



Globus Spirits

GLOBUS SPIRITS LIMITED

CORPORATE PRESENTATION

JULY 2016

SAFE HARBOR

This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Globus Spirits’ future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Globus Spirits Limited undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

KEY FACTS

360° Alcobev Player – Present across Distillery, IMIL, IMFL, and Franchise Bottling

Distillery capacity of **~90 million** bulk litres (to be expanded to **~150 million** bulk litres by FY17)

'NIMBOO' – Leading IMIL brand

#1 private IMIL company in Rajasthan with market share of 28%

2nd largest IMIL company in Haryana with 11% market share

Healthy Balance Sheet – Debt-to-Equity Ratio of **0.63x** in FY16

10% CAGR (FY12-16) in revenues

LEADING 360° ALCOBEV PLAYER



Unique 360° model straddling across the entire alcohol value chain

Large, efficient manufacturing operations

- Amongst the largest and most efficient grain-based distillery operations in India with ~90 million bulk litres of distillery capacity
- Present in DDGS – a high-potential by-product used as Animal Feed
- Well placed to address the Ethanol potential in India – upcoming distilleries in Eastern Markets to support this opportunity
- Bottling for India's Top 3 IMFL companies

Established consumer business in North India

- Pioneered IMIL branding, leading player in Rajasthan, Haryana and Delhi
- NIMBOO – flagship IMIL brand for Globus Spirits

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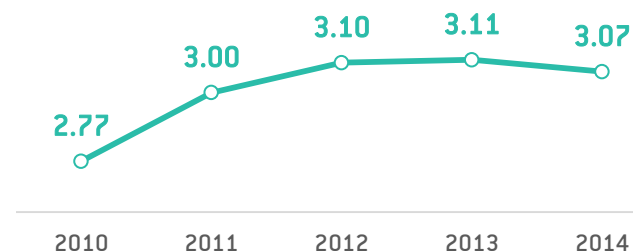


INDIAN ALCOBEV SECTOR – AN ATTRACTIVE MARKET

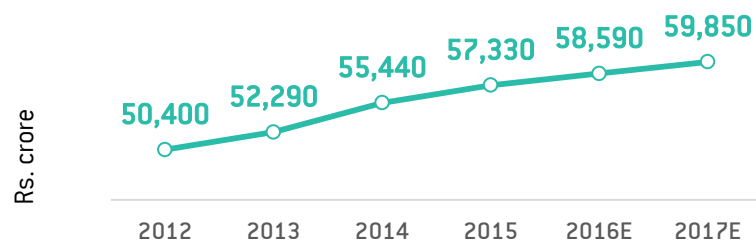
- 2nd largest in the world by volumes, preceded only by China
- 3rd largest by value, backed by increasing consumption
- Higher per-capita consumption driven by attractive demographics
- Consumer expenditure on alcohol expected to grow at a CAGR of 3.5%

Higher Per capita Consumption in India

Per capita (15+ years) alcohol consumption In Bulk litre

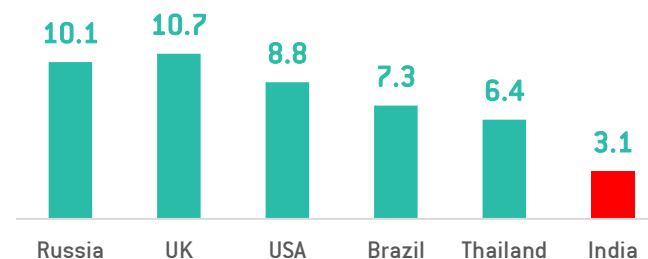


Consumer expenditure on alcohol



Ample Scope to Grow Consistently

Per capita (15+ years) alcohol consumption In Bulk litre (2014)

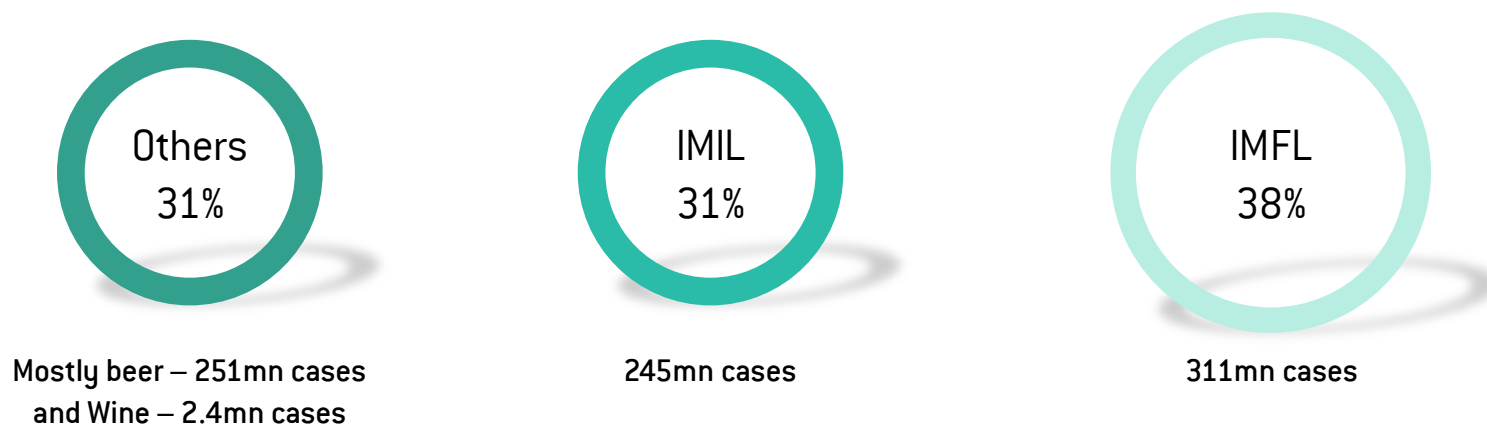


Source: WHO, as per latest year available

THREE MAIN SEGMENTS

In beverage alcohol, IMFL is the largest segment followed by Beer & IMIL. Spirits industry comprises IMFL and IMIL.

