



## India

May 06, 2025 - 2:13 AM

## ADD (no change)

Consensus ratings\*: Buy 1 Hold 0 Sell 0

Current price:	Rs1,007
Target price:	Rs1,584
Previous target:	Rs1,584
Up/downside:	57.3%
InCred Research / Consensus:	57.3%
Reuters:	GLOS.NS
Bloomberg:	GBSL IN
Market cap:	US\$345m
	Rs29,099m
Average daily turnover:	US\$1.8m
	Rs150.3m
Current shares o/s:	28.8m
Free float:	49.0%

\*Source: Bloomberg

## Key financial forecast

	Mar-25F	Mar-26F	Mar-27F
Net Profit (Rsm)	1,284	3,040	3,993
Core EPS (Rs)	44.57	105.57	138.64
Core EPS Growth	33.1%	136.9%	31.3%
FD Core P/E	22.60	9.54	7.27
Recurring ROE	12.4%	24.4%	25.2%
P/BV (x)	2.64	2.08	1.63
DPS (Rs)			
Dividend Yield	0.18%	0.42%	0.55%



SOURCE: BLOOMBERG

Price performance	1M	3M	12M
Absolute (%)	(4.6)	6.9	29.3
Relative (%)	(11.0)	3.3	18.3

## Major shareholders

	% held
Promoter & Promoter Group	51.0
HSBC AMC	4.0
MIT	3.8

## Research Analyst(s)

Nitin AWASTHI

T (91) 22 4161 1550

E nitin.awasthi@incredresearch.com

## Globus Spirits Ltd

## Spirits to Suds - GSL's big swing into beer

- Carib Premium Strong Beer debuts in Uttar Pradesh (Fig.2) via a lean, asset-light launch — GSL's first step into India's booming premium beer market.
- Backed by Globus Spirits (GSL) and Caribbean giant Ansa McAL, the partnership blends local execution strength with international brand equity.
- With zero beer revenue baked into forecasts and valuation, any traction could provide a meaningful upside to GSL's target price of Rs1,584.

## Beer launch

- **Carib Premium Strong Beer (500ml can) enters commercial production in Uttar Pradesh.**
- Manufactured at **Manav Breweries Pvt. Ltd., Ghaziabad**, through a tie-up for bottling.
- Priced at an **MRP of Rs130 per can**, it is aimed at the premium beer market segment.

## 50-50 joint venture

- The beer is manufactured by Globus Ansa Private Limited or GAPL (a joint venture between Globus Spirits and Ansa McAL).
- The GAPL board has been reconstituted with six directors—three from each joint venture partner.
- Total equity capital of Rs20m has been infused, equally shared between GSL and Ansa McAL.
- Each partner holds 1,00,000 shares of Rs100 each (50% stake each), reinforcing the financial commitment to the venture.

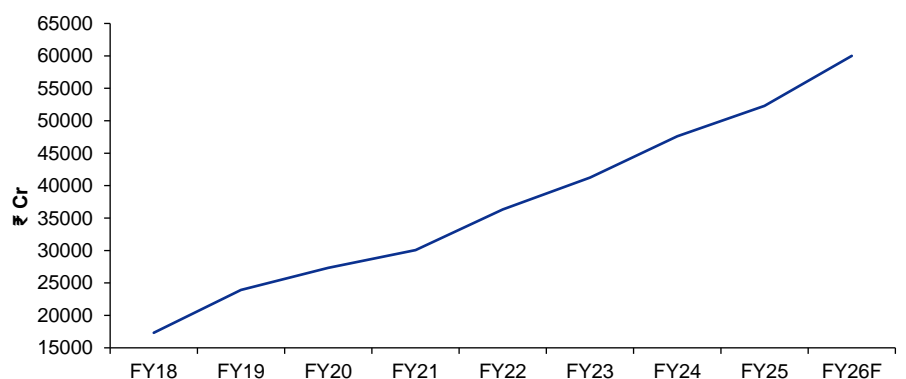
## Joint venture dynamics

- Leveraging Ansa McAL's established Caribbean brand, Carib® offers international brand appeal.
- Could differentiate GAPL's offering from local competitors.
- Use of a tie-up unit for production (Manav Breweries) allows quick market entry with a low capex.
- Enables scalability without immediate investment in greenfield brewing facilities.
- Entry into a high-volume beer market could drive meaningful revenue growth.
- Success in Uttar Pradesh could lead to expansion into other North Indian states.
- The model can be replicated regionally using other contract bottlers to scale operations.

