

Pioneer Distilleries Limited
Subsidiary of United Spirits Limited

Level 6, UB Tower
#24, Vittal Mallya Road,
Bengaluru 560 001

Tel: +91 40 2970 3391 | 80 3964 2207
Fax: +91 80 3985 6862
info@pioneerdistilleries.com

November 9, 2018

BSE Limited,
(Regular Office & Corporate Relations Dept.)
Dalal Street, Mumbai 400 001
Scrip Code : 531879

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

Dear Sir/Madam,

**Sub: Intimation of un-audited results for the Quarter and six months ended
September 30, 2018.**

This is to inform you that the Board of Directors of the Company at their meeting held today, has considered and taken on record the Un-Audited Financial Results of the Company, in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, for the Quarter and six months ended September 30, 2018. 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 newspaper in terms of SEBI Listing Regulations.

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

Thanking you,

Yours faithfully,
for **Pioneer Distilleries Limited**


Akshara B L
Company Secretary

Enclosed: As Above

PIONEER DISTILLERIES LIMITED
Roxana Towers, Ground Floor, M.No.7-1-24/1/RT/G1&G2, Greenlands, Begumpet, Hyderabad 500 016
Tel: +91 04 66747388; Fax: +91 40 66747386 | www.pioneerdistilleries.com | CIN: L24116TG1992PLC055108

Statement of Unaudited Financial Results for the quarter and six months ended September 30, 2018

Rs. in Lakhs except for earnings per share data

PARTICULARS		3 months ended September 30, 2018	3 months ended June 30, 2018	3 months ended September 30, 2017	6 months ended September 30, 2018	6 months ended September 30, 2017	Previous year ended March 31, 2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations	3,001	3,131	2,826	6,132	6,513	13,500
	(b) Government grant	-	-	1,514	-	11,880	16,685
	(c) Other income	76	76	30	152	31	281
	Total income	3,077	3,207	4,370	6,284	18,424	30,466
2	Expenses						
	(a) Cost of materials consumed	2,012	2,859	2,699	4,871	6,150	11,174
	(b) Changes in inventories of work in progress and finished goods	17	(972)	(829)	(955)	(945)	(911)
	(c) Excise duty	-	-	-	-	12	12
	(d) Employee benefit expense	264	255	280	519	525	1,053
	(e) Depreciation expense	1,245	1,231	805	2,476	1,597	3,661
	(f) Other expenses	1,785	769	713	2,554	1,547	3,042
	(g) Finance costs	733	669	551	1,402	1,097	2,254
	Total expenses	6,056	4,811	4,219	10,867	9,983	20,285
3	Profit / (loss) before exceptional items and taxation (1-2)	(2,979)	(1,604)	151	(4,582)	8,441	10,181
4	Exceptional items (net)	-	-	-	-	-	-
5	Profit / (loss) before taxation (3+4)	(2,979)	(1,604)	151	(4,582)	8,441	10,181
6	Income tax expense						
	(a) Current tax	-	-	(50)	-	150	1,037
	(b) Taxes of earlier years	179	-	-	179	-	-
	(c) Deferred tax charge / (credit)	(934)	(496)	3	(1,430)	2,577	3,180
	(d) MAT credit utilised / (availed)	(179)	-	50	(179)	(150)	(1,037)
7	Profit / (loss) for the period (5-6)	(2,045)	(1,108)	148	(3,152)	5,864	7,001
8	Other comprehensive income / (expenses) (net of income tax)						
	<i>Items that will not be reclassified to profit or loss</i>						
	Remeasurements of post-employment benefit obligations	-	-	-	-	-	42
	Total other comprehensive income for the year, net of tax	-	-	-	-	-	42
9	Total comprehensive income / (expenses) (7+8)	(2,045)	(1,108)	148	(3,152)	5,864	7,043
10	Paid-up equity share capital (Face value of Rs.10 each)	1,339	1,339	1,339	1,339	1,339	1,339
11	Earnings / (loss) per share of Rs. 10/- each (not annualised)						
	Basic and diluted (Amounts in Rs.)	(15.27)	(8.28)	1.11	(23.54)	43.80	52.29



Sanjay



PIONEER DISTILLERIES LIMITED

Roxana Towers, Ground Floor, M.No.7-1-24/1/RT/G1&G2, Greenlands, Begumpet, Hyderabad 500 016

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Statement of assets and liabilities as at September 30, 2018

Rs. in Lakhs

Particulars	As At September 30, 2018	As At March 31, 2018
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	25,571	27,806
Capital work - in - progress	677	351
Financial assets		
Government grant	3,493	3,342
Security deposit	62	66
Deferred tax assets (net)	4,494	2,884
Advance income tax (net)	138	317
Other non - current assets	3,054	2,905
Total non-current assets	37,489	37,671
Current assets		
Inventories	5,327	4,101
Financial assets		
Government grant	15,748	16,748
Trade receivables	26	19
Cash and cash equivalents	13	22
Others financial assets	5	17
Other current assets	635	598
Total current assets	21,754	21,505
Total assets	59,243	59,176
EQUITY AND LIABILITIES		
Equity		
Share capital	1,342	1,342
Other Equity		
Reserves and surplus	(1,936)	1,216
Total equity	(594)	2,558
Non-current liabilities		
Financial liabilities		
Borrowings	14,138	14,553
Other financial liabilities	8,103	7,548
Provisions	70	61
Total non-current liabilities	22,311	22,162
Current liabilities		
Financial liabilities		
Borrowings	17,268	15,792
Trade Payables		
(A) total outstanding dues of micro enterprises and small enterprises; and	3	34
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	2,585	2,173
Other financial liabilities	1,235	1,112
Provisions	184	176
Other current liabilities	16,251	15,169
Total current liabilities	37,526	34,456
Total liabilities	59,837	56,618
Total equity and liabilities	59,243	59,176

