

## **Pioneer Distilleries Limited**

Corporate Identity Number: L24116AP1992PLC055108

Reg. Office: UB House, Plot No.36, Street No.4, Srinagar Colony, Hyderabad 500 073

Tel: +91 40 6674 7388; Fax: +91 40 6674 7386

Web: [www.pioneerdistilleries.com](http://www.pioneerdistilleries.com) Email: [info@pioneerdistilleries.com](mailto:info@pioneerdistilleries.com)

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February 06, 2017

### **BSE Limited**

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai 400 001

### **National Stock Exchange of India Limited**

Exchange Plaza, Plot No.C-1, Block G,

Bandra Kurla Complex, Bandra East,

Mumbai 400 051

Dear Sirs,

**Sub: Unaudited Financial Results for the quarter and nine months ended December 31, 2016**

The Board of Directors of the Company at their meeting held today, has considered and taken on record the Unaudited Financial Results in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and nine months ended December 31, 2016. We forward herewith a copy thereof for your information and records along with the Limited Review Report received from the statutory auditors of the Company which was placed at the said Board Meeting.

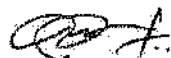
We are making arrangements to publish the above results in the newspapers in terms of the Listing Agreement.

Please take the above on your record and acknowledge the same.

Thanking you,

Yours faithfully,

for **PIONEER DISTILLERIES LIMITED**



**SANTHOSH KUMAR KEERTHI**

Company Secretary

Encl: as above

PIONEER DISTILLERIES LIMITED


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 Corporate Identity Number: L24116AP1992PLC055108

Part -I Statement of Standalone Unaudited Financial Results for the Quarter and Nine months ended 31st December 2016 Rs in Lakhs

S.No.	PARTICULARS	Three Months Ended			Year to date		
		31/12/2016	30/09/2016	31/12/2015	31/12/2016	31/12/2015	31/03/2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Income from Operations</b>						
	a. Sales/Income from Operations	2,536.78	1,922.20	3,704.55	6,076.13	8,906.53	10,797.83
	b. Other Operating Income -Government Grant	-	-	2,606.82	1,655.19	5,166.81	8,127.27
	c. Other Operating Income (including scrap sale)	63.30	38.48	14.00	119.00	40.09	95.28
	<b>Total Income from operations (net)</b>	<b>2,600.08</b>	<b>1,960.68</b>	<b>6,325.36</b>	<b>7,850.33</b>	<b>14,113.43</b>	<b>19,020.38</b>
2	<b>Expenses</b>						
	a) Cost of materials consumed	2,002.84	1,740.90	2,676.02	4,676.73	5,840.61	7,170.60
	b) Changes in Inventories of Finished goods, work in progress and Stock in trade	(151.00)	(77.09)	237.67	(159.98)	904.81	625.51
	c) Employee benefit expense	316.96	231.60	373.59	831.00	830.42	1,179.87
	d) Depreciation and amortisation expense	707.41	654.92	648.04	2,009.86	1,904.62	2,552.76
	e) Other expenses	519.00	631.73	407.04	1,664.83	1,333.51	1,969.12
	<b>Total Expenses</b>	<b>3,395.22</b>	<b>3,182.07</b>	<b>4,342.36</b>	<b>9,022.44</b>	<b>10,813.96</b>	<b>13,497.86</b>
3	<b>Profit/(Loss) from Operations before Other Income, finance cost and Exceptional Items (1-2)</b>	<b>(795.13)</b>	<b>(1,221.39)</b>	<b>1,983.01</b>	<b>(1,172.11)</b>	<b>3,299.46</b>	<b>5,522.52</b>
4	Other Income	0.32	0.32	0.29	0.97	0.87	52.61
5	<b>Profit/(Loss) from ordinary activities before Finance Cost and exceptional items (3+4)</b>	<b>(794.81)</b>	<b>(1,221.07)</b>	<b>1,983.30</b>	<b>(1,171.14)</b>	<b>3,300.34</b>	<b>5,575.13</b>
6	Finance Costs	510.16	468.79	611.96	1,414.82	1,869.60	2,400.60
7	<b>Profit/(Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)</b>	<b>(1,304.97)</b>	<b>(1,689.86)</b>	<b>1,371.34</b>	<b>(2,585.96)</b>	<b>1,430.74</b>	<b>3,174.54</b>
8	Exceptional items	-	-	-	-	-	-
9	<b>Profit/(Loss) from ordinary activities before tax (7+8)</b>	<b>(1,304.97)</b>	<b>(1,689.86)</b>	<b>1,371.34</b>	<b>(2,585.96)</b>	<b>1,430.74</b>	<b>3,174.54</b>
10	Tax Expenses	(451.65)	(340.22)	433.45	(698.74)	452.23	1,023.23
11	<b>Net Profit/(Loss) from ordinary activities after tax (9-10)</b>	<b>(853.32)</b>	<b>(1,349.64)</b>	<b>937.89</b>	<b>(1,887.22)</b>	<b>978.51</b>	<b>2,151.31</b>
12	Other Comprehensive Income/ (Expenses)	-	-	-	-	-	52.29
13	<b>Total Comprehensive Income</b>	<b>(853.32)</b>	<b>(1,349.64)</b>	<b>937.89</b>	<b>(1,887.22)</b>	<b>978.51</b>	<b>2,203.60</b>
14	Paid-up Equity share capital (Face value of Rs.10 each)	1,338.82	1,338.82	1,338.82	1,338.82	1,338.82	1,338.82
15	Reserves excluding revaluation reserves as per the balance sheet of previous accounting year						(2,453.29)
16	<b>Earnings per Share of Rs.10 each (not annualised)</b>						
	Basic and Diluted	(6.37)	(10.08)	7.01	(14.10)	7.31	16.07

