

3rd September 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: Submission of annual report for the financial year 2020-21 and the notice of the 28th Annual General Meeting ('AGM') of the Company

Pursuant to regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed annual report for the year 2020-21 along with the notice of the 28th AGM of the Company.

The Annual Report along with the notice of the AGM of the Company can be accessed / downloaded from the weblink given below:

https://pioneerdistilleries.com/InvestorRelations/PDL_Annual_Report_2020-21.pdf

This is for your information & records.

Thanking You,

For **Pioneer Distilleries Limited**

B L Akshara
Company Secretary

Encl: as above

DIAGEO
INDIA

PIONEER DISTILLERIES LIMITED

(a subsidiary of United Spirits Limited)

28th **ANNUAL** **REPORT**

2020 - 2021



Managing Director's Message

Dear Shareholders

On behalf of the Board of Directors, I am pleased to present our Annual Report for the Financial Year 2020-21. This has been a challenging year due to various reasons such as reliability issues in Plant, Surge in input material price particularly molasses, unplanned closure of plant during the year due to Covid-19 related lockdowns, other regulatory challenges etc. However, the compliance has been strengthened across the Company in order to set a right platform to operate in future.

Despite the turbulent year, we focused our investments in improving process reliability, Zero Liquid Discharge (ZLD) and environmental compliance to ensure predictability in operations and reduction of unpredictable stoppages. We have undergone Reliability project during the 3rd quarter of the year and same has resulted significant improvement on overall capacity utilization and efficiency in distillation process. Further consistency in utilities have paid dividend to overall operation reliability post completion of Reliability Projects.

Our company has immense potential being United Spirits Limited's (USL's) only integrated plant that handles "Grain to Glass" with a clear roadmap for transformation to become the most trusted and respected amongst ENA, Malt Spirit and IML manufacturing company in India.

I am able to draw strength from my past experience which has provided me immense insights into the business of the Company apart from the experience gained during the transformation journey into Diageo's Global practices, which has helped in integrating the global best business practices with the Company's manufacturing setup.

This is a validation of our Company's transformation journey with a clear focus on following six important priorities:

- Safety Transformation
- Compliance
- Organisation and People
- Manufacturing Excellence
- Sustainability
- Operation Reliability and consistency.

It is also a testimony to the strong capabilities we have built over the years, as well as the quality of talent now in the Company. Despite several regulatory challenges which impacted the industry last year, we posted improvement in our performance, underlined by growth in external net sales after adjusting for operating model changes. We delivered an enhancement of gross margin which was made possible through price advantage from raw material cost, mitigation of risks from the various environmental and external interventions through policy advocacy, a relentless focus on productivity and realization of headline pricing.

Strengthening the operations

Our performance has been driven with focus on the four Key Operational areas – production of Extra Neutral Alcohol (ENA) from Grain, ENA from Molasses, production of best-in-Class Malt Spirit and largescale inhouse maturation. The Maturation process is constantly monitored, and the Spirit was rated as the finest in Industry by Diageo India's Technical Center and shall be game changer for future growth including manufacturing Indian Made Liquor (IML) brands for United Spirits Limited.

Parallely, we made further progress on our 'fit for purpose' operating model in the above areas of operation. Ontime seasonal purchase, taking competitive advantage by ensuring consistent quality of ENA.

Our margins are heavily dependent on the government policies which are more oriented towards increasing the revenue of the government, change in climatic conditions especially monsoon impact, subsidy realization, depreciation and interest on borrowings. In light of the above, I am glad to announce that with the support of United Spirits Limited and Diageo, we are now creating a roadmap to minimize the negative impact, enable sustainability and reduce dependency on the above by increasing operational stability and efficiencies as a key towards consistent earnings.

Our role in society

We constantly endeavor to reduce the harm caused by irresponsible consumption of alcohol and enable the people to make a positive contribution to society. I am pleased to inform that this year we stood with the society during the Covid19 Pandemic and donated Oxygen Tank to District Hospital in order to effectively fight the pandemic and same has been appreciated by District Authority. Also, we did several work in and around the factory on Water Rejuvenation and Sanitation as part of our quest to improve the life of communities where we operate.

Building a talented and inclusive workplace

Our commitment to enable employees to 'be the best they can be' as a core principle. At the core of our business strategy, we continue to invest in training, exposing people to new technologies and in process improvement methodologies. We have created a roadmap and are in the process of launching policies, competitive reward programmes, coaching and wellbeing initiatives for empowering the employees. Indeed, our achievements in this challenging year bear testimony to the quality of talent in the Company, our growing reputation as an employer, and our focus on leadership development.

I would like to conclude by saying that our core aim is to bring in a significant change in the general perspective of the society towards spirit manufacturing sector and to leave a legacy of a business which will sustain on the core foundations of ethical standards and sustainability. We are ready to embrace the opportunities of tomorrow and to map the next phase of our journey.

On behalf of the Board, I would like to extend our deepest appreciation to the management team for their dedication and commitment in driving your Company forward. Our sincere appreciation also goes to all employees who relentlessly strived against odds and for playing an important role in ensuring that your Company continues to be one of the leading Distillery in Maharashtra. We would also like to express our gratitude to all stakeholders, partners and customers for their support to your Company. Looking forward to your continued support in the coming period too.

Thank you for standing by us in this challenging journey.

Yours sincerely,

7th May 2021
Bengaluru

Alokesh Biswas
Managing Director

BOARD OF DIRECTORS



Mr. R. Krishnamurthy
(Chairman)



Alokesh Biswas
(Managing Director,
effective 1st July 2020)



Ms. Srivathsala K N
(Independent Director)



Ms. Mamta Sundara
(Non-Executive Director)



Mr. Sanjeev Gupta
(Non-Executive Director)



Gopal Kothari
(Non-Executive Director
effective 17th March 2021)



Ravi Varma
(Managing Director,
till end of day 30th June 2020)



Mr. Ajay Goel
(Non-Executive Director,
till end of day 16th March 2021)



Committee Membership

-  Audit & Risk Management Committee
-  Stakeholders Relationship Committee
-  Nomination and Remuneration Committee
-  Corporate Social Responsibility Committee

Board of Directors



Mr. R. Krishnamurthy, *Chairman*

Mr. R. Krishnamurthy has completed his Graduation in Commerce, Science and Law. He is also a member of the Institute of Company Secretaries of India. He has a rich experience in Compliance of various Laws and Administration. Mr. R. Krishnamurthy possess relevant experience and knowledge in the field of Law and Administration. Presently, Mr. R. Krishnamurthy practices as an Advocate in the High Court of Karnataka.



Mr. Alokesh Biswas, *Managing Director* (effective 1st July 2020)

Mr Alokesh Biswas is an operational professional with an experience of about 20 years in AlcoBev Industry. Mr Biswas joined Diageo India in June 2001, wherein he was responsible for handling manufacturing operations. He was also instrumental in carrying out significant improvements in site operations. He played key role in efficient operations of Coal Fired Boiler with optimum fuel factor, monitoring and implementing water treatment plant with detailed project report process and introducing overall equipment effectiveness concept in Indian made Foreign Liquor (IMFL) production.

Mr Biswas was leading molasses based primary distillation, barley malt based malt spirit plant, grain extra neutral alcohol (ENA) plant having programmable logic controller (PLC) based operations, centrifuge & Multiple Effect Evaporator (MEE) as effluent treatment process in grain based distillery and Fluidised Bed Combustion (FBC) boiler & condensation cum extraction turbine in captive power plant. He also played a crucial role in removing all excisable goods from different parts of country after statutory prohibition of liquor in states.

He graduated as an engineer from National Institute of Technology, Durgapur.



Ms. Srivathsala K.N., *Independent Director*

Ms. Srivathsala is an Entrepreneur and an Angel Investor. She is Mentoring many companies in the area of business strategy and Financial Management. She is also founder of four organisations.

As a mentor she guides entrepreneurs on how to start and grow a profitable business that make a positive impact. She helps them to recognise great business ideas/models from amongst flurry of possible business avenues. She also helps to build a fast-growing organisation on a foundation of strong cultural values.

She is also a mentor at Prahlad Kakkar's Institute of Branding and Entrepreneurship and IIT Mumbai, she has been interacting with students at various levels on financial planning and entrepreneurship. She has conducted various Training and Awareness Programs on Entrepreneurship and Financial Literacy for corporates, public and Students. She is a noted speaker on the topic of Financial Planning and Entrepreneurship in reputed forums such as SEBI, National Stock Exchange, Times Foundation, The Christ University, RBI, Bank of India, many IT companies and WEConnect. Srivathsala's views are quoted in Times of India, Hindu Business Line, Economic Time, Mint etc.

She is a Certified Financial Planner and hold a Post-graduate degree in Commerce from Bangalore University. She is also an Institute of Chartered Accountants India's qualified "Accounting Technician"



Ms. Mamta Sundara, *Non- Executive Director*

Ms. Mamta Sundara has 18 years of experience as a legal professional working in India, Singapore and London across diverse range of businesses including telecom and consumer durables. Ms. Mamta Sundara has joined United Spirits Limited as the General Counsel in February 2015. Prior to that, she has spent 6 years in various roles in Diageo across London, Mumbai and Bangalore, with her last role providing support to the strategy and standards work done within United Spirits Limited. Prior to Diageo, Ms. Mamta Sundara has spent 4 years based in Singapore and providing all legal support for the South East Asia business of the Global Services division of British Telecom.

Ms. Mamta Sundara is a law graduate from the National Law School of India University, Bangalore.



Mr. Sanjeev Kumar Gupta, *Non- Executive Director*

Mr. Sanjeev Gupta is Executive Vice President – Manufacturing Operations at United Spirits Limited – a Diageo Group Company and is part of Diageo India Leadership Team. He is responsible for manufacturing operations of own units, third party manufacturing units, operations excellence and engineering and capital projects for United Spirits Limited.

He has around 30 years of diversified work experience with Unilever in India and Srilanka, Mondelez in South East Asia, Tata steel and Ceat Tyres. In his career spanning across FMCG and Industrial companies, Sanjeev has worked in various supply chain functions including manufacturing, Quality Assurance, Manufacturing Excellence, Demand/Supply Planning and Logistics and has been in the country leadership team in Unilever

Srilanka and Mondelez in Indonesia and Vietnam.

Prior to joining Diageo, Sanjeev was with Mondelez International as Integrated Supply Chain Director and was leading end to end supply chain for Vietnam business.

He is an engineering graduate from IIT Roorkee and post-graduate from NITIE Mumbai.



Mr. Gopal Kothari, *Non- Executive Director*

Mr. Gopal Kothari is a qualified Chartered Accountant (ICAI) and Company Secretary (ICSI) with 19 years of experience of working with leading consumer products companies. He is presently Vice President – Supply Finance in United Spirits Limited (“USL”). He served the Company as Chief Financial Officer for quite some time and served one of the then wholly owned subsidiaries of United Spirits Limited, Tern Distilleries Private Limited as a Director. Prior to joining USL, he was working as Finance Controller of Diageo India Private Limited. He has worked in various finance roles at Shaw Wallace & Co. Limited, Nestle India Limited, PepsiCo India Holdings Private Limited, and GlaxoSmithKline Consumer Healthcare Limited.

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BOARD OF DIRECTORS :

R Krishnamurthy
Chairman

Alokesh Biswas
Managing Director
(Effective 1st July 2020)

Srivathsala K. N.

Mamta Sundara

Sanjeev Gupta

Gopal Kothari
(Effective 17th March 2021)

Ravi Varma
Managing Director
(Till end of day 30th June 2020)

Ajay Goel
(Till end of day 16th March 2021)

CHIEF FINANCIAL OFFICER:

Sanjoy Sarkar

COMPANY SECRETARY:

B L Akshara

AUDITORS:

Price Waterhouse & Co
Chartered Accountants LLP
5th Floor, Tower 'D', The Millenia,
1 & 2 Murphy Road, Ulsoor, Bengaluru - 560 008

REGISTERED OFFICE:

'UB Tower', Level 10, #24,
Vittal Mallya Road, Bangalore-560001.
Tel No. +91 80 4544 8000
Fax No. +91 80 3985 6862

**REGISTRARS &
TRANSFER AGENTS:**

Venture Capital and Corporate
Investments Private Limited
H.No.12-10-167,
Bharat Nagar, Hyderabad 500018
Tel: 040 2381 8475/76,
Fax: 040 2386 802

PIONEER DISTILLERIES LIMITED

Corporate Identity Number: L24116KA1992PLC125992

Reg. Office: UB Tower, Level 10, #24, Vittal Mallya Road, Bengaluru – 560 001

Tel: +91 80 4544 8000; Fax: +91 80 3985 6862

Website: www.pioneerdistilleries.com E-mail: pdlinvestor.india@diageo.com

NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting (“AGM”) of the members of Pioneer Distilleries Limited (the “Company”) to be held through video conference (“VC”) / other audio-visual means (“OAVM”) on Tuesday, 28th September 2021 at 3:30 p.m. to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2021 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Mamta Sundara (DIN: 05356182), who retires by rotation and being eligible, offers herself for re-appointment.

Special Business:

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

3. Appointment of Mr Gopal Kothari (DIN: 08785454) as a Director:

As an Ordinary Resolution

RESOLVED THAT Mr. Gopal Kothari (DIN: 08785454), who was appointed as an additional director of the Company with effect from 17th March 2021 and whose period of office expires on the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and recommended by the Nomination and Remuneration Committee, be and is hereby

appointed as a Director of the Company, liable to retire by rotation.

By Order of the Board

7th May 2021
Bengaluru

Akshara B. L.
Company Secretary

NOTES:

1. Please refer to the explanatory statement given hereunder.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
3. In view of the continuing COVID-19 pandemic, Ministry of Corporate Affairs vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and Securities and Exchange Board of India vide its circular SEBI / HO/ CFD/ CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2 /CIR/P/2021/11 dated January 15, 2021 (hereinafter collectively referred to as ‘Circulars’) permitted companies to hold AGM through video conference (“VC”) or other audio visual means (“OAVM”), without the physical presence of members at a common

PIONEER DISTILLERIES LIMITED

venue. Accordingly, the AGM of the Company will be held through VC. In accordance with the Secretarial Standard-2 on General Meetings issued by The Institute of Company Secretaries of India (“ICSI”) read with Clarification/Guidance on applicability of Secretarial Standards issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

4. The Circulars waived the requirement of permitting the members to appoint proxies to attend and vote on his/her behalf, as the AGM is being held through VC. Accordingly, the facility for appointment of proxies by the members will not be available. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC and cast their votes through electronic voting (“e-voting”).
5. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the board resolution/authorization letter to the Scrutinizer by email at the email id sudhir.compsec@gmail.com or to the Company at the email ID pdlinvestor.india@diageo.com or upload on the VC portal/e-voting portal.
6. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013 (“the Act”).
7. In compliance with the aforesaid Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report for the year 2020-21 will also be available on the Company’s website www.pioneerdistilleries.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
8. At the twenty-fourth AGM held on July 28, 2017, the members approved appointment of Price Waterhouse & Co. Chartered Accountants LLP (FRN: 304026E/E-300009) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the twenty-ninth AGM, subject to ratification of their appointment by members at every AGM. The requirement to place the matter relating to appointment of auditors for ratification by members at every AGM had been dispensed with by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM.
9. Members are required to immediately inform the Company’s Registrars and Transfer Agents, Venture Capital and Corporate Investments Private Limited (VCC IPL), 12-10-167, Bharat Nagar, Hyderabad – 500 018, in case of shares held in physical form and to the respective Depository Participants, in case of shares held in dematerialized/electronic form, the details about their email addresses, if any, so that all notices and other statutory documents which are required to be sent to the members, as per the provisions of the Companies Act, 2013, can be sent to their email addresses.
10. Members holding shares in physical form, holding in the same name or same order of names under different ledger folios are requested to apply for consolidation of such folios, to the Company’s Registrars and Transfer Agents. Members may please address all their documents/correspondence relating to the equity shares of the Company directly to the Company’s Registrars and Transfer Agents.

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11. Nomination facility for shares, held in physical form, is available for members. The prescribed form in this regard can be obtained from the Company's Registrars and Transfer Agents.
12. The Company's equity shares are under compulsory dematerialization. Accordingly, trading of these shares through the stock exchanges would be facilitated if the share certificates are dematerialized. Members with physical share certificates are advised to consider opening a demat account with an authorised Depository Participant (DP) and arrange for dematerializing their shareholdings in the Company. Members may please note that effective April 1, 2019 transfer of shares are not permitted through physical mode pursuant to SEBI notification dated June 8, 2018.
13. Unclaimed Dividend:

No unclaimed dividend had to be transferred during the year. In terms of Section 205A and 205C of the Companies Act, 1956 and Section 124 and 125 of the Companies Act, 2013, the amount of dividend declared and remaining unclaimed for a period of seven years from the due date of payment have been transferred to the Investor Education and Protection Fund (IEPF) on the respective due dates. Accordingly, all unclaimed/unpaid dividend remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, have been transferred to the IEPF established by the Central Government. No claim shall be entertained against the Company for the amounts so transferred to IEPF Account. As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid /unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account.
14. Members may note that the Unclaimed Dividend can be claimed only by submitting an application in form IEPF 5 to Ministry of Corporate Affairs (MCA) available on website www.iepf.gov.in. Details of unclaimed dividend has been uploaded on the Company's website www.pioneerdistilleries.com.
15. The members are requested to email their grievances for speedy redressal to investor.relations@vccipl.com / pdlinvestor.india@diageo.com
16. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administrations) Rules, 2014, the Company is pleased to provide to members with a facility to exercise their right to vote at the 28th AGM by electronic means and the votes may be cast through electronic voting (e-voting) services provided by Central Depository Services (India) Limited [CDSL].
17. Facility for e-voting shall also be made available during the meeting and members attending the meeting through video conference, who have not already cast their vote by remote e-voting can exercise their vote during the meeting.
18. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
19. Any person who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date of Tuesday, September 21, 2021, may obtain the login ID and password by sending a request at helpdeskevoting@cdslindia.com. However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing user ID and password for casting the vote.
20. The instructions for shareholders voting electronically are as under:

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the members are

PIONEER DISTILLERIES LIMITED

provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below:

- A. The remote e-voting period begins on September 25, 2021 at 10.00 a.m. and ends on September 27, 2021 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form as on the cut-off date of September 21, 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Notice of the AGM is also disseminated on the website of CDSL www.evotingindia.com.
- (i) Information and instructions for Remote e-voting by Individual shareholders holding shares of the Company in demat mode:

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-voting Service Provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

- (ii) Pursuant to abovesaid SEBI Circular, login method for e-voting and joining virtual meetings for individual shareholders holding securities in Demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1) Users who have opted for CDSL's Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URLs for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi/Easiest user will be able to see the e-voting option for eligible companies where the evoting is in progress. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting Service Providers for casting votes along with links of the respective e-voting service provider i.e. CDSL/NSDL/KARVY/LINK INTIME as per information provided by Issuer/Company. Additionally, we are providing links to ESP so that the user can visit the ESP's site directly.</p> <p>3) If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP</p>

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Type of Shareholders	Login Method
	where the e-voting is in progress during or before the AGM.

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with NSDL	<p>1) If you are already registered for National Securities Depository Limited ('NSDL') IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p>

	<p>3) Visit the e-voting website of NSDL. Open web browser by typing the following URL : https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.</p>

Important note : Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

PIONEER DISTILLERIES LIMITED

- (iii) Helpdesk for individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (iv) Login method for e-voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10-digit alpha-numeric PAN* issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) *Shareholders who have not updated their PAN with the Company/Depository Participant are requested to write to investor.relations@vccipl.com to obtain sequence number which shall be mentioned in the PAN field.
Dividend Bank Details OR Date of Birth	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (v) After entering these details appropriately, click on “SUBMIT” tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

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(viii) Click on the EVSN of the Company.

(ix) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xi) After selecting the resolution(s) you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xiii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xiv) If a demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xv) Facility for Non-Individual Shareholders and Custodians – Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) & Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the board resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

- Alternatively, non-individual shareholders are required to send the relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer by email at the email id sudhir.compsec@gmail.com or to the Company at the email Id pdlinvestor.india@diageo.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that participants connecting from

Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at pdlinvestor.india@diageo.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at pdlinvestor.india@diageo.com. These queries will be responded appropriately by the company.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
11. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available

to atleast 1000 members on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING:

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor.relations@vccipl.com / pdlinvestor.india@diageo.com.
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLIENT ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) to Company/RTA email id. i.e. pdlinvestor.india@diageo.com / investor.relations@vccipl.com.
21. Mr. Sudhir V. Hulyalkar, Company Secretary in Practice (CP - 6137); Address: 16/8, Ground Floor, 2nd Cross, Gupta Layout, South End Road (Near South End Circle), Basavanagudi, Bengaluru – 560 004 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
22. The Scrutinizer shall, not later than 48 hours after the conclusion of the AGM make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman or a person

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authorized by him and the Company will declare the results of the voting forthwith.