Beverage Alcohol Split in 2013



IMIL figures are Ex-South India as sales are restricted in the region. So in Globus' market of North & East India, the IMIL market size is 2-3x that of IMFL market



IMIL & IMFL: KEY DIFFERENTIATING FACTORS

	IMIL	IMFL
Consumer Segment	Lower income, SEC D,E segment, ~40% of population excl BPL	More affluent, SEC C+ segments
Segment Growth	~11% CAGR** for households - HPI* between 6-10 (~SEC D)	~14%+ CAGR for households - HPI >10 (SEC C+)
Taste Preference	Flavor dominated market, varies with region	North - Whisky, East - Rum, South - Brandy & Rum
Point of Purchase	Regulated vends	Regulated shops, malls, restaurants, bars
Excise Control	Highly regulated: Distillery in state of sale, excise of Rs15 per PL	Less restricted; Higher excise duties of minimum of Rs40 per PL
Alcohol Content	~30%	42.8%
Min Retail Price	Rs. 30-40 per nip	Rs. 80 per nip (economy brands)

*Household Premium Index (HPI) :indicator of 'Living Standard' by Indian Readership Survey

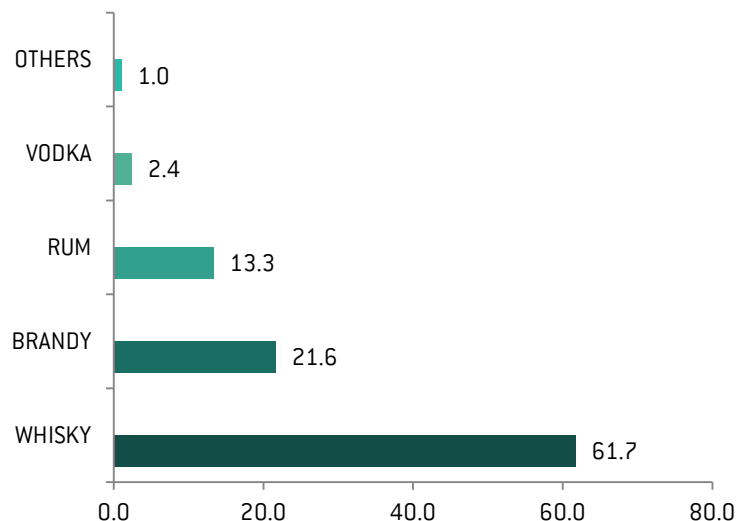
**CAGR (Q4'10 – Q4'12);

Source: IWSR for IMFL data, State excise and Four-S research for IMIL data



IMFL DELIVERING A ROBUST PERFORMANCE

IMFL Consumption in India in 2016



Super Premium / Foreign	0.9%
Premium	3.7%
Prestige	8.0%
Regular	81.5%
Cheap / Medium	5.9%

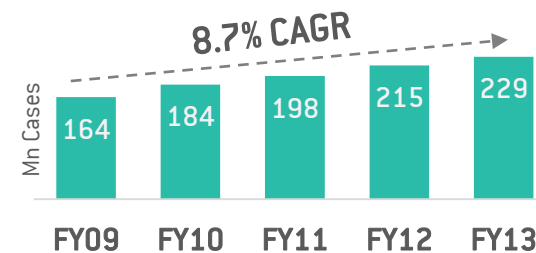
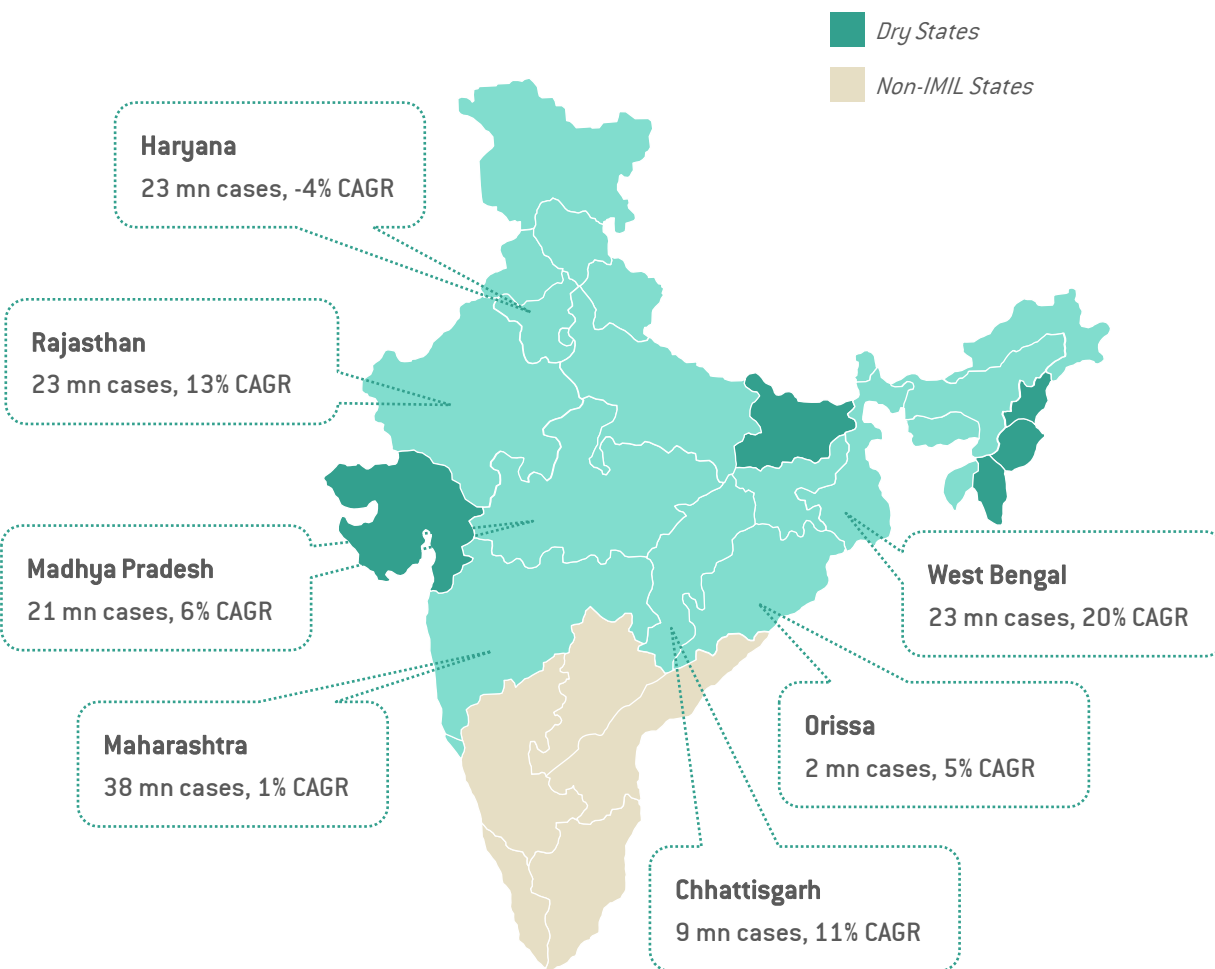
Source: Motilal Oswal Equity Research – classification for 2012

- In FY16, IMFL volume growth stood at **9.59% (over FY15)**
- Driven by whisky (10.83% growth in FY16)

Premium segments are out-performing with volumes of premium whisky up by 20%, super-premium whisky up by 21% and scotch whisky up by 23% (5 yr CAGR from 2009-2013).



