



Pincon Spirit Limited

Corporate Presentation

December - 2016

Disclaimer - Pictures are only for depiction of product portfolio and not advertising purpose



Disclaimer

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. Pincon Spirit Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.





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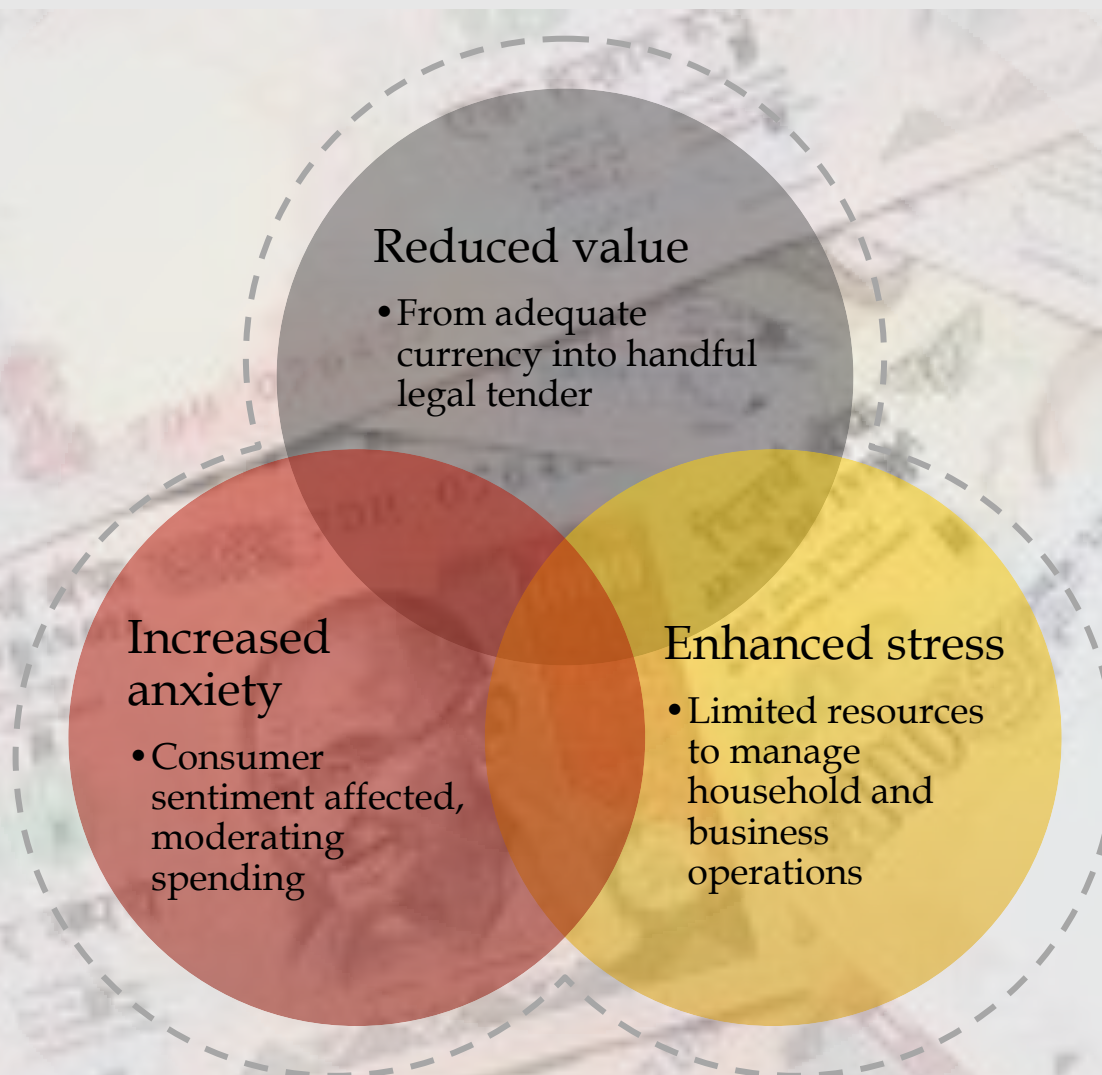


MINIMAL DEMONETIZATION IMPACT





Demonetization...and Its Impact



The common perception: reduced discretionary spending



Demonetization... and Its Impact

6

Business space:

- Alcohol relaxes and de-stresses; ideal good market and bad market product

Demonetization-plus:

- Rs 100 (continuing legal tender) currency largely used for our products

Customer niche:

- Most Pincon customers enjoy adequate volumes of Rs 100 currency note

BUSINESS OVERVIEW





Snapshot

Pincon Spirit (Pincon) is one of the fastest growing liquor companies in India – revenue grew over 22X in last seven years from Rs. 43 Cr in FY09 to Rs. 988 Cr in FY16

Background

Transformed from a wholesale distributor of traded IMFL brands to a branded IMFL and IMIL player, Pincon also refines, bottles and distributes edible oils in the FMCG segment

Business Model

Robust business model with presence across Blending, Bottling, Branding, Wholesale Distribution and Retail outlets

Dominant IMIL player

Transformed to one of the largest IMIL players in the country and a leading player in West Bengal

Growing Presence

Along with West Bengal, fast growing footprint in Karnataka, Assam, Arunachal Pradesh, Tripura, Odisha, Jharkhand & Uttarkhand



Key Milestones

**As per survey of the West Bengal Bonders & Manufactures association*

- Present management takes over Sarang Viniyog Ltd, presently "Pincon Spirit Limited"
- Launched Wholesale Distribution business of IMFL products of all major reputed Brands in West Bengal

- Entered into Bottling Tie-up arrangement with bottling units outside West Bengal for launching own Brands of IMFL
- Launched "Pincon No. 1 Whisky"
- "Pincon XXX Matured Rum" emerged as the third largest brand in Rum Segment in West Bengal*
- Crossed Turnover of Rs. 100 Crore mark

- Launched first Owned Brand in IMFL i.e. "Pincon XXX Matured Rum"
- Crossed Turnover of Rs. 50 Cr