23. The results declared along with the Scrutinizer's Report will be placed on the Company's website - www.pioneerdistilleries.com and on the stock exchanges' website, National Stock Exchange of India Limited at www.nseindia.com and BSE Limited at www.bseindia.com, immediately after the result is declared by the Chairman or any person authorised by the Company and communicated to the concerned stock exchanges.
24. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 28, 2021. Members seeking to inspect such documents can send an email to pdlinvestor.india@diageo.com.
25. If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

By Order of the Board

7th May 2021
Bengaluru

Akshara B. L.
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3 : Appointment of Mr. Gopal Kothari as a Director:

Mr. Gopal Kothari (DIN: 08785454) was appointed as an Additional Director by the Board of Directors w.e.f. March 17, 2021 in accordance with the provisions of Sections 149, 152, 160 and 161 of the Companies Act, 2013 and Articles of Association of the Company on the recommendation of the Nomination and Remuneration Committee. In accordance with the provisions of Section 161 of Companies Act, 2013, Mr. Gopal Kothari shall hold office up to the date of this AGM. The Company has also received notice under Section 160 of the Companies Act, 2013 from a member signifying its intention to propose his appointment.

Gopal Kothari is a qualified Chartered Accountant (ICAI) and Company Secretary (ICSI) with 19 years of experience of working with leading consumer products companies. He is presently Vice President – Supply Finance in United Spirits Limited ("USL"). He served the Company as Chief Financial Officer for quite some time and served one of the then wholly owned subsidiaries of United Spirits Limited, Tern Distilleries Private Limited as a Director. Prior to joining USL, he was working as Finance Controller of Diageo India Private Limited. He has worked in various finance roles at Shaw Wallace & Co. Limited, Nestle India Limited, PepsiCo India Holdings Private Limited, and GlaxoSmithKline Consumer Healthcare Limited.

No director, key managerial personnel or their respective relatives, except Mr. Gopal Kothari, to whom the resolution relates, is interested or concerned, financially or otherwise, in the resolution.

Mr. Gopal Kothari does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

By Order of the Board

7th May 2021
Bengaluru

Akshara B. L.
Company Secretary

PIONEER DISTILLERIES LIMITED

Disclosure relating to Directors pursuant to Regulation 26(4) and 36 (3) of the SEBI Listing Regulations and clause 1.2.5 of the Secretarial Standards on General Meetings:

Name of Director	Ms. Mamta Sundara
Date of Birth	April 19, 1977
Age	44 years
Date of Appointment	April 13, 2015
Expertise in specific functional Areas	Legal operations
Experience	18 years
Brief resume	Ms. Mamta Sundara has 18 years of experience as a legal professional working in India, Singapore and London across a diverse range of businesses including telecom and consumer durables. Ms. Mamta Sundara has joined United Spirits Limited as the General Counsel in February 2015. Prior to that, she has spent 6 years in various roles in Diageo across London, Mumbai and Bangalore, with her last role providing support to the strategy and standards work done within United Spirits Limited. Prior to Diageo, Ms. Mamta Sundara has spent 4 years based in Singapore and providing support to all legal aspects for the South East Asia business of the Global Services division of British Telecom.
Qualifications	She is a law graduate from the National Law School of India University, Bangalore
Terms and conditions of re-appointment	She is a director nominated by United Spirits Limited, holding company and does not receive any remuneration from the Company and accordingly was not paid any remuneration ever since she became a director.
No. of Board meetings attended	Ms. Mamta Sundara attended 3 out of 5 board meetings held in the financial year 2020-21
List of other Indian Directorships held	Nil
<ul style="list-style-type: none"> Chairperson/Member of the Committee of the Board of Directors of the Company 	Member of the Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Company.
<ul style="list-style-type: none"> Chairperson/Member of the Committee of the Board of Directors of other companies in which she is a Director 	Nil
a. Audit Committee	Not Applicable (N.A.)
b. Stakeholders Relationship Committee	Not Applicable (N.A.)
No. of Shares held in the Company	Nil
Relationship with other directors	Not related to any of the directors of the Company

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Name of Director	Mr. Gopal Kothari
Date of Birth	May 02, 1977
Age	44 years
Date of Appointment	March 17, 2021
Expertise in specific functional Areas	Supply Finance operations
Experience	19 years
Brief resume	Gopal Kothari is a qualified Chartered Accountant (ICAI) and Company Secretary (ICSI) with 19 years of experience of working with leading consumer products companies. He is presently Vice President – Supply Finance in United Spirits Limited (“USL”). He served the Company as Chief Financial Officer for quite some time and served one of the then wholly owned subsidiaries of United Spirits Limited, Tern Distilleries Private Limited as a Director. Prior to joining USL, he was working as Finance Controller of Diageo India Private Limited. He has worked in various finance roles at Shaw Wallace & Co. Limited, Nestle India Limited, PepsiCo India Holdings Private Limited, and GlaxoSmithKline Consumer Healthcare Limited.
Qualifications	He is a qualified Chartered Accountant (ICAI) and Company Secretary (ICSI)
Terms and conditions of re-appointment	Mr. Kothari is appointed as an Additional Director of the Company effective March 17, 2021, as more fully described in the resolution and explanatory statement stated above in this regard.
No. of Board meetings attended	Not applicable as Mr. Kothari was appointed effective March 17, 2021 .
List of other Indian Directorships held	Nil
• Chairperson/Member of the Committee of the Board of Directors of the Company	Mr. Kothari is a member of Audit and Risk Management Committee effective March 17, 2021.
• Chairperson/Member of the Committee of the Board of Directors of other companies in which he is a Director	Nil
a. Audit Committee	N.A.
b. Stakeholders Relationship Committee	N.A.
No. of Shares held in the Company	Nil
Relationship with other directors	Not related to any of the directors of the Company

7th May 2021
Bengaluru

By Order of the Board
Akshara B. L.
Company Secretary

PIONEER DISTILLERIES LIMITED

Report of the Directors

Dear Members,

Your Directors have pleasure in presenting the 28th Annual Report of your Company and the audited financial statements for the year ended March 31, 2021.

FINANCIAL RESULTS

The Summary of Financial Performance of the Company for the year 2020-21 is as under: (INR in Lakhs)

Particulars	2020-21	2019-20
Gross sales	15,794	15,840
Add: Other operating revenue	946	1,314
Add: Other income	301	310
Total Income	17,041	17,464
Less: Cost of goods sold	13,309	13,699
Less: Other costs	5,596	5,152
Earnings (Loss) before government grant, depreciation, interest and taxes	(1,864)	(1,387)
Add / (Less) : Government grant	(266)	524
Earnings (Loss) before depreciation, interest and taxes	(2,130)	(863)
Less: Interest costs	3,213	3,359
Less: Depreciation	3,314	4,690
Earnings (Loss) before taxes	(8,657)	(8,912)
Income tax expenses	-	6,007
Other comprehensive income (Net of tax)	(80)	34
Profit / (loss) available for appropriation	(8,737)	(14,885)

DIVIDEND

In view of the accumulated losses, your Directors do not recommend any Dividend on the equity shares of the Company.

TRANSFER TO RESERVE

During the year under review, there was no amount transferred to reserves of the Company.

BOARD MEETINGS

During the year under review, Five Board Meetings were held. The details of the same are covered in the Corporate Governance Report.

STATE OF COMPANY'S AFFAIRS

The net worth of the Company has eroded and the current liabilities exceed the current assets as at the year-end. However, the Management and the Board of Directors have reviewed the cash flow forecast for the next twelve months and based on the letter of financial support obtained from United Spirits Limited, the holding company, have concluded that there is no material uncertainty on the ability of the Company to continue as a going concern.

ANNUAL REPORT 2020-21

Report of the Directors (Contd.)

THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

Except to the extent as stated under material changes and commitments, there have been no significant or material orders passed during the year by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

PERFORMANCE OF THE COMPANY

The Company has achieved a gross - sales of INR 15,794 Lakhs for the financial year ended March 31, 2021 against the gross sales of INR 15,840 Lakhs for the financial year ended March 31, 2020. The Company has reported a loss of INR 8,657 Lakhs before tax due to intermittent plant stoppage for major overhauling carried out in plant and certain challenges leading to delay in stabilization of operations.

DEPOSITORY SYSTEM

The trading in the equity shares of your Company is under compulsory dematerialization mode. As on March 31, 2021, equity shares representing 97.81% of the equity share capital are in dematerialization form. As the depository system offers numerous advantages, members are requested to take advantage of the same and avail of the facility of dematerialization of the Company's shares.

Members may please note that effective 1st April 2019, shares of the listed entity can be traded only in dematerialized mode pursuant to SEBI notification SEBI/LAD-NRO/GN/2018/24 published on 08 June 2018.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of the Companies Act, 2013 (the Act), Ms. Mamta Sundara shall retire by rotation and, being eligible, offered herself for re-appointment.

During the year, Mr. Ravi Varma Pakalapati, Managing Director of the company has resigned from the position of Managing Director and Director with effect from 1st July 2020 due to personal reasons and the company after recommendation by the Nomination and Remuneration Committee has appointed Mr. Alokesh Biswas as an additional director and Managing Director with effect from 1st July 2020. Further Mr. Alokesh Biswas's appointment as an additional director and as Managing Director were approved at the Annual General Meeting held on 29th September 2020.

Mr. R. Krishnamurthy, Independent Director of the company whose tenure expired on 12th July 2020, has been re-appointed for a further period of three years at the Annual General Meeting held on 29th September 2020.

Mr Ajay Kumar Goel, Director had tendered his resignation to the position of Director with effect from 17th March 2021 due to personal reasons. The resultant vacancy was filled by the Board of Directors by appointing Mr Gopal Kothari as a Director with effect from 17th March 2021 subject to approval of the members of the Company. The Nomination and Remuneration Committee has recommended the appointment of Mr. Gopal Kothari.

Brief profile of the directors being re-appointed/appointed, are provided in the Notice convening this Annual General Meeting (AGM).

As per the declarations received, no Director of the Company is disqualified to be appointed as a Director of any Public Limited Company in terms of Section 164(2) of the Companies Act, 2013.

Report of the Directors (Contd.)

INDEPENDENT DIRECTORS

Your Company did not appoint any new Independent Director or Nominee Director in the financial year 2020-21. Criteria for selection/appointment or reappointment of Independent Directors include skills, expertise of the Director, qualifications, experience and domain knowledge. The required skills of Independent Directors are leadership, managerial experience, diversity, risk management and corporate governance. All our Independent Directors viz., Mr. R Krishnamurthy and Ms. Srivathsala K N possess the aforesaid skills.

DECLARATION FROM INDEPENDENT DIRECTORS

In terms of Section 149(7) of the Companies Act, 2013, Independent Director(s) of the Company have submitted a declaration that they meet the criteria of Independence.

DIRECTORS' APPOINTMENT AND REMUNERATION POLICY

In CGR The Nomination and Remuneration Committee (NRC) reserves the right to review the Policy on Directors or Senior Appointments from time to time and make suitable modifications, subject to approval of the Board. This Policy on Senior Appointment shall be subject to the provisions of the Companies Act, 2013 and the rules made thereunder. The policy is placed on the website of the company at <https://pioneerdistilleries.com/InvestorRelations/Policy%20on%20Directors-Senior%20appointments.pdf>

As stated in the Corporate Governance Report, sitting fees were paid to Independent Directors for attending Board/Committee meetings. They are also entitled for reimbursement of actual travel expenses, boarding and lodging, conveyance and incidental expenses incurred in attending such meetings.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder and Regulation 17 of the Securities and Exchange Board of India (Listing obligations & disclosure requirements) Regulations, 2015 ("SEBI Listing Regulations") the Board has been carrying out an annual performance evaluation of its own performance, the performance of its Directors individually, as well as that of the Board Committees. The evaluation process considers the effectiveness of the Board and the Committees with special emphasis on the performance and functioning of the Board and the Committees. The evaluation of the Directors is based on the time spent by each of the Board Members, core competencies, expertise and contribution to the effectiveness and functioning of the Board and the Committees.

MATERIAL CHANGES AND COMMITMENTS

The Company had on 26th November 2019 received directions from Maharashtra Pollution Control Board under section 33A of the Water (Prevention & Control of Pollution) Act, 1974 and under section 31 A of the Air (Prevention and Control of Pollution) Act, 1981 alleging pollution caused by the company and complaint received through Central Pollution Control Board in July 2019.

The company had submitted reply with bank guarantee of ₹5 Lakh dated 2nd Jan 2020 and other completion report which was completed before November 2018 and was submitted through letter dated 12th Dec 2018. Company had disconnected and utilized all available water and emptied out the pond and submitted status report accordingly on 25th March 2021. High Density Poly Ethylene (HDPE) lining work to partial pond is in progress.

A suo moto case has been filed by district sessions court, Nirmal against the company based on the article published in the Local newspaper. After regular hearings in the Nirmal court, the company has filed its affidavit and submitted reply to the Court. The matter is sub-judice.

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Report of the Directors (Contd.)

The water board has substantially increased the tariff on water and changed the jurisdiction from Revenue department to Maharashtra Water Resources Regulatory Authority thereby giving the control of supply and collection of charges towards consumption to Water Resources Department. Looking at the substantial hike and impact, the company had approached high court to avoid any hostile actions such as stopping the water supply. After obtaining a stay order in favour of the company we have approached the Primary Dispute Resolution Officer questioning the increase in water tariff and to prove water source as a partly assured water supply and water consumption in the distillery as a process water. The matter is pending with the Primary Dispute Resolution Officer.

The Management Discussion and Analysis Report read with the report on Risk Management contains impact on the business due to regulatory changes and due to recent COVID-19 Pandemic.

COMMITTEES

The Companies Act, 2013 provides for the formation and duties of various committees of the Board. The Company has in place the required Committees with specific defined roles, duties and responsibilities. Details of various committees, meetings held and attendance at the various committee meetings are given in the Corporate Governance Report which forms part of the Annual Report.

All the recommendations of the Committees were accepted by the Board.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There are no loans given, investments made, guarantees given, securities provided by the Company and acquired by way of subscription, purchase or otherwise securities of any other body corporate which are covered under the provisions of the Section 186 of the Companies Act, 2013.

INTERNAL FINANCIAL CONTROLS

Your Company has established and maintained a framework of Internal Financial Controls and compliance systems. Based on Board's review of the effectiveness of the policies and procedures adopted by the Company for ensuring orderly and efficient conduct of its business, including adherence to Company's policy, safeguarding its assets, prevention and detection of frauds and errors and completeness of accounting records and timely preparation of financial statements and the confirmation received from the external parties, the Board has satisfied itself that the Company has laid down internal financial controls, commensurate with size of the Company and that such internal financial controls are broadly adequate and are operating effectively. The certification by the auditors on internal financial control forms part of the audit report.

AUDITORS

M/s. Price Waterhouse & Co Chartered Accountants LLP (FRN 304026E/E-300009), were appointed as Statutory Auditors of your Company in the 24th AGM held on 28 July 2017 for a period of 5 years till the conclusion of the 29th AGM of the Company. Pursuant to provisions of the Companies (Amendment) Act 2017, ratification of the appointment made at the earlier Annual General Meeting is not required and hence dispensed with ratification of the appointment of Auditors. The report issued by the Statutory Auditors during the year does not contain any qualification, reservation or adverse remarks or disclaimer.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Sudhir V. Hulyalkar, a Company Secretary in Practice (FCS: 6040) (CP No. 6137) to undertake the Secretarial Audit of the Company for

Report of the Directors (Contd.)

the Financial Year 2020-21. The Secretarial Audit Report is given as **Annexure 2**, forming part of this Report. The report issued by the Secretarial Auditor during the year does not contain any qualification, reservation or adverse remarks or disclaimer.

In addition, pursuant to Regulation 24A of the SEBI Listing Regulations, the Secretarial Compliance Report for the financial year ended March 31, 2021, in relation to compliance of all applicable SEBI Regulations/circulars/guidelines issued thereunder, has been submitted to the stock exchanges and is also available on the Company's website at https://pioneerdistilleries.com/InvestorRelations/PDL_Annual_Secretarial_Compliance_Report_2021.pdf as stipulated under the said Regulation.

RISK MANAGEMENT

The Company has a Risk Management framework. Risk evaluation by the management is an ongoing process within the organization and is periodically reviewed by the Board of Directors. Risk Management has been made part of Audit Committee by renaming the Audit Committee as Audit and Risk Management Committee. The Risk Management policy adopted by the Company has been explained in the Management Discussion and Analysis Report which forms part of this Annual Report.

WHISTLE BLOWER MECHANISM

The Company has adopted a whistle-blower mechanism known as SpeakUp, which is independently operated by a third-party agency. We encourage our employees or representatives acting on behalf of the Company, to raise their compliance concerns through this mechanism, apart from other internal reporting channels viz. Line Manager or HR Business Partner, Legal Business Partner and Business Integrity partner. A structured Breach Management Standard is in place which is in line with the Global Standard, for timely and conclusive resolution of compliance concerns raised through the whistle blower mechanism.

The quality of investigation reports and remedial actions are reviewed and monitored by the Global Business Integrity team. The decision on sanctions on the reported breaches are determined and monitored by a Compliance Committee, in order to ensure that there is a collective and a fair decision-making process and consistent action is undertaken in resolving the breaches.

This mechanism also provides for adequate safeguards against the victimization of employees who avail the vigil mechanism for reporting the compliance complaint in good faith and without fear of being punished for raising that concern. Access to the Chairman of the Audit Committee is provided as required under the Companies Act, 2013 and the SEBI Listing Regulations.

The SpeakUp channel is available at <https://www.diageoindia.com/about-us/corporate-governance/speak-up/>, and the Toll-Free number is available in English and other prominent regional languages.

During the financial year 2020-21, 3 (three) cases have been reported through SpeakUp and other internal reporting channels. All cases have been investigated and resolved with substantiation rate of 33%.

As a part of the governance framework, the Board of Directors and the Audit Committee regularly review the strategy and operation of the compliance and ethics programme including the breaches reported, throughout the year. Regular updates are also provided to the senior leadership team on various aspects of the compliance program, not only to set the tone at the top but also as a part of management's commitment to continuous improvement in integrating compliance with the business.

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Report of the Directors (Contd.)

RELATED PARTY TRANSACTIONS

The Company has formulated a Policy on dealing with Related Party Transactions (RPTs) which has been reviewed by the Audit Committee at regular intervals. The Policy is disclosed on the website of the Company at <http://www.pioneerdistilleries.com/policies.php>. All transactions entered with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations during the year were in the ordinary course of business and at an arm's length basis. There are no materially significant RPTs entered by the Company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict of interest with the Company.

The details of the RPTs in Form AOC-2 is enclosed and marked as **Annexure 3**. In accordance with Ind AS 24, the RPTs are disclosed under Note 35 of the Financial Statements.

CORPORATE GOVERNANCE REPORT

A report on the Corporate Governance is annexed separately as part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report is annexed separately as part of this report.

FIXED DEPOSITS

The Company has not accepted any deposits from the public during the year. There was no fixed deposit amount that remained unpaid/unclaimed as at the end of the year.

LISTING OF EQUITY SHARES OF THE COMPANY

The Equity Shares of your Company continue to be listed with BSE Limited and National Stock Exchange of India Limited. The Annual Listing fees for the year 2020-21 have been paid to these Stock Exchanges.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 which were applicable with effect from September 07, 2016, the unclaimed/unpaid dividend remaining unclaimed/unpaid for a period of seven years, have been transferred to the IEPF. There were no amount pending to be transferred to the IEPF account for the financial year ended March 31, 2021.

Necessary compliance under Rule 3 of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 have been complied with.

HUMAN RESOURCES

The ratio of the remuneration of each director to the median employee's remuneration, the names of the top ten employees in terms of remuneration drawn and other details during the financial year 2020-21 in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) & (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure 1** and also in the Corporate Governance Report, which forms part of this report. None of the employee draws remuneration in excess of the limit prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Report of the Directors (Contd.)

EMPLOYEES STOCK OPTION SCHEME

Your Company has not offered any stock options to its employees during the year 2020-21 within the meaning of SEBI (Share Based Employee Benefits) Benefits Regulations, 2014.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to Energy conservation, Technology absorption, Foreign exchange earnings and outgo, as required to be disclosed under the Act is given in **Annexure 4** to this Report.

THE ANNUAL RETURN

The draft Annual Return of the Company as on March 31, 2021 in E- Form MGT - 7 in accordance with section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at https://pioneerdistilleries.com/InvestorRelations/PDL_MGT.pdf.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) committee has been setup by the Company. The composition and other details have been provided in the Corporate Governance Report.

The Company and its employees have actively participated in engaging with stakeholders and regulatory authorities so as to create positive impact of our existence and operations. This has widely been applauded and reflected with true commitment of creating a sustainable socio-economic growth. Company has focused on community wellbeing in the times of pandemic by helping the government to handle the pandemic situation by providing necessary infrastructure to the local government authorities.

