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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 4544 8000
Fax: +91 80 3985 6862
Pdlinvestor.india@diageo.com

21st January 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 Unaudited financial results for the quarter and nine months ended
December 31, 2020**

The Board of Directors of the Company at their meeting held today, considered and have taken on record the unaudited financial results of the Company for the quarter and nine months ended 31st December 2020. ("UFR"). The Limited Review Report ("LRR") thereon, received from the Statutory Auditors of the company were placed at the said meeting. UFR along with the LRR are enclosed and are being uploaded on to your websites along with this letter.

This is for your information and records.

Thank you,

For Pioneer Distilleries Limited



B L Akshara
Company Secretary

Encl: as above

PIONEER DISTILLERIES LIMITED

Level 10, UR Tower, #24 9th Mile, Malviya Road, Bengaluru 560 001

Tel: +91 80 2221 0700, Fax: +91 80 2983 8662 | www.pioneerdistilleries.com | CIN: L74116KA1992PLC125992

Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2020

INR in Lakhs except for earnings per share data

PARTICULARS	3 months ended	3 months ended	3 months ended	9 months ended	9 months ended	Year ended
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income						
(a) Revenue from operations	3,206	5,103	4,990	11,685	13,281	17,134
(b) Other income	76	75	75	226	216	310
Total income	3,282	5,178	5,065	11,911	13,497	17,444
2 Expenses						
(a) Cost of materials consumed	3,025	4,236	4,212	9,704	10,966	14,613
(b) Changes in inventories of work-in-progress and finished goods	(430)	(547)	(160)	(223)	95	(919)
(c) Employee benefits expense	359	253	235	919	783	1,107
(d) Finance costs	792	784	823	2,406	2,562	3,399
(e) Depreciation expense	807	911	1,131	2,427	3,469	4,690
(f) Others						
(i) Allowance for government grant (see)	-	-	(1,400)	-	(1,000)	(324)
(ii) Other expenses	1,216	849	1,028	3,116	2,715	4,045
Total expenses	6,079	6,386	6,543	18,351	16,990	25,378
3 Profit/ (loss) before exceptional items and taxation (1-2)	(2,797)	(1,208)	(1,278)	(6,520)	(3,493)	(8,932)
4 Exceptional items (net)	-	-	-	-	-	-
5 Profit/ (loss) before taxation (3+4)	(2,797)	(1,208)	(1,278)	(6,520)	(3,493)	(8,932)
6 Income tax expense						
(a) Taxes relating to earlier years (MAT)	-	-	-	-	-	-
(b) Deferred tax charge/ (credit)	-	-	-	-	4,022	6,107
(c) MAT credit utilised/ (availed)	-	-	-	-	-	-
7 Profit/ (loss) for the period (5-6)	(2,797)	(1,208)	(1,278)	(6,520)	(11,435)	(14,919)
8 Other comprehensive income/ (loss)						
Items that will not be reclassified to profit or loss						
Remeasurements of post-employment benefit obligations	-	-	(5)	-	(15)	49
Income tax credit/ (charge) relating to these items	-	-	-	-	-	(15)
Other comprehensive income/ (loss) for the period, net of tax	-	-	(5)	-	(15)	34
9 Total comprehensive income/ (loss) (7+8)	(2,797)	(1,208)	(1,283)	(6,520)	(11,450)	(14,885)
10 Paid-up equity share capital (Face value of INR 10 each)	1,339	1,339	1,339	1,339	1,339	1,339
11 Earnings/ (loss) per share of INR 10 each (net annualised)						
Basic and diluted (Amounts in INR)	(20.88)	(12.59)	(9.55)	(48.70)	(85.40)	(111.43)



(Handwritten signature)

PIONEER DISTILLERIES LIMITED

**Statement of Unaudited Financial Results for the quarter and nine months ended
December 31, 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. 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 476 Lakhs had been accounted for during the year ended March 31, 2020.
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 (face value of INR 2 each) for every 47 shares of the Company (face value of INR 10 each) held by them as on the record date. The Company has received the no-objection, vide Observation Letters dated October 21, 2020 and October 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, has filed an application under Sections 230 to 232 of the Companies Act, 2013 on November 27, 2020 with the National Company Law Tribunal, Bangalore.
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			Nine Months Ended		Year Ended
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
Income under tie-up manufacturing agreement	331	276	205	772	461	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			Nine Months Ended		Year Ended
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
Gross sales	23,325	21,043	17,439	55,185	42,668	58,326
Excise duty	(16,813)	(15,163)	(12,576)	(39,774)	(30,749)	(42,037)
Cost of goods sold	(6,512)	(5,880)	(4,863)	(15,411)	(11,919)	(16,289)
Net impact	-	-	-	-	-	-

6. During the quarter ended September 30, 2020, the Company had 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 111 lakhs to be in the nature of cost to cost reimbursement and not revenue.
7. 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, in comparison to the quarter ended June 30, 2020, recovered during the quarter ended September 30, 2020 and further stabilized during the current quarter.

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 December 31, 2020 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, which have largely been reinstated to the original controls and processes. 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 nine months ended December 31, 2020 and no material impact is expected.

8. Previous period's figures have been regrouped/ reclassified to conform to the current period's presentation for the purpose of comparability.
9. 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 respective meeting held on January 21, 2021.

Place: Bengaluru
Date: January 21, 2021

By authority of the Board
Ankesh Biswas
Managing Director
DIN: 68756926



Price Waterhouse & Co Chartered Accountants LLP

Review Report

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

1. We have reviewed the unaudited financial results of Pioneer Distilleries Limited (the "Company") for the quarter ended December 31, 2020 and the year to date results for the period ended December 31, 2020 which are included in the accompanying "Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2020" (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" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with relevant rules thereunder 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 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 Ind AS 34 prescribed under Section 133 of the Act read with rules issued thereunder 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.

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



Shivakumar Hegde
Partner

Membership Number: 204627
UDIN: 21204627AAAAAE4245

Bengaluru
January 21, 2021