



India's Soju Opportunity: Market Potential, Regulatory Landscape & Cost Levers

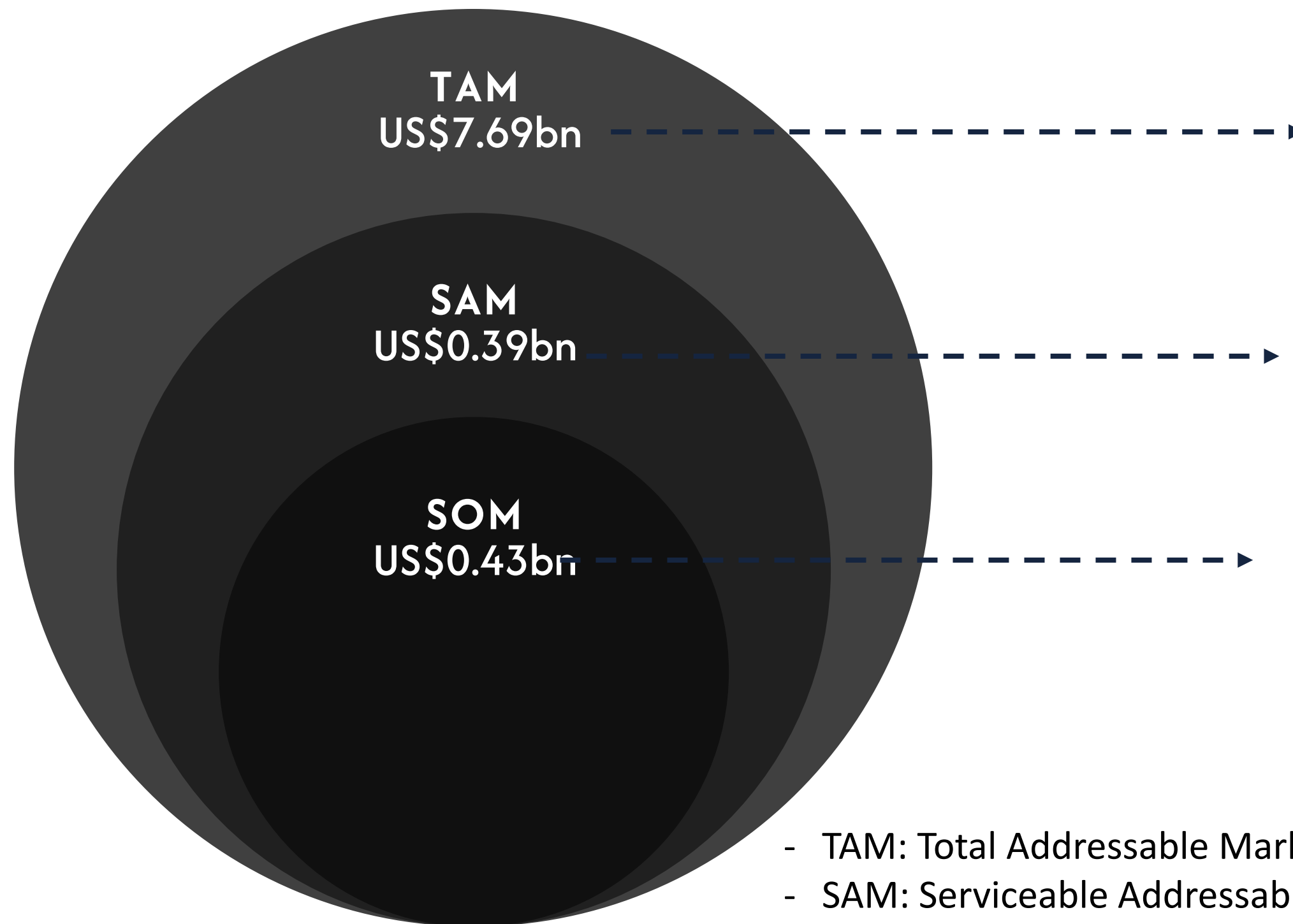
Progress Update

Deliverables	Status
Insights from Market Data for Imported product	Completed, To be discussed in this meeting
Understanding of Retail market data from Identified Market : Mumbai / Pune / Goa / NCR / Bengaluru	WIP (IWSR Does not report Soju separately in India)
Estimated Volume Forecast: An estimated volume forecast (Vol) for the next five years: <ul style="list-style-type: none"> ○ Conservative Growth ○ Aggressive Growth 	Completed, To be discussed in this meeting
Preparation of cost cards	WIP



Market Overview ■■

The Indian Soju Market Out paces the Global Market*



Global Soju Market

Revenue, at home : US\$5.74bn (₹ 49,600 Cr)

Revenue, out-of-home : US\$1.95bn (₹ 16,600 Cr)

Indian Soju Market (2024)

Revenue, at home : US\$373.60 Mn (₹ 2,500 Cr)

