



GROUP

Date: 31.01.2017

To
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block - C
Bandra Kurla Complex
Mumbai - 400 051
(Symbol: PINCON)

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
(Scrip Code: 538771)

To
The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata - 700 001
(Scrip Code: 10029247)

Dear Sir / Madam,

Sub: Press Release

Enclosed please find the Press Release issued in relation to Unaudited Financial Results of the company for the quarter and nine months ended December 31, 2016.

This is for your information and record.

Thanking you

Yours faithfully

For Pincon Spirit Limited

Himangshu Kedia
Company Secretary & Compliance Officer

Encl: a/a

PINCON SPIRIT LIMITED

CIN : L67120WB1978PLC031561

Regd Office : 7, Red Cross Place, 3rd Floor, "Wellesley House", Kolkata-700 001 | Corporate Office : No.103, K.H.Road, Shanthinagar, "Samskruthi Chambers",
Phone : 91-033 2231 9135, 033-2262 4943 / 44, Fax : 91 033 4001 4642 | 3rd Floor, Bengaluru - 560027, Phone:080-2222-9135, Fax:080-22229135

Email : psl@pinconspirit.in / pinconspiritlimited@gmail.com, Website : www.pinconspirit.in



Pincon Spirit Limited

CIN: L67120WB1978PLC031561

Registered Office: 7, Red Cross Place, Wellesley House, 3 Floor, Kolkata – 700 001.

Corporate Office: 103, Sanskruti Chambers, K.H. Road, Shanthi Nagar, Bangalore – 560 027

Q3FY17 Results

Total Revenue at Rs. 3,118.97 million, up by 31.4% y-o-y

EBITDA at Rs. 213.00 million, increased by 51.9% y-o-y

PAT grew by 51.6% y-o-y to Rs. 93.43 million

Kolkata, January 31, 2017: Pincon Spirit Limited (PSL), one of the youngest and fastest growing companies in India with a business presence in IMFL, IMIL and FMCG, announced its financial results for the quarter and nine months ended December 31, 2016.

Particulars (Rs. mn)	Q3FY17	Q3FY16	Shift %	9MFY17	9MFY16	Shift %
Total Revenue	3,118.97	2,374.06	31.38%	9,300.74	6978.00	33.29%
EBITDA	213.00	140.23	51.89%	632.00	391.01	61.63%
EBITDA Margin %	6.83%	5.91%	92bps	6.80%	5.60%	120bps
PBT	141.53	95.55	48.12%	423.42	268.79	57.53%
PAT	93.43	61.63	51.60%	279.11	176.64	58.01%

* Standalone numbers



Q3&9MFY17 Performance Overview

- ❑ Total Revenue grew by 31.4% y-o-y to Rs. 3,118.97 million compared to Rs. 2,374.06 million in Q3FY16
 - ✓ Higher volumes and enhanced realizations in key segments of IMIL & IMFL have driven the healthy performance
 - ✓ Strong value proposition to mass customer base, continued acceptance of brands, addition of new touchpoints and deeper penetration in existing territories are driving volume growth
- ❑ Cost of material consumed for the quarter increased by 47.77% y-o-y on account of increase in prices of raw materials largely due to ENA price inflation
- ❑ In Q3FY17, Personnel costs increased by 33.34% y-o-y as PSL has invested in strengthening human resource base to manage the increasing scale of operations as well as sustain the growth momentum
- ❑ The increase in Other Expenses is driven by initiatives undertaken in network and distribution to enhance market presence
 - ✓ In order to drive market penetration more efficiently, the Company has created an in-house logistics division. Availability of product at appropriate time and place is the crux in this business. The Logistics division will provide greater control leading to lower costs, faster turnaround times and wider and deeper market penetration through outreach to a larger number of touch points
 - ✓ PSL continues its pioneering initiatives in the industry as it is one of the first liquor companies to have an extensive focus on logistics through a captive division with a fleet of 48 delivery vehicles
- ❑ EBIDTA improved by 51.89% y-o-y to Rs. 213.00 million in Q3FY17
 - ✓ Reported higher margins of 92 bps on account of upward revision in both IMIL and IMFL realizations and operating leverage benefits from higher sale volumes.
- ❑ Finance costs for the quarter were higher due to increased cash credit facility but lower when compared q-o-q
- ❑ PAT increased by 51.60% y-o-y to Rs. 93.43 million as compared to Rs. 61.63 million in Q3FY16 as PSL focusses on profitable growth
- ❑ Diluted EPS (non-annualized) stood at Rs. 2.53 per share (i.e. mainly on account of Ex-Bonus) as compared to Rs. 4.76 per share (on comparable basis) in Q3FY16



IMIL Segment Performance

- ❑ PSL's branded portfolio delivered robust volume growth on account of strengthened product portfolio, deeper penetration in existing regions and increasing presence and acceptance in untapped districts
- ✓ During the quarter, the IMIL division delivered strong volume growth of 84.00 % y-o-y
 - Aggressive expansion into untapped regions resulting in broadening of the existing market and expanding the product range to remain at the forefront as consumption patterns evolve from illicit liquor to IMIL
- ✓ Recently undertook an 16-19% price increase across its product range, the full benefit of the same will accrue in the upcoming quarters
- ✓ PSL benefitted from additional volumes on account of Bengal Tiger and Uddan - two popular brands it had acquired in March 2016
 - These two brands already enjoy high recognition and high market share in the districts where they are present. PSL is widening the market penetration of these two acquired brands to more districts across the state of West Bengal which is driving the increase in volumes