- Expanded Whisky and Rum portfolio
- Launched "Pincon King's Coin 50 "Vodka, Rum, Whisky" Crossed
- Crossed Turnover of Rs. 240 Cr

2005-09

2010

2011

2012



Key Milestones

**As per survey of the West Bengal Bonders & Manufactures association*

- Setup office at Bengaluru for expansion in South India
- Launched own Brand of IMFL in Karnataka
- Entered the IMIL segment by launching “Pincon Bangla No.1” in West Bengal
- Listing of Equity Shares in BSE on November 14, 2014

- Launched “Highland Blue Whisky” in Mid Premium Segment
- Launched “Pincon Ruby Gold XO Brandy”
- Introduced FMCG – Edible Oil Division
- Crossed Turnover of Rs. 300 Cr

- Launched “Odisha Choice Whiskey” in Odisha in Economy Segment
- Launched “Ultra Force XXX Jamaican Rum” in Premium Segment
- Launched “Pincon Ruby Gold Gin Orange Flavoured” in Regular Segment
- Crossed Turnover of Rs. 600 Cr & Net Profit Rs. 10 Cr

- Catapults to one of the largest IMIL player in India
- Acquired two manufacturing units in West Bengal –alongwith two of the highest-selling IMIL brands, Bengal Tiger (< 20 years old and Uddan (<15 years old)
- Acquired the IMIL bottling unit of National Industrial Corporation Ltd., (NICOLS) at Asansol
- Total Revenue at Rs. 988 Cr, higher by 43% yoy

2013

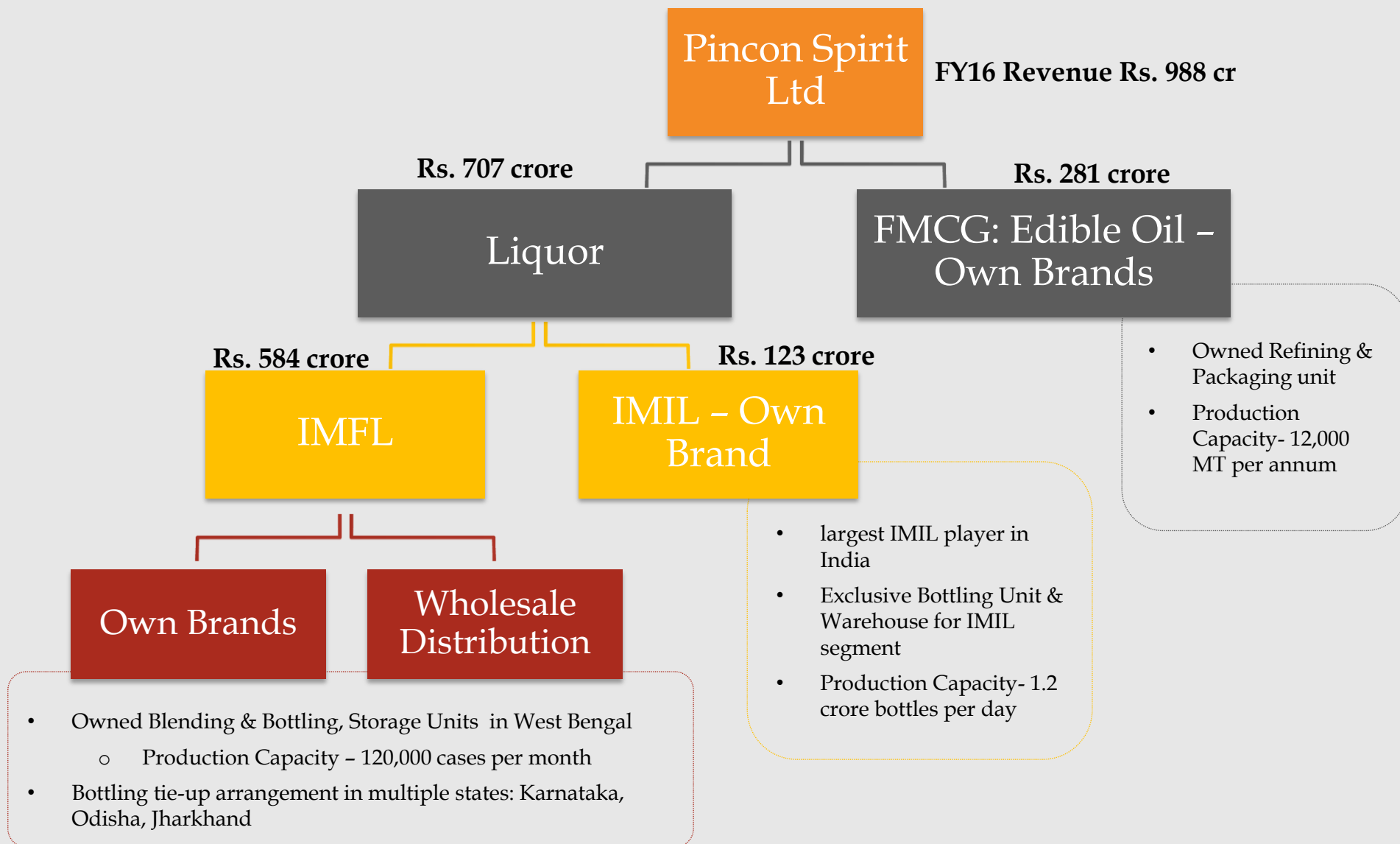
2014

2015

2016



Business Segments





Brands

IMFL

HIGHLAND Blue Whiskey
PINCON No. 1 Select Whiskey
PINCON King's Coin 50° Whiskey
ODISHA Choice Whiskey
ULTRA FORCE XXX Jamaican Rum
PINCON XXX Matured Rum
PINCON King's Coin 50° Rum
PINCON Perfect Grain Vodka
PINCON King's Coin 50° Vodka
PINCON Ruby Gold XO Brandy
PINCON Ruby Gold Gin Orange Flavor

IMIL

PINCON Bangla No 1.
PINCON Bengal Tiger
PINCON Uddan

FMCG

Pincon Premium Mustard Oil
Pincon Premium Soya Oil
Pincon Vegetable Oil
King's Coin Star Mustard Oil
King's Coin Mustard Oil
King's Coin Soya Oil