## Valuation and outlook

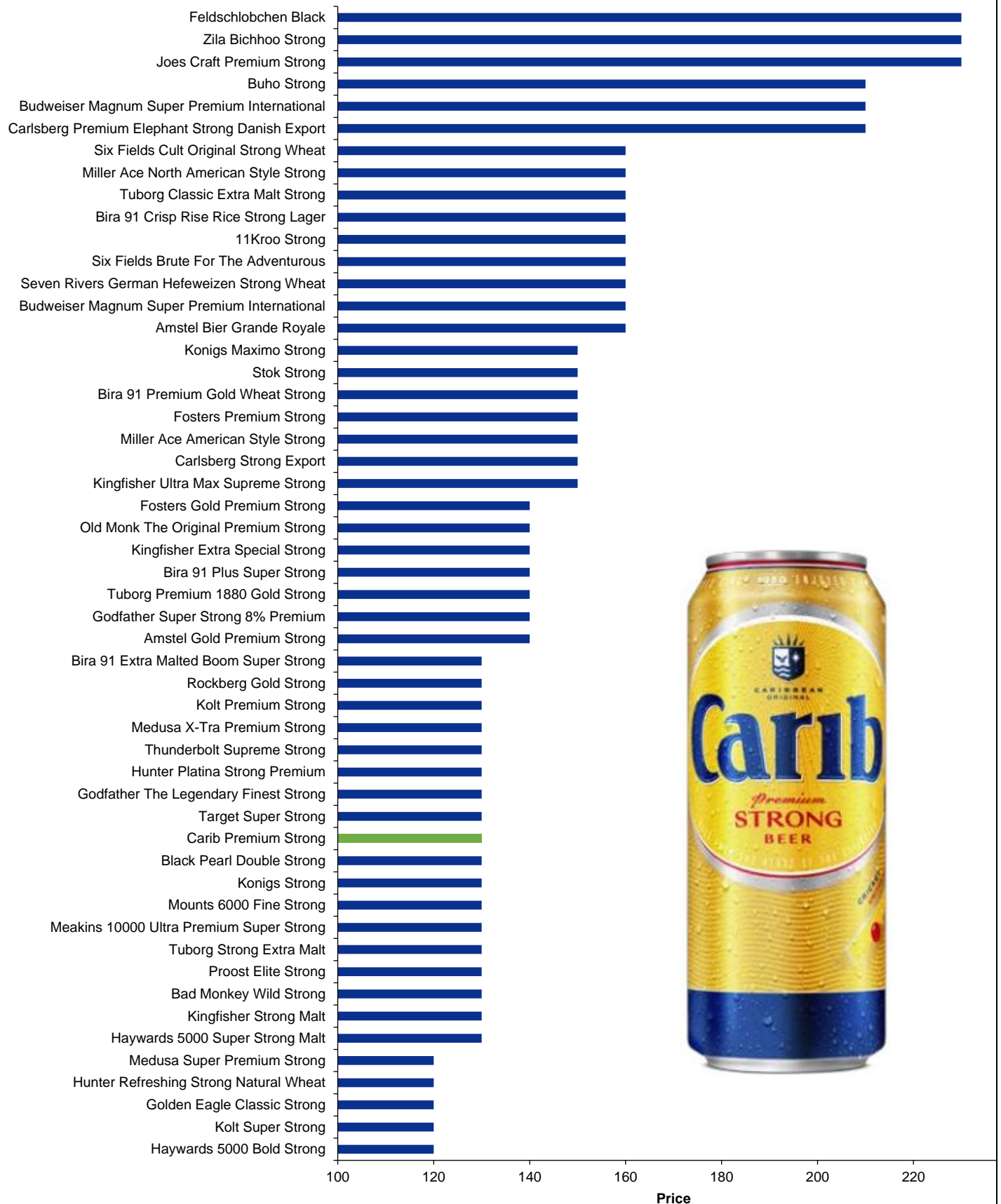
- We have an ADD rating on GSL with a target price of Rs1,584 or 15x FY26F EPS.
- The notable growth in beer consumption and the state's well-established production and distribution infrastructure present a favourable environment for Carib Premium Strong Beer. Leveraging Uttar Pradesh's expanding market and extensive retail network can facilitate rapid market penetration and brand establishment.
- We have not incorporated any business from the beer division as we await management commentary on the same during its 4QFY25 results conference call.

