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INDIA

Pioneer Distilleries limited
Subsidiary of United Spirits Limited

Registered Office:
UB Tower, Level 10
#24 Vittal Mallya Road,
Bengaluru 560 001
Tel: +91 80 2221 0705
Fax: +91 80 3985 6862
info@pioneerdistilleries.com

23rd July 2020

BSE Limited
Listing Department
Dalal Street,
Mumbai 400 001
Scrip Code: 531879

National Stock Exchange of India Limited
Exchange Plaza, C-1 Block G,
Bandra Kurla Complex,
Bandra East, Mumbai- 400051
Scrip Code: PIONDIST

Dear Sirs,

Sub: Intimation of unaudited financial results for the quarter ended June 30, 2020

The Board of Directors of the Company at their meeting held today, inter-alia approved the unaudited financial results of the Company for the quarter ended June 30, 2020. ("UFR"). The Limited Review Report ("LRR") thereon, received from the Statutory Auditors of the Company on the financial results were placed at the said meeting. UFR along with the LLR are enclosed and are being uploaded on to your websites along with this letter.

Thanking you,

For Pioneer Distilleries Limited



B L Akshara
Company Secretary

PIONEER DISTILLERIES LIMITED

Level 10, UB Tower, #24 Vittal Mallya Road, Bengaluru 560 001

Tel: +91 80 2221 0705, Fax: +91 80 3985 6862 | www.pioneerdistilleries.com | CIN: L24116KA1992PLC125992

Statement of Unaudited Financial Results for the quarter ended June 30, 2020 INR in Lakhs except for earnings per share data

PARTICULARS	3 months ended	3 months ended	3 months ended	Year ended
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
	Unaudited	(Refer Note 8)	Unaudited	Audited
1 Income				
(a) Revenue from operations	3,294	3,873	4,316	17,154
(b) Other income	75	74	85	310
Total income	3,369	3,947	4,401	17,464
2 Expenses				
(a) Cost of materials consumed	2,319	4,252	3,109	14,618
(b) Changes in inventories of work-in-progress and finished goods	374	(954)	303	(919)
(c) Employee benefits expense	297	324	279	1,107
(d) Finance costs	832	797	910	3,359
(e) Depreciation expense	809	1,221	1,157	4,690
(f) Others				
(i) Allowance for government grant (net) (refer note 3)	-	476	-	(524)
(ii) Other expenses	751	1,330	787	4,045
Total expenses	5,382	7,446	6,545	26,376
3 Profit / (loss) before exceptional items and taxation (1-2)	(2,013)	(3,499)	(2,144)	(8,912)
4 Exceptional items (net)	-	-	-	-
5 Profit / (loss) before taxation (3+4)	(2,013)	(3,499)	(2,144)	(8,912)
6 Income tax expense				
(a) Taxes relating to earlier years (MAT)	-	-	-	-
(b) Deferred tax charge / (credit) (refer note 4)	-	(15)	6,022	6,007
(c) MAT credit utilised / (availed)	-	-	-	-
7 Profit / (loss) for the period (5-6)	(2,013)	(3,484)	(8,166)	(14,919)
8 Other comprehensive income / (loss)				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of post-employment benefit obligations	-	64	(5)	49
Income tax credit / (charge) relating to these items	-	(15)	-	(15)
Other comprehensive income / (loss) for the period, net of tax	-	49	(5)	34
9 Total comprehensive income / (loss) (7+8)	(2,013)	(3,435)	(8,171)	(14,885)
10 Paid-up equity share capital (Face value of INR 10 each)	1,339	1,339	1,339	1,339
11 Earnings / (loss) per share of INR 10 each (not annualised)				
Basic and diluted (Amounts in INR)	(15.04)	(26.02)	(60.99)	(111.43)



PIONEER DISTILLERIES LIMITED

Statement of Unaudited Financial Results for the quarter ended June 30, 2020

Notes:

1. Pioneer Distilleries Limited ('the Company') is primarily engaged in the business of manufacturing and selling Extra Neutral Alcohol, Malt Spirit, and allied products along with Indian Made Foreign Liquor ('IMFL') bottling operations. Since the entire business of the Company is evaluated and reviewed by the Chief Operating Decision Maker as one reportable segment, the management considers this as a single reportable segment.
2. This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
3. The Company is entitled to certain government grants from the State of Maharashtra for setting up projects in notified rural areas under two phases. These grants are receivable in the form of VAT refunds.
During the financial year 2018-19, the Company had received a communication from the State authorities, amending certain terms of eligibility ('Amended Sanction Letter'). The Company had carried out an internal assessment supported by a legal opinion in respect of the above and had filed a revised claim. Consequently, the Company had recognised an allowance of INR 1,000 lakhs as expected credit loss ("ECL") on account of impairment during the quarter ended September 30, 2018. Further, The Company had reassessed the timing of cash inflows since initial recognition and had recognised an additional allowance of INR 1,686 lakhs during the quarter and year ended March 31, 2019. During the quarter ended December 31, 2019, the said Amended Sanction Letter had been further revised by the concerned Government department restoring certain terms that were amended earlier. The Company had received a revised eligibility certificate as per the above-mentioned Sanction letter and hence the allowance of INR 1,000 Lakhs had been reversed during the quarter ended December 31, 2019.
Further, considering the impact of COVID-19, Management had estimated a delay in recovering the money from the state government. In line with the ECL calculation, an allowance of INR 476 Lakhs had been accounted for during the quarter and the year ended March 31, 2020.
4. During the month of June 2019, Management undertook a detailed technical review of plant operations and processes. Based on the recommendations of this review, it is proposed to augment manufacturing infrastructure and processes which involves capital and overhauling spends resulting in temporary reduction in production volumes. Accordingly, the future business plans and projected profits were re-evaluated. Further, in light of reduction in production volumes and increase in cost of materials, overheads and interest, the Company's ability to earn sufficient taxable profits is likely to be impeded resulting in a significant uncertainty regarding utilisation of deferred tax assets (including MAT credit) against unused tax losses and therefore, as a matter of prudence, deferred tax assets (net of deferred tax