Revenue, out-of-home : US\$17.95 Mn (₹ 153 Cr)

Target Market (Indian Soju Market by 2027)

Revenue, at home : US\$418.09 Mn (₹ 2,800 Cr)

Revenue, out-of-home : US\$20.10 Mn (₹ 171 Cr)

- TAM: Total Addressable Market
- SAM: Serviceable Addressable Market
- SOM-Servicable Obtainable Market

*Source : Statista

* Grand Review Research estimates

Global value, 2023 : \$5.3 Bn

CAGR : 5.3%

2.2 India's Soju Market*



- 95% of Consumption is at home
- Out of home consumption is a good opportunity
 - Against Global out of home consumption of **25%**, India is **5%**

US\$0.39 Billion

5.83%

2.97 Mn Cs

2.17%

US\$0.01 Billion in 2024

The Indian Soju Market

Expected Growth Rate of Revenue, at home for the year 2026

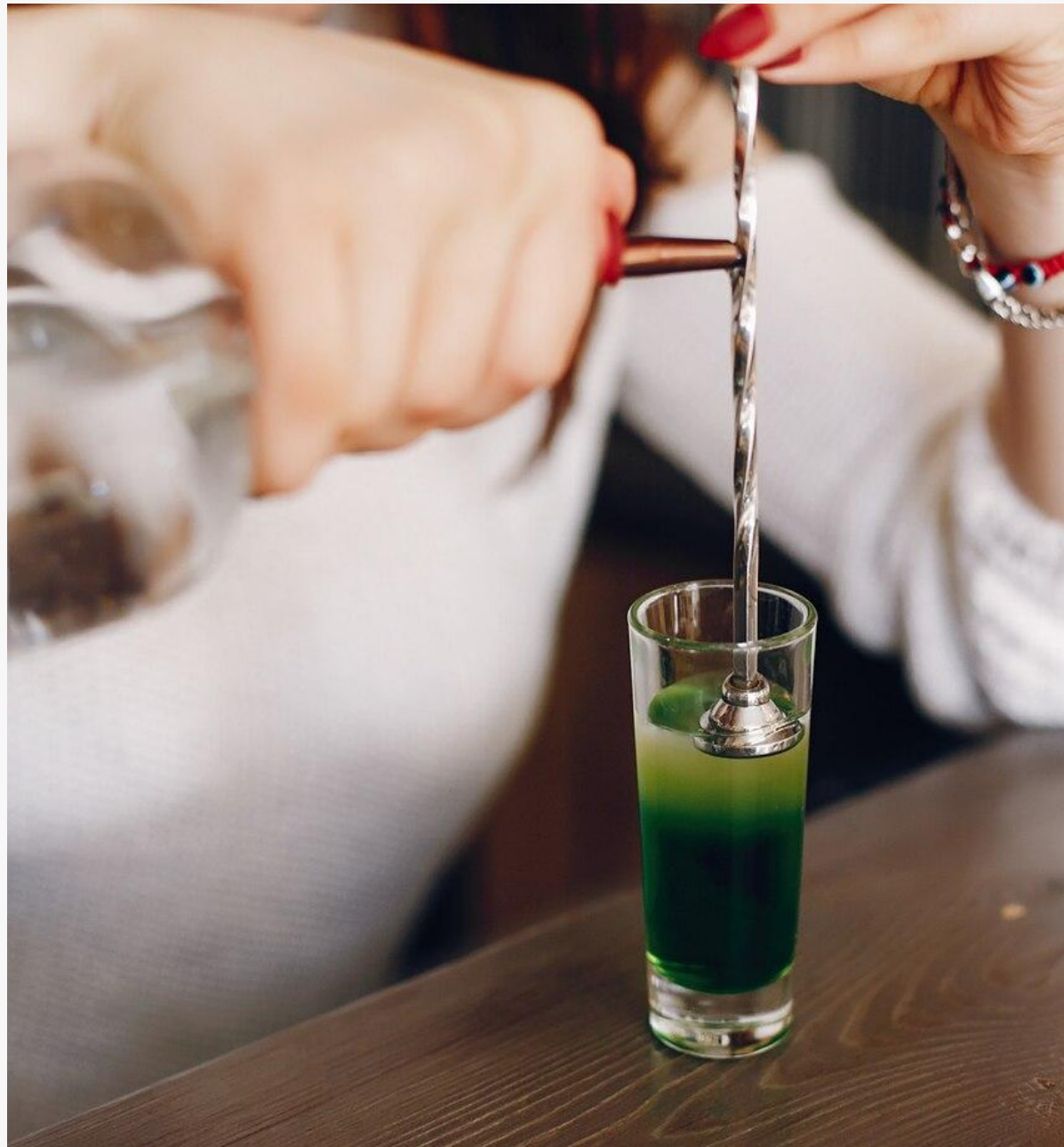
Combined Volume for the Indian Soju Market

At home : 2.92 Mn Cs
Out of home : 0.05 Mn Cs

At home Volume Growth for the year 2026

*Source : Statista

What's Driving this Growth?



