

# ANNUAL INFORMATION MEMORANDUM 2018



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**KAYA SPIRITS**  
EXCELLENCY IN BLENDING SPIRITS

CALL US TOLL FREE  
**1800-270-3010** } info@kayaspirits.com

**Kaya Blenders & Distillers Ltd**

[www.kayaspirits.com](http://www.kayaspirits.com) | [www.worldbeerwine.com](http://www.worldbeerwine.com)

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CALL US TOLL FREE  
**1800-270-3010** }  
www.kayaspirits.com



Kaya Blenders & Distilleries Ltd is among one the few company is India which have such wide portfolio of spirits and presence in more than 15 states in India

Kaya Spirits is also having the Scotland government accreditation to blend and Distill the Blended Scotch whiskies

“  
Uncork & Unwind!  
*Revel*  
in the Best  
spirit by Kaya  
”



### Message from the C.M.D's Desk

Our mission is to set the highest standard for the vintage spirits that we distill and develop at our unit. It is our solemn intention to Distill the finest spirits, unique and extraordinary, distilled with ingredients of supreme quality. Our company believes in building and developing strategies in a persistent fashion with inherent foresightedness and passion. We have confidence in the fact that purity of beverage is the most significant strategy for becoming the favorite amongst alcohol connoisseurs and lovers. Every liquor that we distill consists of one unique ingredient that makes the Spirit so distinctly savory and delicious.

It is our firm philosophy and resolution to create spirits with passion and fiery enthusiasm .We aim to win the taste and trust of our connoisseurs and spur them on to come back for more. It is our firm belief and faith to provide our beloved connoisseurs with trustworthy products and service.

Karun Kaura  
Cheif Managing Director  
Kaya Blenders & Distillers Limited

### How is our SME, Kaya Blenders and Distillers Limited is the best platform for investors?

Kaya Blenders and Distillers Limited, known by the brand name, Kaya Spirits, is a spirit' company of India, which is a rapidly flourishing company with substantial yearly revenues. Incorporated on the 7th of June 2016 as a limited company, Kaya Spirits is registered with the Registrar of Companies, Chandigarh.

The director of Kaya Blenders and Distillers Limited, Mr. Karun Kaura is a legendary business prodigy known for his genius business strategies, planning, and foresightedness. When you invest in our company, you invest in his knowledge and acumen and that can never ever fail you. From wine connoisseurs to spirit lovers, Kaya Spirits is now a famous worldwide favorite all geared up to storm into the international spirit market that will skyrocket the annual income and revenues.

Our Company's portfolio includes delicate wines imported from Italy, such as Merlot del Veneto, Sangiovese Puglia IGT, Pinot Grigio IGT and Spumante Brut White. Apart from this Kaya Blenders and Distillers Limited is one of the most popular brands in the local and well as global wine trade market with sufficiently stocked spirits and proliferating network of distributors. Kaya Blenders and Distillers Limited is in charge of a portfolio of spirits and liquors of leading Indian whiskeys like Old Professor Premium Whisky, Royal Patiala Delux Whisky, Ministers Reserve super Premium Whisky and a

super Premium quality malt whisky named as R&B rare whisky. Apart from this, Kaya Blenders and Distillers Limited produces the finest quality Rum, under the brand name Black Enfield RUM, along with international beer brands like Vitalsberg and Moller.

Kaya Spirits produces unique blends of premium quality and authentic liquors and spirits using the finest malts and alcohol to please the palate and senses of liquor and spirit lovers. For those who crave for unparalleled quality with a perfect blend of the right flavor and purity, Kaya with its wide range of liquor brands is the ideal choice.

Kaya Spirits portfolio also includes the finest Rum under the brand name of Black Enfield along with famous global

### A brief catalogue of our liquor products include

- All sizes of Old Professor Whisky
- All sizes of Royal Patiala Whisky
- All sizes of Marlin Scotch Whisky
- 750 ml bottles of Minister Reserve Whisky
- Soldier's Pride XXX Classic Rum
- Moller Beer

brands of Beer like Moller, amid a rapidly growing demand.

Kaya Spirits is becoming a popular name in the local and global Spirits market.



KBDL is having unique and lucrative proposal which differs from other companies in the same industry. Our business proposals are made with care for Investors and Monthly reconciliations and Joint accounts give ultimate edge to the investors over other Business Proposals. Moreover Liquor industry is having no saturation and very less competition and thus these features make IMFL and BIO segment Liquor proposals best to Invest in these days.



Some of our Distribution Proposals Highlights are Below :-

1. 150-250 Per Carton fixed Margin to Business Partner
2. All Label, License Cost , Salaries of Staff , Marketing & Promotional Expenses , Godown Expenses and Market Rebated will be Borne by the COMPANY(KBD LTD) (T&C apply)
3. ALL Payments will be coming in the Account of Kaya Blenders and Distillers whom rights will be given to Business Partner to operate / deposit/withdraw from the Account
4. Thus Business Partner's Investment is safe as all Stock Payments including Excise will be coming to the Bank Account handled by Business Partner. Power of attorney for the operation of state/s and dealing with excise department will be given to Business Partner. (T&C apply)
5. Return on Investment and Performance Guarantee options are in the Agreement .
6. No Risk to Business Partner for operational Expenses as all expenses are on Company's Side.
7. UNLIKE Liquor retail shops no Money is wasted on License fees every Year. All deposits towards company are refundable and adjustable security. All labels and license fees are to be Paid by Company
8. Business Partner need not to take any license or registration for business. Licenses of Kaya Blenders and Distillers Ltd would suffice for all execution.(T&C apply)
9. Market Credit at Company's Responsibility giving Zero Risks for Investments by Investor.

## Glimpses of few Accomplishments



Kaya Blenders & Distillers Limited Awarded with International Excellence award for Quality manufacturing in Spirits



Mr Karun Kaura being honoured with Dr. APJ Abdul Kalam Excellence Award



Global Achievers Award Presented To Mr. Karun Kaura at Dubai, UAE



CMD Karun Kaura awarded with Asia Pacific Excellence Award at Kathmandu, Nepal



CMD Kaya Spirits Felicitated with Bharat Jyoti Award

**HINDUSTRY**

*'Change with preferences to stay relevant in the market'*

**HINDUSTRY TIMES, CHANDIGARH**  
SATURDAY, MAY 6TH, 2017

**VARIETY**

**KAYA GETS EXCELLENCE AWARD FOR QUALITY PRODUCTION**

**K**aya Blenders & Distillers Limited has been selected for the "International Excellence Award for Quality Production". The award was presented by Shri. APJ Abdul Kalam, former President of India, at the "Dr. APJ Abdul Kalam Excellence Awards" held in New Delhi on May 5, 2017.

The award ceremony was organized by the "Dr. APJ Abdul Kalam Excellence Awards" committee, which aims to recognize and promote excellence in various fields. The award is given to individuals and organizations who have made significant contributions to their respective fields.

The award ceremony was held at the "Dr. APJ Abdul Kalam Excellence Awards" conference, which was attended by several prominent figures from the industry. The award was presented to Mr. Karun Kaura, CMD of Kaya Blenders & Distillers Limited, for his outstanding contributions to the industry.

The award ceremony was a great success, and it was a proud moment for Kaya Blenders & Distillers Limited to receive such a prestigious award. The award is a recognition of the hard work and dedication of the entire team at Kaya Blenders & Distillers Limited.

▲ Cover Story in leading Laquer Magazine : SPIRITZ

**HINDUSTRY**

**Taking his vision of success to newer heights**

**HINDUSTRY TIMES, CHANDIGARH**  
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▲ Hindustan Times Publishing

▲ Times of India Publishing

## Awards & Recognitions



Global Achievers Award



Spiritz Magazine Award



Dr. APJ Abdul Kalam Excellence Award



Asia Pacific Excellence Award



Certificate of Excellence  
"International Excellence Award"



Dr. APJ Abdul Kalam Excellence Award



Global Achiever Award



Bharat Jyoti Award

- INDIA MADE FOREIGN LIQUOR is a venture where a liquor (Whisky, Brandy, Rum, Gin, Vodka) label & blend is first developed followed by development of its packaging materials which completes the product/s transformation into brand/s.
- A company is formed and registered to carry on the business operations.
- Thereafter suitable liquor bottling unit/s or distilleries are identified in designated regions and contractual bottling or production is done after getting the label/s or brand/s registered with the local excise depts.
- The label/s or brand/s are again registered in the local state excise departments, where they are intended to sale and thereafter sales starts.
- Marketing and brand building activities along with trade discounts & schemes are operated in the market to gain sales volumes and market share.

### FORMATION OF COMPANY

A company is registered with the nature of activities defined as manufacturing and marketing with the registrar of companies to carry out the said liquor business.

### OPERATIONS

#### DEVELOPMENT OF BRANDS:

Category/s are identified in which the company wants to do business as Whisky, Brandy, Rum, Gin or Vodka.

The company then plans to create "Products" in those identified categories.

A suitable name is thought or identified according to the kind of Product the company wants to create.

A designer is hired and briefed about the name and the brand positioning and thus

the label design is created.

As soon as the label design is finalized or at least the name is finalized, it is sent for trade mark registration to protect the IP rights and prevent any counterfeit.

Thus a "Brand" is born.

A blender or chemist is hired to create suitable blend/s for the said brand/s according to the various categories or sub-categories of the product.

The created blends are then researched according to their acceptance among consumers where an expanded market research done by either hired research companies or by an in-house team.

The blend/s are finalized after intense and prolonged research to have better chance of acceptance among consumers.

The designer also creates the artwork for all other packaging materials as bottles, caps, mono-cartoons, canisters, CC boxes, etc., as per suitability and completes the formation of a "Brand".

#### PRODUCTION & LOGISTICS:

There are bottling units (Bottlers) scattered across the country owned by various entrepreneurs.

Suitable units are identified based on the quality of water, ease of procurement of all packaging materials called "dry goods" and ENA, or the extra-neutral alcohol which forms the base of the spirit called "wet goods".

Security deposits to the tune of around Rs 50 lacs are even paid to sign an agreement for production of brands in those bottling units by the brand owners, referred as Kaya Blenders & Distillers Ltd. (KBDL) here.

Generally a payment between Rs 50 to Rs 75 per case of production is paid to the bottler depending on the agreement as bottling fee. The amount is paid by KBDL on a monthly basis.

These bottling units owned by others used to outsource production are called "contract bottling units or CBUs".

The brand owners (KBDL) thereafter sources all the packaging materials namely all the dry & wet goods to the CBUs for production at its own cost.