The company although did not generate profits in the previous two financial years and the Company continues to report losses and is operating on working capital borrowed from banks and intercorporate loans and advances from the holding company. However, the company has spent Rs. 3.14 Lakhs during the financial year.

Furthermore, as required by Section 135 of the Companies Act, 2013 and the rules made hereunder, additional information on the policy and implementation of CSR activities by your Company during the year are provided in **Annexure 5** to this report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

As per requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SHWWA) the Company has implemented the policy and framework. Moreover, the Company's policy is all gender inclusive, our process ensures complete anonymity and confidentiality to the parties.

Internal Committees (IC) have been constituted. While maintaining the highest governance norms, the IC has appointed internal members and an external member who has extensive experience in the field. The IC meet on quarterly basis to discuss the matters on policy awareness, best practices, judicial trends, etc. During the year, IC has been also trained on nuances of the SHWWA. The IC's role is to consider and resolve the complaints reported on sexual harassment at workplace.

During the year, there are no complaint with allegations of sexual harassment was received by the Company.

ANNUAL REPORT 2020-21

Report of the Directors (Contd.)

To build awareness in this area, the Company has been publishing newsletter, emailers, posters, conducting online training module and IBegin-induction face to face training for new joining employees. Besides the refresher virtual training programmes are conducted in the organisation on a continuous basis for employees, consultants, contractual employees and permanent/contractual workers in regional languages. The IC has also conducted informal sessions to check the pulse at the grassroots levels.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013 in relation to financial statements (together with the notes to such financial statements) for the year 2020-21, the Board of Directors report that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the financial statements on a going concern basis;
- (v) the Directors have laid down internal financial controls to be followed by the Company commensurate with the size and nature of its business and the complexity of its operations and that such internal financial controls are adequate and are operating effectively.
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and is operating effectively.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint venture or Associate Company during the year under review.

MAINTENANCE OF COST RECORDS

The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

REPORTING OF FRAUD BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor have reported to the Audit Committee or the Board, under section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in this Report.

DISCLOSURE OF COMPLIANCE OF SECRETARIAL STANDARDS:

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) related to the Board Meetings and General Meeting have been complied with by the Company.

PIONEER DISTILLERIES LIMITED

Report of the Directors (*Contd.*)

ACKNOWLEDGMENT

Your Directors place on record their sincere appreciation for the support from employees, shareholders, customers, suppliers, banks, auditors, government authorities and other business associates.

7th May 2021
Bengaluru

By Order of the Board
Akshara B. L.
Company Secretary

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

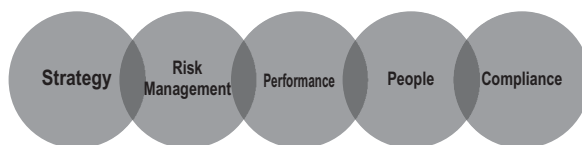
Adhering to the basic tenets of integrity, fairness and transparency in all its operations and action must result in sustained growth and long-term benefits to all its Stakeholders.

2. BOARD OF DIRECTORS

The Board of Directors of the Company at present comprises of a Managing Director, three Non-Executive Directors and two Independent Directors.

Board confirms that in their opinion and as per the declaration received from the independent directors of the Company, the independent directors of your Company fulfils the conditions specified in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

Your Company has a balanced mix of Executive, Non-Executive and Independent Directors from diverse backgrounds, which enables the Board to discharge its duties and responsibilities in an effective manner. The Board has set the following yardsticks in the context of its business and for its effective functioning:



Strategy: Directors help develop proposals on strategy;

Performance: Directors review the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

Risk Management: Integrity of financial information and that financial controls and systems of risk management are robust and defensible;

People: Directors play a prime role in determining appropriate levels of remuneration of Executive Directors, Key Managerial Personnel and senior management and in appointing / retaining Executive Directors, Key Managerial Personnel and senior management and in succession planning;

Compliance: Maintain checks over the governance, and compliance with the applicable legislation and regulations and the conformity of the Company's practices to accepted governance norms.

The directors' strive to achieve the above through insights obtained from a combination of experience and expertise in their respective areas such as knowledge in the areas of FMCG, Investment Banking, legal, finance, administration, technical knowledge and Global exposure.

During the financial year under review, Five Board Meetings were held i.e. on May 19, 2020, June 11, 2020, July 23, 2020, October 30, 2020 and January 21, 2021 and the gap between any two Board meetings did not exceed 120 days.

Attendance of each Director at the Board Meetings during the Financial Year 2020-21 and the last Annual General Meeting and the details of number of outside Directorships and Committee position held by each of the Directors as on date are given below:

Corporate Governance Report (Contd.)

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM held on September 29, 2020	Number of other Companies in which Director (other than the Company)	No. of Committees (other than the Company) as Chairperson/ Member*	Directorship in other listed Company and Category of Directorship
Mr. R. Krishnamurthy	Chairman and Non-Executive Independent Director	5	Yes	1	2	Izmo Limited (Independent Director)
Mr. Alokesh Biswas#	Managing Director	3	Yes	0	0	-
Mr. Ravi Varma##	Managing Director	2	Not Applicable (N.A.)	0	0	-
Ms. Mamta Sundara	Non-Executive Director	3	Yes	0	0	-
Ms. Srivathsala K. N.	Non-Executive Independent Director	5	Yes	9	0	Sobha Limited (Independent Director)
Mr. Sanjeev Gupta	Non-Executive Director	4	Yes	0	0	-
Mr. Ajay Goel+	Non-Executive Director	5	Yes	0	0	-
Mr. Gopal Kothari++	Non-Executive Director	Not Applicable (N.A.)	Not Applicable (N.A.)	0	0	-

* Membership, chairmanship in Audit and Stakeholders Relationship Committee only.

Mr. Alokesh Biswas has been appointed as Director and Managing Director effective 1st July 2020.

Mr. Ravi Varma has resigned as Director and Managing Director effective 1st July 2020.

+ Mr. Ajay Goel has resigned as Director effective 17th March 2021.

++ Mr. Gopal Kothari has been appointed as Additional Director effective 17th March 2021.

Note:

- The above details are in respect of their Directorships only in Companies incorporated in India.
- None of the Directors of the Company are related to any other Director.

Matrix Setting out the core Skills /Expertise/ Competence of the Board of Directors

A chart/ Matrix setting out the core skills/expertise/competencies identified by the Nomination and Remuneration Committee in the context of the Company's business and sectors as required for it to function effectively and those actually available with the Board along with the names of Directors who have such skills/expertise/competence, are given below:

3. AUDIT AND RISK MANAGEMENT COMMITTEE:

Mr. R. Krishnamurthy Chairman
Ms. Srivathsala K. N.
Mr. Gopal Kothari

During the year the Committee, has reviewed the audited financial results & financial statements including Auditors' Report for the year ended March 31, 2021 and has recommended its adoption. In addition, the Committee has also reviewed unaudited quarterly results for June 30, 2020, September 30, 2020 and December 31, 2020, which were subjected to a Limited Review by the Statutory Auditors of the Company.

The terms of reference of the Audit and Risk Management Committee covers all the matters specified under the SEBI Listing Regulations as well as the provisions of Section 177 of the Companies Act, 2013 and *inter-alia*, includes the following:

- a) Reviewing the Financial Statements of the Company to ensure that the statements are correct, sufficient and credible.
- b) Reviewing with the management the annual financial statements before submission to the Board focusing primarily on:
 - Changes, if any, in accounting policies and practices
 - Qualifications, if any, in the Audit Report
 - Compliance with the accounting standards
 - Compliance with Stock Exchange and legal requirements concerning the Financial Statements
- c) Reviewing with the management, external and internal auditors and the adequacy of internal control systems, internal audit system including discussion with the internal auditors any significant findings and follow up thereon.
- d) Suggestions for improvement of procedures being followed by the Company.

Mr. Akshara B. L., Company Secretary & Compliance Officer, acts as Secretary of the Committee.

Corporate Governance Report (Contd.)

During the financial year under review, four meetings of the Audit and Risk Management Committee were held i.e. on May 19, 2020, July 23, 2020, October 30, 2020, and January 21, 2021 and the gap between any two Audit and Risk Management Committee meetings did not exceed 120 days. The details of attendance by members of the Committee are as follows:

Name	No. of Meetings entitled	Meetings attended
Mr. R. Krishnamurthy (Chairman)	4	4
Ms. Srivathsala K. N.	4	4
Mr. Ajay Goel	4	4
Mr. Gopal Kothari	N.A.	N.A.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee constituted by the Company comprises of the following Directors:

Ms. Srivathsala K.N. Chairperson

Ms. Mamta Sundara

Mr. R. Krishnamurthy

The terms of reference of the Committee covers all matters specified under the provisions of Section 178 of the Companies Act, 2013 and the provisions of the SEBI Listing Regulations and inter alia, includes the following:

- a) Identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance.
- b) Approve and recommend matters relating to compensation by way of salary, perquisites, benefits etc., to the Managing/Whole Time/Executive Directors of the Company.
- c) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors, a policy relating to the remuneration for the directors including independent directors, key managerial personnel and other employees.
- d) Shall review and recommend to the Board of Directors for approval of any mandatory disclosures of the Management compensation.
- e) Shall provide guidance to the Human Resources Department to set up policy and procedure for succession planning of Key Managerial Personnel and other senior management of the Company.
- f) Shall approve any share incentive plans for the employees of the Company.

During the Financial Year under review, one meeting of the Nomination and Remuneration Committee was held on May 19, 2020 which was attended by Ms. Srivathsala K. N., Mr. R. Krishnamurthy and Ms. Mamta Sundara.

Corporate Governance Report (Contd.)

PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and regulation 34(3) read with Schedule V(C) (4)(d) of the SEBI (LODR) Regulations, the NRC has prescribed performance evaluation criteria for Independent Directors as well as for the non-independent directors, the committee and the Board as a whole. Such evaluation was carried out during the year for all the Directors and the Committees viz. Audit and Risk Management Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The Board and Committee members appreciated the evaluation process of the Company and also compared and benchmarked the Company with other top corporates in terms of involvement, participation, transparency, objectivity, information made available on time, qualitative comments on improvements. The evaluation of Independent Directors is undertaken by the entire Board of directors including (a) performance of the directors; (b) fulfillment of the independence criteria as specified in SEBI (LODR) Regulations and their independence from the management. In the above evaluation, the directors who are subject to evaluation did not participate. The results of evaluation showed high level of commitment and engagement of Board, its various committees. The results of the evaluation were shared with the Board, Chairman of respective Committees and individual Directors. Based on the outcome of the evaluation, the Board and Committees have agreed on an action plan to further improve the effectiveness and functioning of the Board and Committees. The Directors expressed their satisfaction with the evaluation process. During the year under review, the Committee ascertained and reconfirmed that the deployment of “questionnaire” as a methodology, is effective for evaluation of performance of Board and Committees and Individual Directors.

FAMILIARISATION PROGRAM UNDERTAKEN FOR INDEPENDENT DIRECTORS

The details of familiarization program of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at <http://www.pioneerdistilleries.com/policies.php>.

There have been meetings of Independent Directors at regular intervals which were conducted without the presence of other Directors.

Corporate Governance Report (Contd.)

Remuneration of Directors:

a) Executive Director:

Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Ravi Varma (Managing Director) (Up to June 30, 2020)	Alokesh Biswas (Managing Director) (From July 01, 2020)	Total
1	Gross Salary	13,63,981	55,84,614	69,48,595
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961			
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission as % of Profit Others	-	-	
5	Others			
	Total	13,63,981	55,84,614	69,48,595

b) Non-Executive Directors

At Present, the Non-Executive Directors do not draw any remuneration from the Company. Sitting Fees are paid to Independent Directors for attending Board / Committee Meetings. They are also entitled to reimbursement of actual travel expenses, boarding and lodging, conveyance and incidental expenses, incurred for attending such meetings. The details of sitting fees paid to the Directors during the year under review are as under :

Name of the Director	Sitting fees (INR)
Mr. R. Krishnamurthy	2,65,000
Ms. Srivathsala K. N.	2,95,000
Ms. Mamta Sundara	Nil
Mr. Ajay Goel	Nil
Mr. Sanjeev Gupta	Nil
Mr. Gopal Kothari	Nil

Corporate Governance Report (Contd.)

c) Particulars of Equity Shares of the Company currently held by the Directors are furnished below:

The Directors are not holding any equity shares in the Company.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises at present the following Directors:

Ms. Srivathsala K. N.

Chairperson

Ms. Mamta Sundara

Mr. Alokesh Biswas

Mr. Akshara B. L.

Company Secretary, acts as Compliance Officer

Mr. Ravi Varma has resigned from the Committee effective 1st July 2020 and Mr. Alokesh Biswas has been appointed as member of the Committee effective 1st July 2020.

The terms of reference of the Committee inter alia include specifically to look into redressing of the shareholders grievances like non-receipt of Annual Report, non-receipt of dividends, non-receipt of share certificates and shall operate and cover areas as may be prescribed under the Companies Act, 2013 and other applicable regulations from time to time. The role of the Committee shall inter-alia include the following:

- a) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- b) Review of measures taken for effective exercise of voting rights by shareholders.
- c) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- d) Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends, if any and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Committee met once during the year on January 21, 2021. Ms. Srivathsala K. N., Ms. Mamta Sundara and Mr. Alokesh Biswas attended the meeting.

The Company/Company's Registrars have not received any complaints during the Financial Year 2020-21.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee constituted by the Company is presently comprised as follows:

Ms. Srivathsala K. N.

Chairperson

Mr. Alokesh Biswas

Ms. Mamta Sundara

Mr. Ravi Varma has resigned from the Committee effective 1st July 2020 and Mr. Alokesh Biswas has been appointed as member of the Committee effective 1st July 2020.

Corporate Governance Report (Contd.)

The Committee met once during the year on January 21, 2021. Ms. Srivathsala K. N, Ms. Mamta Sundara and Mr. Alokesh Biswas attended the meeting.

7. GENERAL MEETINGS

The details of the last three AGMs of the Company held are furnished below:

Financial Year ended	Date	Time	Venue
March 31, 2020	September 29, 2020	3.30 p.m.	Held through Video Conferencing / Other Audio Visual Means.
March 31, 2019	September 12, 2019	3.30 p.m.	The Capitol Hotel, No. 3, Raj Bhavan Road, Bengaluru - 560 001
March 31, 2018	September 21, 2018	12.30 p.m.	Hotel Green Park, Greenlands, Begumpet, Hyderabad – 500 016

The following Special Resolutions were passed by the Shareholders at the above three AGMs.

AGM held on	Subject matter of the resolution
September 29, 2020	1. Appointment of Mr. Alokesh Biswas (DIN: 08756326) as a Managing Director for a period of two years. 2. Re-appointment of Mr. R. Krishnamurthy (DIN: 06940830) as an Independent Director for a further period of three years.
September 12, 2019	Appointment of Mr. Ravi Varma (DIN: 02168293) as a Managing Director for a period of two years.
September 21, 2018	Appointment of Mr. B. V. Krishna Reddy as a Managing Director for a further period of two years.

POSTAL BALLOT

The Company has not passed any resolution at the above AGMs held which was required to be passed through postal ballot and also no resolutions were passed through postal ballot during the year 2020-21 as per the provisions of the Companies Act, 2013 and the rules framed there under.

8. DISCLOSURES

- (a) Disclosure on materially significant Related Party Transactions having potential conflict with the Company's interests at large:

During the period under review, the Company did not enter into any material transaction with any of its related parties having conflict with the Company's interest. All related party transactions are negotiated at an arm's length basis and in the ordinary course of business and are in the best interest of the Company.

The related party transactions entered by the Company during the financial year ended March 31, 2021 have been disclosed in the Notes to Accounts. The Company also has a policy on transaction with related parties, a copy of which can be seen on the website at the company at <http://www.pioneerdistilleries.com/policies.php>.

Corporate Governance Report (Contd.)

- (b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets, during the last three years:

The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to the capital market during 2018-19, 2019-20 and 2020-21.

There are no penalties or strictures being imposed on the Company by the Stock Exchange, SEBI or any other Statutory Authorities other than as stated in para on any matter related to capital markets, during the last three financial years.

- (c) Whistle Blower/Vigil Mechanism:

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Whistle Blower Mechanism under which the employees, Directors and others are free to report violations of applicable laws, regulations and the Code of Conduct. During the year under review, no employee/Director were denied access to the Audit Committee Chairman. The Whistle Blower Mechanism of the Company can be accessed at the website of the Company at the web link: <http://www.diageospeakup.com>

- (d) Code of Conduct:

The Board of Directors effective July 19, 2019 adopted a revised Code of Conduct which lays down the procedures to be adhered by the Senior Management and Non-executive Directors including Independent Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The code is available at the website of the Company at the web link <http://www.pioneerdistilleries.com/codeofconduct.php>.

- (e) Disclosure on utilization of proceeds of preferential issue and qualified institutional placement (QIP):

There were no issue of securities during the year.

- (f) Declaration from the Directors:

All the Directors have submitted a declaration that they are not disqualified under sub-section (2) of section 164 of the Companies Act, 2013. Mr. Sudhir V Hulyalkar, a Practicing Company Secretary, has submitted a certificate to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority, pursuant to requirement under Clause (i) Para 10 Clause (C) of Schedule V of SEBI Listing Regulations, 2015. Copy of the Certificate and Declaration by the Chief Executive Officer pursuant to SEBI (LODR) Regulations, 2015 on compliance with the code of conduct by the Board of Directors and senior management is enclosed as part of corporate governance report.

- (g) Disclosure of Accounting Treatment:

Your Company has followed all relevant accounting standards while preparing the financial statements.

- (h) Remuneration to Auditors:

Pursuant to SEBI (LODR) Regulations, 2015, remuneration paid to the statutory auditors and their network of firms/entities in India during the year by the Company is Rs. 40 Lakhs.

Further details on fees to statutory auditors are disclosed in the standalone financial statements.

Corporate Governance Report (Contd.)

- (i) Requirements stipulated under Regulation 17 to 27 read with Schedule V and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, as applicable, with regard to corporate governance has been complied with by your Company.

9. MEANS OF COMMUNICATION

The unaudited quarterly results and audited annual results are disclosed to all the Stock Exchanges, where the equity shares of the Company are listed. The results are normally published in “Business Standard” (English Daily) and “Prajavani” (Kannada Daily). The results are also displayed on the Company’s website <https://pioneerdistilleries.com/downloads.php>. The news clause has been setup on the Company’s website as given above for disclosing new updates, if any.

The Company has designated an exclusive Email Id viz. pdlinvestor.india@diageo.com to enable the investors to post their grievances and monitor its redressal.

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required by Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report is appended and forms part of the Annual Report.

11. GENERAL SHAREHOLDER INFORMATION

a)	AGM Date, Time and Venue	Tuesday, September 28, 2021 at 3.30 p.m. through video conferencing.
b)	Financial Year	April 01 to March 31
	First Quarterly Results	By July 31, 2021
	Second Quarterly Results	By October 30, 2021
	Third Quarterly Results	By January 30, 2022
	Audited Financial Results	By May 30, 2022
c)	Dividend payment date	N.A.
d)	Listing on Stock Exchanges	The shares of the Company are listed on the following Stock Exchanges: 1. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 2. National Stock Exchange Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

The Annual Listing fees for the financial year 2021-22 has been paid by the Company to the respective Stock Exchanges.

e)	Stock Code	
	BSE	531879
	NSE	PIONDIST
	ISIN No.	INE889E01010 (NSDL & CDSL) - for Equity Shares
f)	Market price data	As per Annexure A

Corporate Governance Report (Contd.)

g)	Stock performance in comparison to BSE Sensex	As per Annexure B and Annexure C		
h)	Suspension from trading	N.A.		
i)	Registrar and Transfer Agents	Venture Capital and Corporate Investments Private Limited Regd. Off: 12-10-167, Bharat Nagar, Hyderabad – 500 018 Tel: (040) 2381 8475 / 2381 8476 / 2386 8023 Fax: (040) 2386 8024 Email: Investor.relations@vccipl.com Website: www.vccipl.com		
j)	Share Transfer System	The powers to consider and approve share transfers / transmission / transposition / consolidation / subdivision etc. have been delegated to a Committee of Directors named Stakeholder Relationship Committee. The requirements under the SEBI Listing Regulations /Statutory regulations in this regard are being followed.		
k)	Distribution of Shareholding	As per Annexure D		
l)	De-materialization of shares (as on March 31, 2021)	Depositories	Shares	% of Total Issued Capital
		NSDL	1,21,09,980	90.03
		CDSL	10,46,527	7.78
		Total	1,31,56,507	97.81
m)	Outstanding GDRs/ADRs/Warrants or any other instruments	N.A.		
n)	Plant Location	Balapur Village, Dharmabad Taluk, Nanded District, Maharashtra – 421 809		
o)	Address for Correspondence	<p>Shareholder correspondence should be addressed to the Company's Registrars and Transfer Agents: Venture Capital and Corporate Investments Private Limited Regd. Off: 12-10-167, Bharat Nagar, Hyderabad – 500 018 Tel: (040) 2381 8475 / 2381 8476 / 2386 8023 Fax: (040) 2386 8024 Email: Investor.relations@vccipl.com Website: www.vccipl.com</p> <p>Investors may also write to the Company Secretary, Mr. Akshara B. L., at the Registered Office of the Company at UB Tower, Level – 10, #24, Vittal Mallya Road, Bangalore – 560 001. Tel No. +91 80 4544 8000 Fax No. +91 80 3985 6862</p> <p>In compliance with the provisions of Regulation 46(2) (j) of the SEBI Listing Regulations, an exclusive email id, viz. pdlinvestor.india@diageo.com has been designated for registering complaints by the Investors and its redressal, which has been displayed on the website of the Company www.pioneerdistilleries.com</p>		
p)	List of credit ratings obtained & revisions during the financial year, for all debt instruments or	N.A.		

