

May 7, 2021

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 Audited financial results for the quarter and year ended March 31, 2021 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR)).

The Board of Directors of the Company at their meeting held today, approved inter-alia the Audited standalone financial results of the Company for the quarter and year ended March 31, 2021 ("AFR"). The Auditor's Report ("AR") thereon, received from the Statutory Auditors of the Company on the standalone financial results were placed at the said meeting. AFR along with the AR are enclosed and are being uploaded on to your websites along with this letter.

The auditors have issued an unmodified opinion, as referred in para 2 of AR on the standalone financial results.

The Board meeting commenced at 3:00 p.m. IST and concluded at 4:30 p.m. IST.

Thank you,

For **Pioneer Distilleries Limited**

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YANA
AKSHARA

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Date: 2021.05.07
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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 Financial Results for the quarter and year ended March 31, 2021

INR in Lakhs except for earnings per share data

PARTICULARS	3 months ended March 31, 2021	3 months ended December 31, 2020	3 months ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
	Refer Note 9	Unaudited	Refer Note 9	Audited	Audited
1 Income					
(a) Revenue from operations	5,135	3,208	3,873	16,740	17,154
(b) Other income	75	76	74	301	310
Total income	5,210	3,284	3,947	17,041	17,464
2 Expenses					
(a) Cost of materials consumed	3,289	3,055	4,252	12,993	14,618
(b) Changes in inventories of work-in-progress and finished goods	539	(450)	(954)	316	(919)
(c) Employee benefits expense	365	359	324	1,284	1,107
(d) Finance costs	805	792	797	3,213	3,359
(e) Depreciation expense	887	807	1,221	3,314	4,690
(f) Allowance for government grant (net)	266	-	476	266	(524)
(g) Other expenses	1,196	1,516	1,330	4,312	4,045
Total expenses	7,347	6,079	7,446	25,698	26,376
3 Profit / (loss) before exceptional items and taxation (1-2)	(2,137)	(2,795)	(3,499)	(8,657)	(8,912)
4 Exceptional items (net)	-	-	-	-	-
5 Profit / (loss) before taxation (3+4)	(2,137)	(2,795)	(3,499)	(8,657)	(8,912)
6 Income tax expense					
(a) Taxes relating to earlier years (MAT)	-	-	-	-	-
(b) Deferred tax charge / (credit)	-	-	(15)	-	6,007
(c) MAT credit utilised / (availed)	-	-	-	-	-
7 Profit / (loss) for the period (5-6)	(2,137)	(2,795)	(3,484)	(8,657)	(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	(80)	-	64	(80)	49
Income tax credit / (charge) relating to these items	-	-	(15)	-	(15)
Other comprehensive income / (loss) for the period, net of tax	(80)	-	49	(80)	34
9 Total comprehensive income / (loss) (7+8)	(2,217)	(2,795)	(3,435)	(8,737)	(14,885)
10 Paid-up equity share capital (Face value of INR 10 each)	1,339	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)	(15.96)	(20.88)	(26.02)	(64.66)	(111.43)

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Statement of assets and liabilities as at March 31, 2021

INR in Lakhs

Particulars	As At March 31, 2021	As At March 31, 2020
	Audited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	19,119	19,438
Capital work-in-progress	1,018	236
Financial assets		
Government grant	8,588	9,842
Loans	33	38
Current tax assets (net)	195	191
Other non-current assets	1,548	3,114
Total non-current assets	30,501	32,859
Current assets		
Inventories	7,084	9,142
Financial assets		
Government grant	1,706	1,267
Trade receivables	0	1
Cash and cash equivalents	1	74
Other current assets	767	936
Total current assets	9,558	11,420
Total assets	40,059	44,279
EQUITY AND LIABILITIES		
Equity		
Share capital	1,342	1,342
Other Equity		
Reserves and surplus	(29,127)	(20,390)
Total equity	(27,785)	(19,048)
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	13,760	13,945
Other financial liabilities	10,737	9,744
Provisions	176	106
Deferred tax liabilities (net)	-	-
Total non-current liabilities	24,673	23,795
Current liabilities		
Financial liabilities		
Borrowings	31,891	28,300
Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	193	242
(ii) total outstanding dues other than micro enterprises and small enterprises	1,446	1,734
Other financial liabilities	733	530
Provisions	2,084	1,152
Other current liabilities	6,824	7,574
Total current liabilities	43,171	39,532
Total liabilities	67,844	63,327
Total equity and liabilities	40,059	44,279