The labels of the brands created are registered with the local excise of the bottling unit required for production which incurs an expense on the part of KBDL and generally has a validity period of one year and thereafter renewed each year with fees as applicable.

There is a very high investment required for procurement of both dry & wet goods as most have minimum order quantities and are mostly required to be paid in advance.

For example the MOQ (minimum order quantity) for ENA (spirit) is 20000 liters which incurs an approximate cost of around Rs 15 lacs and is paid in advance by KBDL. The MOQ for the glass bottle is around 100000 pcs which incurs a cost of around Rs 15 lacs and is also paid in advance by KBDL. Similarly with the caps, CC boxes, labels, etc.

The finished products are moved from the CBUs to the wholesalers/ distributors/ corporation by KBDL and incurs logistics expenses paid upfront on completion of each delivery cycle.

#### SALES & PAYMENT COLLECTION:

Manpower is hired by KBDL in the capacity of state/regional/zonal heads and territory sales executives to procure orders and collect payments from retailers, wholesalers and distributors.

This is a 3 tier business whereby stocks produced at the CBUs are sold to wholesalers known as L-1s or distributors or to the govt. corporations and thereafter the same goes to the retail from where a consumer buys in unit/s.

Company is certified for Scotch whisky authorised by Scotland Govt. **vide reference No. 40370-50416**

Company is certified by FSSAI Vide central **License No. 10016063000900**

Company is Certified by Import/Export Registration vide IEC No. 3016903725

Company is having license to sell from **Punjab** Govt. vide Letter No. DP0103403247462

Company is having license to sell from **Arunachal Pradesh** Govt. vide Registration No. Ex-489/BLR/2016

Company is having license to sell from **Uttarakhand** Govt. vide letter No. 462 Dated June 29,2016

Company is having license to sell from **Orissa** Govt. vide letter No. LA-41/2016-OREDR No. 5147

Company is having license to sell from **Mizoram** Govt. vide letter No. C 18015/19/2016

Company is having license to sell from **Himachal Pradesh** Govt. vide letter No. 7-731/2016-EXN-11314

Company is having license to sell from **Andhra Pradesh** Govt. vide letter No. C.R. No H4/6884/2017/CPE/Ex dated Nov 2017.

Company is having license to sell from **Maharashtra** Govt. vide letter No. ADL/2017-18/007 dated 02-12-2017

Company is having license to sell from **Goa** Govt. vide Letter No :41 dated 27-11-2017

Company is having license to sell from **Chhattisgarh** Govt. vide Registration No. 128/2018 dated 08/10/2017

Company is having license to sell Moller Beer in **Delhi** vide letter no. F.NO.L-1F/17/Ex/IMFL/2016-17/1142  
Dated 18/09/27

Company is having license to sell from **Haryana** vide Letter No. 5389/X.11, Dated 1/1/2018

License applied in **Telangana ,Karnataka, Tamil Nadu.**



OLD PROFESSOR WHISKY

AVAILABLE IN 750ML | 375ML | 180ML



OLD PROFESSOR GOLD RESERVE WHISKY

AVAILABLE IN 750ML | 375ML | 180ML



BLACK ENFIELD RUM

AVAILABLE IN 750ML | 375ML | 180ML



ROYAL PATIALA WHISKY

AVAILABLE IN 750ML | 375ML | 180ML



MARIE LOUISE BRANDY

AVAILABLE IN 750ML | 375ML | 180ML



MINISTER RESERVE BLENDED SCOTCH WHISKY

AVAILABLE IN 750ML



MALIN BLENDED SCOTCH WHISKY

AVAILABLE IN 750ML | 375ML | 180ML



MÖLLER PREMIUM BEER

AVAILABLE IN CAN & BOTTLE



BHETKI STRONG BEER

AVAILABLE IN 650 ML & CAN



VITALSBERG BEER



LO VIRA LAGER BEER

AVAILABLE IN 330ML Bottle



#### Montepulciano d'Abruzzo DOP

The wine has an intense ruby red color with light hints of violet. The bouquet is intense and vinous with traces of cherries and red fruits. The taste is tannic, soft and round.

#### Merlot del Veneto

The Wine is ruby red in color. The bouquet is intense, reminiscent of wild berries, coffee and chocolate.

The taste is persistent, well-balanced and perfectly structured on the palate.



Sangiovese has a ruby red colour with violet hints. The bouquet is vinous with scents of red fruits. The taste is well-balanced with a good body. Trebbiano bouquet is delicate with floral notes. On the palate it is harmonic with notes of bread.



#### Spumante Brut White

The fine and persistent bubbles come from a natural re-fermentation made in stainless steel tanks according to the charmat method. The colour is pale straw yellow. The bouquet is marked by floral hints and fruity notes of apple. The taste is elegant and fresh with a fine perlage and a good acidity.



Karun Kaura | CMD

B.Com,LL.B,LL.M

Resident of Patiala(Punjab)and Based at Chandigarh  
01755021897(Office)  
Mobiles:+919803500003 (Assistant)

- Mr. Karun Kaura, a commerce graduate with legal qualification of LLB & LLM. He hails from legal profession with ardent urge and drive to become a successful entrepreneur and stand apart from the crowd. He is known for his quality of looking at problem as opportunity and take challenges to resolve any sort of problem with ease.
- He has always worked in a thought-provoking and stimulating environment that has provided him with opportunity to acquire knowledge, enrich his skills and enhance work experience while contributing towards the accomplishment of organizational mission and objectives.
- He has received recognition and respect in various political circles for his ability to take quick and judicious action at the right time achieving success.

#### Honors & Acknowledgments

- Honored and awarded with International Excellence Award in April 2017 for Quality manufacturing of spirits at Goa, India.
- Awarded with Bharat Jyoti Award from Hon'ble Shri. Shivraj.V. Patil ,Former Speaker Lok Sabha, Union Minister and Governor of Punjab at New Delhi, India on 23rd April 2017.
- Awarded with Asia Pacific Excellence Award by Hon'ble Shri. Ram Baran Yadav, President of the Federal Democratic Republic of Nepal at Kathmandu, Nepal on 16th June 2017.

building survey reports on voters' constituency, organizing political sessions with the youth and voters.

- Impressively skilled in helping an individual ace the race of politics by discussing, dissecting and banking on latest issues to draw the winning votes.
- Worked as Media Advisor to CM / Ex. CM candidate and has been contributing efforts majorly in Media
- Managing other political related services, has received a thorough insight and marvelous experience while campaigning for votes on candidate's behalf in the lok sabha and Vidhan Sabha elections of 2014 in Punjab.

- Was monitoring Media activities, Press and Media liaisoning, online and offline election campaigns and offering political advice to those who needed so.

#### President

- International Council for student welfare (Section 25 Government Licensed Company)
- International Council for Student Welfare is mainly formed for helping poor and meritorious students to study and accomplish their educational objectives carve himself a suitable career and he has formed a private college for children and young adults.

#### His Core Business Value

- Respect of investors' money and ensure best industry returns.
- Promote inclusive growth.

## Core Team of Kaya Blenders & Distillers Limited



Mitin Pattnaik | Director

Masters in Business Administration.  
📍 Resident of Bhubneshwar, Orissa  
✉️ directorsouth@kayaspirits.com

Mr. Mitin Pattnaik, Chief Director with Kaya Blenders and Distillers Limited holds a Master's degree in Business Administration.

With more than 10 years of experience, Mr. Pattnaik's key purpose is to ensure the company's prosperity by collectively directing the company's affairs, whilst meeting the appropriate interests of its shareholders and stakeholders. In addition to business and financial issues, he is also dealing with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics.

He determines the company's vision and mission to guide and set the pace for its current operations and future development. He determines the values to be promoted throughout the company with sincerity and integrity in rapidly assessing and maintaining the business venture with excellence.

With his experience, he review and evaluate present and future opportunities, threats and risks in the external environment and current and future strengths, weaknesses and risks relating to the company and strategic options to select those to be pursued, and decide the means to implement and support them..

Mr. Pattnaik focuses on strategy and his sole intention is to direct the growth and prosperity of the firm in this country and beyond by cultivating relationships with new clients and establishing transactional and annuity businesses.

In his words "Our mission is to enrich alcohol brand choices for consumers and bring greater value to customers."

Arnab Banerjee, a liquor industry veteran and COO of Kaya Blenders and Distilleries Limited, has twenty years of extensive experience with top multinational companies and Liquor Businesses of India. He has developed and managed business ventures in FMCG, FB, Alcohol/Liquor, Corporate Farming, Real Estates, Shopping Mall Chains, Commodity/Floral Trading, etc on a national and international basis. He has vast experience in working overseas in countries like Ghana, Mozambique, Ethiopia, Nigeria, Angola, Zambia, Kenya, DRC, South Africa, Singapore, Thailand, UK, USA, Canada, Australia.

He has managed Business entities with National turnovers worth over Rs. 1000 crores and over 15 million US Dollars overseas.

Mr. Banerjee has a solemn vision of transforming Kaya Blenders & Distillers Limited into a global multinational company by establishing a sound corporate culture and infusing Professionalism into the Team. His sole aim is to turn every Brand of Kaya Blenders & Distillers Limited into a lifestyle, which is how connoisseurs relate to our brands.

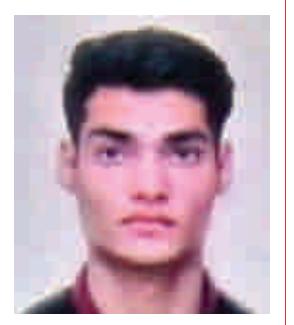


Arnab Banerjee | COO

MBA from National Institute of Management-Kolkata, Bachelor of Arts

📍 Resident of Navi Mumbai  
✉️ arnab@kayaspirits.com

## Core Team of Kaya Blenders & Distillers Limited



Manjul Wadhwa | Director Cum CMO

Graduate in Journalism  
📍 Resident of Delhi  
✉️ cmo@kayaspirits.com

Mr. Manjul Wadhwa is a young entrepreneur, vested with dynamic experience in various fields with a strong hold and expertise in a huge array of professions. After completion of his graduation in Journalism, Mr. Wadhwa had always been engaged in multiple professions. He garnered immense success and experience in the field of Social Research for Governments while simultaneously pursuing in-depth political research for various political leaders and chief ministers. He supervised the Pan India Media Agency leaving his mark in the Liquor Industry with Kaya Spirits.

Through rich and diverse experience in multiple fields, Mr. Wadhwa firmly believes that the key to a successful and flourishing business is to manage and supervise every second and implement new and innovative strategies to take the company to its zenith.