Figure 1: Excise revenue witnesses substantial growth in Uttar Pradesh's liquor market



SOURCE: UTTAR PRADESH GOVERNMENT

**Figure 2: Competitive, yet premium perception, signalling better quality and international branding (Caribbean origin) without alienating value-conscious consumers {500ml can pricing}**



SOURCE: INCRED RESEARCH

### Profit & Loss

(Rs mn)	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>Total Net Revenues</b>	<b>24,147</b>	<b>29,192</b>	<b>34,487</b>	<b>43,643</b>
<b>Gross Profit</b>	<b>7,766</b>	<b>9,797</b>	<b>13,706</b>	<b>17,440</b>
<b>Operating EBITDA</b>	<b>1,698</b>	<b>2,643</b>	<b>4,894</b>	<b>6,234</b>
Depreciation And Amortisation	(656)	(709)	(698)	(761)
<b>Operating EBIT</b>	<b>1,042</b>	<b>1,934</b>	<b>4,196</b>	<b>5,474</b>
Financial Income/(Expense)	(131)	(190)	(87)	(78)
Pretax Income/(Loss) from Assoc.				
Non-Operating Income/(Expense)				
<b>Profit Before Tax (pre-EI)</b>	<b>911</b>	<b>1,744</b>	<b>4,109</b>	<b>5,396</b>
Exceptional Items				
<b>Pre-tax Profit</b>	<b>911</b>	<b>1,744</b>	<b>4,109</b>	<b>5,396</b>
Taxation	53	(460)	(1,068)	(1,403)
Exceptional Income - post-tax				
<b>Profit After Tax</b>	<b>964</b>	<b>1,284</b>	<b>3,040</b>	<b>3,993</b>
Minority Interests				
Preferred Dividends				
FX Gain/(Loss) - post tax				
Other Adjustments - post-tax				
<b>Net Profit</b>	<b>964</b>	<b>1,284</b>	<b>3,040</b>	<b>3,993</b>
Recurring Net Profit	964	1,284	3,040	3,993
<b>Fully Diluted Recurring Net Profit</b>	<b>964</b>	<b>1,284</b>	<b>3,040</b>	<b>3,993</b>

### Balance Sheet

(Rs mn)	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Cash And Equivalents	116	80	1,824	4,553
Total Debtors	2,419	2,924	3,455	4,372
Inventories	1,806	2,184	2,580	3,265
Total Other Current Assets	241	292	345	436
<b>Total Current Assets</b>	<b>4,583</b>	<b>5,480</b>	<b>8,204</b>	<b>12,626</b>
Fixed Assets	10,086	10,877	11,179	11,418
Total Investments				
Intangible Assets	6	6	6	6
Total Other Non-Current Assets	362	438	517	655
<b>Total Non-current Assets</b>	<b>10,454</b>	<b>11,321</b>	<b>11,702</b>	<b>12,079</b>
Short-term Debt	1,443	1,443	1,193	1,193
Current Portion of Long-Term Debt				
Total Creditors	3,158	3,675	4,217	5,155
Other Current Liabilities				
<b>Total Current Liabilities</b>	<b>4,601</b>	<b>5,118</b>	<b>5,410</b>	<b>6,348</b>
Total Long-term Debt	492	492	370	370
Hybrid Debt - Debt Component				
Total Other Non-Current Liabilities				
<b>Total Non-current Liabilities</b>	<b>492</b>	<b>492</b>	<b>370</b>	<b>370</b>
Total Provisions	171	186	203	231
<b>Total Liabilities</b>	<b>5,264</b>	<b>5,796</b>	<b>5,982</b>	<b>6,948</b>
Shareholders Equity	9,773	11,005	13,924	17,757
Minority Interests				
<b>Total Equity</b>	<b>9,773</b>	<b>11,005</b>	<b>13,924</b>	<b>17,757</b>