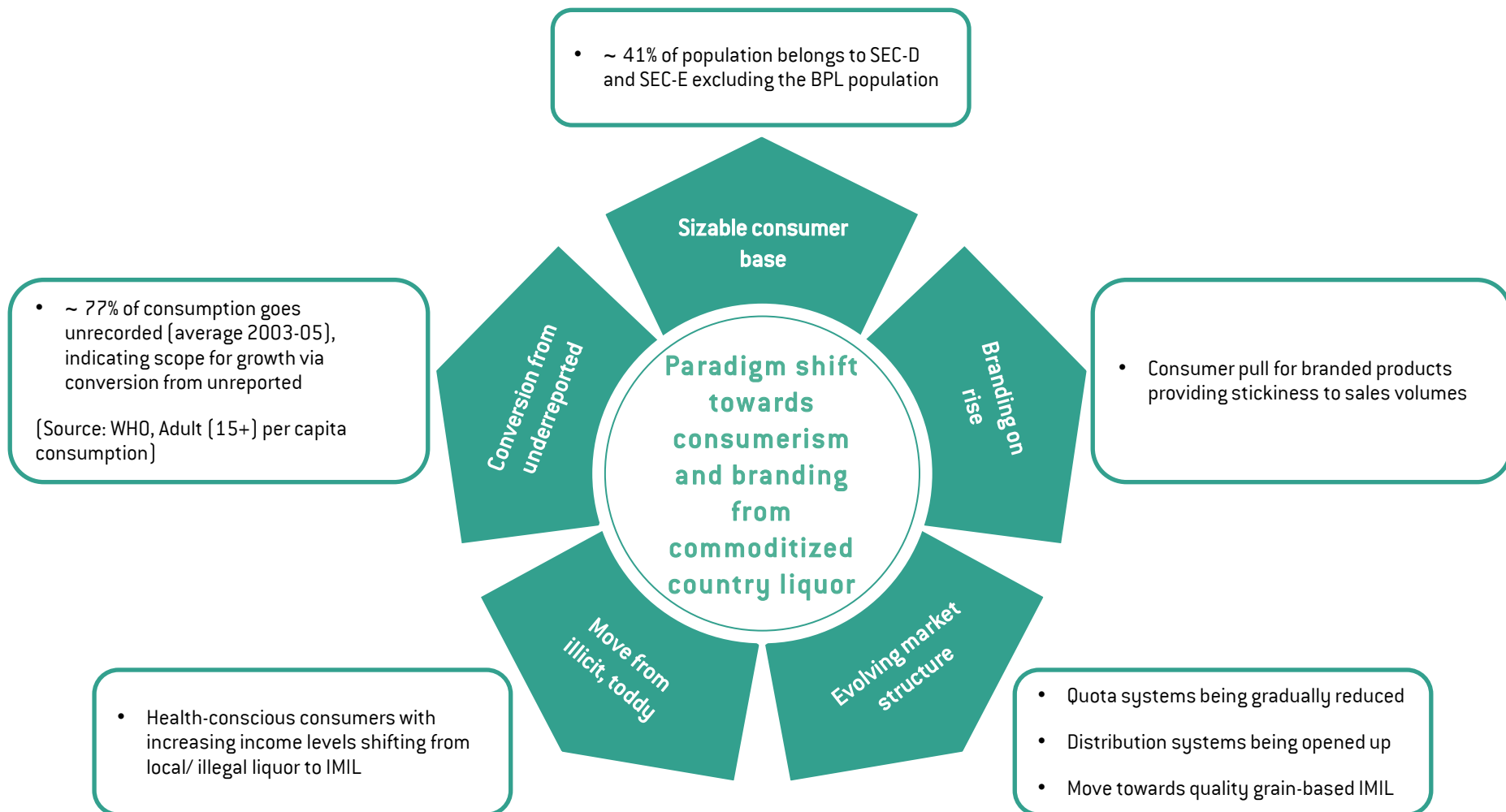
IMIL: HEALTHY INDUSTRY VOLUMES



- Large industry catering to lower income, which comprises ~40% of population
- Dominated by fruit, herbal and spice flavours, typical alcohol strength being 30%
- Regional market with differences in local preferences
- Variance in penetration levels and local factors presenting **attractive state-specific opportunities in East India**

