profile for the company in the coming years. GSL had already commenced bottling operations in Uttar Pradesh in April 2024. This is expected to support the initial scale-up in Uttar Pradesh as the distribution in the state is established.

Credit challenges

Moderate debt coverage metrics – GSL's total debt constitutes of term loans, lease liabilities and working capital debt, and stood at Rs. 767.5 crore as on March 31, 2025, against Rs. 329.0 crore as on March 31, 2024. The sizeable increase was on account of increase in term loans for funding the capex and working capital debt (including vendor financing limits) availed to

meet the elevated working capital requirements of the business. Moreover, the company's operating profits moderated by 100 bps in FY2025 resulting in moderation of its debt coverage metrics, reflected by a Total Debt/OPBITDA of 5.0 times (1.9 times in FY2024) and interest cover of 3.3 times (6.3 times in FY2024). Given that the debt-funded capex will continue in the current fiscal, the debt levels are expected to remain slightly elevated, however, the likely improvement of its operating profits and scheduled repayments are expected to result in a gradual improvement of the metrics, with Total Debt/OPBITDA expected at less than 3.0 times for the next two fiscals.

Vulnerability of profitability to changes in raw material prices – GSL's margins remain exposed to volatility in the raw material prices of grain (broken rice, maize, molasses) for ethanol and glass bottles for ENA and IMFL businesses. Also, given the industry structure of ethanol manufacturing wherein pricing is regulated by the Government, industry players have limited flexibility to pass on the increase in raw material cost to its customers. The grain prices witnessed high volatility over the past three fiscals, leading to moderation of the company's profitability over FY2023-FY2025. Hence, the company's ability to receive commensurate price increase approvals and support its margins, thus, remains crucial.

Intense competition in the highly regulated alcohol beverages industry – The alcobev industry is intensely competitive due to presence of several small and few organised local and global players. Moreover, the industry is highly regulated with state-specific policies for distribution and pricing, making the companies susceptible to any change in the Government policies. Thus, any change in Government policies with respect to production and distribution of liquor or any material change in the taxation norms and state excise duty may impact the industry, and subsequently, the company.

Environmental and social risks

Environmental considerations: Environmental risks for industry players include risks related to discharge of hazardous and pollutant wastes.

Social considerations: GSL is exposed to social risks, including shifts in consumer tastes that can accompany changing demographics, but also evolving regulatory and societal attitudes towards alcohol-containing products, which can affect demand for its products. Further, GSL has high dependence on human capital. Retaining human capital, maintaining healthy employee relationships and a safe work environment remain essential for disruption-free operations.

Liquidity position: Adequate

GSL' liquidity is **adequate**, aided by free cash and bank balances of Rs. 80-90 crore and cushion of Rs. 180 crore in the cash credit limits as of October 2025. The company is expected to generate healthy cash flow from operations of about Rs. 140-150 crore, which along with sanctioned term loans of Rs. 98 crore from ICICI Bank is sufficient to take care of the planned capital expenditure of Rs. 120-130 crore for FY2026 and additional working capital requirements, if any. The company has long-term repayments of Rs. 65-70 crore per annum over the next two fiscals, which can be adequately funded by surplus funds available.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if the company reports a healthy growth in revenue and earnings, supported by growing geographical presence and strengthening brand position, while maintaining an adequate liquidity position. Specific credit metrics that could result in a rating upgrade include Total Debt/OPBDITA below 1.5 times on a sustained basis.

Negative factors – ICRA could downgrade the rating in case of GSL's inability to scale up its revenues and expand its profit margins, or in case any sizeable debt-funded capex and/or a stretch in the working capital cycle leads to a deterioration in its debt protection metrics and liquidity position.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of GSL. Refer to the Annexure-II for the list of entities considered for consolidation.

About the company

Established in 1992, GSL manufactures bulk ethanol and ENA, which are sold to OMCs and large alcohol players of the industry, as well as manufacturing, marketing, selling CL and IMFL to consumers under own brands and franchise bottling. At present, the company has 22 brands in its portfolio across regular, premium, semi-premium and luxury segments, namely, Doaab, Terai, Snoski, Oakton, Brothers & Co., 7th Heaven, GR8 Times, among others. With a total manufacturing capacity of 301 MLPA of ethanol/ENA and a bottling capacity of 18 million cases per annum, GSL operates over five integrated manufacturing facilities in Rajasthan, Haryana, West Bengal, Jharkhand and Bihar. The company is also in the process of expanding its presence in Uttar Pradesh, with which the manufacturing capacity is expected to increase to 335 MLPA. GSL has been promoted by the Swarup family, who have an extensive experience of more than three decades in the industry.

Key financial indicators (audited)

GSL (consolidated)	FY2024	FY2025
Operating income	2,414.8	2,537.3
PAT	96.0	21.9
OPBDIT/OI	7.0%	6.0%
PAT/OI	4.0%	0.9%
Total outside liabilities/Tangible net worth (times)	0.8	1.1
Total debt/OPBDIT (times)	1.9	5.0
Interest coverage (times)	6.3	3.3

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current rating (FY2026)					Chronology of rating history for the past 3 years					
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	FY2025		FY2024		FY2023	
					Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long-term	390.00	Nov 10, 2025	[ICRA]A+ (Stable)	-	-	-	-	-	-
Term Loans	Long-term	354.00	Nov 10, 2025	[ICRA]A+ (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based - Cash Credit	Simple
Long-term – Fund-based - Term Loans	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long-term – Fund-based - Cash Credit	-	-	-	390.00	[ICRA]A+ (Stable)
NA	Long-term – Fund-based - Term Loans	FY2023-FY2025	8.15-9.25%	FY2027-FY2032	354.00	[ICRA]A+ (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Bored Beverages Pvt Limited	51.13%	Full consolidation

Source: Company

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