👤+ The growth in LDA consumers preferring to experiment and drink less but better

🏠⚙️ The increase in disposable income

한 a Growing K- Wave Adoption

K-Wave Adoption driving Soju consumption is a validated growth driver



Netflix saw a **370%** increase in K-drama viewership in 2020 compared to the previous year, Over 22 million households



viewed k-drama In India
K-pop streams on Spotify have increased by **362%** globally since 2018 and **85%** in India



TG, new LDA consumers, values an "authentic Korean experience" and is willing to pay INR 850 per bottle*, emphasizing the importance of **Korean script on labels** and a strong "**Korean**" brand image



- In Maharashtra for a leading Korean Soju brand, as per a leading retailer

More and More players are entering the market.

Year	Total Volume Imported (cs)	No of distinct importers
2021-22	27,028	11
2022-23	44,567	19
2023-24	71,786	28

Sourcing does not appear to be a competitive advantage

- Primarily Alco bev distributors leveraging their existing strengths
- Low barriers of entry for existing players
- Premium pricing **3x to 8x** mainstream beer price

State	Retail Price Per Botte (Beer) [4]	Retail Price Per Botte (Soju)
UP [2]	₹ 160	₹ 460
Haryana [3]	₹ 110	₹ 350
Delhi [2]	₹ 180	₹ 530
Maharashtra [5]	₹ 145	₹ 825
Goa [6]	₹ 108	₹ 885
Karnataka[1]	₹ 190	₹ 650

