

## Former USL chief, Globus ink JV for premium drinks

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BENGALURU: Former United Spirits MD Vijay Rekhi has struck a joint venture with India's largest bulk alcohol producer Globus Spirits to tap the premium drinks market, dominated by French giant Pernod Ricard and Diageo, which now controls USL.

Called Unibev, the JV — in which Rekhi will have a 10% personal stake — is in the midst of rolling out premium whiskies and brandys competing with the two industry leaders mentioned earlier. The Mumbai-listed Globus, which is fully funding the venture initially, is riding on one of the longest-serving industry honchos to tap the heavily consolidated premium drinks market.

Globus, founded by Ajay Swarup, is the country's biggest grain-based distiller and also a bottler to brand owners. The JV marks Swarup's entry into the deluxe and premium segments of the liquor market.

Shares of Globus, which owns 90% in Unibev, closed marginally down at Rs 133 in a flat Mumbai market on Wednesday. The new entity is in the midst of rolling out two whiskies — Oakton and Governors Reserve — competing with Pernod Ricard's Blender's Pride and USL's Royal Challenge, respectively.

Rekhi told TOI, "We will be focused on profitable markets and the highest throughput outlets in those markets. We see an opportunity to break into premium segments that are carved up between just two companies at present." Building new brands in India's media-dark and heavily regulated liquor industry is a tough act.

The JV is starting operations in southern markets like Karnataka, Andhra and Telangana and will move into NCR subsequently. It has launched premium brandy L'Affaire in Puducherry, competing against Morpheus from Radico Khaitan.

The country's branded liquor sales (excluding country liquor) is estimated at about 330 million cases (of 9 litres each). Domestic whiskies alone account for about 200 million cases, making it one of the largest markets for the flavour globally.