BRANDS

Pincon has 11 in house brands in IMFL, 3 brands in the IMIL space and 2 brands in the FMCG space

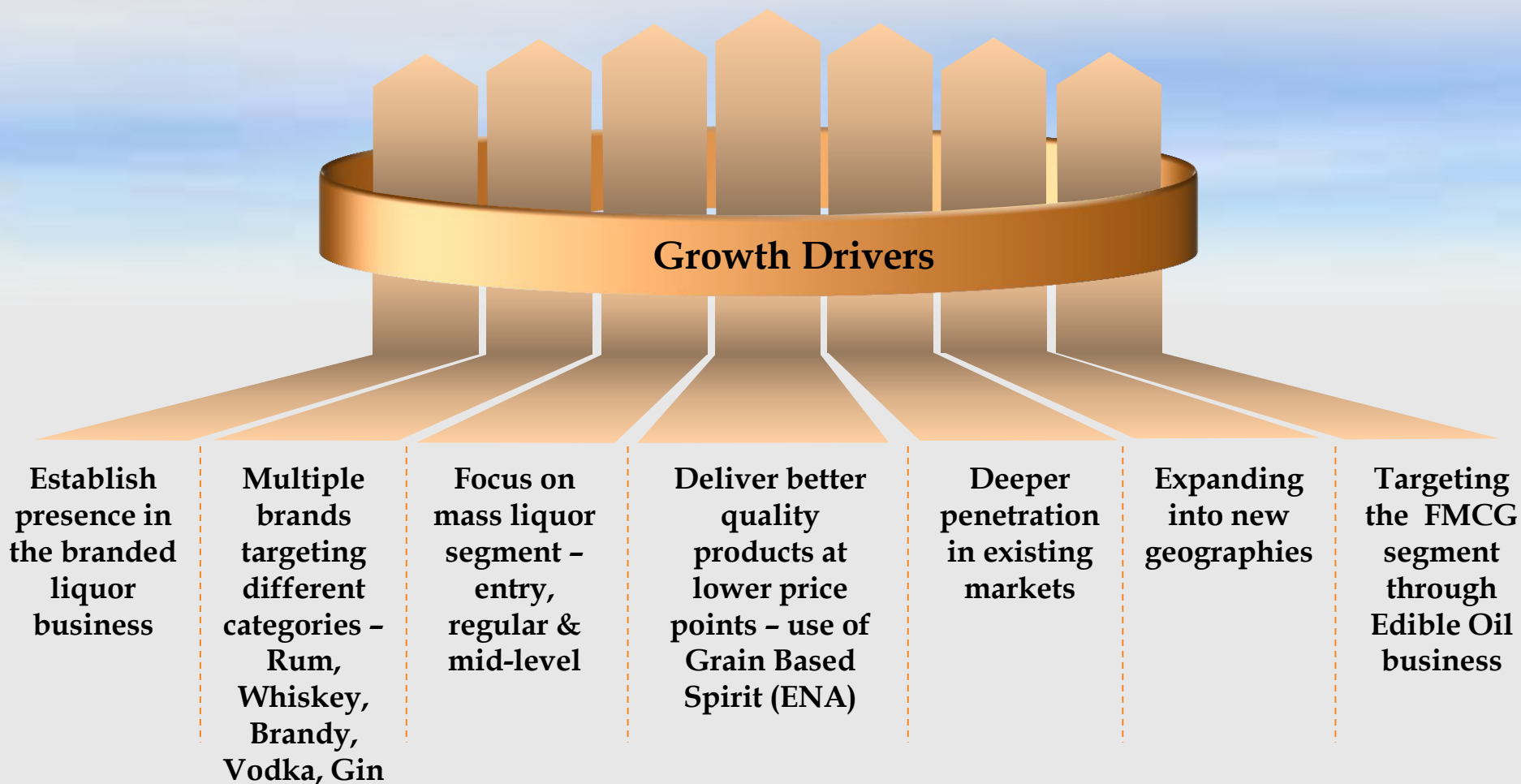


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Business Strategy

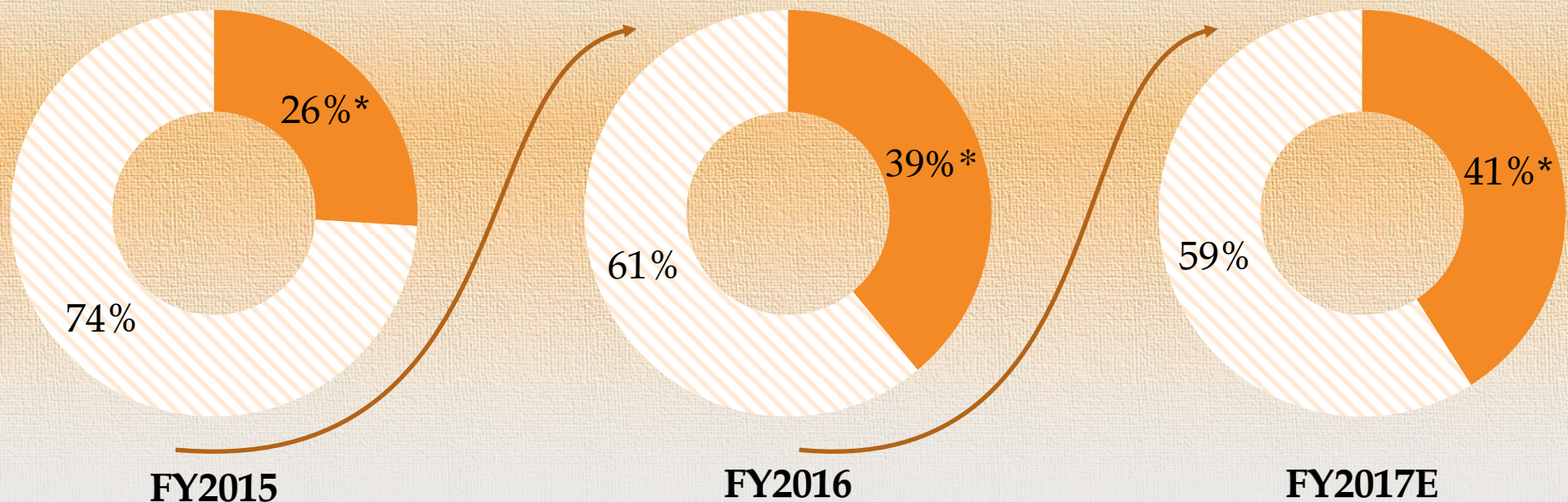
Targeting Robust growth in Branded Portfolio