- Metro concentrated though availability in Odisha was observed

[1] Listed MRP in Livin Liquidz

[2] Excise Approved MRP For Jinro

[3] Listed MRP in Boldsky

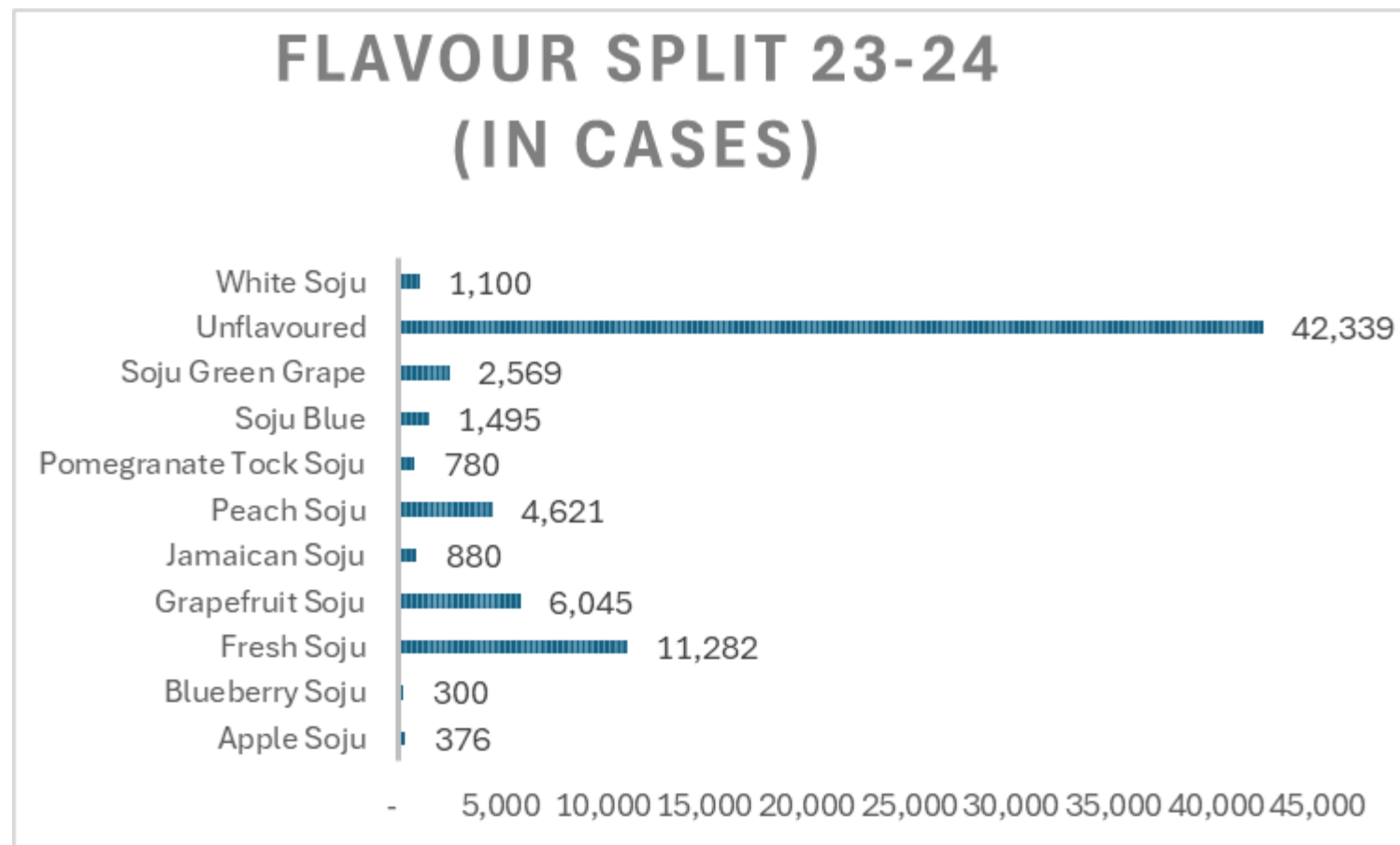
[4] Listed MRP by Kingfisher

[5] Listed MRP by Uncle Wine Cellars

[6] Listed MRP by Wine Palace

As the TG(Affluent LDA Consumer) is growing ...

With no specific flavor preference
[1]



No specific Flavor preference, an **opportunity** for distinct/unique flavor exists.

And no specific price segmentation

State	Retail Price Per Botte (Soju)
UP	₹ 460
Haryana	₹ 350
Delhi	₹ 530
Maharashtra	₹ 825
Goa	₹ 885
Karnataka	₹ 650

Soju prices in India vary significantly depending on brand, flavor, and retailer, with standard 360ml bottles typically ranging between ₹400–₹885

With a specific preference for Authentic Korean experience
Bold Korean Fonts on label is an essential attribute [2]

Volume Projections

Following scenarios considered :

Particulars	Aggressive	Conservative
Market Growth*	48%	24%
Y1 Market Share	14%	5%

- 5 Year CAGR Beginning 2025

How did we arrive at the assumptions?

Particulars	Aggressive	Conservative
Market Growth	↗ 48%	↕ 24%
Targeted Sales Growth	≡ 31%	≡ 8%

Aggressive market growth

- ↗ Maintain current growth rate of 63% (3 Year CAGR {2021-24}) for the next three years
- Following 2 years grow at the current growth rate of market leader at 31%

Conservative market growth

- ↕ First three years maintain a growth of 31%, the current growth rate of market leader
- Following 2 years grow at 15%, half of the growth of the current market leader

Aggressive sales growth

- ≡ First year volume at 14% of market, the same as Punter's growth in the first year
- Next two years, 50% at the median growth rate of all current importers
- Following 2 years, grow at 31%, the current growth rate of market leader

Conservative sales growth

- ≡ First years maintain a growth of 5%, the lowest growth rate of new entrant over the last 3 years
- Next 2 years grow at 15%, half of the growth of the current market leader
- Following 2 years, grow at 6%, market rate projected by Statista

Recommended Sales Plan (No. In Cases Of 20 Bottles)

Aggressive Approach

Particulars	Y1	Y2	Y3	Y4	Y5
Market Volume	1,90,693	3,10,799	5,06,553	6,62,896	8,67,491
Sales Volume	26,037	39,056	58,584	76,666	1,00,328
Targeted Sales					
Growth	14%	50%	50%	31%	31%

Conservative Approach

Particulars	Y1	Y2	Y3	Y4	Y5
Market Volume	1,22,938	1,60,881	2,10,535	2,43,025	2,80,528
Sales Volume	9,535	11,006	12,704	13,467	14,275
Targeted Sales					
Growth	5%	15%	15%	6%	6%

Recommended Sales Plan (No. In Cases Of 20 Bottles)

Karnataka

Region	Y1	Y2	Y3	Y4	Y5
Karnataka- Trend	9,780	15,941	20,883	27,357	35,838
Karnataka- Sales Plan (Aggressive)	1,369	2,054	3,081	4,036	5,287
Karnataka- Sales Plan (Conservative)	68	79	91	96	102

To be discussed

Assumption For Karnataka Sales Trend and Plan

- Karnataka Trend is based on Aggressive growth rate for Overall India. The base of 6,000 cases for FY 25 is obtained from sales data of Good Day and Punter
- Assumptions made for India Sales Plan in deck are used for Karnataka Sales Plan above

Regulatory Landscape



Regulatory Landscape



Excise License

BII Manufacture

In a licensed IMFL facility, duty rates @ IMFL Rates,

Exclusive bulk Soju storage facility needs to be created in these facilities

State	Local Manufacture
UP	Not possible as separate distillery license needed
Haryana	Not recommended, as no big commercial benefit between “export” & “import”
Delhi	No manufacturing facility exists
Maharashtra	Possible*
Goa	Possible*
Karnataka	Possible*