Corporate Governance Report (Contd.)

	any fixed deposit or any scheme or proposal of the Company involving mobilisation of funds	
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12. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has implemented a policy on Prevention of Sexual Harassment (POSH) at the Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Committee has been setup to redress complaints received regarding sexual harassment. No complaint was received by the Company during the year ended March 31, 2021.

The following Non-Mandatory requirements have been adopted by your Company as specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1	Separate post of Chairman & CEO	Mr. Alokesh Biswas is the Managing Director while Mr. R. Krishnamurthy is the Chairman, who is an Independent Director. (Mr. Alokesh Biswas was appointed in place of Mr. Ravi Varma with effect from 1 st July 2020)
2	The Board	Non-Executive Chairman is entitled to reimbursement of expenses incurred in performing his duties as Chairman
3	Reporting of Internal Auditor	The Internal Auditor reports directly to the Audit & Risk Management Committee.
4	Audit qualifications	There are no qualifications in the Audit Report of the Statutory Auditors and the Secretarial Auditors for the year ended March 31, 2021.

13. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

During the year under review, no hedging activities on any commodity were carried out by the Company. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

ANNEXURE A: MARKET PRICE DATA

Pioneer Distilleries Limited – Market data BSE

Date	High (INR)	Low (INR)	Close (INR)	Volume
Apr-20	118.90	92.00	108.90	11,46,531
May-20	118.60	95.05	111.20	20,58,759
Jun-20	124.20	109.25	116.60	63,82,716
Jul-20	125.00	106.10	112.00	27,33,415
Aug-20	119.50	105.25	109.00	1,25,99,492
Sep-20	112.95	96.80	101.30	30,50,497
Oct-20	103.85	97.05	100.00	14,88,232
Nov-20	111.85	97.65	107.90	26,44,074
Dec-20	120.00	106.15	115.35	63,10,916
Jan-21	130.00	110.20	114.25	1,02,75,474
Feb-21	118.95	104.05	105.65	35,36,127
Mar-21	111.00	92.00	108.20	1,20,30,413

[Source: This information is compiled from the data available from the website of BSE]

Corporate Governance Report (Contd.)

Pioneer Distilleries Limited – Market data NSE

Date	High (INR)	Low (INR)	Close (INR)	Volume
Apr-20	116.50	91.00	107.50	2,19,259
May-20	119.90	95.00	113.45	2,92,169
Jun-20	129.50	107.10	114.30	4,81,973
Jul-20	125.65	109.45	113.15	2,91,676
Aug-20	119.95	107.00	108.25	9,77,216
Sep-20	114.70	89.10	100.25	1,50,874
Oct-20	104.80	95.05	99.00	70,168
Nov-20	112.45	95.25	107.50	2,04,371
Dec-20	117.95	100.05	115.65	3,94,261
Jan-21	136.90	114.50	124.25	5,55,916
Feb-21	118.95	105.00	105.30	2,92,559
Mar-21	111.90	99.05	107.65	3,49,996

[Source: This information is compiled from the data available from the website of NSE]

ANNEXURE B: PIONEER DISTILLERIES LIMITED, SHARE PRICES COMPARED TO BSE SENSEX



Corporate Governance Report (Contd.)

ANNEXURE C: PIONEER DISTILLERIES LIMITED, SHARE PRICES COMPARED TO NSE



ANNEXURE D: DISTRIBUTION OF SHAREHOLDING VALUEWISE (As on March 31, 2021)

Shareholding of Nominal Value		Shareholders		Share Amount	
INR		Number	% to Total	in INR	% to Total
(1)	(2)	(3)	(4)	(5)	(6)
Up to	5000	4176	87.16	38,90,310	2.91
5001	10000	294	6.14	24,99,490	1.87
10001	20000	132	2.76	20,30,680	1.52
20001	30000	61	1.27	15,72,980	1.17
30001	40000	18	0.38	6,40,140	0.48
40001	50000	21	0.44	9,62,870	0.72
50001	100000	36	0.75	26,44,530	1.98
100001 and above		53	1.11	11,96,41,000	89.36
Total		4791	100	13,38,82,000	100

CATEGORYWISE

Category	No. of Shares	% of Equity Capital
Promoter	1,00,41,150	75.00
Banks/FI/FII/MF/UTI/Trust/Central/State Government & Insurance Companies	1,00,070	0.75
Resident Body Corporate (including clearing members)	4,85,236	3.62
Resident Individual	18,34,319	13.7
NRI/OCB/FCB and Foreign Nationals	8,92,734	6.67
IEPF Authority MCA	34,691	0.26
Total	1,33,88,200	100.00

Corporate Governance Report (Contd.)

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Pioneer Distilleries Limited
Bangalore – 560 001

I have examined the compliance of conditions of corporate governance, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by Pioneer Distilleries Limited (CIN: L24116KA1992PLC125992) (the Company) for the year ended on March 31, 2021.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with all the applicable conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Sudhir Vishnupant Hulyalkar

Company Secretary in Practice

FCS No: 6040, CP No. 6137

Peer Review Certificate No. 607/2019

UDIN: F006040C000258479

Place : Bengaluru
Date : 7th May 2021

CERTIFICATE ON DIRECTORS APPOINTMENT AND CONTINUATION ON THE BOARD OF DIRECTORS OF PIONEER DISTILLERIES LIMITED (the Company)

(In terms of Regulation 34(3) read with Para C, Sub Para 10 (i) of the Schedule V to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015)

I have examined the relevant records of the Company and disclosures made by the directors of the Company, relevant information on disqualification and proclaimed offenders as declared by Courts and disseminated on the website of Ministry of Corporate affairs, the Orders and other information available on the website of Securities and Exchange Board of India and the stock exchanges, Reserve Bank of India and information on willful defaulters as declared by the banks and made available on the web sites of credit information companies registered with the Reserve Bank of India and based on such examination, I hereby certify that none of the directors on the board of Pioneer Distilleries Limited (CIN: L24116KA1992PLC125992) as on March 31, 2021 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India and other statutory authorities.

Sudhir Vishnupant Hulyalkar

Company Secretary in Practice

FCS No: 6040, CP No. 6137

Peer Review Certificate No. 607/2019

UDIN: F006040C00258481

Place : Bengaluru
Date : 7th May 2021

Corporate Governance Report (Contd.)

CEO / CFO CERTIFICATE

To
The Members,
Pioneer Distilleries Limited

- A. We have reviewed the financial statements for the year ended March 31, 2021 and that to the best of our knowledge and belief
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit committee:

1. significant changes in internal control over financial reporting during the year;
2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Bengaluru
Date : 7th May 2021

Alokesh Biswas
Managing Director

Sanjoy Sarkar
Chief Financial Officer

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirements of Regulation 26(3) read with Schedule V Para D of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Code of Conduct (Code) of the Company has been displayed at the Company's website www.pioneerdistilleries.com. All the members of the Board and the Senior Management personnel have affirmed compliance with the Code for the year ended March 31, 2021.

Place : Bengaluru
Date : 7th May 2021

Alokesh Biswas
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC SCENARIO

Global Economy: After an estimated contraction of –3.3 percent in 2020, the global economy is projected to grow at 6 percent in 2021, moderating to 4.4 percent in 2022. The contraction for 2020 is 1.1 percentage points smaller than projected in the October 2020 World Economic Outlook (WEO), reflecting the higher-than-expected growth outturns in the second half of the year for most regions after lockdowns were eased and as economies adapted to new ways of working. The projections for 2021 and 2022 are 0.8 percentage point and 0.2 percentage point stronger than in the October 2020 WEO, reflecting additional fiscal support in a few large economies and the anticipated vaccine-powered recovery in the second half of the year. Global growth is expected to moderate to 3.3 percent over the medium term—reflecting projected damage to supply potential and forces that predate the pandemic, including aging-related slower labour force growth in advanced economies and some emerging market economies. Thanks to unprecedented policy response, the COVID-19 recession is likely to leave smaller scars than the 2008 global financial crisis. However, emerging market economies and low-income developing countries have been hit harder and are expected to suffer more significant medium-term losses.

(Source: IMF Global Economic Outlook, Apr. '21)

Indian Economy: With India emerging out of the pandemic-induced recession, its GDP improved by 0.4% in the December quarter, and these trends look set to continue in the final quarter of India's financial year, which ends on 31 March 2021. This is evident from high-frequency indicators such as Goods and Services Tax (GST) collections, automobile and tractor sales, rail freight traffic, power demand, Purchasing Managers' Index (PMI), and corporate revenues. Also, with the easing of mobility restrictions, manufacturing activity is reverting to pre-COVID levels. However, services, particularly high contact services, continue to lag.

India's GDP growth is expected to rebound to 10.5% during 2021-22. To further stimulate growth, policies over recent months have been focused on reforms that propagate growth. For example, the manufacturing sector stands to benefit from Production-Linked Incentives (PLIs) announced for key sectors that aim to showcase India as a preferred manufacturing and export hub. Meanwhile, services growth is expected to gain traction in 2H22 (especially contact-intensive services) as vaccine availability and deployment improves. The outlook for growth in agriculture is contingent on the monsoon season, and the sector is expected to maintain growth similar to the current financial year (3%, year-on-year), if the monsoons are normal.

As the Indian economy returns to normalcy, there could be a healthy rise in tax collections as well as an uptick in public revenues arising from the disinvestment process. In this context, it is pertinent to note that the government has indicated that the sale of government stakes in selected State-Owned Enterprises (SOEs) as well as publicly owned banks and India's premier insurance company, is likely to be completed by the next financial year. This large-scale privatization process, coupled with the 6.8% fiscal deficit targeted for 2021-22, is expected to provide headway for incremental expenditures on healthcare and capital creation, which will play a pivotal role in enhancing the focus on sustainable economic development. These initiatives are expected to restore the pandemic-induced hiatus in the generation of new employment opportunities.

The Indian government has undertaken a slew of reforms, including labor reforms, corporate tax cuts and PLIs to steer the economy to recovery in the next financial year. However, key factors that will drive this rebound include normal monsoons, success in averting a full-fledged second wave of COVID, and discretionary spending staying unaffected by cost pressures, particularly those stemming from high pump prices of petrol and diesel.

(Source: KPMG Global Economic Outlook, Mar '21)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

INDUSTRY OVERVIEW

India is one of the fastest growing alcohol markets in the world. Rapid increase in urban population, sizable middle class population with rising spending power, and a sound economy are certain significant reasons behind increase in consumption of alcohol in India. The Indian alcohol market is growing at a CAGR of 8.8% and it is expected to reach 16.8 Billion liters of consumption by the year 2022. India is the largest consumer of whiskey in the world and it constitutes about 60% of the IMFL market.

Though India is one of the largest consumers of alcohol in the world owing to its huge population, the per capita alcohol consumption of India is very low as compared to the Western countries. The per capita consumption of alcohol per week for the year 2016 was estimated at 147.3 ml and it is expected to grow at a CAGR of 7.5% to 227.1 ml.

A. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE INDIAN SPIRITS MARKET OVERVIEW

Industry performance: The alcobev industry in India has been growing at more than 12% CAGR for the decade starting 2001 making it one of the fastest growing markets in the World. In 2019, the industry experience significant headwinds on back of slower economy growth. The impact of this slowdown has aggravated by the increasing raw material prices.

Market segmentation: The Indian alcobev industry is segmented into IMFL (Indian Made Foreign Liquor), IMIL (Indian Made Indian Liquor), Wine, Beer and imported alcohol. The heavy import duty and taxes levied raised the prices of imported alcohol to a large extent. IMFL category accounts for almost 72% of the market.

Consumption pattern: The states of Karnataka, Maharashtra, West Bengal, Odisha, Telangana, Delhi, Haryana, Punjab etc. are amongst the largest consuming states for alcobev in India. The most popular channel of alcobev sale in India is liquor stores as its consumption is primarily an outdoor activity and supermarkets and malls are present only in the tier I and tier II cities of India.

Constantly changing regulatory environment: Recently, Government in the State of Andhra Pradesh has changed the route to market by setting up state managed retail outlets and discontinuing private retailers. In contrast, State of Chhattisgarh has rolled back from Govt. controlled to private parties which is expected to flourish the industry.

Growth drivers: Indian alcobev industry holds huge growth potential given the low per capita consumption and the demographics and aspirations of the growing younger population. Rapid urbanisation is expected to enhance disposable income, which is favourable for the growth of the industry. The revival in GDP will give a further fillip to alcobev sales as IMFL volumes are seen to grow 1.5x GDP when GDP growth picks up. Favourable demographics with a median age of 27.9 years and growing social acceptability of alcobev consumption are likely to bode well for the industry. The organised players stand to benefit from steady growth in the conversion from country liquor to IMFL given increasing health concerns associated with consumption of country liquor. States like Tamil Nadu and Karnataka have banned the sale of country liquor primarily on account of rising death toll due to consumption of country liquor.

Growing prevalence of premium alcobev: Rapid urbanisation is also leading to spur in aspirational values of people, leading to higher consumption of premium alcobev brands. With more Indians travelling abroad, rising aspirations, favourable environment for imported liquor and higher disposable income, consumers are upgrading towards Premium segments in the country. The rise in premiumisation is clearly reflective in the

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

increased focus of the big players on semi-premium and Premium categories with an increase in launches and increased marketing of these categories. Another trend which is gaining traction in the alcobev space is the growing popularity of grain-based liquor as against traditionally popular molasses based liquor.

REGULATORY SCENARIO IN INDIAN MARKET

Regulatory oversight of both central and state governments encompass a slew of restrictions on production, movement and sale of alcobev products. Alcobev also falls under the purview of Food Safety and Standards Authority of India (FSSAI). In addition, direct advertising of alcobev products are not permitted in India.

Prohibitively high inter-state duties compel national alcobev players to set-up owned or contract manufacturing setups in every state. Licenses are required to produce, bottle, store, distribute or retail all alcobev products. Distribution is also highly controlled, both at the wholesale and retail levels. In states with government control on pricing, price increase is based on government notifications. In states where retailing is controlled by the state government, there is a specified quota that each player can sell, capping potential to increase market share for our products. These regulations make operations restrictive for the industry players.

- ♦ Goods and Services Tax (GST):

As one of company's primary product Molasses based ENA is out of the purview of GST while the primary raw material Molasses is a part of GST, input credit offset is not available resulting in increase in the cost of operations. Your company has been working together to put in place a robust mitigation program to reduce the adverse impact on its Operations.

- ♦ Pricing Challenges over Materials:

Pricing continues to remain a challenge for the category since with continuous increase in excise duties, and raw material prices, end consumer prices continue to experience upsurge with no benefit to your company.

BUSINESS ANALYSIS

Company overview

Pioneer Distilleries Limited (PDL) is a subsidiary of United Spirits Limited (USL), the largest spirits manufacturing company in India, and is a part of Diageo Group, global leader in beverage alcohol with an outstanding portfolio of brands across spirits, beer and wine categories. PDL is a bulk spirits supplier and bottler to USL. In 2011-12, USL acquired PDL and is presently holding 75% shareholding in the Company.

Industry Structure and developments

The Company's business activity falls within a single primary business segment i.e., Potable Alcohol and related products. The Company is running a 160 Kilo Litres Per Day (KLPD) Extra Neutral Alcohol (ENA) manufacturing facility comprising of 100 KLPD of Molasses based ENA and 60 KLPD of Grain based ENA, 12 KLPD Fresh Malt Spirit and 2 Lac cases per month bottling facility at Balapur Village, Dharmabad Taluk, Nanded District, Maharashtra. The other products of the Company are Special Denatured Spirit, commercial grade Carbon-di-Oxide and Distillery Dry Grain Soluble (DDGS) as a by-product of the process. All these facilities are supported by a state of the art pollution control equipment including a multiple effect evaporator followed by a Dryer suitable for a standalone Distillery to ensure zero pollution.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

PRODUCT-WISE PERFORMANCE

The product-wise performance of the Company is given hereunder:

- (i) Extra Neutral Alcohol (ENA): Production of Molasses based ENA (MENA) during the financial year April 01, 2020 to March 31, 2021 has been of the order of 113.62 LBL and production of Grain based ENA (GENA) 111.68 LBL.
- (ii) Absolute Alcohol (Ethanol): Production of Absolute Alcohol during the financial year April 01, 2020 to March 31, 2021 has been of the order of Nil.
- (iii) Malt Spirit: Production of Absolute Alcohol during the financial year April 01, 2020 to March 31, 2021 has been of the order of 20.22 LBL. The Company has set-up a maturation plant and the malt spirit under maturation as of March 31, 2021 is 25.19 LBL.
- (iv) IMFL Bottling: 15.21 Lakhs Cases.
- (v) CO₂: Carbon-di-Oxide Dry Ice: Production of Carbon-di-Oxide Dry Ice during the financial year April 01, 2020 to March 31, 2021 has been of the order of 279.54 MT.
- (vi) Special Denatured Spirit (SDS): Production of SDS during the financial year April 01, 2019 to March 31, 2020 has been of the order of 6.51 LBL
- (vii) Distillers Dry Grain Soluble (DDGS): Production of DDGS during the financial year April 01, 2020 to March 31, 2021 has been of the order of 1126 MT and DWGS is 5683 MT Production of Cattle Feed during the financial year April 01, 2020 to March 31, 2021 has been of the order of 4925 MT.

OUTLOOK

Your company is part of USL-Diageo Group, leader in India's alcobev industry. Diageo has initiated steps to turnaround the Company with changes at management level, revamp of business process, enhanced supply chain efficiency, engaging with the government and improving work culture. Your Company's focus is to bring in efficiency in production and reduce downtime. This will help the company achieve volumes which will be key to profitability. Your company does not foresee any challenge in terms of demand for its products and has been engaging with third party bottlers to reduce reliance on USL. Disgorging and selling of matured malt stocks was commenced during the year. This ensures stability of margins, reduce working capital requirements. Regulatory overhangs will continue to pose challenges for the alcobev industry. As seen in the past, your Company is well equipped to overcome any such challenges.

Your Company plans to carry out detailed technical study of operations/ machinery. Necessary improvements will be carried out to achieve cost reduction, enhance quality, improve safety and reduce carbon footprint.

B. Strengths

Product portfolio and diversity: The Company's product portfolio extends across GENA, MENA, Fresh Malt Spirit, Matured Malt Spirit and IMFL Bottling.

People Power: The Company's success is led by an empowered and committed team, who are partnering it in the realization of its vision.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

C. Risks & Concerns

The industry is highly regulated by the government with regulations pertaining to: licensing, setting up of new or expansion of distilling and bottling capacities; manufacturing processes and sale of products. Heavy taxes and duties levied on spirit manufacturers add to the industry concerns. Apart from Central Government regulations, every state of India has its own set of regulations, tax rates and duties for inter-state movement of liquor. Inclusion of alcohol within the purview of FSSAI to ensure quality standards will lead to further multiplicity and sometimes duplicity in regulations and regulators and sometimes inconsistencies in regulations.

D. Opportunities

Entry barriers for new players: The alcohol industry in India, being highly regulated, has high entry barriers for new players, thereby creating a favorable environment for the existing players.

Demand for spirits: Indians have higher preference for spirits containing up to 42.8% alcohol content. IMFL category accounts for almost 70% of the Indian Alco-Bev market. Increase in the demand for IMFL year on year has created opportunities for distilleries to produce more and more to meet the demand.

E. Threats

Non-availability of grains due to less production of crop will push the grain prices up, which in turn will affect the margins for GENA and Malt spirit. Similarly, non-availability of Molasses due to government encouraging production ethanol for blending into fuels will push molasses price which in turn will affect the margins for MENA. These events put pressure on the profitability of the Company.

Any drastic change in the policies of the Government and pollution laws can be considered as possible threats to the industry.