IMFL Segment

- ❑ IMFL division registered a healthy performance on account of higher realizations and growing volumes in its branded portfolio while its distribution business mirrored market performance
- ✓ In Q3FY17, this division registered a robust volume growth of 14% yoy
 - PSL continues to expand its product portfolio targeting the vast and untapped entry level segment. Growing customer acceptance of its own brands and expanding presence will further aid volume growth in its core market of West Bengal. Performance in the Karnataka market is improving but currently at a nascent stage
 - PSL recently undertook an 5-10% average price revision across its brands, this will further reflect in improved performance in ensuing quarters
 - The IMFL distribution business was impacted marginally by demonization but registered an 12% increase y-o-y



- ✓ Edible Oils division volumes continued to steadily grow as PSL continues to enhance their presence and availability in more areas and territories.

Key developments

IMIL Segment

- ❑ PSL is the leading IMIL player in West Bengal –production capacity of 1.2 crore bottles per month post recent acquisitions.
- ✓ Key brands - Pincon Bangla No. 1, Uddan and Bengal Tiger continue to show healthy growth on account of the corporatizing the IMIL segment
- ✓ In November 2016, based on directives from the excise department, an 16-19% price hike was implemented across its product range

IMFL Segment

- ❑ In IMFL division the focus is to enhance sales of PSL's branded portfolio
- ✓ Launched "Bankers Choice" a regular segment prestige whiskey which will further strengthen PSL's portfolio offering regular level segment

Capacity Enhancement

- ❑ PSL has 6 owned bottling units and 3 units on contract. While current capacities have scope to cater to additional volumes, the strong growth momentum and initiatives to further expand market presence will drive up the requirement for bottling capacities going ahead



Commenting on the results, Mr. Monoranjan Roy, Chairman & Managing Director, Pincon Spirit Limited, said:

“We have delivered a strong set of results in Q3 despite headwinds in the external environment due to the demonetization announcement. A wide product portfolio at attractive prices offers deep value to our customers while also fulfilling aspirational consumption leading to robust demand for our products. During the quarter, we enhanced credit lines to our distributors and retailers to support steady business growth despite the challenges brought on by demonetisation.

In the IMIL segment, we are proud of being at the forefront of the transformation and structural enhancement of the industry. We have arduously worked with the government to support its effort to eradicate illicit liquor while providing customers a superior alternative through a wide product portfolio at regulated prices. In spite of the strong growth we have witnessed, we believe we have only scratched the surface of an enormous opportunity and will continue to focus on further growth and strengthening of our leading market position.

In the IMFL segment, we continue to deliver high quality products to customers at attractive price points and successfully fill in the void with respect to current offerings. Despite recent price hikes we continue to provide significant value proposition when compared to our competitors. We will continue to invest in enhancing our product portfolio and improving overall customer experience. We see ample opportunity in West Bengal where we will further grow our distribution network. It is our endeavor to further grow in markets of Karnataka, Jharkhand and Odisha which are attractive markets and provide a great opportunity.

In the FMCG segment, the edible oil brands continue to display enhanced performance. In a short span we have successfully scaled up this segment leveraging our liquor distribution expertise.

We are cognizant of not only growing the financial performance but also improving the balance sheet. We are in the process of issuing 5,706,128 equity share warrants @ Rs 73, of which 1,706,128 will be issued to the promoters and remaining to other investors. This highlights the promoters’ confidence in the business model and vast untapped opportunities. Further the gearing ratio is also expected to improve hereon.”



About Pincon Spirit Ltd.

Pincon Spirit Ltd. (PSL) is one of the fastest growing Companies in India. The Company has a growing presence in multiple states across India and is a leading IMFL (India Made Foreign Liquor) and IMIL (India Made Indian Liquor) player. In IMFL, PSL is the only player participating in the entire chain from production > wholesale > retail. PSL has 12 illustrious brands in this segment. In the IMIL segment, the Company is engaged in blending, bottling and wholesale distribution of its own product, PINCON Bangla No. 1, Bengal Tiger and Uddan in West Bengal. Pincon is also a wholesale distributor of various other established brands having tie-ups with over 9,800 licensees across India. The Company manages and controls 33 retail IMFL outlets in West Bengal. In the Company's FMCG segment, it sells Edible Oil (Mustard Oil, Soya Oil and Rice Bran Oil) under Pincon and King's Coin brand.

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

For further information contact:

Arun Kumar Ganeriwala/ Vinayak Shirodkar /
Krunal Shah
Pincon Spirit Ltd.
Tel: +91 33 2231 9135/2262 4943
+91 22 6221 6122
E-mail: arun.ganeriwala@pinconspirit.in /
vinayak.shirodkar@pinconspirit.in/
krunal.shah@pinconspirit.in

Mayank Vaswani / Karl Kolah
CDR, India
Tel.: +91 22 6645 1230/1220
E-mail: mayank@cdr-india.com/
karl@cdr-india.com

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