Focus on Branded Portfolio

Contribution to revenues from Branded Spirit Portfolio to rise significantly

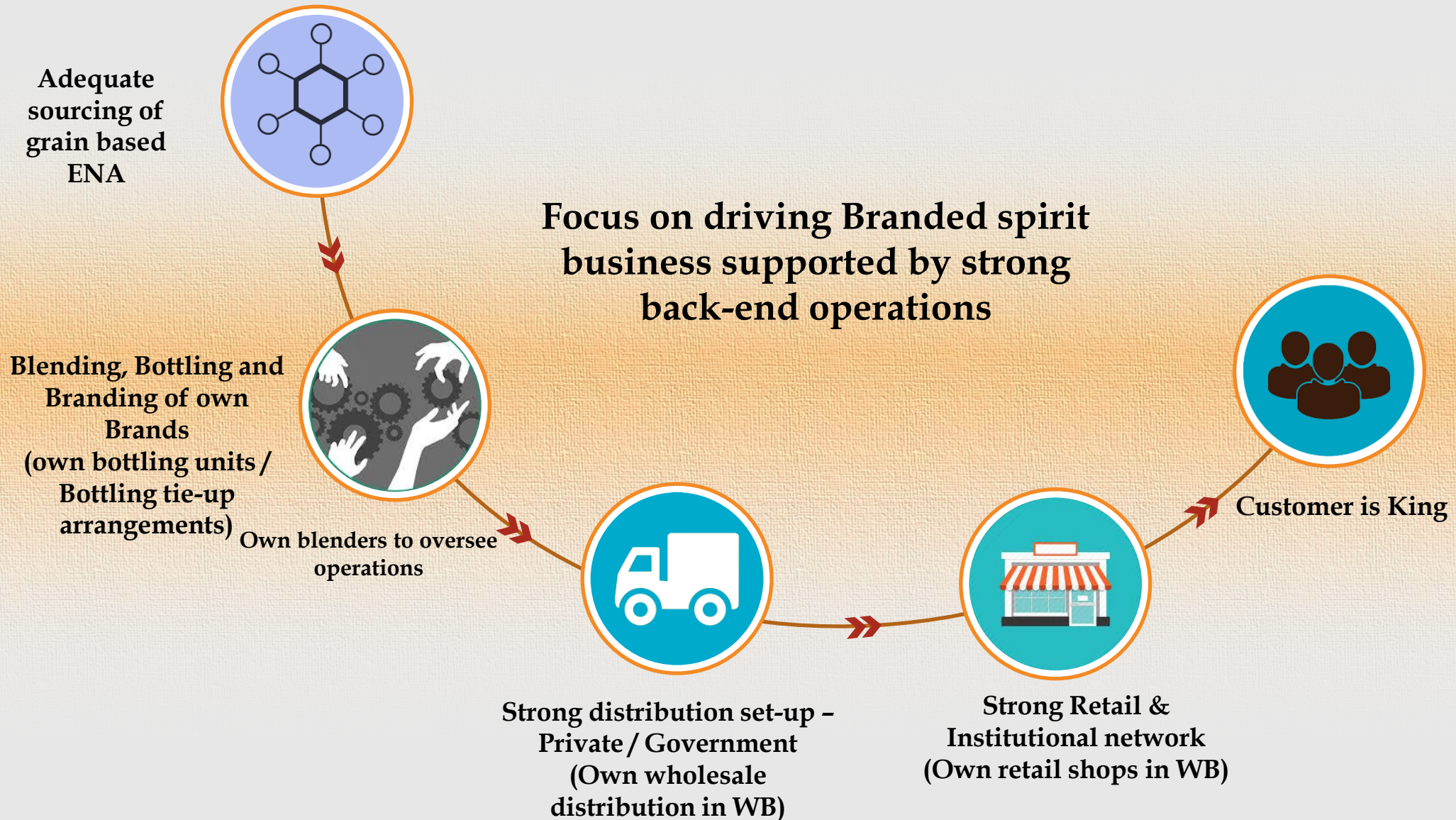


Entered Branded IMFL in 2010

* As a % of total revenue

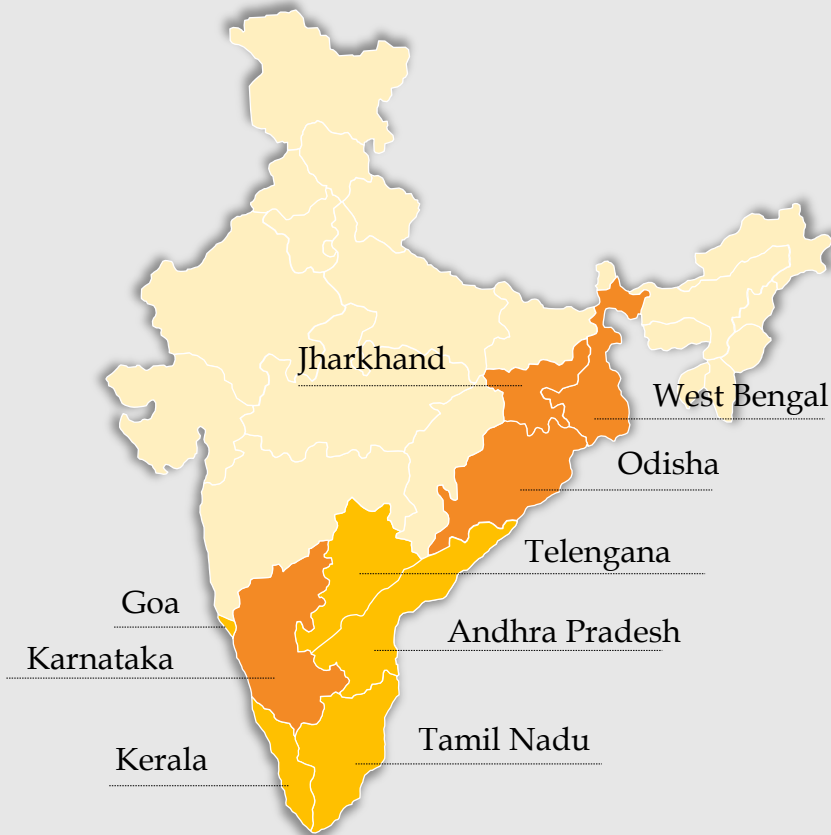


Robust Business Model





Expanding Multi-State Presence



■ Active presence ■ Target market

Successfully penetrated the Southern market by entering Karnataka with the launch of own IMFL Brand

Established a corporate office in Bengaluru for further expansion of South India Operations

- Along with increase in market share in Karnataka, it is planning to expand operations into Andhra Pradesh, Goa, Telangana and Tamil Nadu

Also evaluating entering into North India - New Delhi and Chhattisgarh

Moving towards establishing a Pan India presence



Board Of Directors

Mr. Monoranjan Roy **(Chairman & Managing Director)**

- A young entrepreneur, aged 40 years, with successful business experience of over 16 years. He has been able to steer the Company to become one of the fastest growing corporates in India.
- Apart from being honoured by the “Excellence Award” as the Entrepreneur of the year 2011 by “Institute of Economic Studies”, he has recently been winner under “Outstanding Entrepreneur Category”, conferred by 6th Annual Asia Pacific Entrepreneurship Awards (APEA) India 2015, Asia’s one of the most prestigious awards.

Mr. Arup Thakur **(Director & CFO)**

- Mr. Thakur, aged 51 years, has experience of more than two decades in Accounts, Audit, Finance, Investments & various industrial development activity. His vast experience has contributed immensely to the fast growth of the Company.

Mr. Subrata Basu **(Director- Operations)**

- Mr. Basu, aged 47 years, has almost two decades of banking experience at senior level in reputed public & private sector bank, which has enriched the company in scaling new heights in financial representations.

Mr. JBS Negi (Retd. IPS) **(Independent Director)**

- Mr. Negi is a retired IPS officer. His presence in the Board and his guidance has enabled the company in expanding business at a fast pace.

Ms. Mou Roy **(Independent Women Director)**

- Ms. Mou Roy is Practicing Advocate in Kolkata. Her rich experience and knowledge in Legal matters, has helped the Company in various compliance related aspects.

Mr. Abhijit Datta **(Independent Director)**