The Company believes that in order to be competitive and sustainable it has to focus on efficiency of the plant by upgrading to modern technology. Accordingly, your Company is gearing up itself to exploit the opportunities by constantly modernizing the machinery and developing innovative product applications. Constant efforts are being made to meet the stringent quality requirements. With the dedication of the management towards exploring new opportunities coupled with the Company's competitiveness and product quality, your Company will continue to explore and pursue new opportunities.

FINANCIAL AND OPERATIONAL PERFORMANCE

The financial statements of the Company are prepared in compliance with the provisions of the Companies Act, 2013 and the Generally Accepted Accounting Principles in India. In terms of the SEBI Listing Regulations, the management accepts the responsibility for the integrity and objectivity of the financial statements and the basis for various estimates used in preparing such financial statements.

The Company has achieved a turnover of Rs.16,740 Lakhs for the financial year ended March 31, 2021 against the turnover of Rs. 17,154 Lakhs over the previous year. The Loss before tax of your Company during the financial year amounted to Rs. 8,657 Lakhs.

The working capital requirement of the Company is financed by the Deutsche Bank, Bangalore.

PIONEER DISTILLERIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

KEY FINANCIAL AND OTHER RATIOS

Key financial ratios arising from the financials are given below for the financial year ended March 31, 2021 and March 31, 2020.

Particulars	F21	F20
LEVERAGE RATIOS		
Debt-Equity Ratio	-1.7	-2.2
Current Ratio	1.0	1.1
Interest Cover on operational EBIDTA	-0.7	-0.5
VALUATION RATIOS		
EPS	-64.66	-111.43
P/E Ratio	-1.67x	-0.86x
PROFITABILITY RATIOS		
Return on Networth	N.A.	N.A.
Return on Capital Employed	-30%	-27%
LIQUIDITY RATIOS		
Inventory Turnover Ratio	1.6	1.8
Receivable Turnover Ratio	0.0	0.1
Payable Turnover Ratio	9.7	8.5
OPERATIONAL RATIOS		
Net profit Margin (PAT/NSV)	-52%	-87%
Operating Margin (EBIT/NSV)	-33%	-37%

- Due to operational challenges on account of intermittent breakdowns, closure of operations, delay in stabilisation of operations resulting in underutilisation of capacity and change in terms of government grant, the Company continued to report operational loss. These losses have resulted in net-worth becoming negative and hence Return on Networth is not computed. This has affected debt-equity ratio, EPS, P/E Ratio, Return on Capital Employed.
- Due to maturation of malt stocks (above 18 months), inventory turnover ratio has come down.
- Receivable (debtors) turnover ratio has improved as your company has started operating on advance payment or immediate payment basis.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

Your Company has clearly laid down policies, guidelines and procedures keeping in mind the nature, size and complexity of business operations. Your Company maintains a proper and adequate system of internal controls with well-defined policies, systems, process guidelines, and operating procedures. Your Company ensures strict adherence to various procedures, laws, rules and statutes. Internal Audit is periodically conducted on these areas. The Board closely oversees the business operations on a regular basis. MIS systems are effectively used to keep all expenses within budgetary allocations and corrective measures are promptly undertaken in case of any variance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

COVID-19 crisis and related uncertainty posed unique set of challenges in performance of certain controls and evaluation of their effectiveness which required physical presence of employees for performance of the controls and auditors to observe the operations of the controls. In this context, management has performed alternate and additional procedures in evaluating the effectiveness of internal control over financial reporting.

HUMAN RESOURCES

The company has a family of 152 permanent employees. The Company believes that people are the important assets and hence it is committed to create an open environment and upskilling which encourages the ideas and enriches the organization's collective knowledge pool. The company aspires to evolve into a future-ready organization centered on promoting a collaborative and cohesive culture.

Your Company is now trying to focus on multiskilling to improve the productivity of the employees by giving trainings and changing roles. Performance appraisals take place every six months, giving every employee sufficient time to meet his/ her role requirements in the next six months. There has been no loss of production at the Company's manufacturing unit this due to the relationship that the company has maintained with the employees.

FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements that involve risks and uncertainties. Your Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Actual results, performances or achievements could differ materially from these expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

COVID-19 ASSESSMENT

The outbreak of COVID-19 pandemic had spread across India during the first two quarters of the financial year and given its unpredictable and evolving nature, temporary disruptions had occurred from time to time during the lockdown period, though the plant had become operational from May 2020. Management implemented appropriate actions, as necessary, and scaled up manufacturing operations in due compliance with the applicable laws. The operations of the Company, recovered during the second quarter and further stabilized during the subsequent quarters. The Company has made an assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets as at March 31, 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. 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.

PIONEER DISTILLERIES LIMITED

Report of the Directors (Contd.)

Annexure 1

Disclosure in Board's report as per provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Requirement	Disclosure			
		Name of the Director/KMP	Designation	Ratio to Median remuneration	% Increase
1	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year Alokesh Biswas Sanjoy Sarkar# Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Alokesh Biswas*	Managing Director	13.72:1	0%
		Ravi Varma**	Managing Director	3.36:1	0%
		R. Krishnamurthy	Chairman,		
			Independent Director	0.68:1	-22.7%
		Srivasthala K. N.	Independent Director	0.76:1	-14.6%
		Mamta Sundara	Non-Executive Director	N.A.	N.A.
		Ajay Goel	Non-Executive Director	N.A.	N.A.
		Sanjeev Kumar			
		Gupta	Non- Executive Director	N.A.	N.A.
		Gopal Kothari	Non-Executive Director	N.A.	N.A.
		Sanjoy Sarkar#	CFO	2.46:1 #	100% ##
		Akshara B. L.#	Company Secretary	1.15:1 #	100% ##
		Note : 1. For Non-executive Directors change in percentage denotes change in remuneration (including commission and sitting fees) and for the period of their Directorship during the year. 2. The Independent Directors are getting the remuneration in the form of Sitting Fees only.			
		* Mr. Alokesh Biswas has been appointed as Director and Managing Director effective 1st July 2020. ** Mr. Ravi Verma has resigned as Director and Managing Director effective 1st July 2020. # Employees are on the payroll of the United Spirits Limited (Holding company) and their salaries have been partly recharged to the Company. ## There was no recharge in the previous year.			
2	Percentage increase in the median remuneration of employees in the financial year	1.9%			
3	Number of permanent employees on the rolls of Company	There were 152 employees as on March 31, 2021			
4	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	1.5% average increase for non-managerial personnel. The salary increase for managerial personnel is 0%. The annual average salary increase is based on the Company's market competitiveness as against its peer companies.			
5	Key parameters for any variable component of remuneration availed by the Directors	The key parameters for the variable pay are the Company's performance and the managerial personnel's performance.			
6	Affirmation that the remuneration is as per the remuneration policy of the company	Yes			

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Report of the Directors (Contd.)

Information as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name of the employee	Designation	Age	Amount	Qualification	Experience (Years)	Date of joining (dd-mon-yyyy)	Particulars of previous employment	Nature of employment, whether contractual or otherwise;
1	Alokesh Biswas*	Managing Director	42	83,00,000	B.Tech Chemical Engineering	21	01-July-2020	Senior General Manager Manufacturing - United Spirits Limited	On the roll of Company.
2	Ravi Varma*	Managing Director	50	64,89,989	B.Sc.	27	03- Oct-2018	Senior General Manager Manufacturing-United Spirits Limited	On the roll of Company.
3	Ashok J. Tahade	Senior Manager- CR	53	47,97,981	B.Sc., DIFAT, DEPC	30	16-Mar.-2011	General Manager Manufacturing - United Spirits Limited	On the roll of Company.
4	Anoop Saxena	General Manager- Manufacturing	44	43,60,000	Dip. Chemical Engineering & BSC Graduate	22	01-Dec-2020	Senior Manager Process United Spirits Limited	On the roll of Company.
5	Sumit Walia	Engineering Head	42	55,00,000	B.E. Mechanical, MBA	21	10-Jun.-2020	Innovation and Technology Manager - Hindustan Unilever Ltd.	On the roll of Company.
6	Sudeep Tiwari	Manager - EHS	55	29,78,214	Diploma in Mechanical Eng. Diploma in Industrial safety	30	02-May-2018	Sr. Manager - EHS - Hindustan Unilever Limited	On the roll of Company.
7	Chakrapani Varre	Manager- Commercial	53	27,77,705	B.E. Mechanical	30	18-Jul.-2016	Sr. Manager Purchase, ETA General Pvt. Ltd.	On the roll of Company.
8	C. Pavan Kumar	Manager Quality	50	25,41,717	M.Sc. Bio Tech, MBA	29	16-Nov.-2018	Sr. Manager Quality United Spirits Limited	On the roll of Company.
9	Moger Nagaraj*	Senior Manager HR	38	23,51,288	MSW-HR	12	01-Feb.-2020	Unit HR Manger United Spirits Limited	On the roll of Company.
10	Hemant Kothari*	Senior Manager F&A	34	26,50,000	C.A.	10	24-Feb.-2020	Plant Finance head – Zydus Wellness Products Ltd.	On the roll of Company.

* Employed for part of the year

Note:

- None of the employees are related to the directors of the Company. None of the employees hold more than 2% of paid-up equity share capital of the Company.
- Remuneration details are not comparable with last year since many of the employees joined/exited during the year and the figures vary due to variable pay, retivals etc. and other payments made on such joining/exit.

Report of the Directors (Contd.)

**Annexure 2
Form No. MR-3**

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members of
Pioneer Distilleries Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pioneer Distilleries Limited (CIN: L24116KA1992PLC125992) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Pioneer Distilleries Limited ("the Company") for the financial year ended on March 31, 2021 according to the provisions of:

- i. The Companies Act, 2013, (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (No instances for compliance requirements during the year);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI');
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (No instances for compliance requirements during the year);
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (No instances for compliance requirements during the year);

Report of the Directors (Contd.)

- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (No instances for compliance requirements during the year);
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (No instances for compliance requirements during the year);
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (No instances for compliance requirements during the year); and
 - (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- vi. Laws specifically applicable to the Company:
- (a) Bombay Prohibition Act, 1949 and rules made thereunder and other applicable state excise laws;
 - (b) Food Safety and Standards Act, 2006 and Rules and Regulations made thereunder;
- vii. All other Labour, Employee and Industrial or factory and environmental Laws to the extent of necessary permissions, licenses, compliance and control mechanisms as applicable to the Company;

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above wherever applicable.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notices were given to all Directors to schedule the Board meetings, agenda and detailed note on agenda were sent at least seven days in advance and with necessary compliance wherever sent at shorter period and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions are carried through majority and recorded in the minutes and there were no dissenting views.

I further report that there are adequate systems and processes in the company commensurate with size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:

I further report that during the audit period following specific action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

Place : Bengaluru
Date : 7th May 2021

Sudhir Vishnupant Hulyalkar
Company Secretary in Practice
FCS No: 6040, CP No. 6137
Peer Review Certificate No. 607/2019
UDIN: F006040C000258402

PIONEER DISTILLERIES LIMITED

Report of the Directors (*Contd.*)

Annexure to Secretarial Audit Report (Auditors Responsibility)

To,
Pioneer Distilleries Limited
Bangalore

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Whereever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Bengaluru
Date : 7th May 2021

Sudhir Vishnupant Hulyalkar
Company Secretary in Practice
FCS No: 6040, CP No. 6137
Peer Review Certificate No. 607/2019
UDIN: F006040C000258402

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Report of the Directors (Contd.)

ANNEXURE 3

FORM NO. AOC. 2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2021, which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis:

The details of material contracts or arrangement or transactions at arm's length basis existing as on March 31, 2021 and continuing are as follows:

Name of the related party: United Spirits Limited

Nature of relationship: Holding Company

Nature of Contract/ arrangements/transaction	Justification for entering into the Contract or arrangement or transactions	Duration of the contract	Date of approval by the Board	Amount paid as advance (INR)
Sale of Extra Neutral Alcohol (INR 14,163 Lakhs)	Arms length and in the ordinary course of business	Ongoing	13th May 2019	Nil
Income under tie-up manufacturing arrangement (INR 954 Lakhs)	Arms length and in the ordinary course of business	30th June 2022	13th May 2019	Nil
Finance costs (INR 1,081 Lakhs)	Arms length and in the ordinary course of business	5th August 2026	31st May 2008	Nil

By Authority of the Board

Place : Bengaluru
Date : 7th May 2021

R Krishnamurthy
Chairman

Report of the Directors (Contd.)

ANNEXURE 4 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

CONSERVATION OF ENERGY

The Company is committed towards the conservation of energy and achieve sustainable operations

Following are the initiatives that the company has taken up during the year

- Energy efficient cooling towers were installed. Due to which 65 HP per hour savings noted in GENA plant along with process parameters improvement.
- To have an sustainable operation, GENA PLC software is upgraded to latest version, as the existing software is outdated.
- For reliable Boiler operation stand by ID, FD & SA fans procurement & installation initiated.
- Higher capacity cooling tower installed for Turbine operation for more reliable and safe operation.
- To have suitable WTP operations, its PLC system is revamping.
- Reduction in water consumption through reusing the recycled water
 - Condensate polishing unit efficiency increased from 33% to 66 %. Road map finalized to improve the quantity and quality of CPU water output efficiency improvement.
- Reduction in carbon footprint
 - Proposed to stop coal usage in boiler to reduce the carbon footprint to achieve Net ZERO carbon by 2025 in direct operations.
 - Initiated plantation of an afforestation with 75,000 plants towards Ecosystem restoration.
 - Groundwork started to replace the diesel usage with Solar system in water pumping area.
 - HDPE lining carried out for rainwater pond to avoid soil contamination.
- Following are the other projects undertaken for conservation of energy
 - Revamping GENA dry goods section carried out, to improve the efficiency.
 - UV system installed in recycling water it is in commissioning stage.
 - At MALT plant radiators replaced, due to which condensate recovery increased...
 - Individual plants Steam flow meters were installed, to find and necessary action on steam consumption.

TECHNOLOGY ABSORPTION

a) Research and Development (R & D)

- | | |
|--|--|
| 1. Specific areas in which R & D carried out | : Nil |
| 2. Benefits derived as a result of the above R & D | : Nil |
| 3. Future of action | : Confederation of Indian Industry - Triveny water institute team had studied on water system, waiting for the report. The recommendation of the same will be implemented.
Electrical safety audit was carried out by Sparrow consultant. All the findings were initiated and work in progress. |
| 4. Expenditure on R & D | : Nil |

b) Technology absorption, adaptation and innovation

	2020-21	2019-20
Foreign Exchange Earnings and Outgo		
1. Earnings in Foreign Currency	: Nil	Nil
2. Imports/Expenditure in Foreign Currency	: Nil	Rs. 4.72 lacs

Place : Bengaluru
Date : 7th May 2021

By Authority of the Board
R Krishnamurthy
Chairman

ANNUAL REPORT 2020-21

Report of the Directors (Contd.)

ANNEXURE 5 Corporate Social Responsibility (CSR)

THE ANNUAL REPORT ON CSR ACTIVITIES

(Pursuant to Section 135 of Companies Act, 2013 read with Rule 8 of Companies (CSR Policy) Rules, 2014)

1) Brief outline on CSR Policy of the Company:

CSR Strategy of the Company supports our ambition to become the best performing, most trusted and respected distillery Company in India. Your Company recognizes that its business activities directly affects the lives of people around our plant and in the markets that we operate in. We believe that the communities in which we operate should benefit from our presence.

Many of the authorities have Quoted your Company as “Dharmabad ka Vaibhav”. Our sustainability agenda spans our entire value chain – from within the factory gates to the communities in which we operate and efforts are on to reach out all the stakeholders for partnering in our efforts towards creating sustainable development. Our Sustainability & Responsibility Strategy integrates social responsibility into our core business to create value for society and our shareholders.

2) Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	SRIVATHSALA K.N.	INDEPENDENT DIRECTOR	1	1
2	MAMTA SUNDARA	NON-EXECUTIVE DIRECTOR	1	1
3	ALOKESH BISWAS	MANAGING DIRECTOR	1	1

3) Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

<https://pioneerdistilleries.com/committees.php>

4) Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): N.A.

5) Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	N.A.	N.A.	N.A.

PIONEER DISTILLERIES LIMITED

Report of the Directors (Contd.)

- 6) Average net profit of the company as per section 135(5) - Rs. (24,06,92,997)
- 7) (a) Two percent of average net profit of the company as per section 135(5) - Rs. (48,13,860)
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - N.A.
- (c) Amount required to be set off for the financial year, if any - N.A.
- (d) Total CSR obligation for the financial year (7a+7b-7c) - Nil
- 8) (a) CSR amount spent or unspent for the financial year: N.A.

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation- Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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Report of the Directors (Contd.)

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation Direct (Yes/No).	Mode of Implementation-Through Implementing Agency	
				State.	District.			Name	CSR Registration number.
1	Infrastructure & PPE kits to Maharashtra Government Covid -19 quarantine centre	5[(xii) disaster management, including relief, rehabilitation, & reconstruction activities.]	Yes	Dharmabad Taluka, Nanded Dist. Maharashtra		2,88,650	2,88,650		
2	Ambulance to the local Government Administration to handle Covid-19 cases	5[(xii) disaster management, including relief, rehabilitation, & reconstruction activities.]	Yes	Dharmabad Taluka, Nanded Dist. Maharashtra		52,920	52,920		
	Total					3,41,510	3,41,510		

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 3,41,510

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	0
(ii)	Total amount spent for the Financial Year	3,41,510
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3,41,510
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

PIONEER DISTILLERIES LIMITED

Report of the Directors (Contd.)

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing
1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : N.A.

(a) Date of creation or acquisition of the capital asset(s). N.A.

(b) Amount of CSR spent for creation or acquisition of capital asset. N.A.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. N.A.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). N.A.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). N.A.

Place : Bengaluru
Date : 7th May 2021

Srivathsala K N
Chairperson of CSR Committee

R Krishnamurthy
Chairman

Independent Auditor's Report

To the Members of Pioneer Distilleries Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Pioneer Distilleries Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and the total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matters
<p>Assessment of Going Concern as a basis of accounting: (Refer Note 39 to the financial statements)</p> <p>The Company has incurred a loss of Rs.8657 lacs for the year and its accumulated losses as at the year-end exceeds the share capital. Apart from the erosion of net worth, the Company's current liabilities as at the year-end exceeds the value of current assets.</p> <p>These indicators cast doubt on the ability of the Company to generate adequate cash from operations to meet its financial obligations over the next twelve months. However, the Company has received a letter of financial support from the holding company to support the operations of the Company in the foreseeable future.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Understood and evaluated the Company's processes and controls in relation to identifying the risk of going concern and the actions taken by Management to address the risk including the design and operating effectiveness of controls in relation to going concern. • Verified the letter of financial support received by the Company from the holding company. • Assessed the financial condition of the holding company to examine whether it would be able to enable the Company to meet its obligations as they

Independent Auditor's Report (Contd.)

Key Audit Matters	How our audit addressed the key audit matters
<p>Management and the Board of Directors have reviewed and approved the cash flow forecast for the next twelve months.</p> <p>Considering the cash flow forecast and the letter of financial support received from the holding company, Management and the Board of Directors have concluded that there is no material uncertainty, which impacts the ability of the Company to continue as a going concern.</p> <p>The availability of sufficient funding and testing whether the Company will be able to continue meeting its obligations are important for the going concern assumption and, as such, are significant aspects of our audit. The cash flow forecast contains assumptions like revenue growth and improvement in plant operations (increase in capacity utilization) where Management has applied judgements that, in the current external environment, are significant. Hence, this area has been considered as a key audit matter.</p>	<p>fall due for a period of at least one year from the date of the balance sheet.</p> <ul style="list-style-type: none"> Evaluated the inputs and assumptions used in the cash flow forecast prepared by Management by evaluating the assumptions and comparing them to external data as well as estimates used in the preparation of financial statements. Verified that the cash flow forecast has been prepared considering the attributes of the prior year approved budget and the current year actual performance and that the assumptions considered in the cash flow forecast are consistent and comparable with those in the prior year approved budget; and that the estimates and assumptions have been updated where applicable. <p>Based on the above work performed, Management's assessment of the going concern assumption in the preparation of financial statements appears reasonable.</p>

Key Audit Matters	How our audit addressed the key audit matters
<p>Assessment of contingent liabilities and provisions for significant litigations:</p> <p>(Refer Notes 14 and 26 to the financial statements)</p> <p>The Company has litigations related to legal and regulatory matters, of which the most significant ones are related to water charges levied on purchase of water for the Company's processing plant.</p> <p>The amount involved in litigations are significant and Management applies judgment in estimating the likelihood of the outcome and the amount of liability, if any.</p> <p>We have considered this as a key audit matter as the amounts are significant to the financial statements and the eventual outcome of these matters is uncertain and the position taken by Management is based on the exercise of significant judgement, supported by external legal advice, where applicable.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Understood and evaluated the Company's processes and controls in relation to identifying the risk of not identifying or not disclosing significant litigations and the actions taken by Management to address the risk including the design and operating effectiveness of controls in relation to litigations. Inquired with the Company's internal legal counsel on the status of litigations and examined underlying notices from Government authorities. Verified the underlying calculations supporting the appropriateness of related provision recognised and contingent liability disclosed. Sought and obtained direct confirmation from external lawyers assisting the Company in dealing with the litigations. <p>Based on the above work performed, Management's assessment in respect of litigations and related disclosures relating to contingent liabilities, where applicable, appears reasonable.</p>

Independent Auditor's Report (Contd.)

