

17<sup>th</sup> October 2022

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

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

Dear Sirs,

**Sub: Intimation of Unaudited financial results for the quarter and half year ended 30<sup>th</sup> September 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR)).**

This is further to our letter dated 10<sup>th</sup> October 2022, wherein we had intimated to the Exchange, the date of Board Meeting for consideration of Unaudited Financial Results for the quarter and half year ended 30<sup>th</sup> September 2022.

The Board of Directors of the Company at their meeting held today, *inter-alia* approved the unaudited financial results (“UFR”) of the Company for the quarter and half year ended 30<sup>th</sup> September 2022. The Limited Review Report (“LRR”) thereon, received from the Statutory Auditors of the company were placed at the said meeting. UFR along with the LRR, Cash Flow Statement and Statement of Assets and Liabilities are enclosed and are being uploaded on to your websites along with this letter.

The Board Meeting Commenced at 3.47 pm IST and concluded at 5.40 pm IST

This is for your information and records.

Thank you,

For Pioneer Distilleries Ltd.

J Swaminathan  
Company Secretary

**PIONEER DISTILLERIES LIMITED**

Level 10, UB Tower, #24 Vittal Mallya Road, Bengaluru 560 001

Tel: +91 80 2221 0705, Fax: +91 80 3985 6862 | www.pioneerdistilleries.com | CIN: L24116KA1992PLC125992

**Statement of Unaudited Financial Results for the quarter and six months ended September 30, 2022** INR in Lakhs except for earnings per share data

PARTICULARS	3 months ended September 30, 2022	3 months ended June 30, 2022	3 months ended September 30, 2021	6 months ended September 30, 2022	6 months ended September 30, 2021	Year ended March 31, 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 Income</b>						
(a) Revenue from operations	5,634	5,912	6,389	11,546	10,084	21,170
(b) Other income	75	75	75	150	150	301
<b>Total income</b>	<b>5,709</b>	<b>5,987</b>	<b>6,464</b>	<b>11,696</b>	<b>10,234</b>	<b>21,471</b>
<b>2 Expenses</b>						
(a) Cost of materials consumed	4,457	4,557	4,093	9,014	7,862	15,695
(b) Changes in inventories of work-in-progress and finished goods	132	244	919	376	51	333
(c) Employee benefits expense	408	538	470	946	846	1,615
(d) Finance costs	1,008	870	845	1,878	1,681	3,386
(e) Depreciation expense	860	878	963	1,738	1,805	3,437
(f) Other expenses	979	951	1,353	1,930	2,232	4,201
<b>Total expenses</b>	<b>7,844</b>	<b>8,038</b>	<b>8,643</b>	<b>15,882</b>	<b>14,477</b>	<b>28,667</b>
<b>3 Profit / (loss) before exceptional items and taxation (1-2)</b>	<b>(2,135)</b>	<b>(2,051)</b>	<b>(2,179)</b>	<b>(4,186)</b>	<b>(4,243)</b>	<b>(7,196)</b>
<b>4 Exceptional items (net)</b>	-	-	-	-	-	-
<b>5 Profit / (loss) before taxation (3+4)</b>	<b>(2,135)</b>	<b>(2,051)</b>	<b>(2,179)</b>	<b>(4,186)</b>	<b>(4,243)</b>	<b>(7,196)</b>
<b>6 Income tax expense</b>						
(a) Taxes relating to earlier years (MAT)	-	-	-	-	-	-
(b) Deferred tax charge / (credit)	-	-	-	-	-	-
(c) MAT credit utilised / (availed)	-	-	-	-	-	-
<b>7 Profit / (loss) for the period (5-6)</b>	<b>(2,135)</b>	<b>(2,051)</b>	<b>(2,179)</b>	<b>(4,186)</b>	<b>(4,243)</b>	<b>(7,196)</b>
<b>8 Other comprehensive income / (loss)</b>						
<i>Items that will not be reclassified to profit or loss</i>						
Remeasurements of post-employment benefit obligations	-	-	-	-	-	6
Income tax credit / (charge) relating to these items	-	-	-	-	-	-
<b>Other comprehensive income / (loss) for the period, net of tax</b>	-	-	-	-	-	<b>6</b>
<b>9 Total comprehensive income / (loss) (7+8)</b>	<b>(2,135)</b>	<b>(2,051)</b>	<b>(2,179)</b>	<b>(4,186)</b>	<b>(4,243)</b>	<b>(7,190)</b>
<b>10 Paid-up equity share capital (Face value of INR 10 each)</b>	1,339	1,339	1,339	1,339	1,339	1,339
<b>11 Earnings / (loss) per share of INR 10 each (not annualised)</b>						
Basic and diluted (Amounts in INR)	(15.95)	(15.32)	(16.28)	(31.27)	(31.69)	(53.75)

