

Pioneer Distilleries Ltd.
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
info@pioneerdistilleries.com

19th May 2022

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

National Stock Exchange of India Ltd.
Exchange Plaza, C-1 Block G,
Bandra Kurla Complex,
Scrip Code: PIONDIST

Dear Sirs,

Sub: Intimation of Audited financial results for the quarter and year ended March 31, 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR)).

This is further to our letter dated 11th May 2022, wherein we had intimated to the Exchange, the date of Board Meeting for consideration of Audited Financial Results for the quarter and financial year ended 31st March, 2022.

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 31st March 2022 ("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 AR on the standalone financial results.

The Board Meeting Commenced at 6.21 pm IST and concluded at 10.50 pm IST.

This is for your information and records.

Thank you,

For Pioneer Distilleries Ltd.



J Swaminathan
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, 2022

INR in Lakhs except for earnings per share data

PARTICULARS		3 months ended March 31, 2022	3 months ended December 31, 2021	3 months ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
		Refer Note 9	Unaudited	Refer Note 9	Audited	Audited
1	Income					
	(a) Revenue from operations	5,626	5,460	5,135	21,170	16,740
	(b) Other income	75	76	75	301	301
	Total income	5,701	5,536	5,210	21,471	17,041
2	Expenses					
	(a) Cost of materials consumed	4,032	3,801	3,289	15,695	12,993
	(b) Changes in inventories of work-in-progress and finished goods	(41)	323	539	333	316
	(c) Employee benefits expense	388	381	365	1,615	1,284
	(d) Finance costs	852	853	805	3,386	3,213
	(e) Depreciation expense	798	834	887	3,437	3,314
	(f) Allowance for government grant (net)	-	-	266	-	266
	(g) Other expenses	925	1,044	1,196	4,201	4,312
	Total expenses	6,954	7,236	7,347	28,667	25,698
3	Profit/ (loss) before exceptional items and taxation (1-2)	(1,253)	(1,700)	(2,137)	(7,196)	(8,657)
4	Exceptional items (net)	-	-	-	-	-
5	Profit/ (loss) before taxation (3+4)	(1,253)	(1,700)	(2,137)	(7,196)	(8,657)
6	Income tax expense					
	(a) Taxes relating to earlier years (MAT)	-	-	-	-	-
	(b) Deferred tax charge / (credit)	-	-	-	-	-
	(c) MAT credit utilised / (availed)	-	-	-	-	-
7	Profit/ (loss) for the period (5-6)	(1,253)	(1,700)	(2,137)	(7,196)	(8,657)
8	Other comprehensive income / (loss)					
	<i>Items that will not be reclassified to profit or loss</i>					
	Remeasurements of post-employment benefit obligations	6	-	(80)	6	(80)
	Income tax credit / (charge) relating to these items	-	-	-	-	-
	Other comprehensive income / (loss) for the period, net of tax	6	-	(80)	6	(80)
9	Total comprehensive income / (loss) (7+8)	(1,247)	(1,700)	(2,217)	(7,190)	(8,737)
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)	(9.36)	(12.70)	(15.96)	(53.75)	(64.66)

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Audited Statement of Assets and Liabilities as at March 31, 2022

INR in Lakhs

Particulars	As At March 31, 2022	As At March 31, 2021
	Audited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	17,544	19,119
Capital work-in-progress	601	1,018
Financial assets		
Government grant	6,178	8,588
Other Financial assets	40	33
Current tax assets (net)	230	195
Other non-current assets	1,576	1,548
Total non-current assets	26,169	30,501
Current assets		
Inventories	7,953	7,084
Financial assets		
Government grant	2,389	1,706
Trade receivables	-	-
Cash and cash equivalents	1	1
Other current assets	958	767
Total current assets	11,301	9,558
Total assets	37,470	40,059
EQUITY AND LIABILITIES		
Equity		
Share capital	1,342	1,342
Other Equity		
Reserves and surplus	(36,317)	(29,127)
Total equity	(34,975)	(27,785)
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	13,627	13,760
Other financial liabilities	11,712	10,737
Provisions	175	161
Deferred tax liabilities (net)	-	-
Total non-current liabilities	25,514	24,658
Current liabilities		
Financial liabilities		
Borrowings	34,075	32,125
Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	151	193
(ii) total outstanding dues other than micro enterprises and small enterprises	2,577	1,446
Other financial liabilities	446	499
Provisions	2,826	2,099
Other current liabilities	6,856	6,824
Total current liabilities	46,931	43,186
Total liabilities	72,445	67,844
Total equity and liabilities	37,470	40,059

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Statement of Cash Flows for the year ended March 31, 2022

INR in Lakhs

PARTICULARS	Current year ended March 31, 2022	Prior year ended March 31, 2021
	Audited	Audited
A. Cash flows from operating activities		
(Loss) before tax	(7,196)	(8,657)
Adjustment for :		
Depreciation expense	3,437	3,314
Provision for bad and doubtful debts	-	18
Allowance for government grant (net)	-	266
(Profit) / loss on disposal of property, plant and machinery	(13)	(36)
Finance costs	3,370	3,202
Unwinding of interest on government grant	(301)	(301)
Change in operating assets and liabilities		
(Increase) / decrease in inventory	(869)	2,058
(Increase) / decrease in trade receivables	-	1
(Increase) / decrease in other non-current / current assets	132	(100)
(Increase) / decrease in other financial assets	2,021	855
Increase / (decrease) in trade payables	1,089	(337)
Increase / (decrease) in other financial liabilities	8	74
Increase / (decrease) in other non-current / current liabilities	32	(750)
Increase / (decrease) in non-current / current provisions	747	922
Cash generated from operations	2,457	529
Tax paid, net	(35)	(4)
Net cash inflow from operating activities (A)	2,422	525
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(1,933)	(1,780)
Proceeds from disposal of property, plant and equipment	89	53
Net cash (outflow) from investing activities (B)	(1,844)	(1,727)
C. Cash flow from financing activities		
Proceeds from current borrowings	55,300	82,600
(Repayment) of current borrowings	(61,100)	(80,300)
(Repayment) of non-current borrowings	(234)	(302)
Working capital loan / bank overdraft (net)	7,822	1,291
Finance costs paid	(2,366)	(2,160)
Net cash inflow / (outflow) from financing activities (C)	(578)	1,129
Net increase / (decrease) in cash and cash equivalents (A+B+C)	-	(73)
Add: Cash and cash equivalents at the beginning of the period	1	74
Cash and cash equivalents at the end of the period	1	1