- Mr. Datta is the retired Deputy Managing Director of State bank of India. During his long professional career with the bank he headed various department in the Banks like, Capital Markets structured Finance, Treasury, Credit Compliance, Resolving Stress Assets, Etc.



Key Managerial Team

Mr. Kaushik Chatterjee (Chief Executive Officer)

- Mr. Kaushik Chatterjee has over 33 years experience in FMCG & Alcoholic Beverages industry. He started his career with Nestle India Ltd (FMCG) and moved up in the line of management.
- Mr. Chatterjee, an Ex C.O.O & Executive Vice President – R.P.C. East United Breweries Ltd. & United Spirit Ltd., has vast exposure in Indian & International Alcoholic Beverages market. He has been engaged with organizations like Pernod Ricard India (p) Ltd, Gillette India Ltd, Mason & Summers Alcobev Private Ltd., Shaw Wallace & Co. etc.

Mr. Arun Kumar Ganeriwala (Sr. Vice President, Corporate Finance)

- Mr. Ganeriwala is a seasoned professional in the Indian Capital Markets since past 25 years and has several laudable and credible achievements during his long stint in the capital markets.

Mr. Kuntal Chatterjee (Chief Operating Officer – IMFL Division)

- Mr. Chatterjee is a Hons. Graduate in Commerce & MBA, is a well-known figure in the IMFL industry in Eastern India, having rich experience of more than two decades in the liquor industry.

Mr. Sajal Chakraborty (Chief Operating Officer – IMIL Division)

- Mr. Chakraborty, ex – General Manager of BDA is having 30 years of exposure in the liquor industry. A well-known personality for brand building in liquor industry.

Mr. Dhiman Saha (Chief Commercial Officer)

- Mr. Saha, a Mechanical Engineer from B.I.T. Meshra, Ranchi, having 30 years of experience in liquor manufactory & commercial production as Technical adviser.



Key Managerial Team

Mr. Ashoke Kumar Bose (Chief Chemist & Blender)

- Mr. Bose is an M.Sc in Organic Chemistry and a Certified Quality Manager from Quimpro, Mumbai. He had been trained in Scotland for Scotch Whisky maturation, blending and preparation etc. As the Chief Chemist & Blender, he supports the Company technically to maintain quality.

Mr. Iqbal Ahmed (Sales Head - IMIL Division)

- Mr. Ahmed has been appointed as State Head (IMIL) and will be managing the Indian Made Indian Liquor (IMIL) Business of the Company. He has more than two decades of experience and specialization in IMIL segment.