His mantra is- "To be successful, you have to have your heart in your business, and your business in your heart."

Apart from believing in strongly regulated management and intricate business planning, Mr. Wadhwa is of the ideology that the company's output has to be beneficial for the society as any large-scale organization affects every section of the society, generating employment and creating a market for shareholders. Thus, keeping the best interest of the consumers at heart, Mr. Wadhwa aims at taking Kaya Blenders and Distillers Limited to the summit of success.



Gopal Bithar | GM (Admin & Operations)

B.Com , PGDC in export management, PGDC in office management

📍 Resident of Patiala (Punjab)  
✉️ officekayaspirits18@gmail.com

## Core Team of Kaya Blenders & Distillers Limited



**Parmod Kumar | GM** (Production & Purchase)

Masters Degree in Arts (MA) from Meerut University

📍 Resident of Ludhiana, Punjab

Mr Parmod Kumar is the senior most member of the Kaya family. He is a dynamic leader and an accomplished trader with a vast twenty-five years of experience in the Liquor Industry. Supervising the Production Team of Kaya Blenders and Distilleries Limited, Mr. Kumar has extensive and relevant work experience in Big Liquor giants like Gemini Distillers. He has vast knowledge of ENA purchase negotiation and procurement and supervises the daily operations of the bottling unit including compliance of bottling parameters and excise regulations.

He has hailed in his opulent experience in commercial production to the Kaya Team has greatly enhanced the efficiency of conducting business in India. His rich and versatile knowledge on purchase and procurement along with his contact with vast number of suppliers of packaging materials ensures grand success of business and marketing for the KBDL team.

Mr Harpreet Maggo has deep knowledge of Liquor trade with vast experience in sales and business in association with several liquor giants, namely Alcobrew Distilleries, John Distillers and Globus Spirits etc. He has immense rudimentary insights into the Indian Liquor industry, which enhances the distribution business of Kaya Spirits.

He is responsible for the planning, sourcing and ensuring an integrated delivery service to clients across India. Having work experience in various MNC's through his sales background, Mr. Maggo has been able to add value to the client through consulting assignments. Mr. Maggo has handled diverse assignments and large teams in various leadership capacities across sales, investments and liquor businesses.

**Harpreet Maggo | C.E.O**

Graduated in Fashion Designing from National Institute of Fashion Technology

📍 Resident of Delhi



**Roop Handa | National Distribution Head**

MBA (Marketing)

📍 Resident of Delhi

✉️ roop@kayaspirits.com

Ms Palki Mahajan is having excellent hand on the Executionary tasks from the CMD's Office . She has good command over corporates Communications and HR. She is Multi talented and playing many roles in bridging between employees and departments at KBDL. She is working close to CMD office for looking and helping in daily operations on National Level.



**Palki Mahajan | Admin & HR Manager**

B.Tech from P.T.U

📍 Resident of Chandigarh

✉️ palki@kayaspirits.com

## About Team

Kaya's Team Structure and working Module:-

Kaya Club 1

This is the Core strategy decision making body. Represented by CMD Mr. Karun Kaura, CEO, COO, CMO, GM Finance, GM Commercial.

Objectives: Strategic decisions on Investments, Marketing & Brand Positioning, Brand Development etc. are taken by the Strategic Team called Club 1 in a meeting Chaired by the CMD and Arnab Banerjee as the convener held on a monthly basis in the Head Office.

The Branch offices headed by Regional / Zonal Managers assisted by Area Managers and Sales Executives.

**First Year of Business  
(JAN 2017 - DEC 2017)**

**Projected Sales Volume  
(APRIL 2018 - MARCH 2019)**

**Last Year Sale Volume of our Products**

Product	Sold In State	Origin	Quantity
Royal Patiala Whisky Pet	Arunachal	Bathinda	60,000
Royal Patiala Whisky	Arunachal	Bathinda	10,000
Minister Reserve Whisky	Arunachal	Bathinda	33,00
Marlin Whisky	Arunachal	Bathinda	2,000
Old Professor	Punjab	Bathinda	0
Royal Patiala Whisky	Punjab	Bathinda	10,000
Minister Reserve Whisky	Punjab	Bathinda	0
Marlin Whisky	Punjab	Bathinda	0
Old Professor	Mizoram	Bathinda	3,000
Royal Patiala Whisky	Mizoram	Bathinda	8000
Minister Reserve Whisky	Mizoram	Bathinda	2000
Marlin Whisky	Mizoram	Bathinda	1000
Old Professor	Uttrakhand	Bathinda	2000
Royal Patiala Whisky	Uttrakhand	Bathinda	1500
Minister Reserve Whisky	Uttrakhand	Bathinda	0
Marlin Whisky	Uttrakhand	Bathinda	0
Old Professor	Himachal Pradesh	Himachal	500
Royal Patiala Whisky	Himachal Pradesh	Himachal	1000
Minister Reserve Whisky	Himachal Pradesh	Himachal	0
Marlin Whisky	Himachal Pradesh	Himachal	0
Moller Beer	Delhi	Spain	2500
Royal Patiala Pet	Nigeria	Patiala	10,000
Royal Patiala Pet	Dubai,UAE	Patiala	10,000
<b>TOTAL CASES</b>			<b>1,23,500</b>

**Projected Sales Volume for 2018-19**

Sr.No.	Product	Sold In State	Origin	Quantity
1	WHISKY /RUM/SCOTCH	Arunachal	Bathinda	1,20,000
2	WHISKY /RUM/SCOTCH	Punjab	Bathinda	1,8000
4	WHISKY /RUM/SCOTCH	Mizoram	Bathinda	10,000
5	WHISKY /RUM/SCOTCH	Uttarakhand	Bathinda	10,000
6	WHISKY /RUM/SCOTCH	Himachal Pradesh	Himachal	5,000
7	WHISKY /RUM/SCOTCH	Delhi	AMBALA	58,000
8	WHISKY /RUM/SCOTCH	Nigeria	Patiala	60,000
9	WHISKY /RUM/SCOTCH	Dubai,UAE	Patiala	80,000
10	WHISKY /RUM/SCOTCH	Goa	GOA	5,000
11	WHISKY /RUM/SCOTCH	AP	GOA	12,000
12	WHISKY /RUM/SCOTCH	Telangana	GOA	15,000
13	WHISKY /RUM/SCOTCH	Orissa	ORISSA	15,000
14	WHISKY /RUM/SCOTCH	Maharashtra	MUMBAI	24,000
15	WHISKY /RUM/SCOTCH	Chhattisgarh	ORISSA	12,000
16	MOLLER BEER	Delhi	SPAIN	10,000
17	VITALSBERG BEER	Delhi	SPAIN	10,000
18	WHISKY /RUM/SCOTCH	Haryana	AMBALA	36,000
19	IMPORTANT WINES SALES	Indian Market	SPAIN	30,000
20	DOMESTIC BEER BHETKI	Indian Market	DOMESTIC	50,000
	<b>TOTAL CASES</b>			<b>5,80,000</b>

*We have already obtained the required government permissions and approvals to work in above areas and we have seven Bottling plants through out of India to cater to the production requirements for the above said areas. We intend to cross 25 lakhs cases in the span of 2-3 years*

## Volume Projection For 4 Years

## Volume Projection For 4 Years

### Volume Projection: Year -1.

BRANDS	MONTH												COP	Selling Price	G.P	G.P%	
	1	2	3	4	5	6	7	8	9	10	11	12					
Marlin Whisky	3000	3000	3000	5000	5000	5000	6000	6000	6000	6000	6000	4000	58000	750	1200	450	60
Old Professor Whisky	13000	13000	13000	14500	14500	14500	17000	17000	17000	17000	17500	15000	183000	910	1650	740	81
Minister's Reserve/jackie Crown	3500	3500	3500	3500	4000	4000	4000	4000	4000	4000	4000	4000	46000	1400	2800	1400	100
Royal Patiala Whisky	12000	12000	12000	12000	12000	12000	12000	12000	12000	12000	13000	10000	143000	520	650	130	25
Black Enfield Rum	1500	1500	1500	1500	1500	2000	2000	2000	2000	2000	2000	2000	21500	550	850	300	55
Old Professor Gold Reserve	1000	1000	1000	1500	1500	1500	1500	1500	1500	2000	3000	3000	20000	950	1650	700	74
Premium Brandy	500	500	500	1000	1000	2000	1000	2000	2000	2000	3000	3000	18500	800	1350	550	69
Moller Lager Beer	500	500	500	500	500	500	500	500	500	500	500	500	6000	950	1700	750	79
Vitalsberg Strong Beer(9%)	500	500	500	500	500	500	500	500	500	500	500	500	6000	750	900	150	20
Spanish Wines	2000	2000	2000	2000	2000	2000	2000	2000	3000	3000	4000	4000	30000	1200	1800	600	50
Beer:Bhetki & K.S Magnum	2500	2500	3000	3000	3000	3000	5000	5000	5000	5000	6000	5000	48000	450	700	250	56
<b>Total</b>	<b>40000</b>	<b>40000</b>	<b>40500</b>	<b>45000</b>	<b>45500</b>	<b>47000</b>	<b>51500</b>	<b>52500</b>	<b>53500</b>	<b>54000</b>	<b>59500</b>	<b>51000</b>	<b>580000</b>				

### Volume Projection: Year -2.

BRANDS	MONTH												COP	Selling Price	G.P	G.P%	
	1	2	3	4	5	6	7	8	9	10	11	12					
Marlin Whisky	6000	6000	6000	10000	10000	10000	10000	12000	12000	12000	12000	8000	114000	750	1200	450	60
Old Professor Whisky	25000	26000	26000	28000	28000	28000	28000	30000	31000	31000	31000	32000	344000	910	1650	740	81
Minister's Reserve/Jackie Crown	7000	7000	7000	7000	8000	8000	8000	8000	8000	8000	8000	92000	1400	2800	1400	100	
Royal Patiala Whisky	22000	22000	22000	22000	22000	24000	24000	24000	24000	24000	24000	20000	274000	520	650	130	25
Black Enfield Rum	3000	3000	3000	3000	3000	4000	4000	4000	4000	4000	4000	4000	43000	550	850	300	55
Old Professor Gold Reserve	2000	2000	2000	3000	3000	3000	3000	3000	3000	4000	6000	6000	40000	950	1650	700	74
Premium Brandy	1000	1000	1000	1000	2000	4000	2000	4000	4000	4000	6000	6000	36000	800	1350	550	69
Moller Lager Beer	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	12000	950	1700	750	79
Vitalsberg Strong Beer(9%)	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	12000	750	900	150	20
Spanish Wines	4000	4000	4000	1000	4000	4000	4000	4000	6000	6000	8000	8000	57000	1200	1800	600	50
Beer:Bhetki & K.S Magnum	5000	5000	6000	6000	6000	5000	10000	10000	10000	10000	11000	12000	96000	450	700	250	56
<b>TOTAL</b>	<b>77000</b>	<b>78000</b>	<b>79000</b>	<b>83000</b>	<b>88000</b>	<b>92000</b>	<b>95000</b>	<b>101000</b>	<b>104000</b>	<b>105000</b>	<b>112000</b>	<b>106000</b>	<b>1120000</b>				