*3- Yr CAGR, based on latest data available

IMIL: BRANDING A GAME CHANGER

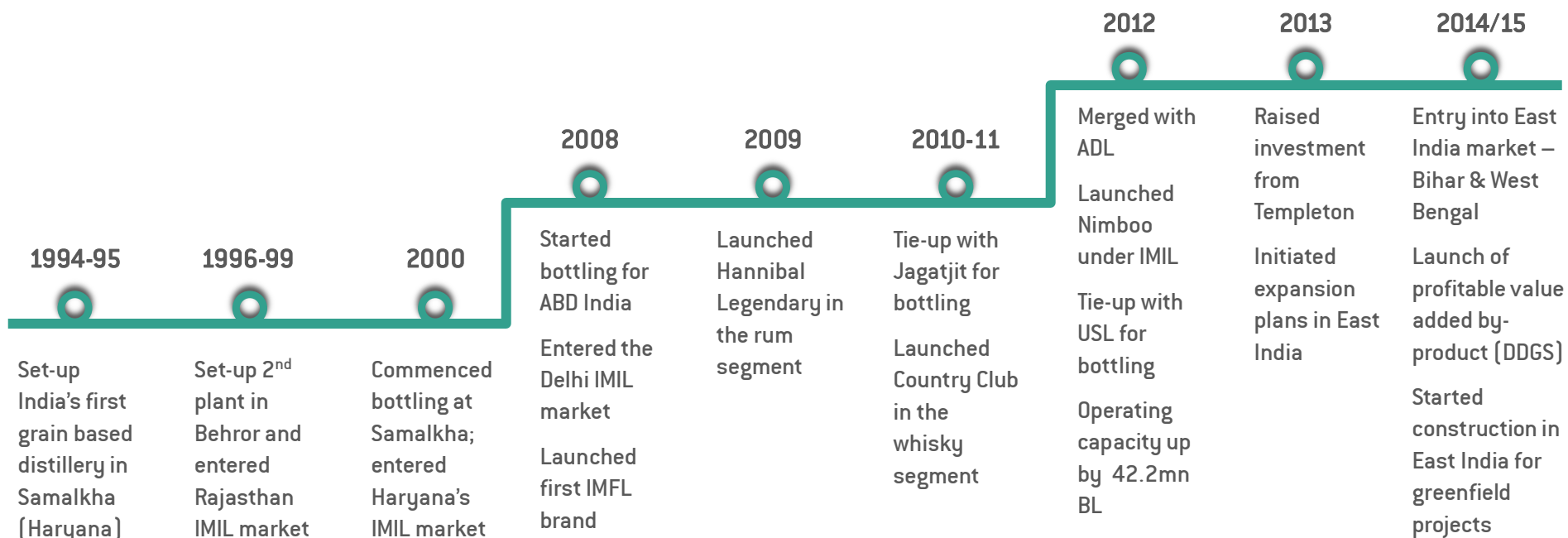




EVOLVED FROM 'BULK' TO UNIQUE '360°' ALCOBEV PLAYER

Key Highlights

- 2012 - Launched 'NIMBOO' – A Flagship IMIL brand
- 2013 - Concluded Fund Raising from Templeton Strategic Emerging Markets
- 2014-15 - Started construction in East India (Bihar & West Bengal) for greenfield projects
- 2014-15 - Launched high-potential value added by-product - DDGS





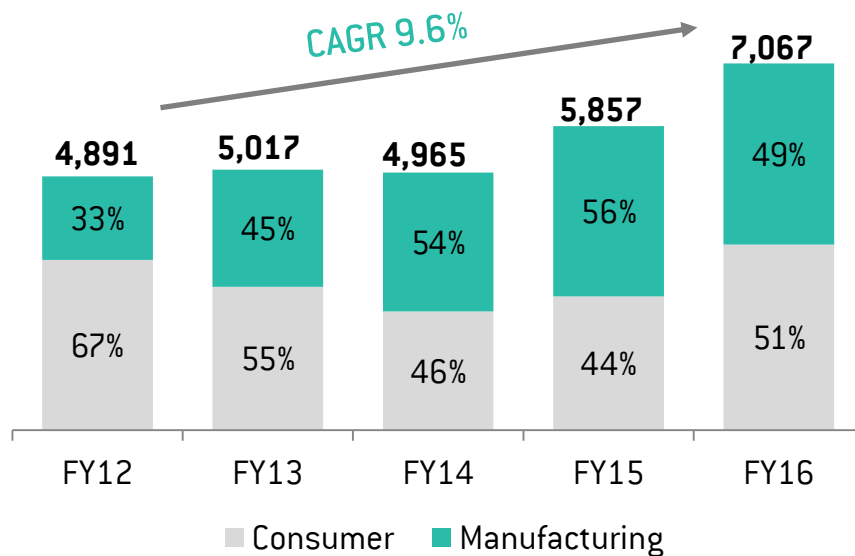
STRONG PERFORMANCE

Robust revenue growth at ~10% CAGR (FY12-16), manufacturing and consumer revenue ratio at ~49:51 in FY2016