## PIONEER DISTILLERIES LIMITED

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Unaudited Statement of Assets and Liabilities as at September 30, 2022

INR in Lakhs

Particulars	As At September 30, 2022	As At March 31, 2022
	Unaudited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	15,933	17,544
Capital work-in-progress	1,614	601
Financial assets		
Government grant	6,027	6,178
Other Financial assets	40	40
Current tax assets (net)	235	230
Other non-current assets	1,353	1,576
<b>Total non-current assets</b>	<b>25,202</b>	<b>26,169</b>
<b>Current assets</b>		
Inventories	6,230	7,953
Financial assets		
Government grant	2,185	2,389
Trade receivables	1	-
Cash and cash equivalents	1	1
Other current assets	646	958
<b>Total current assets</b>	<b>9,063</b>	<b>11,301</b>
<b>Total assets</b>	<b>34,265</b>	<b>37,470</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1,342	1,342
<b>Other Equity</b>		
Reserves and surplus	(40,503)	(36,317)
<b>Total equity</b>	<b>(39,161)</b>	<b>(34,975)</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	13,553	13,627
Other financial liabilities	12,252	11,712
Provisions	185	175
Deferred tax liabilities (net)	-	-
<b>Total non-current liabilities</b>	<b>25,990</b>	<b>25,514</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	33,264	34,075
Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	193	151
(ii) total outstanding dues other than micro enterprises and small enterprises	1,740	2,577
Other financial liabilities	357	446
Provisions	3,057	2,826
Other current liabilities	8,825	6,856
<b>Total current liabilities</b>	<b>47,436</b>	<b>46,931</b>
<b>Total liabilities</b>	<b>73,426</b>	<b>72,445</b>
<b>Total equity and liabilities</b>	<b>34,265</b>	<b>37,470</b>

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**Unaudited Statement of Cash Flows for the six months ended September 30, 2022**

INR in Lakhs

PARTICULARS	6 months ended September 30, 2022	6 months ended September 30, 2021	Prior year ended March 31, 2022
	Unaudited	Unaudited	Audited
<b>A. Cash flows from operating activities</b>			
(Loss) before tax	(4,186)	(4,243)	(7,196)
<b>Adjustment for :</b>			
Depreciation expense	1,738	1,805	3,437
(Profit) / loss on disposal of property, plant and machinery	(53)	1	(13)
Finance costs	1,878	1,681	3,370
Unwinding of interest on government grant	(150)	(150)	(301)
<b>Change in operating assets and liabilities</b>			
(Increase) / decrease in inventory	1,723	719	(869)
(Increase) / decrease in trade receivables	(1)	(2)	-
(Increase) / decrease in other non-current / current assets	283	477	132
(Increase) / decrease in other financial assets	505	1,691	2,021
Increase / (decrease) in trade payables	(795)	193	1,089
Increase / (decrease) in other financial liabilities	(57)	(49)	8
Increase / (decrease) in other non-current / current liabilities	1,969	(859)	32
Increase / (decrease) in non-current / current provisions	241	580	747
<b>Cash generated from operations</b>	<b>3,095</b>	<b>1,844</b>	<b>2,457</b>
Tax paid, net	(5)	(5)	(35)
<b>Net cash inflow from operating activities (A)</b>	<b>3,090</b>	<b>1,839</b>	<b>2,422</b>
<b>B. Cash flow from investing activities</b>			
Purchase of property, plant and equipment	(942)	(1,313)	(1,933)
Proceeds from disposal of property, plant and equipment	67	47	89
<b>Net cash (outflow) from investing activities (B)</b>	<b>(875)</b>	<b>(1,266)</b>	<b>(1,844)</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from current borrowings	24,000	31,300	55,300
(Repayment) of current borrowings	(24,000)	(32,800)	(61,100)
(Repayment) of non-current borrowings	(162)	(234)	(234)
Working capital loan / bank overdraft (net)	(726)	2,338	7,822
Finance costs paid	(1,327)	(1,177)	(2,366)
<b>Net cash inflow / (outflow) from financing activities (C)</b>	<b>(2,215)</b>	<b>(573)</b>	<b>(578)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>-</b>	<b>0</b>	<b>-</b>
Add: Cash and cash equivalents at the beginning of the period	1	1	1
<b>Cash and cash equivalents at the end of the period</b>	<b>1</b>	<b>1</b>	<b>1</b>