Mr. Himangshu Sen (General Manager - FMCG Division)

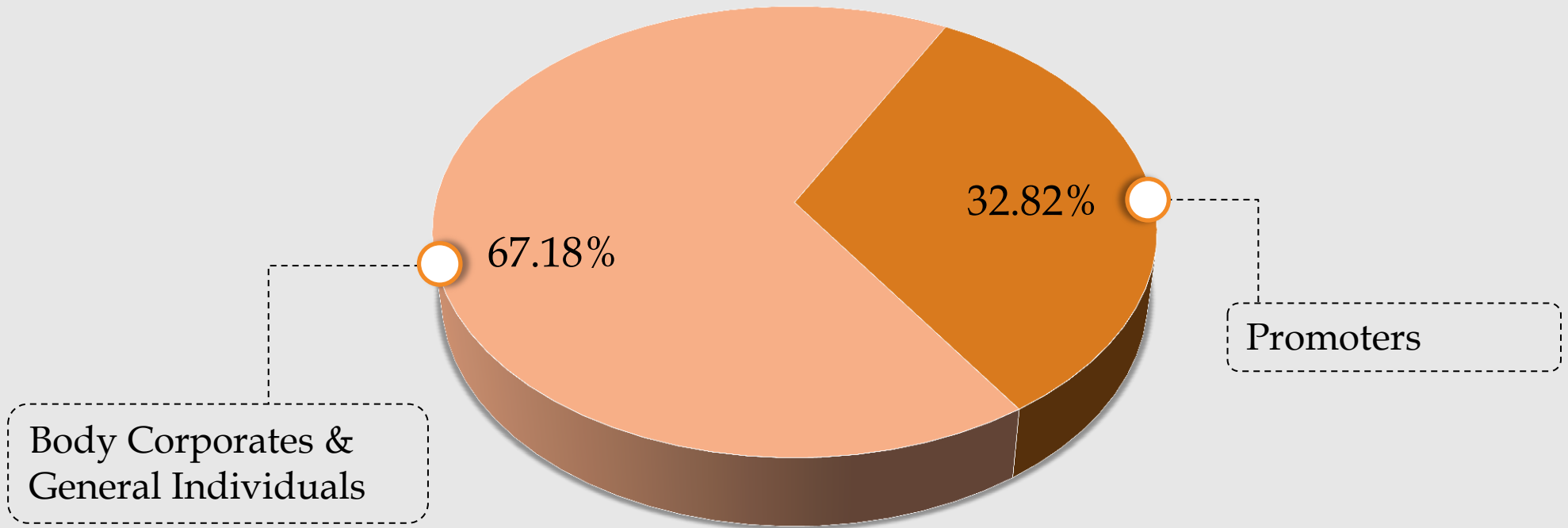
- Mr. Sen, a graduate in commerce, has rich experience of more than two decades in the industry. He has a wide spread contact from the grass root level, which is much instrumental in rapid growth in FMCG Division of the Company.

Ms. Sarmistha Chatterjee (Vice President - Admin & HR)

- Ms. Chatterjee is a post-graduate in English with almost a decade of experience in HR & Administration matters. She Heads- HR & Admin department of the Company.



Shareholding Pattern



As on 30th September 2016

BUSINESS SEGMENTS





Recent Highlights

IMFL Segment

- Recently undertook 25% average price revision in its Entry Level portfolio “Pincon Kings Coin Supreme” in Rum, Whisky and Vodka segments
- Plan to launch a regular segment prestige whiskey under the brand “Bankers Choice” – to further enhance portfolio offerings

IMIL Segment

- Leading IMIL player in West Bengal –production capacity of 1.2 crore bottles per month post recent acquisitions
- Recently increased the price of its popular brands - Pincon Bangla No. 1, Pincon Super Bangla No. 1, Pincon Bangla No. 1 Gold, Pincon Bangla No. 1 Orange – post Approval from the WB Excise Dept

Acquisition of Bacchus Enterprises Limited

- Pincon signed an MOU for acquiring Bacchus Enterprises Ltd., an IMIL and IMFL player based in Ludhiana, Punjab to expand presence and enter new geographies
- Additional production capacity of 20 lakh IMIL bottles and 100,000 IMFL cases per month as the Company continues to add market share in a regulated industry



IMFL Segment



- 11 Brands across 5 categories - Rum, Whisky, Vodka, Brandy & Gin
- Focus on Entry Level and Regular Liquor segment
 - Entry level: Kings Coin
 - Regular: Pincon, Highland Blue Whisky, Ultra Force, Ruby Gold
- Active presence in West Bengal, Karnataka, Odisha & Jharkhand
- Grain Based Spirit (ENA) products enabled brands to penetrate markets - positive consumer response to taste
- Wholesale Distributor of traded brands in West Bengal





IMFL Segment

- Revenues grew by more than 60% in FY16
- Strengthened 'route to market' capabilities—right product at the right place.
- Launched Ruby Gold Gin, which was well received by customers

Highlights, 2015-16

Agenda for 2016-17

- Increase presence of core brands (Highland Blue Whisky, Pincon No.1 Select Whisky and Ultra Force XXX Jamaican Rum) in Karnataka
- Widen and deepen the distribution network. Expand the Pincon portfolio
- Plan to launch a regular segment prestige whiskey under the brand "Bankers Choice"

IMIL Segment



- Successfully positioned itself as one of the major IMIL brands within a span of 12 months of launch in West Bengal
- Grain Based ENA in blending of Liquor leading to superior product quality - driving significant demand for the brand
- Effectively utilized PET bottles in the segment to enhance packaging, quality and product attractiveness to drive sales
- Acquired bottling unit at Asansol, West Bengal, to further augment sale volumes
- Acquired two manufacturing units in West Bengal -along with two of the highest-selling IMIL brands, Bengal Tiger and Uddan





IMIL Segment

- The Company began blending and bottling liquor under the IMIL segment in FY16
- Acquired, manufacturing unit from NICOLS (capacity of 20 lakh bottles per month), enabling the Company to establish its footprint in the coal mining belt of West Bengal, a large IMIL market
- Acquired two manufacturing units at Dankuni and Barahanagar in West Bengal – also added two of the highest-selling IMIL brands, Bengal Tiger (< 20 years old and Uddan (<15 years old)
- Introduced an orange-flavoured variant of Bangla No. 1 in December 2015

Highlights, 2015-16

Agenda for 2016-17

- Plan to introduce four flavored variants under the Bangla No. 1 brand
- Extend product availability of newly-acquired brands across Bengal
- Working on stronger presence in North Bengal through Organic and Inorganic initiatives
- Assist the State Government to counter the sale of unlicensed country liquor by introducing an alcohol variants

FMCG Segment – Branded Edible Oil



- Established edible oil segment under Pincon and King's Coin brands in 2013
- Present in West Bengal and North Eastern states of India
- Variety of products, prudent marketing strategy and strong distribution network has enabled the Company's edible oil brands to successfully enhance presence and brand recognition in the market





FMCG Segment – Branded Edible Oil

- Achieved 55% growth in revenues to Rs. 281 crore in this segment
- Revenue growth was largely led by competitive pricing aiding volume enhancement
- Pincon leveraged its expertise in the distribution of liquor products in the realm of edible oils
- The Company focused on consolidating its edible oils business in West Bengal.