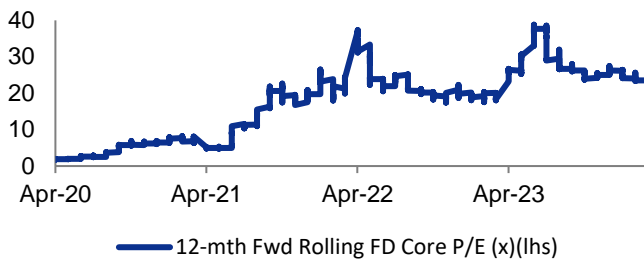
### Cash Flow

(Rs mn)	Mar-24A	Mar-25F	Mar-26F	Mar-27F
EBITDA	1,698	2,643	4,894	6,234
Cash Flow from Invt. & Assoc.				
Change In Working Capital	1,803	(477)	(500)	(865)
(Incr)/Decr in Total Provisions				
Other Non-Cash (Income)/Expense				
Other Operating Cashflow				
Net Interest (Paid)/Received	61	40	28	
Tax Paid	53	(460)	(1,068)	(1,403)
<b>Cashflow From Operations</b>	<b>3,615</b>	<b>1,746</b>	<b>3,353</b>	<b>3,966</b>
Capex	(1,499)	(1,500)	(1,000)	(1,000)
Disposals Of FAs/subsidiaries				
Acq. Of Subsidiaries/investments				
Other Investing Cashflow				
<b>Cash Flow From Investing</b>	<b>(1,499)</b>	<b>(1,500)</b>	<b>(1,000)</b>	<b>(1,000)</b>
Debt Raised/(repaid)	(817)		(373)	
Proceeds From Issue Of Shares				
Shares Repurchased				
Dividends Paid	58	51	122	160
Preferred Dividends				
Other Financing Cashflow	(2,368)	(228)	(460)	(78)
<b>Cash Flow From Financing</b>	<b>(3,127)</b>	<b>(177)</b>	<b>(712)</b>	<b>82</b>
Total Cash Generated	(1,011)	69	1,642	3,048
<b>Free Cashflow To Equity</b>	<b>1,299</b>	<b>246</b>	<b>1,981</b>	<b>2,966</b>
<b>Free Cashflow To Firm</b>	<b>2,116</b>	<b>246</b>	<b>2,353</b>	<b>2,966</b>

### Key Ratios

	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue Growth	14.5%	20.9%	18.1%	26.5%
Operating EBITDA Growth	(30.9%)	55.7%	85.2%	27.4%
Operating EBITDA Margin	7.0%	9.1%	14.2%	14.3%
Net Cash Per Share (Rs)	(63.17)	(64.41)	9.09	103.83
BVPS (Rs)	339.35	382.14	483.48	616.58
Gross Interest Cover	3.92	8.48	47.99	70.08
Effective Tax Rate		26.4%	26.0%	26.0%
Net Dividend Payout Ratio	6.0%	4.0%	4.0%	4.0%
Accounts Receivables Days	34.25	33.41	33.76	32.73
Inventory Days	37.71	37.55	41.84	40.71
Accounts Payables Days	51.62	51.41	57.28	55.74
ROIC (%)	8.2%	16.4%	32.2%	39.5%
ROCE (%)	10.0%	15.9%	29.3%	31.3%
Return On Average Assets	7.1%	9.3%	17.0%	18.3%

### 12-mth Fwd Rolling FD Core P/E (x)



SOURCE: INCRED RESEARCH, COMPANY REPORTS

## DISCLAIMER

This report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by Incred Research Services Private Ltd. (formerly known as Earnest Innovation Partners Private Limited) (hereinafter referred to as "IRSPL"). IRSPL is registered with SEBI as a Research Analyst vide Registration No. INH000011024. Pursuant to a trademark agreement, IRSPL has adopted "Incred Equities" as its trademark for use in this report.

The term "IRSPL" shall, unless the context otherwise requires, mean IRSPL and its affiliates, subsidiaries and related companies. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject IRSPL and its affiliates/group companies to registration or licensing requirements within such jurisdictions.