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PIONEER DISTILLERIES LIMITED

Statement of Unaudited Financial Results for the quarter and six months ended September 30, 2018

Notes:

1. Pioneer Distilleries Limited ('the Company') is primarily engaged in the business of Extra Neutral Alcohol, Malt Spirit, Indian Made Foreign Liquor ('IMFL') and allied products. Since the entire business of the Company is evaluated and reviewed by 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 possible.

Effective April 1, 2018, the Company has adopted Indian Accounting Standard 115 (Revenue from contracts with customers). The new standard is based on the principle that revenue is recognised when control of goods or services is transferred to the customer and provides a single, principles based five-step model to be applied to all sales contracts. It replaces the separate models for goods, services and construction contracts under previous standards (Indian Accounting Standard 11 and Indian Accounting Standard 18) which was based on the concept of transfer of risks and rewards.

The Company has completed the evaluation of its commercial arrangements with customers. The impact on adoption of the Indian Accounting Standard 115 on the results for the quarter and six months ended September 30, 2018 is not material.

3. The Company is entitled to certain government subsidy. During the current quarter, the Company has received a communication from the concerned government department, amending certain terms of eligibility. The Company has carried out an internal assessment supported by a legal opinion in respect of the above and proposes to file a revised claim basis the revision in terms. As a matter of prudence, an expense of Rs. 1,000 lakhs has been recognised in the quarter and six months ended September 30, 2018 and included in 'Other expenses'.
4. The Company has entered into a tie-up manufacturing agreement with United Spirits Limited ('USL'), the holding company. 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. Risk and rewards of the activity rests 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:

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Signature

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Rs. in lakhs						
	Three Months Ended			Six Months Ended		Year Ended
	30/09/2018	30/06/2018	30/09/2017	30/09/2018	30/09/2017	31/03/2018
Income	113	84	141	197	246	533

- 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:

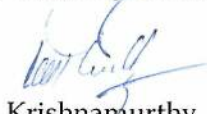
Rs. in lakhs						
	Three Months Ended			Six Months Ended		Year Ended
	30/09/2018	30/06/2018	30/09/2017	30/09/2018	30/09/2017	31/03/2018
Gross sales	14,371	9,634	12,522	24,006	22,541	51,589
Excise duty	(10,180)	(6,785)	(10,602)	(16,966)	(19,080)	(41,877)
Cost of goods sold	(4,191)	(2,849)	(1,920)	(7040)	(3,461)	(9,712)
Net impact	-	-	-	-	-	-

- The Company had, on July 26, 2018, received directions ("Closure Direction") from Maharashtra Pollution Control Board ("MPCB"), directing closure of manufacturing activity of the Company under Section 33A of The Water (Prevention & Control of Pollution) Act, 1974 and under Section 31A of The Air (Prevention & Control of Pollution) Act, 1981 alleging pollution caused by the Company. The Company had filed a writ petition before the Hon'ble High Court of Judicature of Bombay, Aurangabad Bench and subsequently approached National Green Tribunal ("NGT") at Delhi against the Closure Direction. NGT had, vide its order dated August 03, 2018 directed the Company to put forward its view point for consideration before the MPCB in accordance with law. The MPCB after hearing the Company vide its direction dated August 29, 2018 was pleased to accept the Company's submissions subject to fulfilment of certain conditions within specified timelines. The Company is in process of complying with these conditions.
- Previous period's figures have been regrouped/ reclassified to conform to the current period's presentation for the purpose of comparability.
- 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 November 9, 2018. The statutory auditors of the Company have carried out a limited review of this Statement of Standalone Unaudited Financial Results for the quarter and six months ended September 30, 2018.

Place: Bengaluru
Date: November 9, 2018



By authority of the Board


R. Krishnamurthy
Chairman
DIN: 0006940830





Price Waterhouse & Co Chartered Accountants LLP

The Board of Directors
Pioneer Distilleries Limited
Roxana Towers, Ground Floor
M.No. 7-1-24/1RT/G1G2 Greenland
Begumpet, Hyderabad – 500016

Independent Auditors' Report on Review of Interim Results for the quarter ended September 30, 2018

1. We have reviewed the unaudited financial results of Pioneer Distilleries Limited (the "Company") for the quarter ended September 30, 2018 which are included in the accompanying 'Statement of Unaudited Financial Results for the quarter and six months ended September 30, 2018' and the 'Statement of Assets and Liabilities as at September 30, 2018' (together the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The 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 the Statement based on our review.
2. 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 Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, 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 applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, 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



Gautam Dharamshi
Partner
Membership Number: 042393

Bangalore
November 9, 2018

Price Waterhouse & Co Chartered Accountants LLP, 5th Floor, Tower 'D', The Millenia, 1 & 2 Murphy Road
Ulsoor, Bangalore-560 008
T: +91 (80) 4079 5000, F: +91 (80) 4079 5222

Registered office and Head office: Plot No. Y-14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata 700 091

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)