Highlights, 2015-16

Agenda for 2016-17

- The Company plans to further consolidate its presence in West Bengal.
- The brand recall from the liquor business is expected to boost sales of its edible oils

INDUSTRY OVERVIEW





IMFL & IMIL Sector

High Entry Barrier

- Entry barriers are extremely high for new players as no direct advertisements are allowed
- Significant regulatory restrictions

Robust Prospects

- Indian Spirits Industry is the second largest market globally and accounted for approximately 11% of global volumes in CY2013 (Euromonitor)
- Indian Spirits market has grown at a CAGR of 11.50% over the last 5 years
- During fiscal 2013- 14 the Indian branded spirits industry was around 334 million cases in total volumes

Growth Drivers

- Large and growing population of youth coming of legal drinking age will only improve the business prospects for PSL
 - Of the Indian population of 1.24 billion, half is supposed to be less than 25-30 years of age.
- With improving lifestyles, increasing incomes, urbanization and changes in social outlook, the growth of the Indian spirits market can only accelerate

Key Risk & Mitigation

- The liquor industry is suffering from over-taxation and over-regulation, which has impeded the profitability even in the face of continuing growth in demand for liquor products

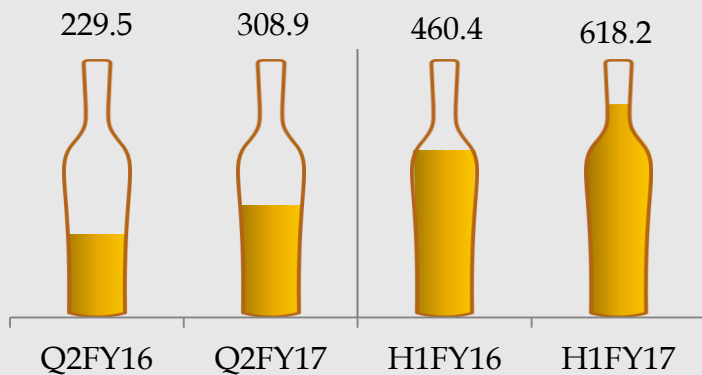
FINANCIAL OVERVIEW



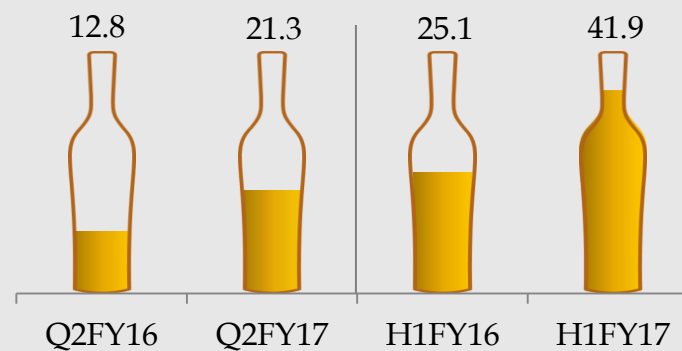


Financial Synopsis

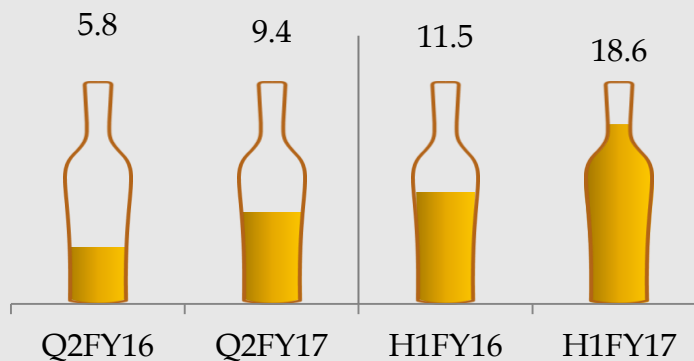
Net Sales (Rs. Cr)



EBITDA (Rs. Cr)



PAT (Rs. Cr)

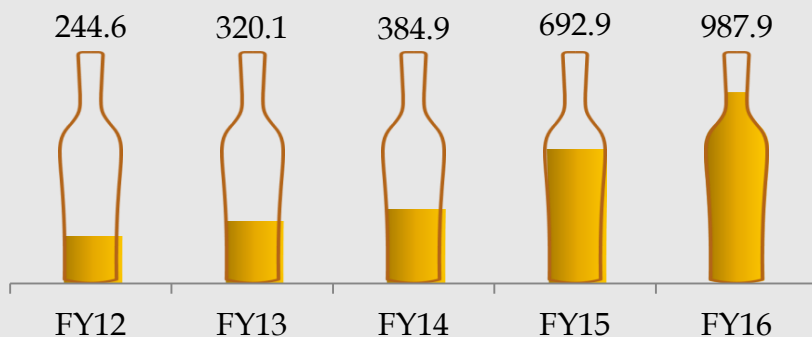




Financial Synopsis – Consolidated

Net Sales (Rs. Cr)

CAGR: 41.76%



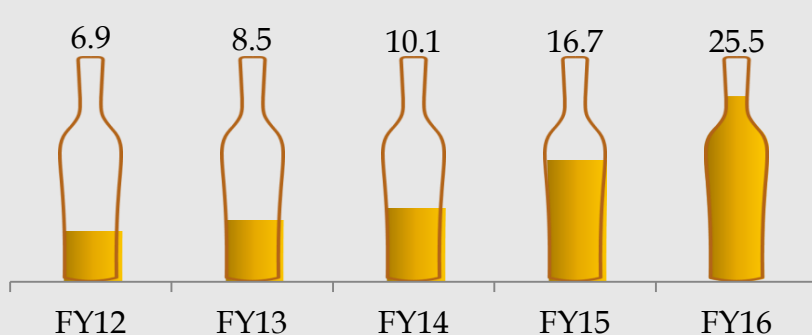
EBITDA (Rs. Cr)