This report is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of IRSPL.

The information contained in this report is prepared from data believed to be correct and reliable at the time of issue of this report.

IRSPL is not required to issue regular reports on the subject matter of this report at any frequency and it may cease to do so or change the periodicity of reports at any time. IRSPL is not under any obligation to update this report in the event of a material change to the information contained in this report. IRSPL has not any and will not accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant; (ii) ensure that the content of this report constitutes all the information a prospective investor may require; (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, IRSPL and its affiliates/group companies (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research. While every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of IRSPL and its affiliates/group companies to any person to buy or sell any investments.

The opinions expressed are based on information which is believed to be accurate and complete and obtained through reliable public or other non-confidential sources at the time made (information barriers and other arrangements may be established, where necessary, to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations. In reviewing this report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request. The report is not a "prospectus" as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

IRSPL may have issued other reports (based on technical analysis, event specific, short-term views, etc.) that are inconsistent with and reach a different conclusion from the information presented in this report.

Holding of Analysts/Relatives of Analysts, IRSPL and Associates of IRSPL in the covered securities, as on the date of publishing of this report

Research Analyst or his/her relative(s) or InCred Research Services Private Limited or our associate may have any financial interest in the subject company.

Research Analyst or his/her relatives or InCred Research Services Limited or our associates may have actual or beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the Research Report.

Research Analyst or his/her relative or InCred Research Services Private Limited or our associate entities may have any other material conflict of interest at the time of publication of the Research Report.

In the past 12 months, IRSPL or any of its associates may have:

- a) Received any compensation/other benefits from the subject company,
- b) Managed or co-managed public offering of securities for the subject company,
- c) Received compensation for investment banking or merchant banking or brokerage services from the subject company,
- d) Received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company

We or our associates may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.

Research Analyst may have served as director, officer, or employee in the subject company.

We or our research analyst may engage in market-making activity of the subject company.

#### **Analyst declaration**

- The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously in an unbiased manner.
- No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report or based on any specific investment banking transaction.
- The analyst(s) has(have) not had any serious disciplinary action taken against him/her(them).
- The analyst, strategist, or economist does not have any material conflict of interest at the time of publication of this report.
- The analyst(s) has(have) received compensation based upon various factors, including quality, accuracy and value of research, overall firm performance, client feedback and competitive factors.

IRSPL and/or its affiliates and/or its Directors/employees may own or have positions in securities of the company(ies) covered in this report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities.

IRSPL and/or its affiliates and/or its Directors/employees may do and seek to do business with the company(ies) covered in this research report and may from time to time (a) buy/sell the securities covered in this report, from time to time and/or (b) act as market maker or have assumed an underwriting commitment in securities of such company(ies), and/or (c) may sell them to or buy them from customers on a principal basis and/or (d) may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) and/or (e) solicit such investment, advisory or other services from any entity mentioned in this report and/or (f) act as a lender/borrower to such company and may earn brokerage or other compensation. However, Analysts are forbidden to acquire, on their own account or hold securities (physical or uncertificated, including derivatives) of companies in respect of which they are compiling and producing financial recommendations or in the result of which they play a key part.

Registration granted by SEBI, membership of a SEBI recognized supervisory body (if any) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

---

#### **InCred Research Services Private Limited**

##### **Research Analyst SEBI Registration Number: INH000011024**

Registered Office: Unit No 1203, 12th Floor, B Wing, The Capital, C-70, G Block, BKC, Bandra (E), Mumbai – 400051

Phone: +91-22-6844-6100

Corporate Office: 05<sup>th</sup> floor, Laxmi Towers, Plot No. C-25, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400051

Phone: +91-22-4161-1500

Name of the Compliance Officer: Mr. Yogesh Kadam

Email ID: compliance@incredresearch.com, Phone No: +91-22-41611539

For any queries or grievances, you may contact the Grievance Officer.

Name of the Grievance Officer: Mr. Rajarshi Maitra

Phone no. +91-022-41611546

Email ID: rajarshi.maitra@incredresearch.com

CIN: U74999MH2016PTC287535

## Recommendation Framework

### Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

### Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

### Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.