Net Revenue Break-up

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Revenues in Rs. Million



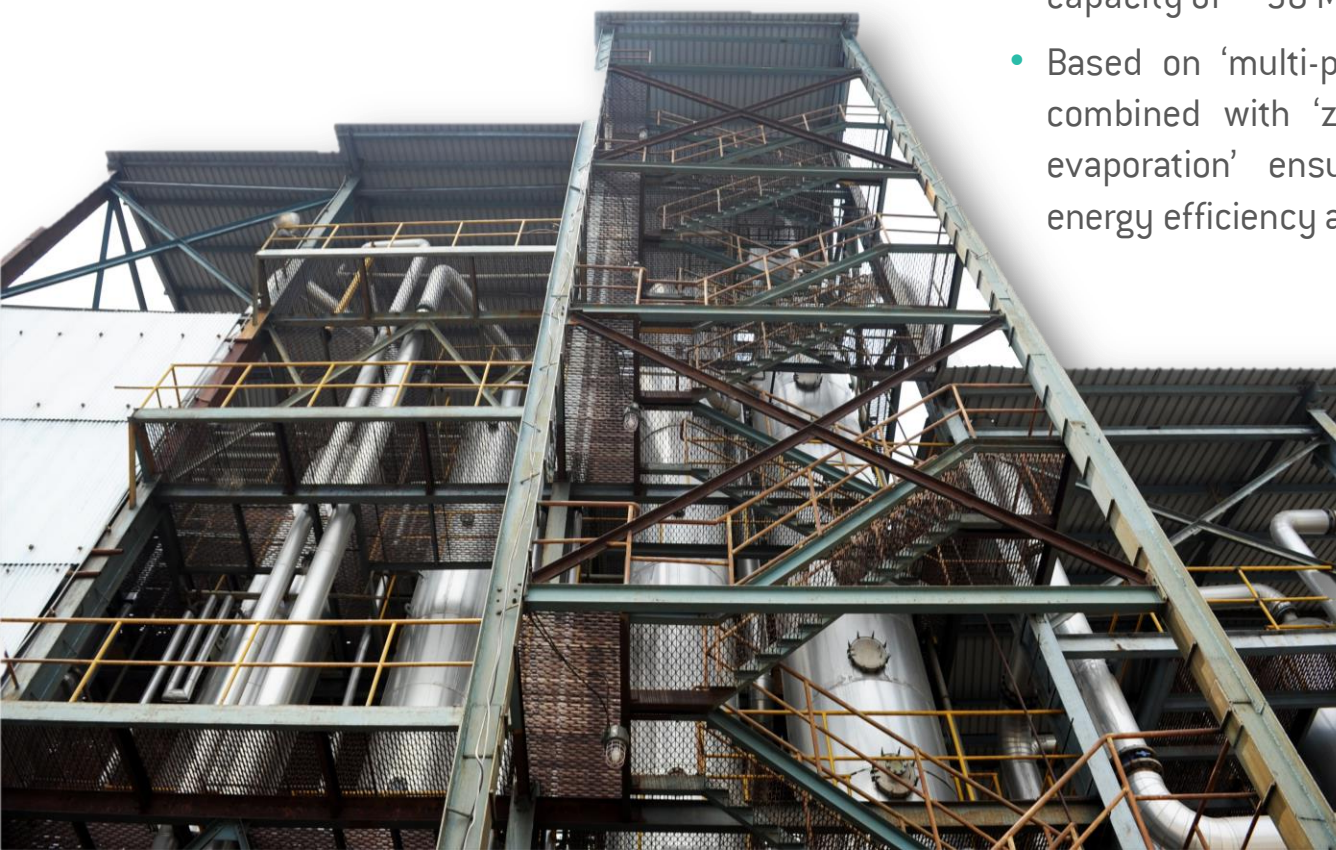
MANUFACTURING

- Domestic – 42.7 Mn Litres
- International – 9.3 Mn Litres
- Third party bottling – 3.4 Mn Cases

CONSUMER

- IMFL – 47K cases
- IMIL – 12.1 Mn cases

LARGEST GRAIN-BASED DISTILLERS IN INDIA



- State of the art manufacturing facilities in Rajasthan and Haryana, annual operating capacity of ~90 Mn Litres
- Based on 'multi-pressure' distillation technology combined with 'zero discharge' and 'integrated evaporation' ensuring superior quality, higher energy efficiency and lower costs

HUGE OPPORTUNITY IN DISTILLERS DRIED GRAINS WITH SOLUBLES (DDGS)

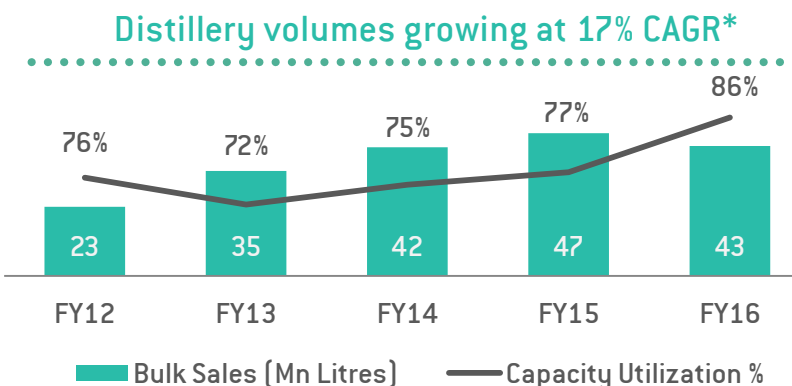
- Launched **Globus ProRice**, a high-protein, high energy animal feed ingredient in FY2015
- Globus ProRice is a value added by-product of alcohol manufacturing process, known as rice based DDGS – provides an attractive replacement option for soybean meal and maize
- Large opportunity in India with size of animal feed over 20 Mn metric tons, growing at 6-8% pa.
- Strong traction seen - brand-building and awareness measures yielding results in short time period
- Globus annual DDGS manufacturing capacity at ~35,000 MT



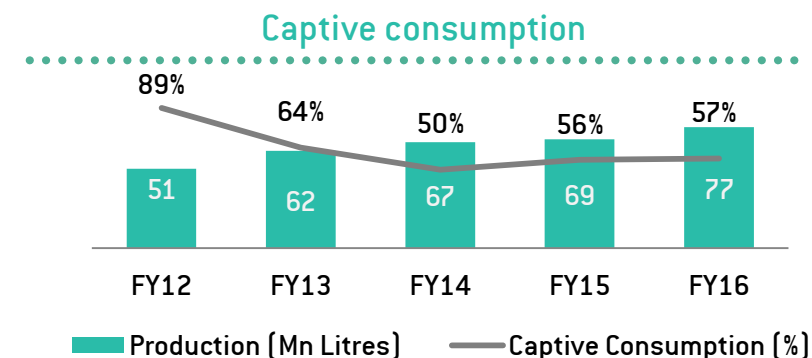


DISTILLERY SEGMENT: BACKBONE FOR CONSUMER BUSINESS

- Alcohol recovery rate is one of the highest in the country, achieved through continuous focus on improving efficiencies
- Distillery capacity of ~90 million bulk litres to be expanded to ~150 million bulk litres by Q1 FY17, following the Greenfield expansion in Bihar and West Bengal
 - This is over 60% of existing capacity and will provide huge impetus to the segment
- 57% of Distillery production used captively in higher margin/ value added businesses, i.e., consumer business and third-party bottling



Distillery revenues* grew at high CAGR of 33%, driven by 17% CAGR in volumes over FY12-16 led by addition of capacities in FY12 & FY13

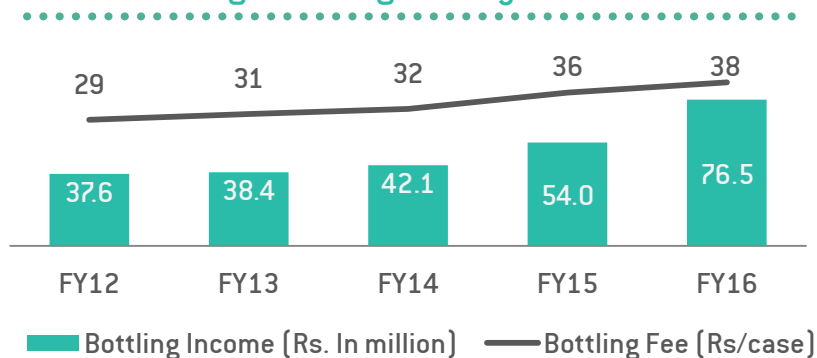


* Includes bulk alcohol sales to franchisee customers in Rajasthan

STABLE GROWTH IN FRANCHISE BOTTLING OPERATIONS

- Franchise bottling income grew by 42% FY16
- Trend looks promising; expect rapid growth in Franchise Bottling segment in the coming years on account of expanded capacities

