

22nd October 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 six months ended
September 30, 2021**

The Board of Directors of the Company at their meeting held today, *Inter-alia* approved the unaudited financial results of the Company for the quarter and six months ended 30th September 2021. ("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, Cash Flow Statement and Statement of Assets and Liabilities are enclosed and are being uploaded on to your websites along with this letter.

The Board Meeting Commenced at 4:25 pm IST and concluded at 05:45 pm IST

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, 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 Unaudited Financial Results for the quarter and six months ended September 30, 2021

INR in Lakhs except for earnings per share data

PARTICULARS		3 months ended September 30, 2021	3 months ended June 30, 2021	3 months ended September 30, 2020	6 months ended September 30, 2021	6 months ended September 30, 2020	Year ended March 31, 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations	6,389	3,695	5,103	10,084	8,397	16,740
	(b) Other income	75	75	75	150	150	301
	Total income	6,464	3,770	5,178	10,234	8,547	17,041
2	Expenses						
	(a) Cost of materials consumed	4,093	3,769	4,330	7,862	6,649	12,993
	(b) Changes in inventories of work-in-progress and finished goods	919	(868)	(147)	51	227	316
	(c) Employee benefits expense	470	376	263	846	560	1,284
	(d) Finance costs	845	836	784	1,681	1,616	3,213
	(e) Depreciation expense	963	842	811	1,805	1,620	3,314
	(f) Allowance for government grant (net)	-	-	-	-	-	266
	(g) Other expenses	1,353	879	849	2,232	1,600	4,312
	Total expenses	8,643	5,834	6,890	14,477	12,272	25,698
3	Profit / (loss) before exceptional items and taxation (1-2)	(2,179)	(2,064)	(1,712)	(4,243)	(3,725)	(8,657)
4	Exceptional items (net)	-	-	-	-	-	-
5	Profit / (loss) before taxation (3+4)	(2,179)	(2,064)	(1,712)	(4,243)	(3,725)	(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)	(2,179)	(2,064)	(1,712)	(4,243)	(3,725)	(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	-	-	-	-	-	(80)
	Income tax credit / (charge) relating to these items	-	-	-	-	-	-
	Other comprehensive income / (loss) for the period, net of tax	-	-	-	-	-	(80)
9	Total comprehensive income / (loss) (7+8)	(2,179)	(2,064)	(1,712)	(4,243)	(3,725)	(8,737)
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 (not annualised)						
	Basic and diluted (Amounts in INR)	(16.28)	(15.42)	(12.79)	(31.69)	(27.82)	(64.66)

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Unaudited Statement of Assets and Liabilities as at September 30, 2021

INR in Lakhs

Particulars	As At September 30, 2021	As At March 31, 2021
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	17,899	19,119
Capital work-in-progress	1,276	1,018
Financial assets		
Government grant	7,588	8,588
Loans	40	33
Current tax assets (net)	200	195
Other non-current assets	1,616	1,548
Total non-current assets	28,619	30,501
Current assets		
Inventories	6,365	7,084
Financial assets		
Government grant	1,158	1,706
Trade receivables	2	0
Cash and cash equivalents	1	1
Other current assets	375	767
Total current assets	7,901	9,558
Total assets	36,520	40,059
EQUITY AND LIABILITIES		
Equity		
Share capital	1,342	1,342
Other Equity		
Reserves and surplus	(33,370)	(29,127)
Total equity	(32,028)	(27,785)
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	13,613	13,760
Other financial liabilities	11,226	10,737
Provisions	188	176
Deferred tax liabilities (net)	-	-
Total non-current liabilities	25,027	24,673
Current liabilities		
Financial liabilities		
Borrowings	32,729	31,891
Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	201	193
(ii) total outstanding dues other than micro enterprises and small enterprises	1,631	1,446
Other financial liabilities	343	733
Provisions	2,652	2,084
Other current liabilities	5,965	6,824
Total current liabilities	43,521	43,171
Total liabilities	68,548	67,844
Total equity and liabilities	36,520	40,059

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Unaudited Statement of Cash Flows for the six months ended September 30, 2021