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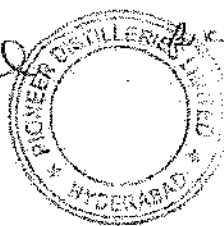


**PIONEER DISTILLERIES LIMITED**

**Statement of Unaudited Financial Results for the quarter and nine months ended  
December 31, 2016**

Notes:

1. The above results have been approved by the Board of Directors at their meeting held on February 6, 2017.
2. The Company is primarily engaged in the business of Extra Neutral Alcohol, Malt Spirit, Indian Made Foreign Liquor ('IMFL') and allied products. Since all these segments meet the aggregation criteria as per the requirements of Ind AS 108 on 'Operating segments', the management considers these as a single reportable segment. Accordingly, disclosure of segment information has not been furnished.
3. Consequent to the notification dated November 25, 2016 issued by Ministry of Finance (Department of Financial Services), the Board for Industrial and Financial Reconstruction (BIFR) stood dissolved. Consequently, the reference made by the Company to BIFR in 2012 stood abated without any further action.
4. The Company has fully utilised the entitled Government Grant, mostly in the form of VAT refund, by first quarter of financial year 2016-17. The same was recognised as other operating income in the statement of Profit & loss on a systemic basis over the period it accrued.
5. The above results have been prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 as amended (Ind AS).

6. Beginning from April 1, 2016 the Company has for the first time adopted Ind AS with a transition date of April 1, 2015. The format for the statement of Results is prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated November 30, 2015.

a) The reconciliation of net Profit or loss reported in accordance with earlier Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

Particulars	Rs. In lakhs		
	3 Months ended December 31, 2015	9 Months ended December 31, 2015	Previous Year ended March 31, 2016
Net Profit/ (loss) as reported under earlier Indian GAAP	1,413.68	1,557.74	3,423.84
<b>Add (Less)- Adjustments for Ind AS</b>			
Net Impact of Financial Liabilities carried at fair value through Profit and Loss Account	(42.34)	(127.01)	(169.34)
Actuarial Gain on defined benefit plans for the period considered under Other Comprehensive Income			(79.97)
Deferred tax Credit in respect of accumulated losses	(433.46)	(452.23)	(1,023.23)
<b>Net Profit as per Ind AS</b>	<b>937.89</b>	<b>978.51</b>	<b>2,151.31</b>
<b>Other Comprehensive Income</b>			
Actuarial Gain on defined benefit plans for the period	-	-	52.29
<b>Other Comprehensive Income</b>	-	-	<b>52.29</b>
<b>Total Comprehensive Income</b>	<b>937.89</b>	<b>978.51</b>	<b>2,203.60</b>

The above results for the three months and nine months ended December 31, 2016 and for the previous year ended March 31, 2016 have been reviewed/audited by the Company's statutory auditors. Adjustments for Ind-AS and Other Comprehensive Income for the period presented above have been reviewed by the Company's Statutory Auditors.

**b) Ind AS Adjustments**

(i) Accounting for manufacturing of IMFL on behalf of United Spirits Limited: Under Ind AS 18 on 'Revenue', there is explicit guidance on assessment of principal-agent relationships. The Company has assessed its relationship with United Spirits Limited (USL) and has identified that the Company acts as bottling service provider to USL for manufacture of IMFL. Accordingly, incomes from operations include bottling charges which were hitherto recorded as gross sales and purchases. Consequently, there was no impact as a result of these adjustments.

(ii) Financial liabilities carried at fair value at amortised cost with all changes in fair value recognised in the Statement of Profit and Loss. Unwinding of interest on sales tax deferred loan has been recognised as finance cost.



*[Handwritten signature]*

(ii) Financial liabilities carried at fair value at amortised cost with all changes in fair value recognised in the Statement of Profit and Loss. Unwinding of interest on sales tax deferred loan has been recognised as finance cost.

(iii) Actuarial profit on employee benefit defined plan has been re-classed to other comprehensive income (OCI) with consequential deferred tax impact.

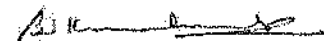
7. Previous period's figures have been regrouped/ reclassified to conform to the current period's presentation for the purpose of comparability.

Place: Nizamabad.

Date: February 6, 2017



By authority of the Board



B. V. Krishna Reddy

Managing Director  
DIN-07293482



**LIMITED REVIEW REPORT****To The Board of Directors  
Pioneer Distilleries Limited**

We have reviewed the accompanying statement of unaudited standalone financial results of **Pioneer Distilleries Limited** ("the Company") for the quarter and nine months period ended **31<sup>st</sup> December, 2016**. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (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 financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian Accounting Standards (IND AS) and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Emphasis of Matter**

Without qualifying, we draw an attention to the fact that financial statements of the Company have been prepared on the principles of a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has been incurring losses for the past few years and its net worth has been fully eroded. Considering the setting up of bottling and malt spirit projects, benefits arising therefrom in the coming years and further expansion thereon being on course, the management is reasonably expecting to reverse the losses in the coming years with the committed Financial, Technical and Administrative support from the holding company. Accordingly, these financial statements have been prepared on a going concern basis.



Place : Nizamabad

Date : 6<sup>th</sup> February, 2017

For Lodha and Company

Chartered Accountants

ICAI Firm Registration No. 301051E

A handwritten signature in black ink, appearing to read "R.P. Baradiya".

R.P. Baradiya

Partner

Membership No. 44101