Bottling Income grows by 42% in FY16



IMIL PRESENCE ACROSS MULTIPLE STATES – INSULATES FROM SLOWDOWN IN ONE STATE

Strong brands with flavours customized to meet regional / local preferences



Rajasthan

- ~85% distribution coverage at retailer level
- Outperformed industry with 5-Yr CAGR 17%
- Popular brands – Heer Ranjha, Ghoomar
- #1 private IMIL company in Rajasthan with market share of 28%

Haryana

- ~100% coverage at retailer level
- Popular brands – Nimboo, Narangi, Goldee
- 2nd largest IMIL company in Haryana with 11% market share

Delhi

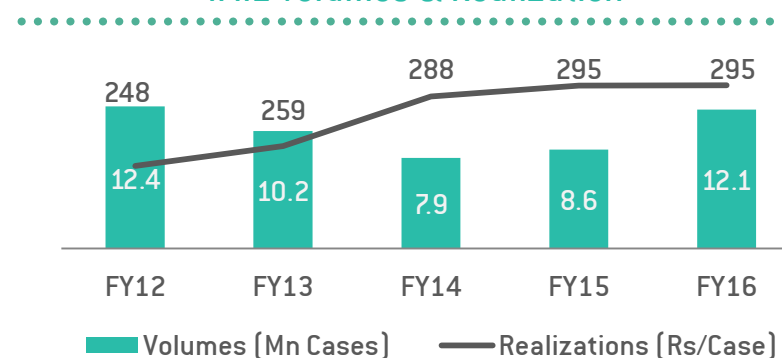
- 3rd largest IMIL player in Delhi with market share of 25%



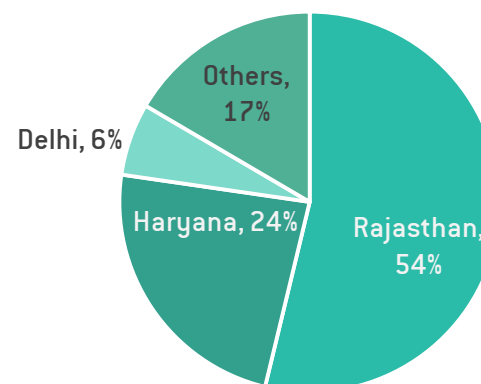
IMIL: HEALTHY GROWTH POTENTIAL

- IMIL revenues driven by high growth in Rajasthan & Haryana
- Growth partly offset by weakness in Haryana due to increasing competition and price-cutting wars
 - Haryana market is stable now and the Company expects to report steady growth going forward
- Plan to enter West Bengal, one of the fast growing markets, in FY17 – should provide significant boost to IMIL revenues

IMIL Volumes & Realization



State-wise Volume Share – FY16



GLOBUS PLANS

PRESENT

- Established 360^o model in North India (Haryana & Rajasthan)
- Strong IMIL brands that have acceptance and loyalty
- Bottling operations for India's largest brands of top IMFL players
- Backed by reputed investor, Templeton

NEAR TERM STRATEGY

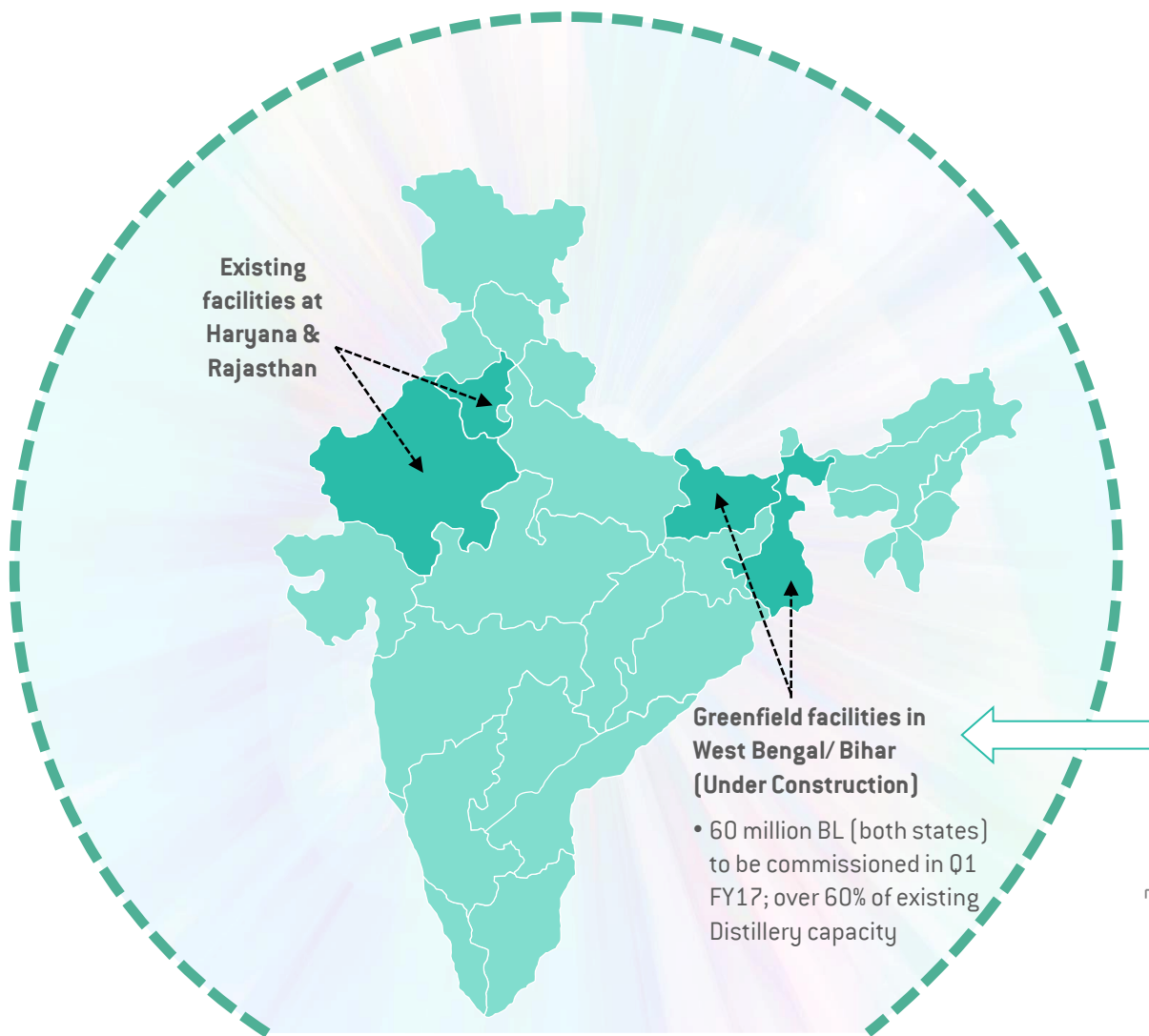
- Enter fast growing liquor markets of West Bengal with complete 360^o offering
- Launch premium brands of value
- Establish DDGS, a value-added byproduct, as a replacement for soya in the Indian animal feed market
- Participate in Ethanol blending