INR in Lakhs

PARTICULARS	6 months ended September 30, 2021	6 months ended September 30, 2020	Previous year ended March 31, 2021
	Unaudited	Unaudited	Audited
A. Cash flows from operating activities			
(Loss) before tax	(4,243)	(3,725)	(8,657)
Adjustment for :			
Depreciation expense	1,805	1,620	3,314
Provision for bad and doubtful debts	-	-	18
Allowance for government grant (net)	-	-	266
(Profit) / loss on disposal of property, plant and equipment	1	-	(36)
Finance costs	1,681	1,616	3,202
Unwinding of interest on government grant	(150)	(150)	(301)
Provision on capital work-in-progress	-	14	-
Change in operating assets and liabilities			
(Increase) / decrease in inventory	719	2,622	2,058
(Increase) / decrease in trade receivables	(2)	(63)	1
(Increase) / decrease in other non-current / current assets	477	106	(100)
(Increase) / decrease in other financial assets	1,691	-	855
Increase / (decrease) in trade payables	193	(599)	(337)
Increase / (decrease) in other financial liabilities	(49)	10	74
Increase / (decrease) in other non-current / current liabilities	(859)	(408)	(750)
Increase / (decrease) in non-current / current provisions	580	385	922
Cash generated from operations	1,844	1,428	529
Tax paid, net	(5)	-	(4)
Net cash inflow from operating activities (A)	1,839	1,428	525
B. Cash flow from investing activities			
Purchase of property, plant and equipment	(1,313)	(771)	(1,780)
Proceeds from disposal of property, plant and equipment	47	-	53
Net cash (outflow) from investing activities (B)	(1,266)	(771)	(1,727)
C. Cash flow from financing activities			
Proceeds from current borrowings	31,300	800	82,600
(Repayment) of current borrowings	(32,800)	-	(80,300)
(Repayment) of non-current borrowings	(234)	(283)	(302)
Working capital loan / bank overdraft (net)	2,338	(142)	1,291
Finance costs paid	(1,177)	(1,098)	(2,160)
Net cash inflow / (outflow) from financing activities (C)	(573)	(723)	1,129
Net increase / (decrease) in cash and cash equivalents (A+B+C)	0	(66)	(73)
Add: Cash and cash equivalents at the beginning of the period	1	74	74
Cash and cash equivalents at the end of the period	1	8	1

PIONEER DISTILLERIES LIMITED

Statement of Unaudited Financial Results for the quarter and six months ended September 30, 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 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. During the current quarter, the Company had conducted a shareholders meeting approving the Scheme.
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 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 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			Six Months Ended		Year Ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
Income under tie-up manufacturing agreement	242	220	276	462	440	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 included in the Statement of Unaudited Financial Results.

	Three Months Ended			Six Months Ended		Year Ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
Gross sales	16,071	13,495	21,043	29,566	31,860	69,517
Excise duty	(11,582)	(9,723)	(15,163)	(21,305)	(22,961)	(50,101)
Cost of goods sold	(4,489)	(3,772)	(5,880)	(8,261)	(8,899)	(19,416)
Net impact	-	-	-	-	-	-

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 50 lakhs for the quarter and INR 127 lakhs for six months to be in the nature of cost-to-cost reimbursement and not revenue.
7. 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 surge in the spread of COVID-19 in India during the quarter ended June 30, 2021.

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 September 30, 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, 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 six months ended September 30, 2021 and no material impact is expected, but the Company will continue to monitor changes in future economic conditions, as they arise.

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 October 22, 2021.

Place: Bengaluru
Date: October 22, 2021

By authority of the Board

ALOKESH Digitally signed by
BISWAS ALOKESH BISWAS
Date: 2021.10.22
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Alokesh Biswas
Managing Director
DIN: 08756326

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 and the year-to-date results for the period April 1 to September 30, 2021, which are included in the accompanying “Statement of Unaudited Financial Results for the quarter and six months ended September 30, 2021”, the “Unaudited Statement of Assets and Liabilities as at September 30, 2021 and the “Unaudited Statement of Cash Flows for the six months ended September 30, 2021”, together with the notes thereon (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”).
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, 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 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

RAJGOPAL HEGDE

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Date: 2021.10.22 17:37:33 +05'30'

Shivakumar Hegde

Partner

Membership Number: 204627

UDIN: 21204627AAAACY5675

Bengaluru
October 22, 2021

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