Other information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in report of the directors, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the 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.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements 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 statements.
9. 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 financial statements, 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.

Independent Auditor's Report (Contd.)

- 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.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's 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 Company's ability 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 financial statements 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance 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.
11. 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.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the

Independent Auditor's Report (Contd.)

books of account.

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes 14 and 26 to the financial statements.
 - ii. The Company has long term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Company did not have any derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.
- 15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Shivakumar Hegde

Partner

Membership Number: 204627

UDIN: 21204627AAAABZ9135

Place : Bengaluru

Date : 7th May 2021

Annexure A to Independent auditor's report

Referred to in paragraph 14(f) of the independent auditor's report of even date to the members of Pioneer Distilleries Limited on the financial statements as of and for the year ended March 31, 2021

Page 1 of 2

Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Pioneer Distilleries Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Annexure A to Independent auditor's report (Contd.)

Meaning of internal financial controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Shivakumar Hegde

Partner

Membership Number: 204627

UDIN: 21204627AAAABZ9135

Place : Bengaluru

Date : 7th May 2021

Annexure B to Independent auditor's report

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Pioneer Distilleries Limited on the financial statements as of and for the year ended March 31, 2021

Page 1 of 3

- i. (a). The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c). The title deeds of immovable properties, as disclosed in Note 2 on Property, plant and equipment to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the provisions of Clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a). According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, though there has been a slight delay, and is regular in depositing undisputed statutory dues, including employees' state insurance, income tax, duty of excise, profession tax, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also, refer Note 40 to the financial statements regarding management's assessment on certain matters relating to provident fund.
- (b). According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise duty, value added tax or goods and service tax as at March 31, 2021, which have not been deposited on account of a dispute, are as follows:

Annexure A to Independent auditor's report (Contd.)

Name of the statute	Nature of dues	Amount (in Rs.)	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1958 and The Maharashtra Value Added Tax Act, 2002	Sales tax/ Value added tax	84,062,547 (*1)	2012-13	The Joint Commissioner Appeals, Amravati, Maharashtra
		337,170,316 (*2)	2014-15	
		235,833,423 (*3)	2015-16	
		122,119,107	2016-17	The Commissioner of Commercial Sales Tax, Nanded, Maharashtra
The Income Tax Act, 1961	Income tax	15,186,680 (*4)	2009-10	The Commissioner of Income Tax (Appeals), Bengaluru

(*1) Rs.14,887,357 has been paid “under protest” by the Company.

(*2) Rs.18,138,196 has been paid “under protest” by the Company.

(*3) Rs.12,032,318 has been paid “under protest” by the Company.

(*4) Rs.12,107,052 has been paid “under protest” by the Company.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders, as may be applicable, as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments). In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also, refer paragraph 15 of our audit report on the financial statements.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

PIONEER DISTILLERIES LIMITED

Annexure A to Independent auditor's report (Contd.)

- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Shivakumar Hegde

Partner

Membership Number: 204627

UDIN: 21204627AAAABZ9135

Place : Bengaluru

Date : 7th May 2021

ANNUAL REPORT 2020-21

Pioneer Distilleries Limited

Balance Sheet as at March 31, 2021

(All amounts in INR lakhs unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	2	19,119	19,438
Capital work-in-progress	2	1,018	236
Financial assets			
Government grant	3.1	8,588	9,842
Loans	3.2	33	38
Current tax assets (net)	31	195	191
Other non-current assets	4	1,548	3,114
Total non-current assets		30,501	32,859
Current assets			
Inventories	5	7,084	9,142
Financial assets			
Government grant	3.1	1,706	1,267
Trade receivables	6	0	1
Cash and cash equivalents	7	1	74
Other current assets	8	767	936
Total current assets		9,558	11,420
Total assets		40,059	44,279
Equity and liabilities			
Equity			
Share capital	9.1	1,342	1,342
Other equity			
Reserves and surplus	9.2	(29,127)	(20,390)
Total equity		(27,785)	(19,048)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	10	13,760	13,945
Other financial liabilities	11	10,737	9,744
Provisions	14	176	106
Deferred tax liabilities (net)	31	-	-
Total non-current liabilities		24,673	23,795

PIONEER DISTILLERIES LIMITED

Balance Sheet as at March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
Current liabilities			
Financial liabilities			
Borrowings	12	31,891	28,300
Trade payables	13		
(i) total outstanding dues of micro enterprises and small enterprises		193	242
(ii) total outstanding dues other than micro enterprises and small enterprises		1,446	1,734
Other financial liabilities	11	733	530
Provisions	14	2,084	1,152
Other current liabilities	15	6,824	7,574
Total current liabilities		43,171	39,532
Total liabilities		67,844	63,327
Total equity and liabilities		40,059	44,279

The above Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date attached

For and on behalf of the Board of Directors

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number - 304026E/E-300009

Shivakumar Hegde

Partner

Membership Number: 204627

R. Krishnamurthy

Chairman

DIN: 06940830

Alokesh Biswas

Managing Director

DIN: 08756326

Sanjoy Sarkar

Chief Financial Officer

Akshara B L

Company Secretary

Place : Bengaluru

Date : 7th May 2021

Place : Bengaluru

Date : 7th May 2021

ANNUAL REPORT 2020-21

Statement of Profit and Loss for the year ended March 31, 2021

(All amounts in INR lakhs unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations	16	16,740	17,154
Other income	17	301	310
Total Income		17,041	17,464
Expenses			
Cost of materials consumed	18	12,993	14,618
Changes in inventories of work-in progress and finished goods	19	316	(919)
Employee benefits expense	20	1,284	1,107
Finance costs	21	3,213	3,359
Depreciation expense	22	3,314	4,690
Allowance for government grant (net)	25	266	(524)
Other expenses	23	4,312	4,045
Total expenses		25,698	26,376
(Loss) before taxation		(8,657)	(8,912)
Income tax expense			
Deferred tax charge / (credit)	31	-	6,007
(Loss) for the year		(8,657)	(14,919)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	30	(80)	49
Income tax credit / (charge) relating to these items		-	(15)
Other comprehensive income for the year, net of tax		(80)	34
Total comprehensive income for the year		(8,737)	(14,885)
Basic and diluted earnings per share	28	(64.66)	(111.43)

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date attached

For and on behalf of the Board of Directors

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number - 304026E/E-300009

Shivakumar Hegde

Partner

Membership Number: 204627

Place : Bengaluru

Date : 7th May 2021

R. Krishnamurthy

Chairman

DIN: 06940830

Sanjoy Sarkar

Chief Financial Officer

Place : Bengaluru

Date : 7th May 2021

Alokesh Biswas

Managing Director

DIN: 08756326

Akshara B L

Company Secretary

PIONEER DISTILLERIES LIMITED

Statement of Changes in Equity for the year ended March 31, 2021

(All amounts in INR lakhs unless otherwise stated)

(A) Equity Share Capital

	Notes	As at March 31, 2021	As at March 31, 2020
As at beginning of the year		1,342	1,342
Changes in share capital during the year	9.1	-	-
As at end of the year		1,342	1,342

(B) Other Equity

	Reserves and surplus				
	Capital reserve	Securities premium	Capital redemption reserve	Accumulated losses	Total
As at April 1, 2019	660	621	235	(7,021)	(5,505)
(Loss) for the year	-	-	-	(14,919)	(14,919)
Other comprehensive income for the year	-	-	-	34	34
Total comprehensive income for the year	-	-	-	(14,885)	(14,885)
As at March 31, 2020	660	621	235	(21,906)	(20,390)
(Loss) for the year	-	-	-	(8,657)	(8,657)
Other comprehensive income for the year	-	-	-	(80)	(80)
Total comprehensive income for the year	-	-	-	(8,737)	(8,737)
As at March 31, 2021	660	621	235	(30,643)	(29,127)

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our report of even date attached

For and on behalf of the Board of Directors

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number - 304026E/E-300009

R. Krishnamurthy
Chairman
DIN: 06940830

Alokesh Biswas
Managing Director
DIN: 08756326

Shivakumar Hegde
Partner
Membership Number: 204627

Sanjoy Sarkar
Chief Financial Officer

Akshara B L
Company Secretary

Place : Bengaluru
Date : 7th May 2021

Place : Bengaluru
Date : 7th May 2021

ANNUAL REPORT 2020-21

Statement of Cash Flows for the year ended March 31, 2021

(All amounts in INR lakhs unless otherwise stated)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flows from operating activities			
(Loss) before tax		(8,657)	(8,912)
Adjustment for :			
Depreciation expense	22	3,314	4,690
Provision for bad and doubtful advances	23	18	39
Allowance for government grant (net)	25	266	(524)
(Profit)/loss on disposal of property, plant & equipment	17	(36)	115
Finance costs	21	3,202	3,396
Interest on income tax reversed during the year	21	-	(53)
Unwinding of interest on government grant	17	(301)	(301)
Change in operating assets and liabilities			
(Increase) / decrease in inventory		2,058	(3,388)
(Increase) / decrease in trade receivables		1	10
(Increase) / decrease in other non-current / current assets		(100)	(292)
(Increase) / decrease in other financial assets		855	7,442
Increase / (decrease) in trade payables		(337)	(240)
Increase / (decrease) in other financial liabilities		74	(58)
Increase / (decrease) in other non-current / current liabilities		(750)	(16)
Increase / (decrease) in non-current / current provisions		922	1,020
Cash inflow / (outflow) operations		529	2,928
Income tax paid, net		(4)	-
Net cash inflow / (outflow) from operating activities (A)		525	2,928
B. Cash flow from investing activities			
Purchase of property, plant and equipment		(1,780)	(495)
Proceeds from disposal of property, plant and equipment		53	-
Net cash inflow / (outflow) from investing activities (B)		(1,727)	(495)

PIONEER DISTILLERIES LIMITED

Statement of Cash Flows for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

C. Cash flow from financing activities

Proceeds from current borrowings	82,600	88,605
(Repayment) of current borrowings	(80,300)	(79,405)
(Repayment) of non-current borrowings	(302)	(383)
Working capital loan / Bank overdraft (net)	1,291	(8,983)
Finance costs paid	(2,160)	(2,220)
Net cash inflow / (outflow) from financing activities (C)	1,129	(2,386)

Net increase / (decrease) in cash and cash equivalents

(A+B+C)	(73)	47
Add: Cash and cash equivalents at the beginning of the year	7	74
Cash and cash equivalents at the end of the year	7	74

The Statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date attached

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number - 304026E/E-300009

Shivakumar Hegde

Partner

Membership Number: 204627

Place : Bengaluru

Date : 7th May 2021

For and on behalf of the Board of Directors

R. Krishnamurthy

Chairman

DIN: 06940830

Sanjoy Sarkar

Chief Financial Officer

Place : Bengaluru

Date : 7th May 2021

Alokesh Biswas

Managing Director

DIN: 08756326

Akshara B L

Company Secretary

Notes to the financial statements for the year ended March 31, 2021

1.1 Corporate Overview

Pioneer Distilleries Limited ("the Company") is a public company domiciled and headquartered in India. It is incorporated under the Companies Act, 1956 and its shares are listed on BSE Limited and National Stock Exchange of India Limited ("NSE"). The Company is engaged in the business of processing and selling of extra neutral alcohol ("ENA"), malt spirits and allied products along with bottling operations of Indian Made Foreign Liquor ("IMFL"). The Company is a subsidiary of United Spirits Limited ("USL"). These financial statements were authorised for issue by the Board of Directors on May 7, 2021.

Significant Accounting Policies

1.2 Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by The Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting standards) Rules, 2015] and other related provisions of the Act. The financial statements have been prepared on historical cost basis except for the following:

- a) Certain financial assets and liabilities are measured at fair value (refer note no. 32);
- b) Defined benefit employee plan- plan assets are measured at fair value (refer note no. 30)

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2020 to the extent applicable to the Company:

- a) Definition of Material – amendments to Ind AS 1 and Ind AS 8
- b) Definition of a Business – amendments to Ind AS 103
- c) COVID-19 related concessions – amendments to Ind AS 116
- d) Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

1.3 Foreign Currency transactions

The financial statements are presented in Indian National Rupee, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains / (losses).

1.4 Property, Plant and Equipment and Intangible Assets

Freehold land is carried at historical cost.

All other items are measured at historical cost less accumulated depreciation and impairment losses, if any

PIONEER DISTILLERIES LIMITED

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

except that on adoption of Ind AS, the Company had measured Property, plant and equipment at deemed cost, using the net carrying value as per previous GAAP as at March 31, 2015. Costs include freight, import duties, non-refundable purchase taxes and other expenses directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The cost of property, plant and equipment which are not ready for their intended use before such date are disclosed as capital work-in-progress.

Intangible Assets

On adoption of Ind AS, the Company has measured Intangible assets at deemed cost, using the net carrying value as per previous GAAP as at March 31, 2015. Acquired intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment losses.

Computer software acquired or developed are carried at cost less accumulated amortisation and impairment losses, if any. Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of customised computer software applications are recognised as intangible assets under development or intangible assets when ready for intended use, when the following criteria are met:

- a) it is technically feasible to complete the software so that it will be available for use,
- b) there is an ability to use or sell the software, c) it can be demonstrated that the software will generate probable future economic benefits,
- d) adequate technical, financial and other resources to complete the development and to use the software are available, and
- e) the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the customised computer software applications include employee costs and other directly attributable costs and are amortised from the point at which the software asset is available for use.

The Company amortises computer software using the straight line method over 5 years.

Depreciation and Amortisation

Depreciation is calculated using the straight line method as per the estimated useful life of assets as below:

Asset category	Useful life (in years)
Buildings	
- Roads	5
- Buildings	30-60
Plant and equipment	7.5 – 15
Furniture and Fixtures	10
Vehicles	5
Office equipment	3 – 5
Computers	3

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

The estimated useful life of Plant and Equipment has been determined based on the technical evaluation performed in an earlier year by the Management. The estimated useful life so determined is lower than the useful life indicated in Schedule II of the Act. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

In respect of certain items of plant and equipment for which rates are indicated in Part C of Schedule II of the Act, based on the number of shifts, depreciation is provided for the full year on triple shift basis. Intangible assets with finite life are amortised over the useful life using the straight-line method.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss under other income.

Impairment

The Company assesses at each reporting date whether there is any objective evidence that a nonfinancial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Impairment of intangible assets is based on their useful economic life and is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Intangible assets that are regarded as having indefinite useful economic life are not amortised and are annually tested for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Impairment reviews compare the net carrying value with the recoverable amount (value in use or fair value less cost to sell, whichever is higher).

1.5 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duties and net of returns, trade allowances, rebates, value added taxes, goods and services tax and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

a. Sale of manufactured goods

Timing of recognition: Revenue is recognised on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

Measurement of revenue: Revenue is measured net of trade discounts, rebates and certain other promotional expenses. Past experience is used to estimate and provide for the discounts and returns.

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

b. Revenue from tie-up manufacturing arrangements

The Company has entered into Tie-up Manufacturing arrangement with USL, the holding company, wherein the Company manufactures and supplies beverage alcohol on behalf of USL. Under the arrangement, USL has exposure to significant risks and rewards associated with the sale of products, i.e., it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions under such arrangement has been recorded as net revenue, i.e., recognising bottling charges as income from operations. The Company does not present inventory under such arrangement as its own inventory. The net receivables from/ payable to USL are recognised under other current assets/ other current liabilities respectively.

1.6 Inventories

Inventories includes raw material, work-in-progress, finished goods and stores and spares and are valued at lower of cost and net realizable value. Cost of inventories comprises all costs of purchase, cost of conversion, borrowing cost and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used. In case of manufactured inventories and work-in-progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. Adequate allowance is made for obsolete and slow moving items.

1.7 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and performance incentives that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

(b) Post-employment obligation

The Company's defined benefit plans comprise of gratuity.

The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined-contribution plan

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund with the government and certain state plans like Employees' State Insurance. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

(c) Other long-term employee benefits obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields of government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

1.8 Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- makes adjustments specific to the lease, e.g. term and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Company use that rate as a starting point to determine the incremental borrowing rate.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise warehouses.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

amount of the underlying assets and recognised as expense over the lease term on the same basis as a lease income. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

1.9 Financial Instruments

Financial assets - Initial recognition

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit and loss.

Subsequent measurement

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both

- (a) the entity's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

(a) Measured at amortised cost

A financial asset is measured at amortised cost, if it is held under the hold to collect business model, i.e., held with an objective of holding the assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest on the principal outstanding. Amortised cost is calculated using the effective interest rate ("EIR") method by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. On derecognition, gain or loss, if any, is recognised in statement of profit and loss.

(b) Measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI, if it is held under the hold to collect and sell business model, i.e., held with an objective to collect contractual cash flows and selling such financial asset and the contractual cash flows are solely payments of principal and interest on the principal outstanding. Such financial assets are measured at fair value with fair value movements recognised in the other comprehensive income (OCI), except for interest income which recognised using EIR method and is recorded in statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. On derecognition, cumulative gain or loss previously recognised in the OCI is reclassified from the equity to statement of profit and loss.

(c) Measured at fair value through profit or loss (FVPL)

Investment in financial asset other than equity instrument, not measured at either amortised cost or FVOCI is measured at FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

Impairment

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable information including that which is forward-looking.

The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses, i.e., expected cash shortfall.

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 32 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial Liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement of profit or loss. Offsetting of financial instruments Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

1.10 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions are complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to property, plant and equipment's, it is recognised as deferred income and are recognised as income in statement of profit and loss over the expected useful life of the related asset.

When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is recognized at government rate. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

1.11 Taxes on Income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

1.12 Earnings per share (“EPS”)

Basic EPS is arrived at based on net profit or (loss) after taxation available to equity shareholders to the weighted average number of equity shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

1.13 Provisions and Contingencies

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The carrying amounts of provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.14 Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

1.15 Segmental Information

The Company has identified the Managing Director as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators. The Company is primarily engaged in the business of manufacture and sale of Extra Neutral Alcohol, Malt Spirit and allied products along with bottling operations of Indian Made Foreign Liquor (“IMFL”). The Company's business activity

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

primarily falls within a single operating segment based on the nature of activity involved and business risks attached having regard to the internal organisation and management structure. The CODM reviews the Company's performance as a single operating segment and not at any other disaggregated level and hence considers these as a single reportable segment.

1.16 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less, including money market deposits, commercial paper and investments.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

1.17 Trade and other receivables

Trade and other receivables are initially recognised at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method less any allowance for discounts and doubtful debts.

1.18 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per credit period.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Profit or Loss over the period of the borrowings using the effective interest method.

1.20 Exceptional items

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

1.21 Critical Estimates and Judgements

The preparation of the financial statements requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

The areas involving critical estimates and judgements are:

- (i) Impairment of property, plant and equipment - Property, plant and equipment represent a significant proportion of the asset base of the Company. The Company has been incurring losses and has performed an impairment assessment of its property, plant and equipment as at March 31, 2021 using the fair value less costs of disposal approach. [Refer Note 2]
- (ii) Estimation of provisions and contingent liabilities - The Company operates in a regulated environment. The management, based on internal and external expert opinion, has assessed outflow arising from existing litigations and notices received as possible, probable and remote. Provisions are made for matters where outflows are assessed to be probable and disclosed as contingent liability in cases where these are assessed as possible including for matters where the amounts are not quantifiable. Matters where the outflow is assessed to be remote have not been disclosed in the financial statements. [Refer Note 26]

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

2 Property, plant and equipment

	Freehold land	Buildings	Plant and equipment	Furniture & fixtures	Vehicles	Office equipment	Computers	Total	Capital work-in-progress [Note (c) below]
Year ended March 31, 2020									
<i>Gross carrying amount</i>									
Opening	394	7,849	29,264	102	15	44	2	37,670	127
Additions	-	21	198	13	2	26	-	260	369
Disposals	-	54	686	-	-	-	2	742	-
Transfers	-	-	-	-	-	-	-	-	(260)
Closing	394	7,816	28,776	115	17	70	-	37,188	236
<i>Accumulated depreciation</i>									
Opening	-	1,267	12,377	20	6	15	2	13,687	-
Depreciation charge for the year	-	523	4,145	11	3	8	-	4,690	-
Disposals	-	54	571	-	-	-	2	627	-
Closing	-	1,736	15,951	31	9	23	-	17,750	-
Net carrying amount as at March 31, 2020	394	6,080	12,825	84	8	47	-	19,438	236
Year ended March 31, 2021									
<i>Gross carrying amount</i>									
Opening	394	7,816	28,776	115	17	70	-	37,188	236
Additions	2,009	4	981	-	-	-	-	2,994	3,794
Disposals	-	-	704	0	-	23	-	727	-
Transfers	-	-	-	-	-	-	-	-	(2,994)
Closing	2,403	7,820	29,053	115	17	47	-	39,455	1,036
<i>Accumulated depreciation</i>									
Opening	-	1,736	15,951	31	9	23	-	17,750	-
Depreciation charge for the year	-	487	2,783	11	3	12	-	3,296	-
Impairment charge for the year	-	-	-	-	-	-	-	-	18
Disposals	-	-	687	-	-	23	-	710	-
Closing	-	2,223	18,047	42	12	12	-	20,336	18
Net carrying amount as at March 31, 2021	2,403	5,597	11,006	73	5	35	-	19,119	1,018

a. The Company has not pledged its property, plant and equipment as security.

b. Refer note no. 27 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

c. Capital work-in-progress mainly comprises of civil structures under construction and plant and machinery under installation.

d. For details of property, plant and equipment used in tie-up manufacturing arrangement refer note 36.

e. The Company has been incurring losses and has performed an impairment assessment of its property, plant and equipment as at March 31, 2021 using the fair value less costs of disposal approach. The Company has engaged external valuers to determine the fair market value of the property, plant and equipment. Since the fair value less costs of disposal is higher than the carrying amount of property, plant and equipment, no impairment has been recognised. A reduction of 10% in the fair market value less costs of disposal of property, plant and equipment would also not result in recognition of impairment loss.