FUTURE

- Large market share in IMIL by offering quality products to the consumer
- Establish sustainable premium brands in IMFL
- High capacity utilisation with focus on technology and efficiency at old and new facilities
- Portfolio of high value by products

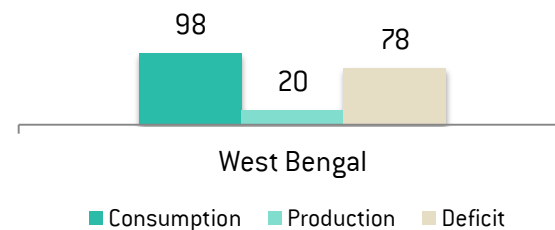


EXPANSION INTO EAST



- Locational advantages like lower raw material costs, higher realizations and other logistical benefits to drive overall profitability
- Alcohol manufactured from Bihar distillery can be exported to neighboring states and countries
 - Nepal has a demand of 18 mn ltrs
 - Target markets include African countries as well

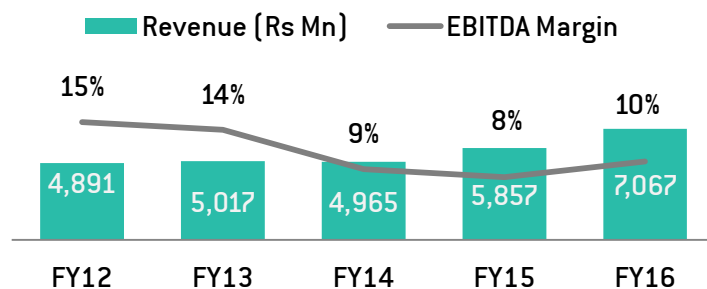
Severe Alcohol Deficit in West Bengal (mn ltrs)



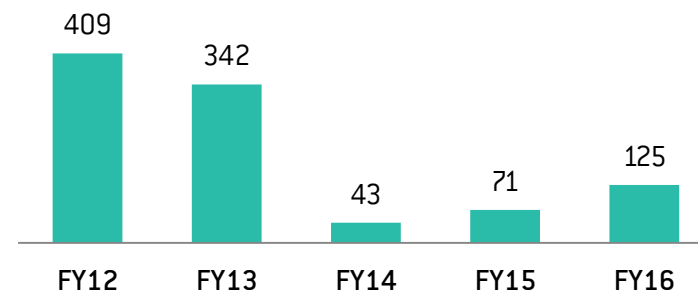


ROBUST REVENUES, STRONG BALANCE SHEET

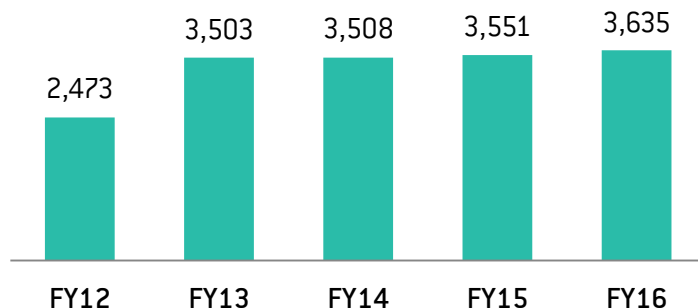
10% CAGR in Revenues



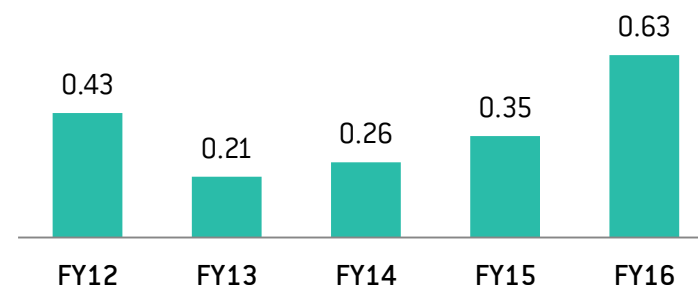
Net Profit (Rs Mn)



10% CAGR in Networth (Rs Mn)



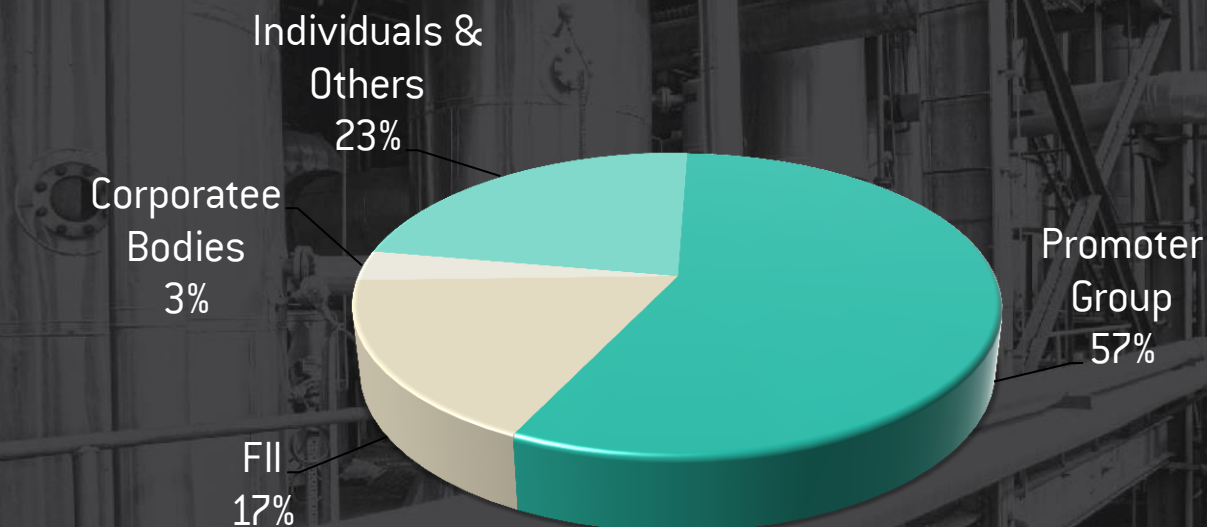
Healthy leverage (Debt-Equity Ratio)