## Volume Projection For 4 Years

## Volume Projection For 4 Years

### Volume Projection: Year -3.

BRANDS	MONTH												COP	Selling Price	G.P	G.P%	
	1	2	3	4	5	6	7	8	9	10	11	12					
Marlin Whisky	11000	11000	11000	11000	15000	15000	20000	20000	23000	24000	24000	20000	205000	750	1200	450	60
Old Professor Whisky	40000	40000	42000	50000	50000	56000	56000	60000	60000	62000	62000	62000	640000	910	1650	740	81
Minister's Reserve/Jackie Crown	13000	13000	14000	14000	15000	16000	16000	16000	16000	16000	16000	16000	181000	1400	2800	1400	100
Royal Patiala Whisky	34000	34000	35000	35000	40000	42000	44000	44000	44000	45000	45000	40000	482000	520	650	130	25
Black Enfield Rum	6000	6000	6000	6000	6000	8000	8000	8000	8000	8000	8000	8000	86000	550	850	300	55
Old Professor Gold Reserve	4000	4000	4000	6000	6000	6000	6000	6000	6000	8000	10000	10000	76000	950	1650	700	74
Premium Brandy	2000	2000	2000	2000	2000	8000	4000	8000	8000	8000	10000	10000	66000	800	1350	550	69
Moller Lager Beer	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	24000	950	1700	750	79
Vitalsberg Strong Beer(9%)	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	24000	750	900	150	20
Spanish Wines	8000	8000	8000	8000	8000	8000	8000	8000	12000	12000	14000	14000	116000	1200	1800	600	50
Beer:Bhetki & K.S Magnum	10000	10000	12000	12000	12000	10000	15000	15000	20000	20000	22000	22000	180000	450	700	250	56
<b>TOTAL</b>	<b>132000</b>	<b>132000</b>	<b>138000</b>	<b>148000</b>	<b>158000</b>	<b>173000</b>	<b>181000</b>	<b>189000</b>	<b>201000</b>	<b>207000</b>	<b>215000</b>	<b>206000</b>	<b>2080000</b>				

### Volume Projection: Year -4.

BRANDS	MONTH												COP	Selling Price	G.P	G.P%	
	1	2	3	4	5	6	7	8	9	10	11	12					
Marlin Whisky	20000	22000	22000	25000	25000	30000	35000	35000	38000	38000	40000	40000	370000	750	1200	450	60
Old Professor Whisky	50000	50000	55000	60000	60000	70000	70000	80000	80000	100000	100000	110000	885000	910	1650	740	81
Minister's Reserve/Jackie Crown	22000	25000	26000	28000	30000	32000	32000	32000	32000	32000	32000	32000	355000	1400	2800	1400	100
Royal Patiala Whisky	60000	60000	65000	65000	70000	70000	75000	80000	82000	82000	82000	84000	875000	520	650	130	25
Black Enfield Rum	10000	12000	12000	12000	12000	12000	12000	12000	12000	16000	16000	16000	154000	550	850	300	55
Old Professor Gold Reserve	8000	8000	8000	12000	12000	12000	12000	12000	12000	20000	20000	20000	148000	950	1650	700	74
Premium Brandy	4000	4000	4000	4000	4000	16000	8000	16000	16000	20000	20000	20000	132000	800	1350	550	69
Moller Lager Beer	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	48000	950	1700	750	79
Vitalsberg Strong Beer(9%)	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	48000	750	900	150	20
Spanish Wines	15000	15000	15000	16000	16000	16000	16000	20000	22000	22000	24000	28000	225000	1200	1800	600	50
Beer:Bhetki & K.S Magnum	20000	20000	22000	22000	24000	24000	30000	30000	40000	40000	44000	44000	360000	450	700	250	56
<b>TOTAL</b>	<b>217000</b>	<b>224000</b>	<b>237000</b>	<b>252000</b>	<b>261000</b>	<b>290000</b>	<b>298000</b>	<b>325000</b>	<b>342000</b>	<b>366000</b>	<b>386000</b>	<b>402000</b>	<b>3600000</b>				

## Level-Wise Road Map For Next 4 Years

Sr.no.	Particulars	Level -1	Level -2	Level -3	Level -4
1.	Time Frame	1 year	1 year	1 year	1 year
2.	Financial year	2018-19	2019-20	2020-21	2021-22
3.	No of states where Licences already in place	11	16	25	25
4.	No of states in which licences expected (no in cumulative)	16	25	25	25
5.	No of states where IMFL Brands already launched	5	5	5	5
6.	No of states where IMFL Brands to be launched (No in cumulative)	5	23	25	25
7. a)	No of states where operations already commenced	5	5	5	5
b)	No of states where operations to be commenced(cumulative)	5	15	25	25
c)	No of states cumulative where operations expected to be in full for 12 months	5	10	20	25
d)	No of states where operations expected to be for 4 months	5	10	5	--
8.	SALE OF IMFL BRANDS				
a)	Sales Quantity in cartons/cases per month	6000	7000	8000	12000
b)	Sales quantity per annum from states which are in operations for 12 months	360,000	840,000	19,20,000	36,00,000
c)	Sales quantity per annum from states which are in operations for 4 months	120,000	280,000	160,000	---
	<b>TOTAL SALES CARTONS</b>	<b>4,80,000</b>	<b>11,20,000</b>	<b>20,80,000</b>	<b>36,00,000</b>
d)	Average Price per carton (in RS)	1500	1750	2000	2500
	REVENUE FROM IMFL BRANDS Rs in crores)	72.00	196.00	416.00	900.00
9.	REVENUE FROM BEER PRODUCTS				
a)	No of states in operations expected	5	10	20	25
b)	No of months expected to be in operations	6	12	12	12
c)	No of cases expected to be sold per month	3000	4000	5000	6000
d)	Total no of cases to be sold per annum	90,000	4,80,000	12,00,000	18,00,000
e)	Average price per case in Rs	1500	2000	2500	3000
	<b>TOTAL REVENUE FROM BEER PRODUCTS (Rs in crore)</b>	<b>13.50</b>	<b>96.00</b>	<b>300.00</b>	<b>540.00</b>

## Level-Wise Road Map For Next 4 Years

Sr.no.	Particulars	Level -1	Level -2	Level -3	Level -4
10.	TOTAL REVENUE (Rs in crores)	85.50	292.00	716.00	1440.00
11.	WORKING CAPITAL REQUIREMENT				
A.	Short-Term working capital requirement at 20% of sales (Rs in crores)	17.10	58.40	143.20	288.00
B.	Long Term working capital requirement at 10% of sales Rs in crores	8.55	29.20	71.60	144.00
	<b>SUB-TOTAL</b>	<b>25.65</b>	<b>87.60</b>	<b>214.80</b>	<b>432.00</b>
C.	COST OF ESTABLISHMENT OF BOTTLING PLANTS				
	No of plants proposed	--	2	2	3
	COST OF ESTABLISHMENT(Rs 10 crores per plant)	--	20.00	20.00	30.00
12.	TOTAL FUNDS REQUIREMENT( Rs in crores)	25.65	107.60	234.80	462.00
13.	MEANS OF FINANCE	(Rs in crores)	(Rs in crores)	(Rs in crores)	(Rs in crores)
i.	Equity share capital	18.00(Rs 60/- per share)	75.00 @150/- per share	100.00 @200/- per share	450.00 @500/- per share
ii.	Quasi-Equity/ Quasi-debt	7.65	32.60	59.80	---
iii.	Borrowings from Banks	--	--	75.00	--
iv.	Internal accruals	--	--	--	12.00
	<b>TOTAL</b>	<b>25.65</b>	<b>107.60</b>	<b>234.80</b>	<b>462.00</b>
14.	Initial Public Offering proposed in 4th year after Level-3.				450.00
	Issue Price				500.00
A.	Revenue from Operations	85.50	292.00	716.00	1440.00
B.	Expenditure	72.70	245.30	594.00	1180.00
C.	Profit Before Tax(A-B)	12.80	46.70	122.00	260.00
D.	Tax Expenses	3.35	15.56	40.65	86.66
E.	Profit After Tax	9.45	31.14	81.35	173.34
F.	Equity Share Capital	12.00	17.00	22.00	31.00

## Growth at Glance / Valuation Statement

## Investment Growth

### GROWTH AT GLANCE

Rs in crores

Sr.no.	Particulars	Level -1	Level -2	Level -3	Level -4
i)	Promoters stake Amount	9.00	11.00	12.00	14.00
	Promoters stake in %	75	64.70	54.55	45.16
ii)	Investors/Public stake amount	3.00	6.00	10.00	17.00
	Investors/public stake in %	25.00	35.30	45.45	54.84
G.	Equity share premium	15.00	70.00	95.00	441.00
H.	Reserves & Surplus	24.45	125.59	301.94	916.28
I.	NETWORTH	36.45	142.59	323.94	947.28
J.	BOOK VALUE	30.37	83.87	147.24	305.57
K.	EPS	7.87	18.31	36.97	55.91
L.	PE Multiple/Industry Average	10	10	10	10
M.	Expected share price in RS	78.70	183.10	369.70	559.10
	ROUNDED OFF TO	80.00	180.00	370.00	560.00
N.	ENTERPRISE VALUATION	96.00	306.00	814.00	1736.00
O.	MARKET CAP	—	—	—	1736.00
P.	Initial public offering (IPO) is proposed in 4th year				
Q.	Dividend	10%	20%	20%	30%
R.	Bonus share proposed in 5th year				
S.	Major expansions will be undertaken from 5th year onwards				
T.	Listing is proposed in international houses in 6th or 7th year				

### Present Position

- |                    |             |                         |         |
|--------------------|-------------|-------------------------|---------|
| 1. Turn Over       | Rs 12.50 Cr | 3. Enterprise Valuation | Rs30 Cr |
| 2. Paid Up Capital | Rs 3 Cr     | 4. Valuation Of Share   | Rs60/-  |

S. NO.	PERIOD	2018-19	2019-20	2020-21	2021-22
Investment Growth : Investment considered at Rs. 60/- per share					
A)	Investment	RS. 10 LAKHS	—	—	—
B)	Price	RS. 60/- per share			
C)	No. Of Shares	16,667			
D)	Expected Share Price	Rs. 80/-	Rs. 180/-	Rs. 370/-	Rs. 560/-
E)	Realisable Value At The End Of The Year	Rs. 13.33 Lakhs	Rs. 30 Lakhs	Rs. 61.67 Lakhs	Rs. 93.33 Lakhs
F)	Growth In %	33.33%	200%	500%	800%
G)	Average Growth Rate	Average Growth Rate is 383% if one wants to invest for four years till the end of the Fourth Year			

The main USP of a growing SME Liquor Company like KBDL is its potential to grow at unprecedented rate, if the business is planned and executed in a timely and professional manner. The expansion strategy, if well drafted, planned and executed, can yield high returns in a very quick turn-around.