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Statement of Cash Flows for the year ended March 31, 2021

INR in Lakhs

PARTICULARS	Previous year ended March 31, 2021	Previous year ended March 31, 2020
	Audited	Audited
A. Cash flows from operating activities		
(Loss) before tax	(8,657)	(8,912)
Adjustment for :		
Depreciation expense	3,314	4,690
Provision for bad and doubtful debts	18	39
Allowance for government grant (net)	266	(524)
(Profit) / loss on disposal of property, plant and equipment	(36)	115
Finance costs	3,202	3,396
Interest on income tax reversed during the year	-	(53)
Unwinding of interest on government grant	(301)	(301)
Change in operating assets and liabilities		
(Increase) / decrease in inventory	2,058	(3,388)
(Increase) / decrease in trade receivables	1	10
(Increase) / decrease in other non-current / current assets	(100)	(292)
(Increase) / decrease in other financial assets	855	7,442
Increase / (decrease) in trade payables	(337)	(240)
Increase / (decrease) in other financial liabilities	74	(58)
Increase / (decrease) in other non-current / current liabilities	(750)	(16)
Increase / (decrease) in non-current / current provisions	922	1,020
Tax paid, net	(4)	-
Net cash inflow / (outflow) from operating activities (A)	525	2,928
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(1,780)	(495)
Proceeds from disposal of property, plant and equipment	53	-
Net cash inflow / (outflow) from investing activities (B)	(1,727)	(495)
C. Cash flow from financing activities		
Proceeds from current borrowings	82,600	88,605
(Repayment) of current borrowings	(80,300)	(79,405)
(Repayment) of non-current borrowings	(302)	(383)
Working capital loan / Bank overdraft (net)	1,291	(8,983)
Finance costs paid	(2,160)	(2,220)
Net cash inflow / (outflow) from financing activities (C)	1,129	(2,386)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(73)	47
Add: Cash and cash equivalents at the beginning of the year	74	27
Cash and cash equivalents at the end of the year	1	74

PIONEER DISTILLERIES LIMITED

Statement of Financial Results for the quarter and year ended March 31, 2021.

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. The Company had assessed the timing of cash inflows since initial recognition and had recognised an allowance of INR 1,686 lakhs in an earlier year. Further, considering the impact of COVID-19, Management had estimated a delay in recovering the money from the state government. In line with the expected credit loss (ECL) calculation, an allowance of INR 266 Lakhs had been accounted for during the quarter and year ended March 31, 2021.
4. The Board of Directors ("Board") of United Spirits Limited ("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 Sections 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 for every 47 shares held by them as on the record date. The Company has received no-objection, vide Observation Letters dated October 21 and 22, 2020, from the BSE Limited and the National Stock Exchange of India Limited, respectively. The Scheme is subject to the receipt of requisite approvals from the other relevant authorities and respective shareholders and creditors of USL and the Company. The Company, jointly with USL, filed an application under Sections 230 to 232 of the Companies Act, 2013 on November 27, 2020 with the National Company Law Tribunal, Bengaluru Bench.
5. 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 '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 –
 - a. 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	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
Income under tie-up manufacturing agreement	182	331	378	954	839

- b. 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	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
Gross sales	14,332	23,325	15,658	69,517	58,326
Excise duty	(10,327)	(16,813)	(11,288)	(50,101)	(42,037)
Cost of goods sold	(4,005)	(6,512)	(4,370)	(19,416)	(16,289)
Net impact	-	-	-	-	-

- c. adjusted the net working capital as indicated below with the outstanding of USL.