Note: All the financial figures are on Standalone basis



SHAREHOLDING PATTERN



As on March 31, 2016 Outstanding shares – 28.8 mn

Major Non-Promoter Shareholders % shareholding

Name	% Share
Templeton Strategic Emerging Markets Fund IV, LDC	17.49%



BOARD OF DIRECTORS

Mr. Vivek Gupta

Non-Executive Chairman

- Over 20 years experience in the industry in senior leadership roles. Mr Gupta is Joint Managing Director of Delton Cables Ltd. Mr. Gupta completed his schooling from Doon School, Dehrandun and holds a B.Com (Honours) degree from Hans Raj College, Delhi University.

Mr. Ajay Kumar Swarup

Promoter & Managing Director

- Over 24 years of experience in the liquor industry. Mr. Swarup promoted GSL in 1993 and prior to that co-promoted Associated Distilleries in 1983. Mr. Swarup completed his schooling from Doon School, Dehrandun; graduated in Economics from St. Stephens College, Delhi University, and is a PGDBM from IIM Kolkata. He was President of All India Distillers' Association during the years 1992 – 95

Mr. Shekhar Swarup

Executive Director

- Mr. Swarup joined GSL in 2008. Mr. Swarup has graduated in Business and Management from University of Bradford, United Kingdom. He has prior experience with Smart Analyst India.

Mr. Manik Lal Dutta

Executive Director

- Over 36 years of experience in alcohol industry. Mr. Dutta was earlier with UB Group as production head for North India & Nepal operation.

Dr. Bhaskar Roy

Executive Director and CFO

- Over 21 years of experience in finance and general management with companies such as Dhampur Sugar Mills Ltd and Saraya Industries Ltd.



BOARD OF DIRECTORS

Mr. Joginder Singh Damija

Independent Director

- Over 46 years of experience in various industries including liquor. Served with major spirit companies including UB Group in multiple positions and as Director and Vice chairman of SAB India.

Mr. Kunal Agarwal

Independent Director

- Mr. Agarwal is a Founder Director of Brattle Foods Pvt Ltd and Laxman Logistics Pvt Ltd. He has prior experience with A.T. Kearney and Citigroup. Mr. Agarwal holds an A.B. (Honours) degree in Economics from Harvard College.

Mr. Santosh Kumar Bishwal

Independent Director

- Extensive experience with companies such Union Carbide, UB Group in senior positions. Mr. Bishwal is a faculty at XLRI.

Mr. Rajesh Sehgal

Nominee Director

- Rajesh Sehgal, senior executive director and head of private equity – South Asia, Middle East and Africa joined the Templeton organization in 1999. He has research responsibilities for companies in India, Africa, and the Middle East. Prior to joining Templeton, Mr. Sehgal worked with SBI Capital Markets Limited as the manager of the Treasury & Investments Group.

Ms. Ruchika Bansal

Non-Executive Director

- Over 12 years of experience in corporate finance and strategy consulting. She is a Commerce graduate from SRCC and PGDM from MDI Gurgaon.



HISTORICAL FINANCIALS: PROFIT AND LOSS

Particulars (In Rs Mn)	FY11	FY12	FY13	FY14	FY15	FY16
Revenue from Operations	3,545	4,891	5,017	4,965	5,857	7,067
EBITDA	645	743	703	450	487	699
EBITDA Margin %	18%	15%	14%	9%	8%	10%
Depreciation	69	123	165	285*	287*	422*
EBIT	576	620	538	165	200	277
Other Income	7	7	49	29	44	38
Finance Cost	28	48	65	102	141	169
Exceptional Items	0	1	0	-60**	-	-
PBT	554	578	522	33	103	147
Tax	155	169	180	-10	32	22
PAT	399	409	342	43	71	125
PAT Margin	11%	8%	7%	1%	1%	2%

* Includes accelerated depreciation on intangible assets

** Depreciation added back due to change in accounting rules



HISTORICAL FINANCIALS: HEALTHY BALANCE SHEET

Particulars (In Rs Mn)	FY11	FY12	FY13	FY14	FY15	FY16
Shareholders Funds	2,085	2,473	3,503	3,508	3,551	3,635
Debt	510	1,064	730	895	1,238	2,297
Deferred Tax & Other Liabilities	267	344	396	505	480	481
Current Liabilities	749	1,114	1,307	1,059	1,177	1,079
Total Liabilities	3,611	4,995	5,936	5,967	6,446	7,493
Net Block	2,195	2,795	4,152	4,148	4,605	4,342
CWIP	129	602	208	290	312	1,313
Investments & Other non-current assets	4	67	218	377	446	673
Current Assets	1,283	1,532	1,358	1,153	1,083	1,164
Total Assets	3,611	4,995	5,936	5,967	6,446	6,446

ABOUT US

Established in 1992, Globus Sprits Limited (BSE code: 533104, NSE Id: GLOBUSSPR, ISIN Id:INE615I01010) is engaged in manufacturing, marketing and sale of Indian Made Indian Liquor (IMIL), Indian Made Foreign Liquor (IMFL), Bulk Alcohol and contract bottling for established IMFL brands. The Company has a well established presence in the IMIL segment and set to become a Pan-India IMIL leader with launch of distilleries in Bihar and West Bengal.

GSL currently operates three modern and fully integrated distilleries at Behror, Rajasthan and Samalkha and Hisar, Haryana. It is one of the largest and most efficient grain based distilleries in India with highest alcohol recovery per unit of grain.

For more information about us, please visit www.globusspirits.com or contact:

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