At KBDL, we believe that thorough planning and intricate detailing at the planning stage, provides a clear picture and the path on which we have to build the company. Such detailed planning also builds the confidence of the investors also in the company, they are assured and confident that their investment is secured and in the trusted hands of team of professionals who have the business acumen to achieve what they have projected.

The below table enlists the growth of the share value in the time span of 4 years. The average growth predicted in the 4 years is of 383% with growth sky-rocketing after the Second Year. This growth in valuation of the shares is backed by the Huge Turnover of the sales that is projected by keeping realistic figures in mind. Even by capturing just 0.5% of the Market Share in 14 states in the year 2018-19, the Projected Turnover is of INR 500 Crores Approx.

### Position By 2022

- |                    |            |                         |            |
|--------------------|------------|-------------------------|------------|
| 1. Turn Over       | Rs 1440 Cr | 4. Enterprise Valuation | Rs 1736 Cr |
| 2. Paid Up Capital | Rs 31 Cr   | 5. Market Cap           | Rs 1736 Cr |
| 3. Share Price     | Rs 560/-   |                         |            |

S. NO.	PURPOSE OF FUNDS	AMOUNT ( RS IN CRORES )
1	Short-Term Working Capital Requirement	17.00
2	Long-Term Working Capital Requirement	3.65
3	Setting Up of Bottling Plant	5.00
<b>TOTAL</b>		<b>25.65</b>
	Means Of Finance	
i)	Equity Share Capital	18.00
ii)	Quasi-Equity/Quasi-Debt ( Issue of Optionally Convertible Preference Shares )	7.65
<b>TOTAL</b>		<b>25.65</b>

The projected Sales Volume in the year 2018-19 is of 5,48,000 cases. To support the Sales Projection financially, the following table enlists the Funds Requirement and also mentions the purpose and usage of the funds.

The Short-Term Working Capital will be used to do the Advance Excise Tax payment of the stocks in the different markets that will be invested in the market for the rotation of the Market Credit Cycle.

The Long-Term Working Capital will smoothen out the business operations and increase the capacity of the business to meet up the increase in the sales volumes.

To create the assets of the company and decrease the Cost of Production as the sales increases, KBDL plans to set up their own Bottling Plant. Setting up of the Bottling Plant will result in increase in the production capacity and more profitability for the company and its stakeholders.

The funds will be raised primarily through Equity Share Capital, Quasi-Equity and Quasi-Debt. Out of the projected funds requirement of INR 25.65 CR, INR 18.00 CR will be raised through Equity and the remaining INR 7.65 CR will be raised through Quasi-Equity/Quasi-Debt.

S. No.	PARTICULARS	For Immediate Requirement	For Next 3-6 Months	For Last 6 Months
1	Requirement	5.00	13.00	7.65
2	Time-frame For Raising	Till April	May - September	October - December
3	Mode	Equity	Equity	Quasi-Equity
4	ROI	20% + Capital Appreciation	20% + Capital Appreciation	20% + Capital Appreciation
5	Tenure	3-4 Years	3-4 Years	5 Years
6	Exit Options	i) IPO ii) Stake Sale iii) Buy-Back by Promoter iv) Buy-Back Company v) Buy-Back by Strategic Investor vi) Other Options	i) IPO ii) Stake Sale iii) Buy-Back by Promoter iv) Buy-Back Company v) Buy-Back by Strategic Investor vi) Other Options	i) IPO ii) Stake Sale iii) Buy-Back by Promoter iv) Buy-Back Company v) Buy-Back by Strategic Investor vi) Other Options

The vital element of fund raising is that the company should know the exact requirement of the funds and the time at which it requires those funds. Unplanned infusion of funds only adds to the liabilities of the company and result in the greater risk to the investors as well.

Thus, at KBDL we have planned specific requirement of funds, their utilisation, the expected ROI to the company and to the investors as well, the Lock-In Time Period and the Exit Options that will be available to the investors.

The below table gives a brief overview about the Timeliness of the Fund Requirement and the quantum of funds required at each stage of funding.

In the year 2018-19, we will have three stages of funding.

In the first stage, the Urgent Requirement for Immediate Working Capital is of INR 5 CR. This Working Capital will be used for the initial Product Placement and the Completion of the Initial Sale Cycle in the 13 states in India.

In the second stage, the fund requirement for the company is of INR 13 CR which will be used at increasing the monthly volumes in each state. With increase in monthly volume, our Marketing Campaigns of BTL Activities and Events will kick in and also to support the increasing sales, more Short-Term Working Capital is required for Excise Payments and Market Credit.

In the third stage, the fund requirement for the company is of INR 7.65 CR. The major part of this funding will be used in setting up the Bottling Plant of KBDL and some part of this round of funding will be used to maintain the Long-Term Working Capital of the company to support the next round of expansion in the fiscal year 2019-2020.

Our Product / Licence Presence  
throughout India



Our Production Presence throughout India



## Reasons of KBDL Turnover in Books of Bottling Plant

In India there are two types of Markets of Liquor Business which vary as per the norms of Excise /State government

### 1. Corporation Market

Where Government Buys Liquor from Liquor Companies and Liquor Company is paid by the Government on a cycle of 3/7/10 days. Here there is no Market Credit and Payment is very secure as Liquor Company Invoice Liquor to (X/any) state Liquor Corporation and Liquor Company has to inform Government about their one dedicated bank an account where all payment is paid by Government. In the above mode the Billing /Invoice is done by the Company i.e. Manufacturer or Blending Company and all turnover is reflected in the Books of Liquor Company for all the sales.

CORPORATION MARKET PRESENTLY Exists at Himachal Pradesh , M.P. , ORISSA, JHARKHAND , CHHATTISGARH , TELANGANA, ANDHRA PRADESH, TAMIL NADU, DAMAN & SILAVASSA, DELHI, WEST BENGAL & KARNATAKA.

### 2. OPEN MARKET

In Open Market, L1/Wholesalers or Licensees Buys Liquor from Liquor

Companies and Liquor Company is Paid by the private Party and credit cycle is there for 1-3 months .The Bottling Plant or factory (not Liquor Company) Invoices all Liquor Brands for any company for which the bottling is being done in that Bottling Plant . Thus in this Mode all brands Sold in these states despite belonging to any Liquor Company is reflected in the Books of Bottling Plant as Invoice can be generated in the books of the bottling Plant only due to State excise norms of the Open Market.

Open Markets presently exists at PUNJAB, NORTH EAST, HARYANA, MAHARASHTRA, GOA, PONDICHERRY, J&K and Uttar Pradesh. OPEN MARKET OF LIQOUR IN INDIA v/s GOVERNMENT CORPORATION MARKETS Whereas Government are Safer and quick realising in term of Payment on the other hand Open Markets have longer Payment credit as there is trend to pay the Manufacturer in 1-3 months but in government market it is 3-10 days.

In Corporation Market we have to make Investment of Excise prior to sending stocks which is around 100-300 % of the EDP but in Open Market Permits or excise investments are normally done by the

wholesales.

We were having Major sale at Arunachal Pradesh, Mizoram, Export to Africa, Uttrakhand and Punjab form BCL Bottling Plant and **as specified in Point no 2 the Punjab State has Open Market where no Company is registered to Issue Invoicing or Billing, thus all our Past year Billing is done by the bottling Plant i.e BCL Chemicals LTD and it is shown in the Books of BCL Factory Only.**

This Year as specified above we have 14-15 states License where our company is registered and Billing will be done to corporation, thus all turnover in the Year April 2018 to March 2019 will be involved by Kaya Blenders & Distillers Limited.

Our projected sales is around 548000 cases with this volume the turnover figures would be more than 500 crore in 2018-19. As we have done a Volume of 125000 in 4 states and thus more 12 states can increase our Turnover to at least 4 Lacs cases that too in a Government corporation Market whereby the Investment realisation is faster and credit time is less and ROI is better.

## Rebate structure & Liquor Business Dynamics

### REBATE STRUCTURE and HOW CAN WE MAKE HAPPEN THE GOOD SALE TURNOVER FOR OUR BRANDS

For Low Priced Liquor or cheap Liquor, the consumer for those are very less conscious about brands or Company names as they identify Liquor at retail shops only by Taking the names as ADDA, PAVVA and BOTTAL As per survey they hardly uses any names of brands or company names as these are Belonging to the people of BPL category who have daily routine to get drunk and thus ask only as above at the retail vends of Liquor.

The above socio-economic group constitute more than 70 % volume of the industry and thus we also have more sale of Royal Patiala Brand than other segment brands .No hard efforts or any big brand name is required for this type of sale as syndicate owners, Retail vends and wholesalers prefer to choose that cheap blend which offers them higher rebate just like the example at CHEMIST shop the shop owner sells that After that the

segment of Old Professor comes where the rebates matter the most to the Shop and we have kept our rebates almost double that then existing high volume segment

Present rebate/Promotions paid to Wholesalers/retailers ( in Comparison to our Rebates )by Liquor Companies of Competitor Brands

Sr No	Brand Name	DIAGEO/U.S.L/PERNORD rebate(INR)	KAYA SPIRITS Rebate(INR)
1	Royal Stag & Royal Challenge	100-200	300
2	Bagpiper/Officer choice	25-50	100
3	Imperial Blue	50-100	125-150
4	Blenders pride	400-500	700

### SOME PAST EXAMPLES OF LIQUOR INDUSTRY

#### 1. Oasis Distilleries

- All Seasons Whisky – The brand is doing well with the consumers as the company has strategically placed the brand in the segment above Royal stag and Royal Challenge in Delhi and is giving value for money to its consumers. Their success was based upon price, packaging and taste. They offered a good blend and brought down the spending of the consumers on higher brands.