**PIONEER DISTILLERIES  
LIMITED**

**Statement of Unaudited Financial Results for the quarter and six months ended  
September 30, 2022**

**Notes:**

1. Pioneer Distilleries Limited ('the Company') is primarily engaged in the business of manufacturing and selling Extra Neutral Alcohol, Malt Spirit, and allied products along with Indian Made Foreign Liquor ('IMFL') bottling operations. Since the entire business of the Company is evaluated and reviewed by the Chief Operating Decision Maker as one reportable segment, the management considers this as a single reportable segment.
2. This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
3. The Board of Directors ("Board") of United Spirits Limited ("USL") and the Company at their respective meetings held on December 2, 2019 considered and approved a scheme of amalgamation and arrangement (the "Scheme") in relation to the proposed merger of the Company with USL under Sections 230 to 232 and the other applicable provisions of the Companies Act, 2013 and the rules thereof. Upon completion of the merger, the non-promoter shareholders of the Company will receive 10 equity shares of USL (face value of INR 2 each) for every 47 shares (face value of INR 10 each), held by them as on the record date. The Scheme is subject to the receipt of requisite approvals from the relevant statutory authorities. The BSE Limited and the National Stock Exchange of India Limited have issued their no-objection to the draft Scheme and related documents filed, vide observation letters dated October 21, 2020 and October 22, 2020, respectively. The Company, jointly with USL, has filed an application under Sections 230 to 232 of the Companies Act, 2013 on November 27, 2020 with the National Company Law Tribunal, Bangalore ("NCLT"), and again an Interlocutory Application was filed before NCLT on April 7, 2021. The Company conducted a shareholders meeting approving the Scheme on September 30, 2021 and is currently awaiting the NCLT approval. Subsequently, a joint petition to sanction the Scheme has been filed by USL and the Company with the NCLT on October 2, 2021. The Company's petition was heard by the NCLT on August 12, 2022, and the order has been reserved.
4. The Company is entitled to certain government grants from the State of Maharashtra for setting up projects in notified rural areas under two phases. These grants are receivable in the form of VAT refunds. The Company had assessed the timing of cash inflows since initial recognition and had recognised an allowance of INR 2,162 lakhs in earlier years. Further, considering the impact of COVID-19, Management had estimated a delay in recovering the money from the State Government and accordingly, an additional allowance of INR 266 Lakhs was accounted for in the year ended March 31, 2021. Management does not foresee any further allowance in the current quarter.
5. The Company has a tie-up manufacturing agreement with USL. In terms of this agreement, the Company manufactures, under USL's supervision, brands owned and marketed by USL. Under Ind-AS 115 'Revenue from contracts with customers', the Company has assessed its relationship with USL to be that of an agent. Control of the activities rest with USL. Further, under the arrangement, the Company is entitled to bottling fees which is determined based on output and volume and has accordingly –

- a. Recorded the income under tie-up manufacturing agreement which is included in Revenue from operations as detailed below:

(INR in lakhs)

	Three Months Ended			Six Months Ended		Year Ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
Income under tie -up manufacturing agreement	300	201	242	501	462	932

- b. Gross sales, excise duty and cost of goods sold (the net impact of which is nil) as indicated below in the respect of these operations are not disclosed by the Company.