PIONEER DISTILLERIES LIMITED

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
3.1 Government grant (*)			
Non current			
Unsecured, considered good		11,016	12,004
Less: Loss allowance		(2,428)	(2,162)
		8,588	9,842
Current			
Unsecured, considered good		1,706	1,267
		1,706	1,267
(*) Refer note 25			
	Notes	As at March 31, 2021	As at March 31, 2020
3.2 Loans			
Non-current			
Unsecured, considered good			
Security deposits		33	38
		33	38
	Notes	As at March 31, 2021	As at March 31, 2020
4 Other non-current assets			
Unsecured, considered good unless otherwise stated			
Capital advances			
- Considered good [Refer note below]		207	2,024
- Considered doubtful		18	18
Prepaid expenses		17	25
Balances with government authorities			
- Considered good		1,003	1,033
- Considered doubtful		-	362
Sales tax receivable			
- Considered good		289	-
- Considered doubtful		88	-
Others		32	32
		1,654	3,494
Less: Allowance for doubtful balances		(106)	(380)
		1,548	3,114

Note: Capital advances considered good includes an amount of INR 166 (2020: INR 1,993) being advance paid towards purchase of land pursuant to an "agreement to sell" entered by the Company with the owners of the land. The Company is in the process of resolving certain matters and expects to execute the sale deed and have the same registered in due course.

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Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
5 Inventories			
<i>(Valued at lower of cost and net realisable value)</i>			
Raw materials (*)		2,521	4,127
Work-in-progress		3,328	3,028
Finished goods		732	1,348
Stores, spares and consumables		503	639
		7,084	9,142

(*) Includes goods in transit amounting to INR 21 (2020: NIL).

Note: Write down of inventory to net realisable value and allowance for obsolete inventories amounted to INR 135 (2020: INR 335). The net amount is recognised as an expense during the year and is included in Cost of materials consumed in the Statement of Profit and Loss.

	Notes	As at March 31, 2021	As at March 31, 2020
6 Trade receivables			
Trade receivables from contract with customers		0	1
Less: Loss allowance		-	-
		0	1
Current portion		0	1
Non-current portion		-	-
Details of securities/categorisation of credit risk of trade receivables			
Trade receivables considered good- Secured		-	-
Trade receivables considered good- Unsecured		0	1
Trade receivables which have significant increase in credit risk		-	-
Trade receivables - credit impaired		-	-
Total		0	1
Loss allowance		-	-
Total trade receivables		0	1

	Notes	As at March 31, 2021	As at March 31, 2020
7 Cash and cash equivalents			
Balances with banks			
in current accounts		1	74
		1	74

PIONEER DISTILLERIES LIMITED

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
8 Other current assets		
Unsecured, considered good unless otherwise stated		
Sales tax receivable		
- Considered good	-	289
- Considered doubtful	-	88
Advance to suppliers		
- Considered good	215	222
- Considered doubtful	28	10
Prepaid expenses	414	380
Balances with government authorities	131	11
Other advances (**)	7	34
	795	1,034
Less: Allowance for doubtful balances	(28)	(98)
Total	767	936

(**) Other advances represents advance given to employee

	As at March 31, 2021	As at March 31, 2020
9.1 Equity share capital		
Authorised		
17,500,000 (2020: 17,500,000) equity shares of Rs.10 each	1,750	1,750
2,500,000 (2020: 2,500,000) preference shares of Rs.10 each	250	250
	2,000	2,000
Issued, subscribed and fully paid up		
13,388,200 (2020: 13,388,200) equity shares of Rs.10 each	1,339	1,339
Forfeited shares, partly paid up		
62,400 (2020: 62,400) equity shares, Rs.5 paid up	3	3
	1,342	1,342

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Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

a) Reconciliation of the number of shares outstanding

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares:				
Balance as at the beginning of the year	13,388,200	1,339	13,388,200	1,339
Add: Movement during the year	-	-	-	-
Balance as at the end of the year	13,388,200	1,339	13,388,200	1,339

b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, if any in proportion to their shareholding.

c) Shares held by holding company

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
United Spirits Limited	10,041,150	1,004	10,041,150	1,004

d) Details of shareholders holding more than 5% of the shares in the Company

	Nos.	% of Holding	Nos.	% of Holding
United Spirits Limited, holding company	10,041,150	75.00%	10,041,150	75.00%

e) There are no shares issued as bonus during the period of five years immediately preceeding the reporting date.

f) There are no shares bought back during the period of five years immediately preceeding the reporting date.

g) The Company has not issued any shares for consideration other than cash during the period of five years immediately preceeding the reporting date.

9.2 Reserves and surplus

	As at March 31, 2021	As at March 31, 2020
Capital reserve	660	660
Securities premium	621	621
Capital redemption reserve	235	235
Accumulated losses	(30,643)	(21,906)
	(29,127)	(20,390)

PIONEER DISTILLERIES LIMITED

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

9.2 Reserves and surplus (continued)

	As at March 31, 2021	As at March 31, 2020
(i) Capital reserve		
At the beginning of the year	660	660
Add / (less): Movement during the year	-	-
Total capital reserve	660	660
(ii) Securities premium		
At the beginning of the year	621	621
Add / (less): Movement during the year	-	-
Total securities premium	621	621
(iii) Capital redemption reserve		
At the beginning of the year	235	235
Add / (less): Movement during the year	-	-
Total capital redemption reserve	235	23
(iv) Accumulated losses		
At the beginning of the year	(21,906)	(7,021)
Add: (Loss) for the year	(8,657)	(14,919)
Add: Remeasurement of post employment benefit obligation	(80)	34
Total accumulated losses	(30,643)	(21,906)

Nature and purpose of other reserves

a) Capital reserve

Capital reserve relates to subsidy received and recorded under erstwhile GAAP. The balance is utilised in accordance with the provisions of the Act.

b) Securities premium

Securities premium is credited when shares are issued at premium. The balance is utilised in accordance with the provisions of the Act.

c) Capital redemption reserve

Capital redemption reserve represents reserve created at the time of redemption of redeemable preference shares. The balance is utilised in accordance with the provisions of the Act.

10 Non-current borrowings

	As at March 31, 2021	As at March 31, 2020
<i>Unsecured</i>		
Sales tax deferment [refer note (a) below]	455	708
Term loan from holding company [refer note (b) and (c) below]	13,539	13,539
	13,994	14,247
Less: Current maturities of Sales tax deferment (refer note 11)	(234)	(302)
	13,760	13,945

Notes:

- Sales tax collected under deferral scheme of State Government of Maharashtra for eleven years (from 1999-00 to 2009-10) and is repayable in five equal annual installments with final installment due in 2024-25.
- Term loan from holding company is repayable on August 16, 2026. The rate of interest on term loan from holding Company is 8% (2020: 9%). The terms are in line with the inter company loan agreement. Further, the Board of Directors of the Company has approved a scheme of amalgamation and arrangement in relation to the proposed merger of the Company with USL (refer note 42). Also refer note 35.
- The interest rate on the term loan from holding company is market-related and reviewed every year.

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Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

Net debt reconciliation

	As at March 31, 2021	As at March 31, 2020
Current borrowings	(31,891)	(28,300)
Non-current borrowings (*)	(13,994)	(14,247)
Interest accrued	(10,737)	(9,744)
	(56,622)	(52,291)

(*) Includes current maturities of non-current borrowings.

Net debt movement

	Liabilities from financing activities		
	Current borrowings	Non-current borrowings (**)	Total
Net debt as at April 01, 2019	(28,083)	(23,198)	(51,281)
Cash flows	(217)	383	166
Interest expense	(2,098)	(1,298)	(3,396)
Interest paid	2,098	122	2,220
Net debt as at April 01, 2020	(28,300)	(23,991)	(52,291)
Cash flows	(3,591)	302	(3,289)
Interest expense	(2,072)	(1,130)	(3,202)
Interest paid	2,072	88	2,160
Net debt as at March 31, 2021	(31,891)	(24,731)	(56,622)

(**) Includes current maturities of non-current borrowings and interest accrued but not due.

Net debt reconciliation

	As at March 31, 2021	As at March 31, 2020
11 Other financial liabilities		
Non-current		
Interest accrued but not due on loan from holding company (refer note below)	10,737	9,744
	10,737	9,744

Note: The Company has unconditional right to defer the interest payments until the maturity date, hence, the accrued interest is considered "Non-current".

(Also refer note 35).

Current

Current maturities of sales tax deferment (refer note 10)	234	302
Security deposits	23	15
Capital creditors	334	137
Employee payables	86	45
Other payables (***)	56	31
	733	530

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at year end.

(***) Other payables represents liability towards certain land matters and interest payable on account of delay in payment towards MSMED vendors.

PIONEER DISTILLERIES LIMITED

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
12 Current borrowings		
Unsecured		
Bank overdraft	2,091	800
Short-term loan from bank	29,800	27,500
	31,891	28,300

Note:

- (a) Bank overdraft and short term loans are repayable on demand and carry interest rates ranging from 6.50 % to 7.50% p.a. (2020: 7.15% to 9.00% p.a.).
- (b) United Spirits Limited, the holding company, has furnished a letter of comfort to the bank for the aforesaid loans outstanding as at year end.

	As at March 31, 2021	As at March 31, 2020
13 Trade payables		
<i>Current</i>		
Dues to micro enterprises and small enterprises (refer note 24)	193	242
Dues to creditors other than micro enterprises and small enterprises	1,446	1,734
	1,639	1,976

	As at March 31, 2021	As at March 31, 2020
14 Provisions		
<i>Non-current</i>		
Employee benefits		
Gratuity (refer note 30)	176	106
	176	106
<i>Current</i>		
Employee benefits		
Compensated absences	85	88
Others (refer notes below)	1,999	1,064
	2,084	1,152

Notes:

(i) Disclosure under Ind-AS 37 on "Provisions, Contingent Liabilities and Contingent Assets" :

- a) Reconciliation of the number of shares outstanding

	As at April 1, 2020	Additions during the year	(Utilised)/ (reversed) during the year	As at March 31, 2021
Indirect tax matters [Refer (ii) below]	12	-	-	12
Water charges [Refer (iii) below]	476	335	-	811
Compounding of excise matters [Refer (iv) below]	505	616	-	1,121
Legal claims [Refer (v) below]	71	-	(16)	55
	1,064	951	(16)	1,999

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Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

- (ii) Relates to goods and services tax on license.
- (iii) Relates to a demand raised by a government authority levying increase in water charges consumed for industrial purposes. [refer note 26(iii)].
- (iv) During the year, the Company has entered into a "Supply Agreement" with USL, the holding company, 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 1,096 (2020: INR 480) to be in the nature of cost to cost reimbursement and not revenue.
- (v) Relates to various legal cases filed against the Company.
- (vi) Provision is made for probable cash outflow arising out of pending disputes / litigations with regulatory authorities / parties. It is not practicable for the Company to estimate the timing of the cash outflows, if any, in respect of the above, pending resolution of respective proceedings.
- (vii) The entire amount of provision is presented as current, as the Company does not have an unconditional right to defer settlement for any of these obligations. In case of compensated absences, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months. Compensated absences not expected to be settled within the next 12 months is INR 78 (2020: INR 75).

15 Other current liabilities

	As at March 31, 2021	As at March 31, 2020
Advance from customers	432	3
Advance from holding company (refer note 35)		
- Trade advance	6,163	7,383
- Payable / (receivable) towards tie-up manufacturing arrangement (refer note 36)	(74)	797
- Net working capital under tie-up manufacturing arrangement (refer note 36)	74	(797)
Statutory dues	229	188
	6,824	7,574

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward advance from customers and trade advance and how much relates to performance obligations that were satisfied in a prior year:

For the year ended March 31, 2021	Advance from customers	Trade advance
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Sale of ENA and other spirits	3	7,383
Revenue recognised from performance obligations satisfied in previous periods	-	-
For the year ended March 31, 2020	Advance from customers	Trade advance
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Sale of ENA and other spirits	14	7,435
Revenue recognised from performance obligations satisfied in previous periods	-	-

PIONEER DISTILLERIES LIMITED

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
16 Revenue from operations		
Revenue from contracts with customers:		
Sale of ENA and other spirits	14,840	15,001
Sale of services		
Income under tie-up manufacturing arrangement (refer note 36)	954	839
Other operating revenue		
Sale of scrap and by-product	946	1,314
	16,740	17,154

The Company does not have any unsatisfied performance obligations as at the year end.

Reconciliation of revenue recognised with contract price:

	March 31, 2021	March 31, 2020
Contract price	16,740	17,154
Adjustments	-	-
Revenue from operations	16,740	17,154

	For the year ended March 31, 2021	For the year ended March 31, 2020
17 Other income		
Unwinding of interest on government grant	301	301
Miscellaneous income	-	9
	301	310

	For the year ended March 31, 2021	For the year ended March 31, 2020
18 Cost of materials consumed (*)		
Raw materials, stores, spares and consumables at the beginning of the year	4,766	2,297
Add: Purchases	11,251	17,087
Less: Raw materials, stores, spares and consumables at the end of the year	3,024	4,766
	12,993	14,618

(*) Cost of materials consumed includes charge of INR 192 (2020: INR 73) towards differences noted during physical verification and consumption of stores, spares and consumables amounting to INR 2,640 (2020: INR 3,862).

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Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
19 Changes in inventories of work-in progress and finished goods		
Opening balance		
Work-in-progress	3,028	2,624
Finished goods	1,348	833
	4,376	3,457
Closing balance		
Work-in-progress	3,328	3,028
Finished goods	732	1,348
	4,060	4,376
	316	(919)
	For the year ended March 31, 2021	For the year ended March 31, 2020
20 Employee benefits expense		
Salaries, wages and bonus	1,070	942
Contribution to provident and other funds (refer note 40)	58	54
Gratuity (refer note 30)	29	33
Staff welfare	127	78
	1,284	1,107
	For the year ended March 31, 2021	For the year ended March 31, 2020
21 Finance costs		
Interest expense		
- Interest on borrowings from holding company (refer note 35)	1,081	1,222
- Interest on working capital loan / bank overdraft	2,072	2,098
- Other interest (*)	11	(37)
Unwinding of interest on sales tax deferment	49	76
	3,213	3,359
	For the year ended March 31, 2021	For the year ended March 31, 2020
22 Depreciation expense		
Depreciation on property, plant and equipment (refer note 2)	3,296	4,690
Impairment of capital work-in-progress (refer note 2)	18	-
	3,314	4,690

(*) Includes excess interest of INR NIL (2020: 53) accounted in earlier years on income tax reversed during the year.

PIONEER DISTILLERIES LIMITED

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
23 Other expenses		
Power and fuel	171	286
Rent	17	30
Sub-contracting wages	824	855
Repairs and maintenance		
Buildings	124	8
Plant and machinery	1,629	1,031
Others	189	153
(Profit) / loss on disposal of property, plant and equipment	(36)	115
Rates and taxes	341	294
Water charges (including provision)	384	513
Insurance	110	142
Travelling and conveyance	15	42
Legal and professional	216	216
Provision for bad and doubtful advances	18	39
Directors' sitting fees (refer note 35)	6	7
Auditor's remuneration (including applicable taxes)		
Statutory audit fees [including INR NIL (2020: INR 4) for prior year]	25	28
Limited review fees	12	12
Tax audit fees	2	2
Certification	-	2
Out-of-pocket expenses	1	1
Printing and stationery	15	12
Security services	116	108
Corporate social responsibility expenditure [refer note 38]	3	72
Miscellaneous expenses	130	76
	4,312	4,045

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Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

24 Dues to Micro, Small and Medium Enterprises

The disclosures pursuant to the The Micro, Small and Medium Enterprises Development Act, 2016 (MSMED) are as follows:

	As at March 31, 2021	As at March 31, 2020
(i) Principal amount due to suppliers registered under the MSMED and remaining unpaid as at year end	193	242
(ii) Interest due to suppliers registered under the MSMED and remaining unpaid as at year end	25	14
(iii) Principal amounts paid to suppliers registered under the MSMED, beyond the appointed day during the year	1,056	119
(iv) Interest paid, under Section 16 of MSMED, to suppliers registered under the MSMED, beyond the appointed day during the year	-	-
(v) Interest paid, other than under Section 16 of MSMED, to suppliers registered under the MSMED, beyond the appointed day during the year	-	-
(vi) Interest due and payable towards suppliers registered under MSMED, for payments already made	11	1
(vii) Further interest remaining due and payable for earlier years	14	13

25 Government grant

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. In accordance with the scheme, the State (through the Directorate of Industries, Mumbai) issues eligibility certificate ("EC") to the Company, which forms the basis for receiving the Government grant. The EC depends on the quantum of VAT collected by the Company and deposited with the state authorities.

Management annually performs a re-assessment of the recoverability of the Government grant receivable carried in the books. On similar lines, an assessment was carried out as at the year end. Considering the impact of COVID-19, Management has estimated a delay in recovering the money from the State Government. In line with the ECL calculation, an additional allowance of INR 266 (2020: INR 476) has been accounted for as at the year end. Hence, the total ECL allowance as at March 31, 2021 in relation to the Government grant is INR 2,428. Movement in loss allowance balance is given below:

	As at March 31, 2021	As at March 31, 2020
Opening balance	2,162	2,686
Additions	266	476
Reversals	-	(1,000)
Closing balance	2,428	2,162

PIONEER DISTILLERIES LIMITED

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
26 Contingent liabilities		
Claims against the Company not acknowledged as debts		
(i) Income tax matters [Refer Note (a) below]	-	-
(ii) Other civil litigations [Refer Note (b) below]	67	65
	67	65
(iii) The Company has filed a petition before the High Court of Judicature at Bombay Bench at Aurangabad challenging multiple demands raised by Water Resource Department, State of Maharashtra levying increased water charges and an interim relief against any coercive steps has been received, whereby the Company has paid INR 111 (2020: INR 50) under protest included in "Balances with government authorities" under note 4 above. It is not practical to estimate the potential effect of this claim, but based on legal advice obtained, the Company believes that it is not probable that a significant liability will arise. Also refer note 14.		
(iv) The Company has filed a petition before the High Court of Judicature at Bombay Bench at Aurangabad challenging the notification increasing the transport pass fees on its raw material and an interim relief has been received. It is not practical to estimate the potential effect of this claim, but based on legal advice obtained, the Company believes that it is not probable that a significant liability will arise.		
Considering the nature of the disputes, it is not practicable to estimate the timing of cash flows, if any, in respect of the above matters.		

Notes:

- (a) Income taxes- Income tax matters primarily relate to exposures on account of certain disallowances that the Company had claimed as deductions in its Income Tax return. However, the Company has received a favourable order from Income Tax Appellate Tribunal, Bangalore, during this year.
- (b) Other civil litigations - Other civil litigations relate to various claims from third parties under dispute which are lying with various courts/ appellate authorities.