- Blue Patrol Whisky – Brand Positioned against Imperial Blue, but yet to achieve desired brand equity due to consumers perception of the Brand name and response to the Packaging.

#### 2. ADS Spirits

- Royal Green Whisky – The Brand achieved excellent visibility in most parts of the country .Due to its attractive packaging it generated a lot of curiosity and Trials. Due to certain Market Dynamics prevailing in North India the brand is made to allow the high rebates to the wholesalers and the distributors. The result is the brand is getting a trait push but losing out on its bottom line. in the Southern states, their business is not as focussed as in the North.

- The Generation Whisky – It is being launched with good

packaging but the company is yet to unleash its marketing and brand building activities to get desired results.

#### 3 Alcobrew

- White &Blue Whisky – The Company hit a bull's eye with this brand in terms of packaging, pricing and placement. The company offered higher rebates to its retailers and at the same time did market promotions for its consumers and gradually captured a decent share in the market. They also kept up with the changing market trends and kept improving their packaging to keep its consumers attached to the

### Our Brand has following competitors & their market share

Sr No	Brands	Competitor Brands	Minimum Sale/Month/ Each State *(Cartons)	2 % of the sale (Cartons )	EDP of Our Brands (price Per Carton)* INR	EDP of Competitor Brands* INR	Margin to Partner .10 % of the EDP of us. INR	ROI (Margin X amount per Carton) INR
1	Old Professor Whisky	Royal Challenge and Royal Stag	150000	3000	1550	1550	155	465000
2	Royal Patiala Whisky	Bagpiper , McDowell's, Officer Choice	300000	6000	1100	1125	112	672000
3	Marlin Whisky	Imperial blue	100000	2000	1300	1325	130	260000
4	Minister reserve Whisky	Blenders pride	50000	1000	3100	3100	310	310000

brand without deteriorating its quality.

- Old Smuggler Whisky – The Brand changed hands quite a few times and may be carrying a negative baggage of the past.

### 4. Jagatjit Industries

- The company is yet to find out what will be the correct positioning of its Brand.

### 5. Radico Khaitan

- Whyte Hall Whisky – The Brand is yet to find the relevance in the deluxe segment beside the Royal Stag and McDowell's No. 1 Whisky.

- After Dark Whisky – The Company initially achieved good distribution and also unleashed BTL activities but the brand lacks relevance between Royal challenge and Blender's Pride.

### 6. Rock and Storm Distilleries –

- Dennis Special – A highly popular and accepted brand as they did not compromise on the blend even in this segment and the market spend was higher than their competitors and the packaging (Guala and Monocarton) offered in this segment convinced the consumers to believe that the product was higher in quality at the same spend.

- Rich n Rare Whisky – Packaging did not excite consumers.

### 7. Som Distilleries

- Hunter Beer – Pricing and taste

helped this brand to gain momentum and the company offered higher rebates to capture the market along with keeping up with the demand & supply ratio. They have solely captured 90% market in CSD because of the excellent supply ratio.

- Milestone 100 Whisky – The Company spent a huge amount of money on the promotions but there were certain issues with the blend and Packaging.

### 8. Bira Beer

- The concept was youth oriented and it captured the attention of the consumers. Offering great taste with an impressive packaging at the fairly good price was their path of success. Great promotions for the consumers and excellent market schemes to cut down the competition helped them gain momentum. Great focus on brand building exercises by the company. The youth is always looking to try something new and they took advantage of the same just as Bacardi Breezer did with their concept of RTD.

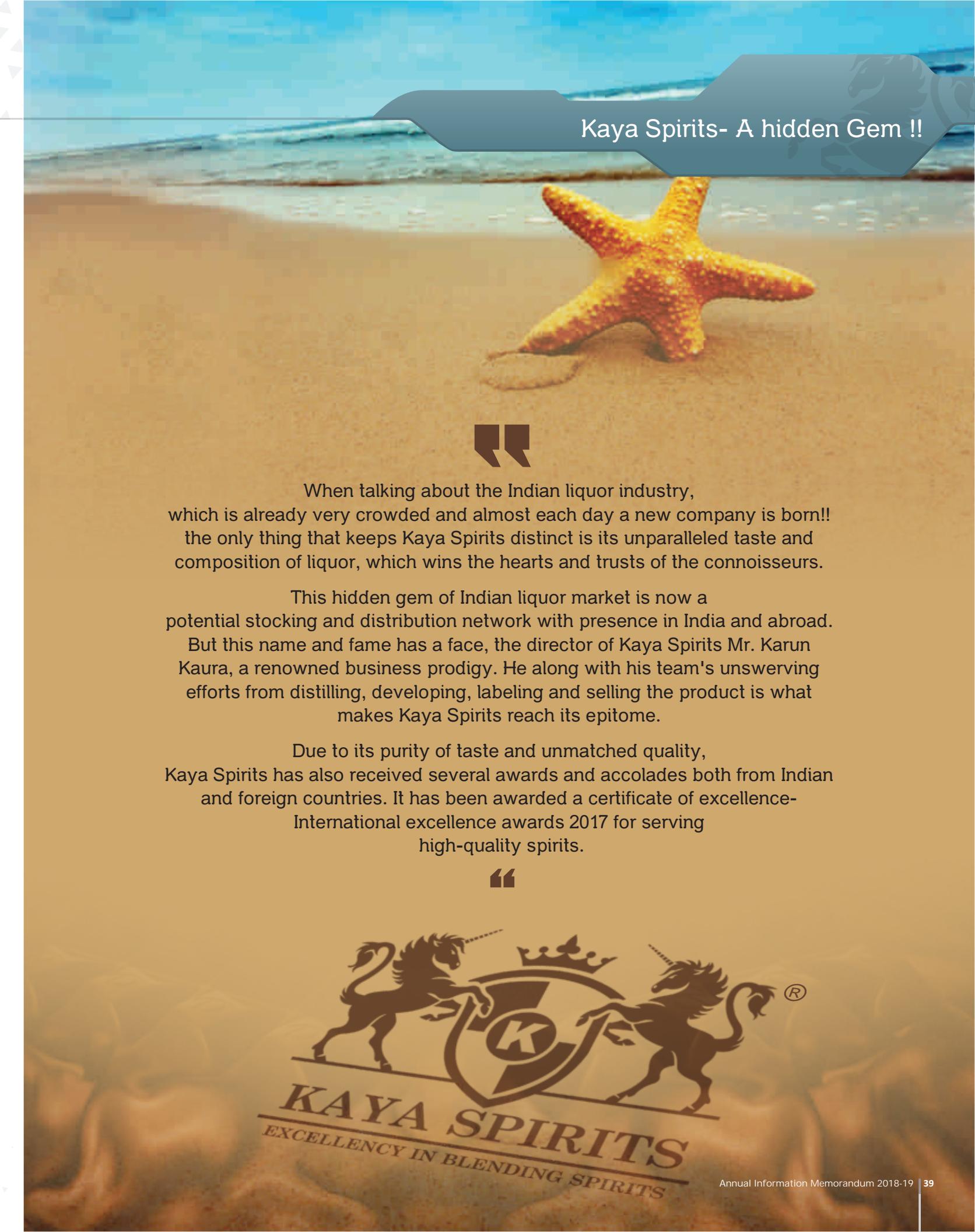
#### USP of our Business Module

1. Our Blends: We are going to have our blends to be blended with high percentage of scotch whisky and Indian malt spirits.
2. We have a dedicated team of Partners/Associates to look after daily administration of local markets. Administrative issues will be solved on the spot.

3. We will be in continuous process of upgradation of our brands to make it relevant to our Target Group.

4. At the time of launching these brands made a huge rebates in market but in a very short span they could not keep the consistency and withdrew their rebates from markets. In this way the consumer lost their interests in the Brands.

We will not be doing the same mistake, Our Rebates in the market would be consistent for long period of time ,which will not affect our bottom line also we would still be competitive with the competition brands



When talking about the Indian liquor industry, which is already very crowded and almost each day a new company is born!! the only thing that keeps Kaya Spirits distinct is its unparalleled taste and composition of liquor, which wins the hearts and trusts of the connoisseurs.

This hidden gem of Indian liquor market is now a potential stocking and distribution network with presence in India and abroad. But this name and fame has a face, the director of Kaya Spirits Mr. Karun Kaura, a renowned business prodigy. He along with his team's unwavering efforts from distilling, developing, labeling and selling the product is what makes Kaya Spirits reach its epitome.

Due to its purity of taste and unmatched quality, Kaya Spirits has also received several awards and accolades both from Indian and foreign countries. It has been awarded a certificate of excellence- International excellence awards 2017 for serving high-quality spirits.



## Main USP of Liquor Market & Advantage for us

In India every state has a High Volume and Market turnover for the first and second segment Brand with a Turnover of atleast 250000 cases every month and being a new entrant, we target only the 2 % of the Market share to settle our brands in the market.