* Commercial feasibility would depend on final agreed bottling fees

Regulatory Landscape

Excise Duty & Other Fees

Origin	Maharashtra	Karnataka	Goa
Excise Duty	300% of Manufacturing cost of ₹ 450/Ltr whichever is higher	₹ 50/ Bulk Ltr – Excise Duty ₹870/Bulk Ltr- Adtnl Excise Duty	₹ 280/ Bulk Ltr- Excise Duty ₹ 400/ Bulk Ltr- Adtnl Excise Duty
Transport Fee	₹2/ Bulk Ltr	NA	NA
Label Fee	₹ 10000/label per anum ar up to 10 labels, >10 labels- ₹ 5000/Label per annum.	Permanent Label Fee- Within State Sales- ₹1,00,000 Outside State Sales -₹ 50,000	₹20,000/Label- per year
Manufactured in other state, Fees to sell	₹ 12 lacs and ₹7500/label	₹ 1 lac and ₹5000/label- Per Anum	NA
Export Fee	₹6/ Bulk Ltr	NA	₹1510/ Export
Import Fee	₹7/ Bulk Ltr	₹10/ Bulk Ltr	₹12/ Bulk Ltr

Regulatory Landscape

BIO



Brand Registration

- Maharashtra-



Distribution License

- Easy obtained in Maharashtra, but not recommended
 - License fee - ₹ 5,00,000 and ₹20 - ₹25 Per case
- Licensed storage facility required, *everywhere else you would need to sell through distributors*



IEC Registration for Import Needed



VAT Registration

WIP



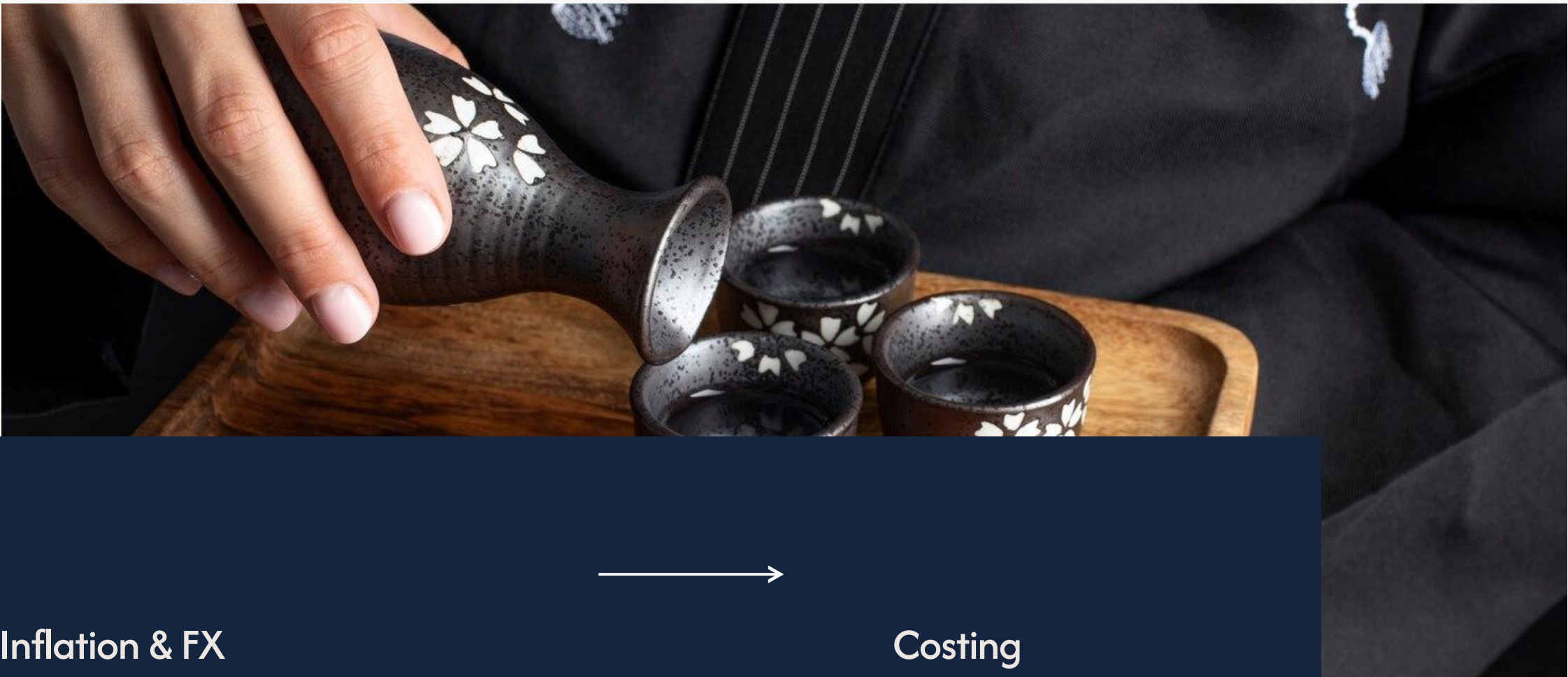
* Commercial feasibility would depend on final agreed bottling fees