(INR in lakhs)

	Three Months Ended			Six Months Ended		Year Ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
Gross Sales	16,677	10,535	16,071	27,212	29,566	58,861
Excise Duty	(12,019)	(7,591)	(11,582)	(19,610)	(21,305)	(42,415)
Cost of goods sold	(4,658)	(2,944)	(4,489)	(7,602)	(8,261)	(16,446)
Net Impact	-	-	-	-	-	-

6. During the quarter ended September 30, 2020, the Company entered into a “Supply Agreement” with USL for sale of malt spirit including maturation thereof. As per the terms of the agreement, the evaporation loss during the maturation process is recovered from USL. In addition, subsequent outflow in connection with the evaporation loss, if any, will be reimbursed by USL. The Company has assessed the recovery of such outflow amounting to INR 20 lakhs for the quarter and INR 52 lakhs for six months to be in the nature of cost-to-cost reimbursement and not revenue.
7. The Company had filed a petition before the High Court of Bombay (Aurangabad Bench) challenging multiple demands raised by the Water Resources Department, State of Maharashtra (“WRD”) levying increased Water charges, and an interim relief against any coercive steps had been received. Subsequently, the petition was withdrawn and the Company filed an application before the appropriate authority, Primary Dispute Resolution Officer (“PDRO”). The PDRO rejected the Company’s application and confirmed the demands. Aggrieved by the PDRO order, the Company filed an appeal on the matter with Maharashtra Water Resources Regulatory Authority (“MWRRA”) and has paid INR 133.12 “under protest” to date. The Company has received further demands from WRD levying Water charges at a higher rate, along with taxes and penalties, for the period November 2018 to June 2022. Also, the appeal was decided against the Company by the MWRRA in July 2022. The Company has challenged the PDRO order, MWRRA order as well as the two Bulk Water Tariff Orders of 2018 and 2022 (which prescribe the rates for water usage), before the High Court of Bombay by way of a writ petition. The Company has been receiving further demands from the WRD for water charges at a higher rate along with other charges.

Further, the Company has received another demand letter in September 2022, whereby WRD has raised a demand towards alleged arrears of dues for prior periods until October 2018. The Company has filed a response against the demand letter stating that all the issues are under dispute before the said High Court and therefore the Company is not liable to pay any amount in the meantime.

Based on a legal opinion obtained, Management has determined that (as the Company is carrying adequate provision in the books for the probable rates of Water charges applicable to the Company) any further cash outflow on account of this matter is remote.

8. The Company did not experience any significant impact on its operations, recoverability of carrying amounts of non-current and current assets, and liquidity due to COVID 19 pandemic for the quarter and six months ended September 30, 2022. As the pandemic continues to evolve, the Company will continue to closely monitor for any material changes to future economic conditions.
9. Previous period's figures have been regrouped / reclassified to conform to the current period's presentation for the purpose of comparability.
10. This Statement of Unaudited Financial Results has been reviewed by the Audit and Risk Management Committee of the Board of Directors and approved by the Board of Directors at their respective meeting held on October 17, 2022.

Place: Dharmabad  
Date: October 17, 2022

By authority of the Board

ALOKESH  
BISWAS

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Date: 2022.10.17 16:26:52  
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Alokesh Biswas  
Managing Director  
DIN: 08756326

# Price Waterhouse & Co Chartered Accountants LLP

## Review Report

To  
The Board of Directors  
Pioneer Distilleries Limited  
Level 10, UB Tower  
#24 Vittal Mallya Road  
Bengaluru – 560 001

1. We have reviewed the unaudited financial results of Pioneer Distilleries Limited (the “Company”) for the quarter ended September 30, 2022 and the year-to-date results for the period April 1 to September 30, 2022, which are included in the accompanying “Statement of Unaudited Financial Results for the quarter and six months ended September 30, 2022”, the “Unaudited Statement of Assets and Liabilities as at September 30, 2022” and the “Unaudited Statement of Cash Flows for the six months ended September 30, 2022” together with the notes thereon (the “Statement”). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations, 2015”).
2. This Statement, which is the responsibility of the Company’s Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting”, prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Bengaluru  
October 17, 2022

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/E-300009  
**SHIVAKUMAR**  
**RAJGOPAL HEGDE**  
Shivakumar Hegde  
Partner  
Membership Number: 204627  
UDIN: 22204627AZYWWP8880

Digitally signed by SHIVAKUMAR  
RAJGOPAL HEGDE  
Date: 2022.10.17 17:28:49 +05'30'

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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E300009 (ICAI registration number before conversion was 304026E)