	As at March 31, 2021	As at March 31, 2020
27 Capital commitments		
Estimated amounts of contracts remaining to be executed on capital account and not provided for:		
Property, plant and equipment (net of advances)	489	821
28 Basic and diluted earnings / (loss) per share		
	As at March 31, 2021	As at March 31, 2020
(Loss) attributed to equity holders	(8,657)	(14,919)
Weighted average number of equity shares (in numbers)	13,388,200	13,388,200
Nominal value of equity shares (in Rs.)	10	10
Basic and diluted earnings/ (loss) per share (in Rs.)	(64.66)	(111.43)

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

29 Segment Reporting

The Company has identified the Managing Director as the Chief Operating Decision Maker ("CODM") as defined under Ind AS 108 "Operating Segments". The CODM evaluates and reviews the Company's performance and allocates the resources based on analysis of various performance indicators. The Company is primarily engaged in the business of manufacture and sale of Extra Neutral Alcohol, Malt Spirit and allied products along with bottling operations of Indian Made Foreign Liquor ("IMFL"). The Company's business activity primarily falls within a single operating segment based on the nature of activity involved and business risks attached having regard to the internal organisation and management structure. The CODM reviews the Company's performance as a single operating segment and not at any other disaggregated level. Hence there is no separate reportable segment under Indian Accounting Standard on Ind AS 108, 'Operating Segment'.

Revenue of approximately INR 15,426 (2020: INR 15,371) are derived from two external customers. There are no revenues or non-current operating assets from external customers outside India.

30 Employee benefit obligations

The Company provides gratuity to employees who are in continuous service for a period of 5 years or more. The amount of gratuity payable on termination/retirement is employee's last drawn salary per month computed proportionately for 15 days salary multiplied for the number of completed years of service. The gratuity scheme is funded through a trust and the fund is managed by an insurance company.

	Present Value of Obligation	Fair Value of plan assets	Net amount
As of April 1, 2019	268	(130)	138
Current service cost	25	-	25
Past service cost	-	-	-
Interest expense / (income)	18	(9)	9
Total amount recognised in profit and loss	43	(9)	34
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
Net actuarial (gain) / loss			
(Gain) / loss on plan assets	-	1	1
Change in experience	(48)	-	(48)
Change in demographic assumptions	-	1	1
Change in financial assumptions	(3)	-	(3)
Total amount recognised to comprehensive income	(52)	2	(49)
 Obligations relating to employees transferred from holding company	 -	 -	 -
Employer contribution	-	-	-
Benefits payment	(16)	-	(16)

PIONEER DISTILLERIES LIMITED

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

As of March 31, 2020	243	(137)	106
As of April 1, 2020	243	(137)	106
Current service cost	23	-	23
Past service cost	-	-	-
Interest expense / (income)	15	(9)	6
Total amount recognised in profit and loss	38	(9)	29
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
Net actuarial (gain) / loss			
(Gain) / loss on plan assets	-	(9)	(9)
Change in experience	30	-	30
Change in demographic assumptions	30	-	30
Change in financial assumptions	29	-	29
Total amount recognised to comprehensive income	89	(9)	80
Obligations relating to employees transferred from holding company	-	-	-
Employer contribution	-	-	-
Benefits payment	(39)	-	(39)
As of March 31, 2021	331	(155)	176

The net liability disclosed in note 14 relates to funded plan as follows:

	As at March 31, 2021	As at March 31, 2020
Present value of funded obligations	331	243
Fair value of plan assets	(155)	(137)
Deficit of funded plan	176	106

Significant estimates: Actuarial assumptions and Sensitivity

	As at March 31, 2021	As at March 31, 2020
Financial assumption:		
Discount rate	6.44%	6.39%
Salary escalation rate	10%	9%
Demographic assumption:		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Attrition rate:		
Executives	11%	13%
Staffs	2%	13%
Retirement age	58 Years	58 Years

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Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

Sensitivity analysis

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Discount rate

	As at March 31, 2021	As at March 31, 2020
a) Discount rate - 100 basis points	(364)	(260)
b) Discount rate + 100 basis points	303	229

Salary escalation rate

a) Rate - 100 basis points	(303)	(230)
a) Rate + 100 basis points	362	259

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

The major categories of plan asset are as follows:

	As at March 31, 2021	As at March 31, 2020
Equities	-	-
Bonds	-	-
Gilts	-	-
Pooled assets with an insurance company	100%	100%
Other	-	-
	100%	100%

The defined benefit obligations shall mature after year end as follows:

	March 31, 2021	March 31, 2020
Year 1	15	32
Year 2	21	30
Year 3	11	31
Year 4	16	23
Year 5	24	25
Year 6-10	129	110

The weighted average duration of the defined benefit obligation is 13.06 years (2020:12.60 years).

Risk exposure:

Through its defined benefit plans, Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in pre-defined insurance plans. These are subject to interest rate risk and the fund manages interest rate risk through continuous monitoring to minimise risk to an acceptable level.

Change in bond yields

A decrease in bond yields will increase plan liabilities.

Impact of COVID-19

The Company does not foresee any material impact on planned assets due to COVID 19.

PIONEER DISTILLERIES LIMITED

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

31 Income taxes

(a) Tax expense recognised in the Statement of profit and loss

	As at March 31, 2021	As at March 31, 2020
Deferred tax		
(Increase) / Decrease in deferred tax asset	-	6,007
Total deferred income tax expense / (credit)	-	6,007

A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

(b) Reconciliation of effective tax rate

	As at March 31, 2021	As at March 31, 2020
(Loss) before taxation	(8,657)	(8,912)
Enacted income tax rate in India	25.17%	31.20%
Tax at the enacted income tax rate	(2,179)	(2,781)
Tax effects of amounts which are not deductible in calculating taxable income:		
Corporate social responsibility expenditure	1	23
Expenses not allowable under tax	3	8
Interest on income taxes	-	(17)
Tax losses for which no deferred income tax was recognised	2,175	2,767
Previously recognised tax losses now reversed	-	6,007
Tax expense / (credit)	-	6,007

(c) The movement in deferred tax assets and liabilities during the year ended March 31, 2021:

Deferred tax assets / (liabilities)	As at April 1, 2020	Credit / (charge) in Statement of profit and loss	Credit / (charge) in Other compre- hensive income	As at March 31, 2021
Property, plant and equipment	(980)	594	-	(386)
Carry forward losses (including unabsorbed depreciation)	1,007	(611)	-	396
Financial liabilities at amortised cost	(27)	17	-	(10)
	-	-	-	-

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Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

(c) The movement in deferred tax assets and liabilities during the year ended March 31, 2021:

Deferred tax assets / (liabilities)	As at April 1, 2020	Credit / (charge) in Statement of profit and loss	Credit / (charge) in Other comprehensive income	As at March 31, 2021
Provision / allowance for doubtful debts, advances and government grant	358	(358)	-	-
Expenses allowable on payment basis	91	(76)	(15)	-
Property, plant and equipment	(2,264)	1,284	-	(980)
Carry forward losses (including unabsorbed depreciation)	5,862	(4,855)	-	1,007
MAT credit	1,168	(1,168)	-	-
Financial assets at amortised cost (government grant)	858	(858)	-	-
Financial liabilities at amortised cost	(51)	24	-	(27)
	6,022	(6,007)	(15)	-

(d) Deferred tax asset has been recognised to the extent of deferred tax liability arising mainly on account of depreciation. Deferred tax assets has not been recognised on deductible temporary differences, MAT credit and carry forward tax losses as it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom. The total value of unrecognised deferred tax asset amounts to INR 8,322 (2020: INR 8,763). The details of expiry of these unused tax losses, MAT credit and unabsorbed depreciation are given below.

	March 31 2021	Expiry period	March 31 2020	Expiry period
Carried forward business loss	11,707	6 to 8 years	7,185	7 to 8 years
Unabsorbed depreciation	18,603	Indefinite	17,173	Indefinite
MAT credit (*)	-		1,168	13 years

	For the year ended March 31, 2021	For the year ended March 31, 2020
(e) Current tax assets (net)		
Opening Balance	191	138
Add: Taxes Paid	4	0
Less: Current tax payable for the year	-	-
Add / (less): Adjustment towards interest on income tax	-	53
Closing Balance	195	191

(*) The Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Income Tax Return for the year ended 31 March 2020 was filed as per the new rate (25.168%) and hence there is a deferred tax charge which is adjusted against the unrecognised deferred tax assets including MAT credit entitlement.

PIONEER DISTILLERIES LIMITED

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

32 Financial risk factors

The Company's principal financial liabilities comprise borrowings, advances, deposits, accrued interest and trade and other payables. The purpose of these financial liabilities is to finance the Company's operations and to provide to support its operations. The Company's principal financial assets include government grant, deposits, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Company's activities exposes it to Liquidity risk, Market risk and Credit risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below

(a) Liquidity risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintenance sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Company manages its liquidity risk by ensuring that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows, undrawn committed credit facilities are expected to be sufficient to meet the liquidity requirements of the Company. Further, the Company has obtained a letter of financial support from the holding company (refer note 39) and does not foresee any material impact of COVID-19.

(i) Financing arrangements

The Company has access to the following undrawn borrowing facilities as at the end of the reporting period which is sufficient to meet the short-term working capital deficit:

	As at March 31, 2021	As at March 31, 2020
Unsecured facility from bank, repayable at demand	3,109	6,700
Unsecured term loan facility from the holding company	15,000	15,000

(ii) The following is the contractual maturities of the financial liabilities:

	Carrying amount	Payable on demand	Less than 1 month	1-12 months	more than 12 months
As at March 31, 2020					
Non-derivative liabilities					
Borrowings	42,547	28,300	-	302	14,033
Trade payables	1,976	-	1,976	-	-
Other financial liabilities	9,972	-	228	-	9,744
	54,495	28,300	2,204	302	23,777

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Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

	Carrying amount	Payable on demand	Less than 1 month	1-12 months	more than 12 months
As at March 31, 2021					
Non-derivative liabilities					
Borrowings	45,885	31,891	-	234	13,799
Trade payables	1,639	-	1,639	-	-
Other financial liabilities	11,236	-	499	-	10,737
	58,760	31,891	2,138	234	24,536

(b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The Company's treasury team with assistance from the holding company's treasury team manages the Market risk, which evaluates and exercises independent control over the entire process of market risk management.

(i) Foreign currency risk

Foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's functional and presentation currency is INR. The Company does not have any foreign currency transactions and hence is not exposed to the foreign currency risks.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's borrowings from holding company have fixed rate of interest and are carried at amortised costs. Hence, the Company is not subject to the interest rate risk since neither the carrying amount nor the future cash flows will change due to change in the market interest rates. Company's main interest rate risk arises from working capital loan and short term loan from bank with floating rate.

The exposure of the company's working capital loan and short term loan from the bank to interest rate of changes at the end of reporting period are as follows:

	As at March 31, 2021	As at March 31, 2020
Floating rate borrowings	31,891	28,300
Fixed rate borrowings	13,994	14,247
Total borrowings	45,885	42,547

Sensitivity

Profit or loss is sensitive to fluctuation in interest rates on floating rate borrowings as below

	As at March 31, 2021	As at March 31, 2020
Interest rates		
Increase by 50 bps	(159)	(142)
Decrease by 50 bps	159	142

The Company does not foresee any material impact on interest rate risk due to COVID-19.

PIONEER DISTILLERIES LIMITED

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company is exposed to credit risks from its operating activities, primarily trade receivables, cash and cash equivalents, deposits with banks and other financial instruments.

Credit risk is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Company's major sales are to its holding company, United Spirits Limited (USL). USL has extended trade advance to support the operations of the Company. Other sales are mostly on cash basis. Hence, the credit exposure is assessed to be low.

Exposure to the Credit risks

Financial assets for which loss allowance is measured using 12 months Expected Credit Losses ('ECL')

- Deposits

	As at March 31, 2021	As at March 31, 2020
	33	38
	33	38

Exposure to the Credit risks

Financial assets for which loss allowance is measured using Life time Expected Credit Losses ('ECL')

- Trade Receivables

- Government Grants

	As at March 31, 2021	As at March 31, 2020
	0	1
	10,294	11,109

Trade and other receivables

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- (iv) Significant increase in credit risk on other financial instruments of same counterparty

Refer note 25 for Government Grants

Ageing of the accounts receivable

Not due
0-30 days
30-60 days
60-90 days
90-180 days
> 180 days

	As at March 31, 2021	As at March 31, 2020
	-	-
	0	-
	-	1
	-	-
	-	-
	-	-
	0	-

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Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

Movement in provisions / loss allowances

	As at March 31, 2021	As at March 31, 2020
Opening provision / allowances	2,640	2,915
Add: Additional provision / allowances made	284	865
Less: Provision / allowances write off / reversed	(362)	(1,140)
Closing provisions / allowances	2,562	2,640

The total trade receivable balance as at year-end is not material and hence Company does not foresee any impact of COVID-19. Refer note 25 for impact of COVID-19 on government grants.

33 Financial instruments

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts, largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

34 Capital management

The Company's objectives when managing capital are to :

- ◆ safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- ◆ maintain an optimal capital structure to reduce the cost of capital

On account of COVID-19, the Company has made a detailed assessment of its liquidity position for the next twelve months and noted no material impact. Further, the Company has obtained a letter of financial support from the holding Company, United Spirits Limited to support Company's operations for next twelve months.

35 Related Party Disclosure

A Names of related parties and description of relationship

(a) Related Parties where control exists :

Diageo Plc., United Kingdom, ultimate holding company

Tanqueray Gordan & Company Ltd., United Kingdom, intermediate holding company

Relay BV, The Netherlands, intermediate holding company

United Spirits Limited, India, immediate holding company

(b) Fellow subsidiaries with whom transactions have taken place:

Sovereign Distilleries Limited, India

Tern Distilleries Private Limited, India (upto January 23, 2021)

Diageo Business Services India Private Limited

PIONEER DISTILLERIES LIMITED

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

(c) Key management personnel :

Non-executive directors

- (i) R Krishnamurthy, Chairman
- (ii) Srivathsala K N
- (iii) Mamta Sundara (*)
- (iv) Ajay Kumar Goel (*) (upto March 17, 2021)
- (v) Sanjeev Kumar Gupta (*)
- (v) Gopal Kothari (*) (w.e.f. March 17, 2021)

Executive directors

- (i) Ravi Varma, Managing Director (upto June 30, 2020)
- (ii) Alokesh Biswas, Managing Director (w.e.f. July 1, 2020)

(d) Employees' benefit plans :

Pioneer Distilleries Employees' Gratuity Trust

B Summary of transactions with related parties during the year is as follows:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Immediate holding company (**)		
- Sale of goods (excluding taxes)	14,163	12,687
- Finance costs	1,081	1,222
- Income under tie-up manufacturing arrangement	954	839
- Interest paid	88	122
- Professional charges	40	18
- Rent	8	4
Fellow subsidiaries		
- Receipts towards salary recharges	-	26
- Salary recharge (outbound)	-	9
- Professional charges	62	-
Key management personnel		
Executive directors		
- Remuneration		
Short-term employee benefits	69	63
Post-employment benefits (***)	-	-
Non-executive directors		
- Sitting fee	6	7

(*) No transactions during the year

(**) Excludes gross sale of IMFL amounting to INR 14 (2020: INR 26), purchase of key ingredients amounting to INR 619 (2020: INR 212) under tie-up manufacturing arrangement as explained in note 36(c) and casks supplied by the holding company to the Company without consideration for malt maturation. The Company has received letter

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Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)
of financial support from the holding company. Refer note 39.

(***) As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to continuing Key Management Personnel is not included.

C Outstanding balances as at the year-end are as follows:

	As at March 31, 2021	As at March 31, 2020
Immediate holding company		
- Non-current borrowing	(13,539)	(13,539)
- Interest accrued but not due on above	(10,737)	(9,744)
- Trade advance	(6,163)	(7,383)
- Receivable / (payable) towards tie-up manufacturing arrangement (refer note 36)	74	(797)
Fellow subsidiaries		
- Trade payables	(57)	-
Employees' benefit plans		
- Payable towards employee obligations	176	106

36 Tie up manufacturing arrangement:

- (a) 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 and the control 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.
- (b) The income under tie-up manufacturing arrangement included in Revenue from operations is as below:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Income under tie-up manufacturing agreement	954	839

- (c) The gross sales, excise duty and cost of goods sold (the net impact of which is nil) in respect of the tie up manufacturing arrangement as indicated below in the respect of these operations have not been disclosed by the Company in the Statement of Profit and Loss

	For the year ended March 31, 2021	For the year ended March 31, 2020
Gross sales	69,517	58,326
Excise duty	(50,101)	(42,037)
Cost of goods sold	(19,416)	(16,289)
Net Impact	-	-

PIONEER DISTILLERIES LIMITED

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

- (d) The net working capital in respect of the tie up manufacturing arrangement as indicated below have been adjusted with the outstanding balance of USL

	As at March 31, 2021	As at March 31, 2020
Financial assets		
Trade receivable	2,172	2,605
Other current assets	85	856
Inventories	454	2,347
Financial liabilities		
Trade payables	(768)	(877)
Other current financial liabilities	(70)	(1,600)
Other current liabilities	(1,947)	(2,534)
	(74)	797

- (e) The details of property, plant and equipment used in tie-up manufacturing arrangements with USL are given below:

	Buildings	Plant and equipment	Total
Year ended March 31, 2020			
Gross carrying amount			
Opening	1,913	1,301	3,214
Additions	21	-	21
Deletion	-	(4)	(4)
Closing gross carrying amount	1,934	1,297	3,231
Accumulated depreciation			
Opening	331	267	598
Depreciation charge for the year	84	89	173
Closing accumulated depreciation	415	356	771
Net carrying amount	1,519	941	2,460

- (e) The details of property, plant and equipment used in tie-up manufacturing arrangements with USL are given below:

	Buildings	Plant and equipment	Total
Year ended March 31, 2021			
Gross carrying amount			
Opening	1,934	1,297	3,231
Additions	-	9	9
Deletion	-	-	-
Closing gross carrying amount	1,934	1,306	3,240

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Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

Accumulated depreciation

Opening	415	356	771
Depreciation charge for the year	84	90	174
Closing accumulated depreciation	499	446	945
Net carrying amount	1,435	860	2,295

37 Leases

The Company had a leasing arrangement for warehouse facility that is renewable on a periodic basis with a lease term less than 12 months and hence considered short-term lease. Accordingly, lease payment of INR 17 (2020: INR 30) is recognised in the Statement of Profit and Loss on a straight line basis over the lease term.

38 Corporate social responsibility expenditure

	For the year ended March 31, 2021	For the year ended March 31, 2020
a. Gross amount required to be spent by the company under the provisions of the Act	-	-
b. Amount spent during the year on:		
(i) Water and soil conservation project in Maharashtra		
Paid in cash	-	72
Yet to be paid	-	-
(ii) On purposes other than above		
Paid in cash	3	-
Yet to be paid	-	-
	3	72

- 39 The networth of the Company has eroded and the current liabilities exceed the current assets as at the year-end. However, the Management and the Board of Directors have reviewed the cash flow forecast for the next twelve months and based on the letter of financial support obtained from United Spirits Limited, the holding company, have concluded that there is no material uncertainty on the ability of the Company to continue as a going concern.
- 40 The Company has evaluated the impact of the Supreme Court ("SC") judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to non-inclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to Provident Fund ("PF") under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952. There are interpretation issues relating to the said SC judgement. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in the financial statements.
- 41 The outbreak of COVID-19 pandemic had spread across India during the first two quarters of the financial year and given its unpredictable and evolving nature, temporary disruptions had occurred from time to time during the lockdown period, though the plant had become operational from May 2020. Management

PIONEER DISTILLERIES LIMITED

Notes to the financial statements for the year ended March 31, 2021 (Contd.)

(All amounts in INR lakhs unless otherwise stated)

implemented appropriate actions, as necessary, and scaled up manufacturing operations in due compliance with the applicable laws. The operations of the Company, recovered during the second quarter and further stabilized during the subsequent quarters.

The Company has made an assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets as at March 31, 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. 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 statements in assessing the impact of COVID-19 on the financial statements for the year ended March 31, 2021 and no material impact is expected.

- 42 The Board of Directors ("Board") of 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 for every 47 shares held by them as on the record date. The Company has received no-objection vide Observation Letters dated October 21 and 22, 2020, from the BSE Limited and the National Stock Exchange of India Limited, respectively. The Scheme is subject to the receipt of requisite approvals from the other relevant authorities and respective shareholders and creditors of USL and the Company. 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, Bengaluru Bench.
- 43 Previous year's figures have been regrouped/ reclassified to conform to the current year's presentation for the purpose of comparability.

As per our report of even date attached

For and on behalf of the Board of Directors

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number - 304026E/E-300009

R. Krishnamurthy
Chairman
DIN: 06940830

Alokesh Biswas
Managing Director
DIN: 08756326

Shivakumar Hegde
Partner
Membership Number: 204627

Sanjoy Sarkar
Chief Financial Officer

Akshara B L
Company Secretary

Place : Bengaluru
Date : 7th May 2021

Place : Bengaluru
Date : 7th May 2021

NOTES

PIONEER DISTILLERIES LIMITED

NOTES

Registrar & Transfer Agents
Venture Capital & Corporate Investments Private Limited

12-10-167, Bharat Nagar, Hyderabad - 500 018

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