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INDIA

Pioneer Distilleries Limited
Subsidiary of United Spirits Limited

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#24, Vittal Mallya Road,
Bengaluru 560 001

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info@pioneerdistilleries.com

January 30, 2019

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 nine months ended
December 31, 2018.**

The Board of Directors of the Company at the meeting held today, considered and taken on record the un-audited financial results of the Company for the Quarter and nine months ended December 31, 2018 ("UFR"). The Limited Review Report ("LRR") thereon received from Statutory Auditors of the Company was placed at the said Meeting. UFR along with the LRR in the respect of this UFR are being uploaded on to your websites along with this letter.

Thanking you,

Yours faithfully,
for **Pioneer Distilleries Limited**



Akshara B.L
Company Secretary

Enclosed: As Above

Classification - General

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 nine months ended December 31, 2018

Rs. in Lakhs except for earnings per share data

PARTICULARS	3 months ended December 31, 2018	3 months ended September 30, 2018	3 months ended December 31, 2017	9 months ended December 31, 2018	9 months ended December 31, 2017	Previous year ended March 31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income						
(a) Revenue from operations	4,361	3,001	3,363	10,493	9,876	13,500
(b) Government grant	-	-	-	-	11,880	16,685
(c) Other income	75	76	189	227	220	281
Total income	4,436	3,077	3,552	10,720	21,976	30,466
2 Expenses						
(a) Cost of materials consumed	3,504	2,012	1,857	8,375	8,007	11,174
(b) Changes in inventories of work in progress and finished goods	(518)	17	681	(1,473)	(264)	(911)
(c) Excise duty	-	-	-	-	12	12
(d) Employee benefit expense	300	264	225	819	751	1,053
(e) Depreciation expense	1,217	1,245	823	3,693	2,420	3,661
(f) Other expenses	847	1,785	761	3,400	2,308	3,042
(g) Finance costs	731	733	560	2,133	1,658	2,254
Total expenses	6,081	6,056	4,907	16,947	14,892	20,285
3 Profit/ (loss) before exceptional items and taxation (1-2)	(1,645)	(2,979)	(1,355)	(6,227)	7,084	10,181
4 Exceptional items (net)	-	-	-	-	-	-
5 Profit/ (loss) before taxation (3+4)	(1,645)	(2,979)	(1,355)	(6,227)	7,084	10,181
6 Income tax expense						
(a) Current tax	-	-	(30)	-	120	1,037
(b) Taxes of earlier years	-	179	-	179	-	-
(c) Deferred tax charge/ (credit)	(511)	(934)	(418)	(1,941)	2,159	3,180
(d) MAT credit utilised/ (availed)	-	(179)	30	(179)	(120)	(1,037)
7 Profit/ (loss) for the period (5-6)	(1,134)	(2,045)	(937)	(4,286)	4,925	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)	(1,134)	(2,045)	(937)	(4,286)	4,925	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.)	(8.47)	(15.27)	(7.00)	(32.00)	36.79	52.29



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PIONEER DISTILLERIES LIMITED

Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 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 nine months ended December 31, 2018 is not material.

3. The Company is entitled to certain government subsidy. During the quarter ended September 30, 2018, the Company had received a communication from the concerned government department, amending certain terms of eligibility ('Amended Sanction Letter'). The Company had carried out an internal assessment supported by a legal opinion in respect of the above and had filed a revised claim. Consequently, an expense of Rs. 1,000 lakhs had been recognised in the quarter ended September 30, 2018 and included in 'Other expenses'. During the quarter, the said Amended Sanction Letter has been further revised restoring certain terms that were amended earlier. However, as a matter of prudence, the Company will reverse the expenses of Rs. 1,000 lakhs accounted in previous quarter ended September 30, 2018, upon receipt of revised eligibility certificate from the appropriate authority.
4. The Company's Writ Petition challenging the direction for closure of manufacturing activity ("Closure Direction") was disposed off by the Bombay High Court by directing the Company to approach the National Green Tribunal ("NGT"). The NGT had directed the Company to make its submissions for consideration before MPCB. The MPCB accepted the Company's submissions subject to fulfilment of certain conditions. The Company has complied with the said conditions and has submitted final completion report to MPCB on December 12, 2018.
5. 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



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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:

Rs. in lakhs

	Three Months Ended			Nine Months Ended		Year Ended
	31/12/2018	30/09/2018	31/12/2017	31/12/2018	31/12/2017	31/03/2018
Income	150	113	177	347	423	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			Nine Months Ended		Year Ended
	31/12/2018	30/09/2018	31/12/2017	31/12/2018	31/12/2017	31/03/2018
Gross sales	16,592	14,371	16,602	40,597	39,144	51,589
Excise duty	(11,842)	(10,180)	(14,041)	(28,807)	(33,122)	(41,877)
Cost of goods sold	(4,750)	(4,191)	(2,561)	(11,790)	(6,022)	(9,712)
Net impact	-	-	-	-	-	-

6. Previous period's figures have been regrouped/ reclassified to conform to the current period's presentation for the purpose of comparability.
7. 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 January 30, 2018. The statutory auditors of the Company have carried out a limited review of this Statement of Unaudited Financial Results for the quarter ended December 31, 2018.

Place: Bengaluru
Date: January 30, 2018



By authority of the Board

Ravi Varma
Ravi Varma
Managing Director
DIN: 02168293

g. S. Reddy



Price Waterhouse & Co Chartered Accountants LLP

The Board of Directors
Pioneer Distilleries Limited
Roxana Towers, Ground Floor
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Begumpet, Hyderabad 500 016

Independent Auditor's Report on Review of Interim Results for the quarter ended December 31, 2018

1. We have reviewed the unaudited financial results of Pioneer Distilleries Limited (the "Company") for the quarter ended December 31, 2018 which are included in the accompanying 'Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2018' (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
January 30, 2019

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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)