Business Options (WIP)[■]

Three Models considered

- Model 1 - BIO Import (Bottled In Origin)
- Model 2 – BII With Imported Bottles (Bottled In India)
- Model 3 – BII With Local Bottles (Bottled In India)

Model 1 - BIO Import



Liquid & Packing Material

[A] Entire volume is bottled in origin

Inflation & FX

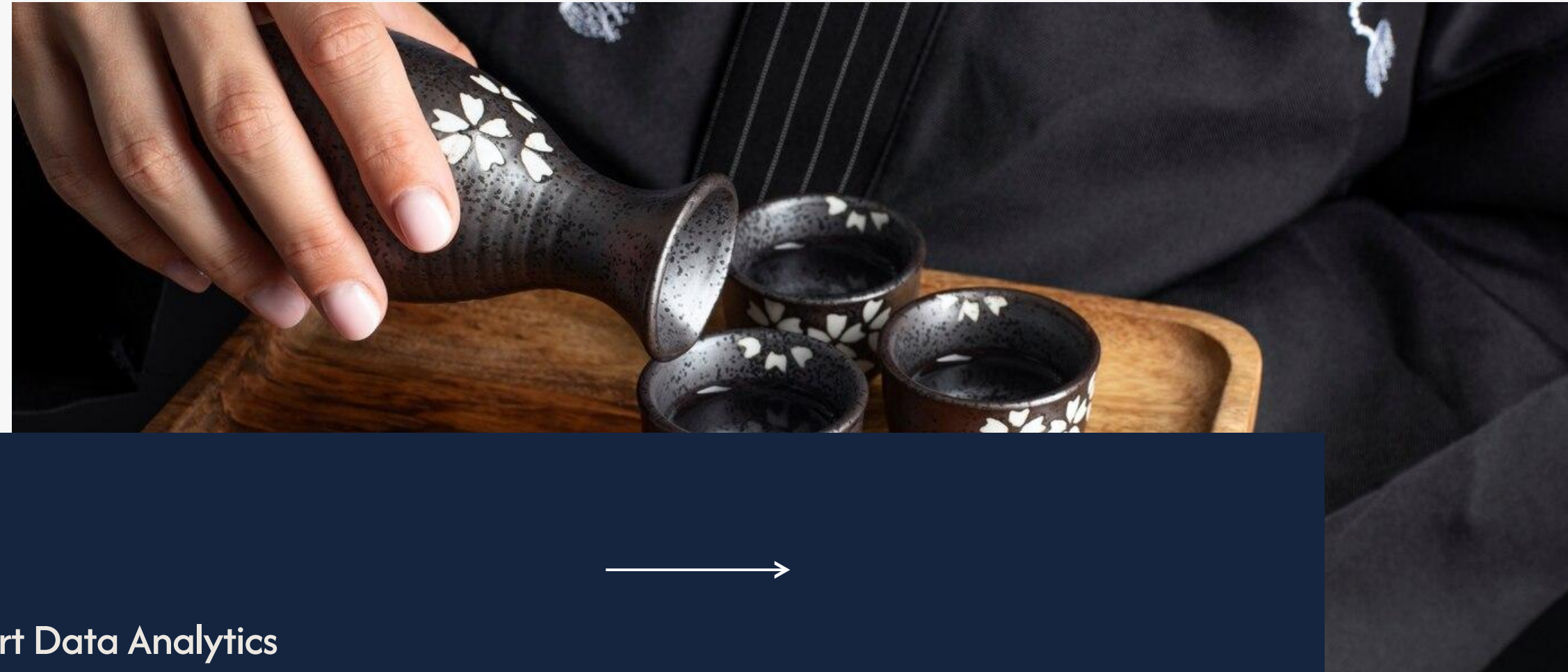
[B] Inflation is at 8%
FX is constant.