Particulars	As At	
	March 31, 2021	March 31, 2020
Financial assets – Trade receivables	2,172	2,605
Inventories	454	2,347
Other current assets	85	856
Financial liabilities – Trade payables	(768)	(877)
Other financial liabilities	(70)	(1,600)
Other current liabilities	(1,947)	(2,534)
Net	(74)	797

6. During the quarter ended September 30, 2020, the Company has entered into a “Supply Agreement” with USL for sale of malt spirit including maturation thereof. As per the terms of the agreement, the evaporation loss during the maturation process is recovered from USL. In addition, subsequent outflow in connection with the evaporation loss, if any, will be reimbursed by USL. The Company has assessed the recovery of such outflow amounting to INR 255 lakhs to be in the nature of cost to cost reimbursement and not revenue.
7. The networth of the Company has eroded and the current liabilities exceed the current assets as at the year-end. However, the Management and the Board of Directors have reviewed the cash flow forecast for the next twelve months and based on the letter of financial support obtained from USL, the holding company, have concluded that there is no material uncertainty on the ability of the Company to continue as a going concern.
8. The outbreak of COVID-19 pandemic had spread across India during the first two quarters of the financial year and given its unpredictable and evolving nature, temporary disruptions had occurred from time to time during the lockdown period, though the plant had become operational from May 2020. Management implemented appropriate actions, as necessary, and scaled up manufacturing operations in due compliance with the applicable laws. The operations of the Company, recovered during the second quarter and further stabilized during the subsequent quarters. 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 March 31, 2021 and does not foresee any material impact on account of COVID-19. The Company 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 the financial results in assessing the impact of COVID-19 on the results for the quarter and the year ended March 31, 2021 and no material impact is expected.

9. The figures for the quarter ended March 31, 2021 and March 31, 2020 are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the respective financial year, which were subjected to limited review by the statutory auditors.
10. Previous period's figures have been regrouped / reclassified to conform to the current period's presentation for the purpose of comparability.
11. This Statement of Financial Results, Statement of Assets and Liabilities and Statement of Cash Flows have been reviewed by the Audit and Risk Management Committee of the Board and approved by the Board of Directors at their respective meeting held on May 7, 2021.

Place: Bengaluru
Date: May 7, 2021

By authority of the Board

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Alokesh Biswas
Managing Director
DIN: 08756326

Price Waterhouse & Co Chartered Accountants LLP

Independent auditor's report

To the Board of Directors of Pioneer Distilleries Limited

Report on the Audit of Financial Results

Opinion

1. We have audited the annual financial results of Pioneer Distilleries Limited (hereinafter referred to as the "Company") for the year ended March 31, 2021 and the statement of assets and liabilities and the statement of cash flows as at and for the year ended on that date, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial results:
 - (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information of the Company for the year ended March 31, 2021 and the statement of assets and liabilities as at March 31, 2021 and the statement of cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those Standards are further described in the "Auditor's responsibilities for the audit of the financial results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)

Price Waterhouse & Co Chartered Accountants LLP

Independent auditor's report

To the Board of Directors of Pioneer Distilleries Limited

Report on the financial results

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Board of Directors' responsibilities for the financial results

4. These financial results have been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Company and the statement of assets and liabilities and the statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the financial results by the Directors of the Company, as aforesaid.
5. In preparing the financial results, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

Auditor's responsibilities for the audit of the financial results

7. Our objectives are to obtain reasonable assurance about whether the financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Price Waterhouse & Co Chartered Accountants LLP

Independent auditor's report

To the Board of Directors of Pioneer Distilleries Limited

Report on the financial results

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 11 below).
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

10. The financial results include the results for the quarter ended March 31, 2021 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which are neither subject to limited review nor audited by us.
11. The annual financial results dealt with by this report has been prepared for the express purpose of filing with the stock exchanges on which the Company's shares are listed. These results are based on and should be read with the audited financial statements of the Company for the year ended March 31, 2021 on which we issued an unmodified audit opinion vide our report dated May 7, 2021.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

SHIVAKUMAR

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Date: 2021.05.07 16:40:39 +05'30'

Shivakumar Hegde

Partner

Membership Number: 204627

UDIN: 21204627AAAABZ9135

Bengaluru
May 7, 2021