liability arising mainly on account of depreciation), amounting to Rs. 6,022 lakhs (including MAT credit of Rs. 1,168 lakhs) were written-off during the quarter ended June 30, 2019.

5. The Board of Directors ("Board") of USL and the Company at their respective meetings held on December 2, 2019 considered and approved a scheme of amalgamation and arrangement (the "Scheme") in relation to the proposed merger of the Company with USL under Section 230 to 232 and the other applicable provisions of the Companies Act, 2013 and the rules thereof. Upon completion of the merger, the non-promoter shareholders of the Company will receive 10 equity shares of USL (face value of INR 2) for every 47 shares equity shares of the Company (face value of INR 10) held by them as on the record date. The Scheme is subject to the receipt of requisite approvals from the relevant statutory authorities including the National Company Law Tribunal, the Securities and Exchange Board of India, the National Stock Exchange of India Limited, the BSE Limited, and the respective shareholders and creditors of the USL and the Company.
6. The Company has a tie-up manufacturing agreement with USL. In terms of this agreement, the Company manufactures, under USL's supervision, brands owned and marketed by USL. Under Ind-AS 115 on 'Revenue from contracts with customers', the Company has assessed its relationship with USL to be that of an agent. Control of the activities rest with USL. Further, under the arrangement, the Company is entitled to bottling fees which is determined based on output and volume and has accordingly -
- recorded the income under tie-up manufacturing agreement which is included in Revenue from operations as detailed below:

INR in lakhs

	Three Months Ended			Year Ended
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
Income	164	378	105	839

- gross sales, excise duty and cost of goods sold (the net impact of which is nil) as indicated below in the respect of these operations are not disclosed by the Company.

	Three Months Ended			Year Ended
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
Gross sales	10,817	15,658	12,240	58,326
Excise duty	(7,798)	(11,288)	(8,812)	(42,037)
Cost of goods sold	(3,019)	(4,370)	(3,428)	(16,289)
Net impact	-	-	-	-

7. The outbreak of COVID-19 pandemic continues to spread across India and given its unpredictable and evolving nature, though the plant has become operational from May 2020, temporary disruptions have occurred from time to time during the pendency of the lockdowns. Management continues to implement appropriate actions, as necessary, to scale up manufacturing operations in due compliance with



the applicable laws. The Company has made an assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets as at June 30, 2020 and has made appropriate provisions, wherever required, on account of COVID-19. The Company has assessed its existing controls and internal financial reporting processes and made appropriate changes, as required, in view of the situation arising due to COVID-19. The Company has also reviewed its contracts/ arrangements and does not expect any material impact on account of non-fulfilment of the obligations by any party.

Management has considered various internal and external information available up to the date of approval of financial results in assessing the impact of COVID-19 on the financial results for the quarter ended June 30, 2020 and will continue to monitor changes in future economic conditions. The eventual outcome of the impact of COVID-19 may be different from that estimated as on the date of approval of these financial results.

8. Figures for the quarters ended March 31, 2020, are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to the third quarter of the financial year, as adjusted for certain regroupings/ reclassifications, where considered necessary.
9. Previous period's figures have been regrouped/ reclassified to conform to the current period's presentation for the purpose of comparability.
10. This Statement of Unaudited Financial Results has been reviewed by the Audit and Risk Management Committee of the Board of Directors and approved by the Board of Directors at their meetings held on July 23, 2020.

Place: Bengaluru
Date: July 23, 2020

By authority of the Board

Alokesh Biswas
Managing Director
DIN: 08756326



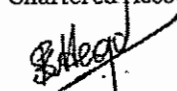
Price Waterhouse & Co Chartered Accountants LLP

Review Report

The Board of Directors
Pioneer Distilleries Limited
Level 10, UB Tower
#24 Vittal Mallya Road
Bengaluru, Karnataka - 560 001

1. We have reviewed the unaudited financial results of Pioneer Distilleries Limited (the "Company") for the quarter ended June 30, 2020, which are included in the accompanying "Statement of Unaudited Financial Results for the quarter ended June 30, 2020" together with the notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw your attention to Note 7 to the Statement, which describes the management's assessment of the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Company and the adjustments made to these financial results. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants



Shivakumar Hegde
Partner
Membership Number: 204627
UDIN: 20204627AAAABS4239

Bengaluru
July 23, 2020