Costing

[C] A to Z Corp's quote has been considered

Quotation Comparatives



A to Z Corp's Quote

USD 13.6/Case

Import Data Analytics

USD 6.6/Case



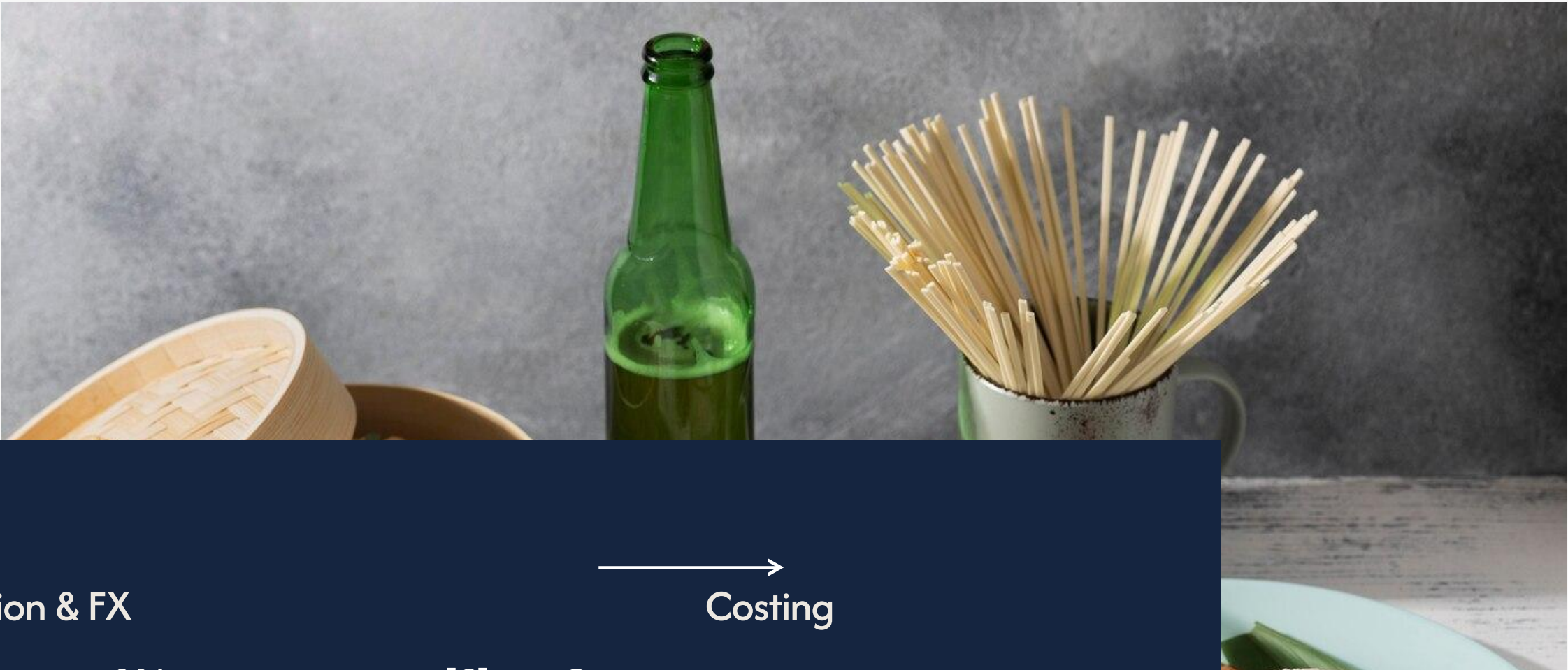
Variance Distribution:

1. Liquid- 40%
2. Cap & Bottle- 40%
3. Others- 20%

Karnataka – BIO Cost Card

Brand		
	13%	17%
Size in CL	36	36
No of Bottles	20	20
BL	7.20	7.20
Alcoholic %	13%	17%
Proof Litre	1.64	2.14
CIF in INR	2,352.00	2,352.00
Assess Value for Custom Duty	2,352.00	2,352.00
BASIC PRICE	2,352.00	2,352.00
Landed Price To Bonder	4,066.15	4,054.99
Add: Custom Duty	3,528.00	3,528.00
Bonder's Billing Price	7,594.15	7,582.99
Converting to 9L	9,492.69	9,478.74
CST @ 2%	189.85	189.57
Special Excise Fee	5,013.00	5,013.00
AED @ 300 Per BL		
Price Landed to KSBCL	14,695.54	14,681.31
KSBCL Margin 0.6% (LY 0.5%)	88.17	88.09
Selling Price of KSBCL	14,783.71	14,769.40
Retail Margin	1,478.37	1,476.94
MRP per case	16,262.09	16,246.34
MRP Per Bottle	650.48	649.85
MRP Rounded Off	650.00	650.00
KSBCL Margin	0.60%	0.60%
Retail Margin	10.0%	10.0%

Model 2 – BII With Imported Bottles



Liquid & Packing Material

[A] Bulk liquid imported, Bottles Imported
All Others India, Manufactured Indian Facilities
Bulk at 50% Abv
Bulk at 17% Abv
Bulk at 13% Abv
(Flavor)

Inflation & FX

[B] Inflation at 8%
Constant FX.

Costing

[C] Costing assumption
Eric’s quote for 50% Abv
Eric’s quote adjusted for 17% Abv & 13% Abv

Only Import bottle price as per Eric’s quote

Model 3 – BII With Local Bottles



[A] Liquid & Packing Material

Bulk liquid imported, All Others
India, Manufactured Indian
Facilities

Bulk at 50% Abv

Bulk at 17% Abv

Bulk at 13% Abv

(Flavor)

[B] Inflation & FX

- Inflation @ 8%,
- Constant FX.