S.no	State	Existing volume of existing segment brands Monthly Approx	KBDL Brand	2% Target Volume Monthly
1	Punjab			
2	Himachal Pradesh	12000 cases = Mc Dowell No1 Whisky	Marlin Whisky	240
		7000 cases = Celebration Rum	Soldier's Pride Rum	140
		7000 cases = Royal Stag	Old Professor Whisky	140
3	Haryana	125000 cases = Royal Stag	Old Professor Whisky	2500
		20000 cases = White & Blue	Marlin Whisky	400
		35000 cases = Royal Green Whisky	Old Professor Whisky	700
		5000 cases = Episode whisky	Royal Patiala Whisky	100
		3500 cases = Impact Whisky	Royal Patiala Whisky	70
		1000 cases = Blender's Pride Whisky	Minister's Reserve Whisky	20
		750 cases = The Generation Whisky	Minister's Reserve Whisky	15
4	Telangana	25000 cases = Blender's Pride Whisky	Minister's Reserve Whisky	500
		30000 cases = Royal Challenge Whisky	Old Professor Whisky	600
		70000 cases = Royal Stag Whisky	Old Professor Whisky	1400
		300000 cases = Mc Dowell No1 Whisky	Marlin Whisky	6000
		75000 cases = ACP Whisky	Royal Patiala Whisky	1500
		500000 cases = Officer's Choice Whisky	Royal Patiala Whisky	10000
		40000 cases = Mansion House Brandy	Brandy	800
5	Andhra Pradesh	15000 cases = Blender's Pride Whisky	Minister's Reserve Whisky	300
		6000 cases = Royal Challenge Whisky	Old Professor Whisky	120
		45000 cases = Royal Stag Whisky	Old Professor Whisky	900
		150000 cases = Imperial Blue Whisky	Marlin Whisky	3000
		120000 cases = Mc dowell No1 Whisky	Marlin Whisky	2400
		350000 cases = Officer's Choice Whisky	Royal Patiala Whisky	7000
		70000 cases = Mansion House Brandy	Brandy	1400
6	Karnataka	15000 cases = Blender's Pride Whisky	Minister's Reserve Whisky	300
		8500 cases = Royal Challenge Whisky	Old Professor Whisky	170
		25000 cases = Royal Stag Whisky	Old Professor Whisky	500
		100000 cases = Mc dowell No1 Whisky	Marlin Whisky	2000

## Main USP of Liquor Market & Advantage for us

S.no	State	Existing volume of existing segment brands Monthly Approx	KBDL Brand	2% Target Volume Monthly
		50000 cases = Imperial Blue Whisky	Marlin Whisky	1000
		40000 cases = Mansion House Brandy	Brandy	800
		4000 cases = Morpheus Brandy	Premium Brandy	80
		10000 cases = Hercules Rum	Soldier's Pride Rum	200
		120000 cases = Celebration Rum	Soldier's Pride Rum	2400
		40000 cases = Old Monk Rum	Soldier's Pride Rum	800
7	Delhi(Beer)			
8	Arunachal Pradesh	25000 cases = Royal Stag Whisky	Old Professor Whisky	500
		50000 cases = Imperial Blue Whisky	Marlin Whisky	1000
		5000 cases = Blender's Pride Whisky	Minister's Reserve Whisky	100
		25000 cases = Celebration Rum	Soldier's Pride Rum	500
9	Mizoram	5000 cases = Royal Stag Whisky	Old Professor Whisky	100
		10000 cases = Imperial Blue Whisky	Marlin Whisky	200
		2000 cases = Blender's Pride Whisky	Minister's Reserve Whisky	40
10	Uttarkhand	15000 cases = Royal Stag Whisky	Old Professor Whisky	300
		7000 cases = Imperial Blue Whisky	Marlin Whisky	140
		2000 cases = Blender's Pride Whisky	Minister's Reserve Whisky	40
		25000 cases = Celebration Rum	Soldier's Pride Rum	500
11	Maharashtra	150000 cases = Royal Stag Whisky	Old Professor Whisky	3000
		120000 cases = Imperial Blue Whisky	Marlin Whisky	2400
		75000 cases = Blender's Pride Whisky	Minister's Reserve Whisky	1500
		25000 cases = Celebration Rum	Soldier's Pride Rum	500
12	Goa	4500 cases = Royal Stag Whisky	Old Professor Whisky	90
		2500 cases = Imperial Blue Whisky	Marlin Whisky	50
		1500 cases = Blender's Pride Whisky	Minister's Reserve Whisky	30
13	Chhattisgarh	40000 cases = Royal Stag Whisky	Old Professor Whisky	800
		20000 cases = Imperial Blue Whisky	Marlin Whisky	400
		5000 cases = Blender's Pride Whisky	Minister's Reserve Whisky	100
14	Orissa	60000 cases = Royal Stag Whisky	Old Professor Whisky	1200
		35000 cases = Imperial Blue Whisky	Marlin Whisky	700
		15000 cases = Blender's Pride Whisky	Minister's Reserve Whisky	300
		100000 cases = Celebration Rum	Soldier's Pride Rum	2000

Total Projected Volume @ 2 % of existing Industry Sale : 64985

Liquor business is a High Volume Business having turnover minimum of 10000 crores in a Year which is Minimum for any state in INDIA and If the KBDL along with the Business Partner/Investor/Equity Holder are able to get **only 1-2 % share** (which is Automatically acquired once we start Business), It facilitates good return to the Consortium.

**Since our brands will be having only two or three competitors in the same segment at the market so 2 % is the least volume which will be guaranteed and obtained in the existing Vast Liquor Industry without any hassle or challenge and in case of Good Marketing and Rebates we can go upto maximum of 5 % of the Total volume of that Market.**

### INVESTOR CAN HAVE THEIR INVESTMENT SECURE and INVESTORS HAVE A EDGE WHILE WORKING IN THE CORPORATION MARKETS.

Out of the total fund, 25% would be used in procurement of dry & wet goods for production and the balance 75% would remain in the escrow account for duty investments. The fund flow would entirely be in the overheads & working capital and not in any capex. Investors can be allotted Equity on Private basis as per the norms of RBI or SEBI against the Money paid to KBDL by them. The consortium can be incorporated with any of the below options as per the Understanding:-

- Directors can put Investment in the Company Account and it can be considered as Loans from Directors and Separate Bank Account can be given to the director for specific Business sharing or dedicated area as mutually agreed between the KBDL management and Coming additional director.
- Equity can be offered in the event of Investment in the company and same Shares can be redeemed or paid with compulsory buy back at an agreed price between the Share Holder and KBDL.
- Debt Investments with Yearly ROI payable quarterly or Monthly.
- In the Markets where Liquor Business is operated and controlled by the government,

the payments are also paid by the government. In that event the Payment is 100 % secure (for Investor) and timely too as Government is the Buyer and Payee for the Liquor sent in the Government Godown, Our business partner can have the Exclusive Control of the Bank Account which is registered with the government for the Payments of Liquor sent by KBDL thus keeping rights and funds secure of the Investor.

- Distribution and State Partnership Agreements against the Minimum performance by KBDL mutually agreed between upon state to state and Product to Product

WITH KBDL , THE INVESTORS HAVE DOUBLE BENEFIT OF JOINT VENTURE ALONG WITH EQUITY INVESTMENT ALONG WITH FEATURES OF DEBT PROPOSAL.

### strength



- Nil liabilities.
- Low overheads.
- KBDL is self brand owner, manufacturer & marketer.
- Team with huge industry/sector experience & expertise.
- Business operations in a sector in India which is the largest industry in the world (400 million cases per annum sales)
- The CAGR growth rate is in excess of 5% in India.
- Money is very safe in this sector as 80% of the businesses are in corporation markets which are govt. owned.
- Ready availability of all raw materials sourced within India and thus no imports are required.
- Production Presence of us is more than six locations to cover Pan India
- Acceptance of brands and their segments in past year
- Past year good volume

### Weaknesses



Low working capital

### Opportunities



- Impact of social media is changing consumer behaviour and adventurism to new brands are increasing reducing monopoly of large companies & MNCs.
- GDP growth of around 7% of India's economy means more disposable income triggering sales of luxury products & alcohol.
- Economic growth is also fuelling growth of alcohol sales in the premium & semi-premium categories which contributes a healthy bottom line other than the past when volumes used to come mainly from the regular & cheap segments.
- EBIDTA margins and ROI are high (at around 50-60%) as inflow of funds or payment rotation cycle is around 30-45 days largely because of corporation based distribution system.
- Just a mere 0.5% market share means a volume of around 500000 cases per annum which is a good enough volume to deliver handsome top-line & bottom-line in the sector.
- As production costs are low in India, there is a huge scope of exports.

### Threats



No visible threat apart from apathy from some political parties & states.

## Frequently Asked Questions by Investors/Distributors

### Q. Turnover of Kaya blenders and distillers is not there in the past financial year

A. Liquor is one of the hardest businesses to get into in India. It is due to the fact, that liquor is a State Government Controlled Business. In India, each state/union territory, has their own State Excise Norms while doing business in the respective state/union territory. Last year, most of our stock, was being manufactured in Punjab State at BCL Industries, Bhathinda. The Punjab State Excise Policy norms state that any Manufacturing Company ( Seagram's, Radico Khaitan, KBDL, etc. ) who do not have their own Bottling plants in Punjab State, cannot do billing of the sales in their books and the sale is being done through the bottling plant. This is the compulsory condition that each Liquor Manufacturing company has to follow while doing business in Punjab. Thus, all the transactions have been made in books of BCL Industries Ltd. Therefore, no turnover of the sales is reflected in the books of Kaya Blenders and Distillers Limited ( KBDL ). All products manufactured are the Intellectual Property of KBDL. KBDL reserves the Trademark Rights of all the products and the Excise Documents (Permits, Indents, etc.) are of our Trademarked and Patented Products and their Blends. All the steps of production and marketing are done by KBDL only—including Blending, Quality Control, Raw Material Procurement, Logistics, Marketing, Promotional Campaigns, etc.

### Q. New Brands will not do well in the Market

A. India is the largest consumer of the whisky in the World and still the Liquor Industry is growing at a CAGR of 8.8%. In the whole liquor Industry, certain segments like Wine and Vodka are growing at a Remarkable 22% CAGR. Also, as the Social Acceptance of Liquor is increasing and the addition of new individuals in the Millennia, who are willing to try and taste new products as this Millennial is an Experimental Class. This phenomenon is backed by the Growth in the Wine and Vodka segment. Another point to consider is that the Competition in the Liquor Industry is less than any other industry. In Liquor Industry, there are only 2-3 Brands that give competition in each segment, thus, the place to establish a new product is wide open as penetration into the market and the store Visibility of the product is much higher than in any other industry.

### Q. How can Royal Patiala and Old professor whisky can compete with the Royal stag and

### royal challenge brand which are well established.

A. The segments of Royal Patiala, Old Professor, etc. are being set by the specific state excise department only. For example, if our brand Old Professor has been placed in the Royal Challenge Segment, it means that our brand is no less than Royal Challenge in quality wise. As we are SME, our top priority focus is on Quality Control and there is a complete uniformity in our blends. Given the fact, that our blends are of equal quality to that of Royal Challenge, the customer's satisfaction is guaranteed and the customers won't find it hard to shift on our brand and this will be a new and different change from their existing brands. Also from Marketing point of view, Stakeholders like Wholesalers and Retailers are more interested in our product as without compromising on quality we offer them much higher rebates than established brands like Royal Stag and Royal Challenge. Selling our brands means more profit to them as well, thus they are keener on placing our products and doing secondary sales. Thus, our market penetration also gets easier.

### Q. Are there any new brands in the past who has been able to make the presence in the market?

A. Bira91 is one of the most prominent example of establishing its name in the market. Bira91 is able to capture huge market share of competitors like Kingfisher and Haywards. The millennials wanted a new product and they got that in Bira. Bira exploited the Craft Beer Segment and placed the product into the Craft Beer Category with 7% Alcohol Intensity.