CAGR: 54.24%



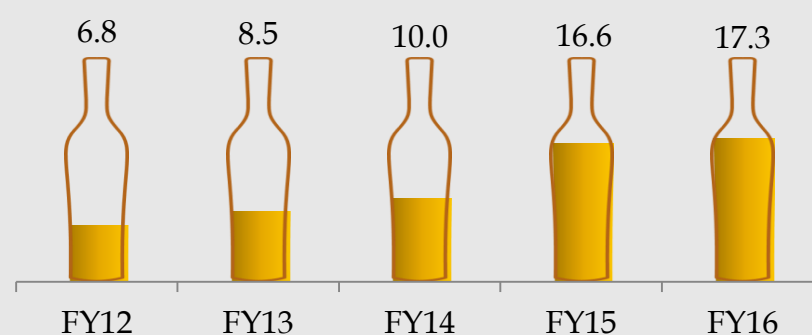
PAT (Rs. Cr)

CAGR: 38.65%



EPS (Rs.)

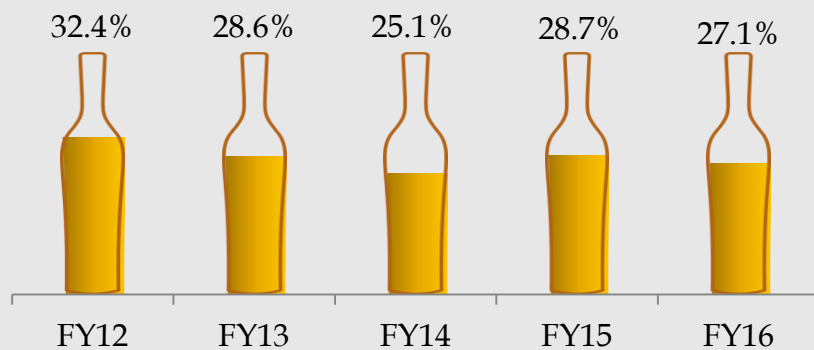
CAGR: 26.29%



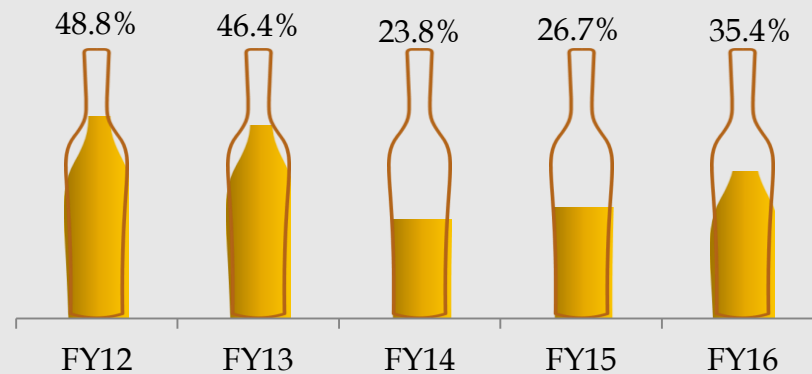


Financial Synopsis

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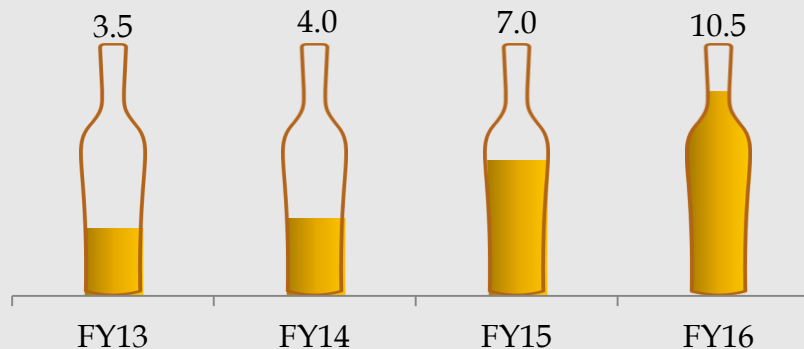


ROCE



IMFL

Total number of cases sold (in 00,000)



INVESTMENT HIGHLIGHTS





Key Investment Highlights

Strong growth – One of the fastest growing liquor companies in India

Sustainable business model – Focus on driving IMFL and IMIL businesses supported by strong back-end operations

Value maximization – Huge potential for operational leverage as brands mature

Robust industry dynamics – A high growth non-cyclical sector offers sizeable growth opportunities

Branded play – Strong emphasis on expanding contribution from Branded Portfolio

Multi-state presence – Growing footprint in Karnataka, Assam, Arunachal Pradesh, Tripura, Odisha, Jharkhand & Uttarkhand



Aggressive Growth To Be Sustained

Through wider and deeper geographic presence

Through increased acquisitions

Through debottlenecking

Through value-added product mix

Through wider product portfolio

Through deeper operational integration

ABOUT US





About Us

About Pincon Spirit Ltd.

Pincon Spirit Ltd. (PSL) is one of the fastest growing Companies in India. The Company has a growing presence in multiple states across India and is a leading IMFL (India Made Foreign Liquor) and IMIL (India Made Indian Liquor) player. In IMFL, PSL is the only player participating in the entire chain from production > wholesale > retail. PSL has 11 illustrious brands in this segment. In the IMIL segment, the Company is engaged in blending, bottling and wholesale distribution of its own product, PINCON Bangla No. 1, Bengal Tiger and Uddan in West Bengal. Pincon is also a wholesale distributor of various other established brands having tie-ups with over 9,800 licensees across India. The Company manages and controls 17 retail IMFL outlets in West Bengal. In the Company's FMCG segment, it sells Edible Oil (Mustard Oil, Soya Oil and Rice Bran Oil) under Pincon and King's Coin brand.

For further information on the Company, please visit www.pinconspirit.in:

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Thank You