[C] Costing

Eric's quote for 50% Abv

Eric's quote adjusted for
17% Abv & 13% Abv

Estimated mould cost of 30 Lakhs
amortized over 5 year bottle
volume

Karnataka – BII Cost Card

State- KARNATAKA	50% ABV Domestic Bottle			50% ABV Import Bottle		
	Case-1	Case-2	Case-3	Case-1	Case-2	Case-3
Ex-distillery Price	5,391.43	5,853.32	6,308.65	5,397.20	5,852.48	6,303.68
Excise Duty Rs 50/BL	450.00	450.00	450.00	450.00	450.00	450.00
Addl Excise Duty	5,013.00	5,013.00	6,120.00	5,013.00	5,013.00	6,120.00
Gross Billing Price	10,854.43	11,316.32	12,878.65	10,860.20	11,315.48	12,873.68
Landed to Distributor	10,854.43	11,316.32	12,878.65	10,860.20	11,315.48	12,873.68
KSBCCL Margin @0.5%	54.27	56.58	64.39	54.30	56.58	64.37
Cost to Retailer	10,908.70	11,372.91	12,943.04	10,914.50	11,372.06	12,938.05
Retailer margin @ 10%	1,090.87	1,137.29	1,294.30	1,091.45	1,137.21	1,293.80
Retail Price Per Case	11,999.57	12,510.20	14,237.34	12,005.95	12,509.27	14,231.85
Retail Price per Bottle	479.98	500.41	569.49	480.24	500.37	569.27
Retail Price per Bottle Rounding Off	480.00	500.00	569.00	480.00	500.00	569.00
Corporation Margin %	1%	1%	1%	1%	1%	1%
Retail Margin%	10%	10%	10%	10%	10%	10%

Karnataka – BII Cost Card

State- KARNATAKA	17% ABV Domestic Bottle			17% ABV Import Bottle		
	Case-1	Case-2	Case-3	Case-1	Case-2	Case-3
Distillery Price	5,478.17	5,926.29	6,302.30	5,486.41	5,937.88	6,301.14
Excise Duty Rs 50/BL	360.00	360.00	360.00	360.00	360.00	360.00
Addl Excise Duty	5,013.00	5,013.00	6,120.00	5,013.00	5,013.00	6,120.00
Gross Billing Price	10,851.17	11,299.29	12,782.30	10,859.41	11,310.88	12,781.14
Landed to Distributor	10,851.17	11,299.29	12,782.30	10,859.41	11,310.88	12,781.14
KSBCCL Margin @0.5%	54.26	56.50	63.91	54.30	56.55	63.91
Cost to Retailer	10,905.42	11,355.79	12,846.21	10,913.71	11,367.44	12,845.05
Retailer margin @ 10%	1,090.54	1,135.58	1,284.62	1,091.37	1,136.74	1,284.51
Retail Price Per Case	11,995.96	12,491.37	14,130.83	12,005.08	12,504.18	14,129.56
Retail Price per Bottle	479.84	499.65	565.23	480.20	500.17	565.18
Retail Price per Bottle Rounding Off	480.00	500.00	565.00	480.00	500.00	565.00
Corporation Margin %	1%	1%	1%	1%	1%	1%
Retail Margin%	10%	10%	10%	10%	10%	10%

Karnataka – BII Cost Card

State- KARNATAKA	13% ABV Domestic Bottle			13% ABV Import Bottle		
Distillery Price	3,357.25	3,357.25	3,357.25	4,072.89	4,072.89	4,072.89
Declared Ex-distillery Price	5,484.45	5,940.30	6,291.77	5,484.45	5,935.42	6,299.67
Excise Duty Rs 50/BL	360.00	360.00	360.00	360.00	360.00	360.00
Addl Excise Duty	5,013.00	5,013.00	6,120.00	5,013.00	5,013.00	6,120.00
Gross Billing Price	10,857.45	11,313.30	12,771.77	10,857.45	11,308.42	12,779.67
Landed to Distributor	10,857.45	11,313.30	12,771.77	10,857.45	11,308.42	12,779.67
KSBCCL Margin @0.5%	54.29	56.57	63.86	54.29	56.54	63.90
Cost to Retailer	10,911.74	11,369.86	12,835.63	10,911.74	11,364.96	12,843.56
Retailer margin @ 10%	1,091.17	1,136.99	1,283.56	1,091.17	1,136.50	1,284.36
Retail Price Per Case	12,002.91	12,506.85	14,119.19	12,002.91	12,501.46	14,127.92
Retail Price per Bottle	480.12	500.27	564.77	480.12	500.06	565.12
Retail Price per Bottle Rounding Off	480.00	500.00	565.00	480.00	500.00	565.00
Corporation Margin %	1%	1%	1%	1%	1%	1%
Retail Margin%	10%	10%	10%	10%	10%	10%