**PIONEER DISTILLERIES
LIMITED**

Statement of Financial Results for the quarter and year ended March 31, 2022

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 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 (face value of INR 10 each), held by them as on the record date. The Scheme is subject to the receipt of requisite approvals from the relevant statutory authorities. The BSE Limited and the National Stock Exchange of India Limited have issued their no-objection to the draft Scheme and related documents filed, vide observation letters dated October 21, 2020 and October 22, 2020, respectively. 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 ("NCLT"), and again an Interlocutory Application was filed before NCLT on April 7, 2021. The Company had conducted a shareholders meeting approving the Scheme on September 30, 2021 and is currently awaiting the NCLT approval. Subsequently, a joint petition to sanction the Scheme has been filed by USL and the Company with the NCLT on October 2, 2021. The Company's petition was heard by the NCLT on April 18, 2022 and has been adjourned and rescheduled to May 27, 2022.
4. 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 2,162 lakhs in earlier years. 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 additional allowance of INR 266 Lakhs was accounted for in the quarter and year ended March 31, 2021. Management does not foresee any further allowance in the current quarter.
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, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
Income under tie -up manufacturing agreement	224	246	182	932	954

- 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, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
Gross Sales	13,693	15,603	14,332	58,861	69,517
Excise Duty	(9,866)	(11,245)	(10,327)	(42,415)	(50,101)
Cost of goods sold	(3,827)	(4,358)	(4,005)	(16,446)	(19,416)
Net Impact	-	-	-	-	-

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

Particulars	As At	
	March 31, 2022	March 31, 2021
Financial assets – Trade receivables	2081	2,172
Inventories	1109	454
Other current assets	567	85
Financial liabilities – Trade payables	(946)	(768)
Other financial liabilities	(670)	(70)
Other current liabilities	(1900)	(1,947)
Net	241	(74)

6. During the quarter ended September 30, 2020, the Company 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 7 lakhs for the quarter and INR 161 lakhs for the year ended March 31, 2022 to be in the nature of cost-to-cost reimbursement and not revenue.

7. The Company had filed a petition before the High Court of Bombay, Aurangabad Bench, challenging multiple demands raised by Water Resources Department, State of Maharashtra, levying increased water charges and an interim relief against any coercive steps had been received. The Company has been in appeal on the matter with Maharashtra Water Resources Regulatory Authority and the Company has paid INR 129.44 (2021: INR 111) “under protest” which is included in “Balances with government authorities” under Note 4 above. During the year, the Company has received further demands from the said Department levying water charges at a higher rate along with taxes and penalties for the period November 2018 to March 2022. Based on a legal opinion obtained, Management has determined that as the Company is carrying adequate provision in the books for the probable rates of water charges applicable to the Company, any further cash outflow on account of this matter is remote.
8. Once the lockdown due to COVID-19 pandemic was lifted in May 2020, Management had taken appropriate actions to scale up the manufacturing to the levels prior to COVID-19. As a result, the operations of the Company stabilized during the previous year post COVID-19. Temporary disruptions have occurred from time to time during the pendency of curfew or lockdown restrictions, including as a result of the recent surge in the spread of COVID-19 in India.

The Company has made an assessment of its liquidity position (considering the support letter received from USL) and of the recoverability and carrying values of its assets as at March 31, 2022 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 year ended March 31, 2022 and no material impact is expected, but the Company will continue to monitor changes in future economic conditions, as they arise.

9. The figures for the quarter ended March 31, 2022 and March 31, 2021 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 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 May 19, 2022.

By authority of the Board

ALOKESH
BISWAS

Digitally signed by
ALOKESH BISWAS
Date: 2022.05.19
20:34:39 +05'30'

Alokesh Biswas
Managing Director
DIN: 08756326

Place: Bengaluru
Date: May 19, 2022

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, 2022 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 net loss and other comprehensive income and other financial information of the Company for the year ended March 31, 2022 and the statement of assets and liabilities and the statement of cash flows as at and 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 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 scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone 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 12 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 standalone 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 standalone financial results, including the disclosures, and whether the standalone 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

11. The financial results include the results for the quarter ended March 31, 2022 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.
12. The annual financial results dealt with by this report has been prepared for the express purpose of filing with stock exchanges on which the Company's shares are listed. These results are based on and should be read with the audited standalone financial statements of the Company for the year ended March 31, 2022 on which we issued an unmodified audit opinion vide our report dated May 19, 2022.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

SHIVAKUMAR

RAJGOPAL HEGDE

Shivakumar Hegde

Partner

Membership No: 204627

UDIN: 22204627AJGSHZ8772

Digitally signed by SHIVAKUMAR
RAJGOPAL HEGDE

Date: 2022.05.19 22:30:31 +05'30'

Place: Bengaluru

Date: May 19, 2022