### Q. How is the investment of investor is secure ? As there is no asset in the company and no collateral with the company

A. Investing in any Business is not just investing in Collaterals, its investing in the ideas, the people and the team. But also keeping in mind the hesitation of the Investor in a comparatively new company like us, we have developed a Minimum Risk Investment Proposal. The money raised through the investor, is kept in a Joint Bank Account, whose Power of Attorney can also be shared with the Investor. This Joint Bank Account can be used to pay the duties to the State Governments and proceeds of the sales from the government come directly into this account only. Thus, the investors' money is secure and he can also keep a check on his ROI and utilisation of the funds taken from the

Investor.

In another module, the investor can directly invest in the company through Private Equity/Hybrid Capital wherein there is a minimum ROI that can be achieved through the investment and as due to the High Turnover Nature of the Liquor Industry, the sizes of the company grow manifold with each passing day, that ensures a good probability of getting higher than usual profits. Also, new company like Bira, got millions of funding without any collateral and sale only. The investors just saw the potential in the product and the trajectory and cap size of the market.

### Q.What if company is not able to get the license of the target state as it is very difficult to get the license?

A. KBDL currently has licenses in 13 states in India. And all these licenses have been procured within a span of 1 year only. Our in house expert team of Legal Consultants, Financial Consultants and Liquor Trade Experts, along with an aggressive expansion strategy of the Core Management Team has lead us to procure licenses in 13 states in India. The above fact, acts a proof of our abilities and speaks volumes about the efficacy and competency of our team in getting through labyrinth of Governmental Procedures. In the worst case scenario, if there is any delay in procuring the Licenses, the company ensures a minimum ROI to the investor till the licenses have been approved in the respective state.

### Q.How will company manage the logistics part?

A. The company currently has a state of the art MIS that manages all the operations of the company centrally throughout India and Overseas as well. The company has tie-ups with all the leading logistics firm in different part of India for Domestic Transportation and for Export Orders as well. The company takes full responsibility of Transporting the Orders from the Manufacturing Unit to the Warehouse of the respective state. The cost of logistics, protection of the goods while transportation, timely delivery of the consignment and all the other things related to logistics are the responsibility of the company.

### Q. What is risk if government godowns are loaded with company stock and no sale happens?

A. First of all, the company ensures a proper

marketing and promotional strategy that is deployed in the respective state after doing various rounds of Market Research of the market and the flow of the movement of the product. After keeping all the nitty gritty in mind, a proper marketing strategy is developed. The process of Sales Generation in a Corporation Market is of that the orders have to be placed to Government Godown by the retailers. Our marketing team ensures that orders are being placed by the Retailers in Government's Godowns. Subsequently, for repeat orders, attractive schemes for the primary consumers are also launched from time to time. And all the other necessary strategies and plans are taken and kept into provision while doing business in any state. But, even after all the efforts done by us, in the worst case possible scenario, the stock is not uplifted from the Government's Warehouse, then the company will bear the loss of the stock.

### Q.Reason for less Paid up capital V/S authorised Capital

A. The reasons for less Paid Up Capital against the Authorised Capital are that since the company in its existence of 3 years, has not taking any kind of loan or funding in the past, thus, the funds generated through doing business was being utilised as Working Capital towards expanding the base of the company rather than building the Capital of the Company. This is also a silver lining for the investors, that if the investors are directly investing into the Capital of the company, the probability of getting high returns is also increased manifold.

### Q.What will be the ROI on the investment made by investor?

A. KBDL gives 10% of the EDP to its State Business Channel Partners/Investors of the sale in the particular state. The 10% of EDP is dependent upon the quantum of sales and can be up to even 30%-40% with just capturing 1%-2% of the market share. However, KBDL ensures that minimum 15%-18% ROI (depending on state to state and subject to the amount and nature of investment) is given to the Investors on his investment.

### Q.In case of refund or exit how can one have his investment back?

A. In the MoU of the deal, all the probable Exit Options/Buy-Out Options are made available to the investor depending upon the size and the nature of the investment. There is a time limit

clause in the MoU that adheres both the parties to mutually settle their accounts within a specific period of time. At this stage, KBDL has kept the Exit and Refund Clauses very flexible to ensure the Guarantee and Safety of the Investment. All the Security Deposits also are Refundable Adjusted Security Deposits to the ensure safety of the investment.

### Q.What will be the breakup of Investment and mode of paying amount to investor?

A. The break-up of the Investment is contingent upon situation subject to the size and the nature of the Investment. The Mode of the payment to the investor can be through RTGS/NEFT at the time of Exit or Buy-Out.

### Q.What about the excise and payment from government? In how many days payment will come and in which bank account the government will pay the Payment?

A. In each state, the Company has to nominate one account to the Government from where all the Excise payments in the Form of DD (Demand Draft) will be made to the government and the Government in turn, after the sale will deposit the Complete Amount of the Sales in the same bank account only. In this Joint Account, the investors can also have Signing Authority and deposit their funding in this account only, that will be used just for Excise Payment and then the Investor, has to transfer the surplus in our Centralised Bank Account. The Credit Time period in each state is different. The time period after which the payment will come, ranges from 3 days – 30 days.

### Q.Why consumer will prefer new brands at same price ?

A. India has amongst the youngest population in the world. 60% of the population is under the age of 30. Further, over 50% of the population is in the working age of 22- 54. And Drinking is fast becoming as increasingly Social Acceptance Factor due to the modernization. Per Capita Consumption of alcoholic drink is increasing at a record high 15% CAGR. And the consumers, prefer new and home-grown brands. To justify this, here is a little case study from the Liquor Industry: - "Even international giants like SAB Miller and Carlsberg have not been able to grow their own brands significantly. SAB Miller leveraged its acquired Indian brands like Haywards, Knock Out and Royal Challenge to become a leader in the industry." Thus, with just 6-7 market leaders in Pan India, the market is

ripe and according to the experts, "it is one of the most profitable time to invest in the Liquor Industry as the Demand is increasing rapidly and the supply is not met, which leaves a gap for the entry of the new players in the market."

### Q.How can we say that our brands re in same segment of royal stay or royal challenge or blenders pride?

A. This statement is not what we are claiming. The State's Beverages Corporations, while registering the new brand and providing licenses to the companies, asks the Manufacturers to submit the Cost Sheet and List of Raw Materials, along with this, samples of products are produced in from the Government to justify our Cost Card. Then, the government, after their own neutral evaluation place the products into different segments like Royal Stag, Royal Challenge, Officer's Choice, Blender's Pride, etc. The government does this so after calculating EDP ( Ex-Distillery Price ) from the Cost Sheet shared by the manufacturer.

### Q.What will be the assurance that consumers will like the taste of new blends ?

A. A lot of Research and Development goes into the development of Blends at KBDL. Our in-house R&D Team has their own Blend Banks and day-in &day-out, they continuously keep on developing the blends formulas after putting various Permutations and Combinations into consideration. These Blend Formulas are then made into sample products and a complete Market Consumer Research is done in the Pilot Test Markets through various tests like Blind Taste Test, FGDs, Stakeholder's Interview, etc. After getting research feedback from the market, the blends have to be again approved by the Management Committee after studying the Quality Control Measures put in place to ensure the uniformity of the Blends approved. And this R&D is a continuous process, even before the launch of the product into the market, according to the feedback of the Research Team, minor tweaking is done in blend (while maintaining its authentic nature) according to the Taste and Pellets of the consumers of the market. This research keeps going on even after the Post-Launch so that the company is abreast to the changing and the dynamic demands of the consumers.

### Q. Since the company is new and brands are also new , How can the investor be assured of investing in the company ?

## Frequently Asked Questions by Investors/Distributors

Note

A. KBDL has adopted a very free and transparent policies for funding to guarantee the safety of the investment. Apart from assuring the interests of the investors legally in the Official Deal Signing Documents, KBDL has mitigated all the risks of the trade on itself only. KBDL also

gives Power of Attorney to the investors of the Bank Account in which they will transfer funds and that funds are nominated to the government for paying excise duties and receiving payments of the sales from the Government. By this, the investor has complete

authority and check on the Financial Transactions of the company. KBDL also guarantees a minimum Percentage of ROI to the investors, putting the investment of the investors in No Risk Zone.

### **Q. How can we say that we can achieve the 2 % of the market turnover?**

A. Indian Made Foreign Liquor segment in the India alcohol market is expected to create absolute INR opportunity of close to INR 80 Billion. This Opportunity has to be catered by the SME players like KBDL in the market. The simple calculation shown below explains how the 2% Market Share can be achieved and what does it entails :-

-: Our Brand has following competitors and their market share :-

Sr No	Brands	Competitor Brands	Minimum Sale/Month/ Each State *(Cartons)	2 % of the sale (Cartons)	EDP of Our Brands(pric e Per Carton)* INR	EDP of Competitor Brands* INR	Margin to Partner . 10 % of the EDP of us.INR	ROI (Margin X amount per Carton)INR
1	Old Professor Whisky	Royal Challenge and Royal Stag	150000	3000	1550	1550	155	465000
2	Royal Patiala Whisky	Bagpiper , McDowell's, Officer Choice	300000	6000	1100	1125	112	672000
3	Marlin Whisky	Imperial blue	100000	2000	1300	1325	130	260000
4	Minister reserve Whisky	Blenders pride	50000	1000	3100	3100	310	310000

### **Q. What investment is required for achieving the 2 % of turnover?**

A. KBDL requires only the investment for Working Capital (Primarily for Excise Duty Payments ) and Marketing and Promotional Funds. To achieve 2% of Market Share Pan India, KBDL is raising 35-40 CR in the Series A funding currently going through. This round of funding roughly turns to around average 1.5 CR investment per state. (The 1.5 CR is just the average out figure. The actual investment through State Business Channel Partners/Distributors may vary from state to state.)

### **Q. What will be the investment of Company as if investor is investing 2 Crore in a state , where and how much will be invested by the company?**

A. The company in a span of 1-2 years only, would have invested 5 times of the investors investment in the market through procuring the Labels and Licenses from the government, by providing Stocks on credit to the government, bearing all logistics and good's damage cost, Bearing Marketing Team's Expenditure, Bearing Rebates, Doing all the Marketing and Promotional Expenses, Adjusting the Security Deposit to the State

Channel Business Partner/Distributor. Apart from this, the company also invests a lot of time and efforts helping our Distributors in Business Operations like – Centralised Field Force Tracking through Application, Maintaining MIS on behalf of Distributor, Regular follow-up and involvement of our Top Management Officials in assisting the Distributors in Managing and enhancing the business.