

21st July 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 ended 30th June 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 12th July 2022, wherein we had intimated to the Exchange, the date of Board Meeting for consideration of Unaudited Financial Results for the quarter ended 30th June 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 ended 30th June 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, are enclosed and are being uploaded on to your websites along with this letter.

The Board Meeting Commenced at 3.13 pm IST and concluded at 5.35 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 ended June 30, 2022

INR in Lakhs except for earnings per share data

PARTICULARS	3 months ended June 30, 2022	3 months ended March 31, 2022	3 months ended June 30, 2021	Year ended March 31, 2022
	Unaudited	Refer Note 9	Unaudited	Audited
1 Income				
(a) Revenue from operations	5,912	5,626	3,695	21,170
(b) Other income	75	75	75	301
Total income	5,987	5,701	3,770	21,471
2 Expenses				
(a) Cost of materials consumed	4,557	4,032	3,769	15,695
(b) Changes in inventories of work-in-progress and finished goods	244	(41)	(868)	333
(c) Employee benefits expense	538	388	376	1,615
(d) Finance costs	870	852	836	3,386
(e) Depreciation expense	878	798	842	3,437
(f) Other expenses	951	925	879	4,201
Total expenses	8,038	6,954	5,834	28,667
3 Profit / (loss) before exceptional items and taxation (1-2)	(2,051)	(1,253)	(2,064)	(7,196)
4 Exceptional items (net)	-	-	-	-
5 Profit / (loss) before taxation (3+4)	(2,051)	(1,253)	(2,064)	(7,196)
6 Income tax expense				
(a) Taxes relating to earlier years (MAT)	-	-	-	-
(b) Deferred tax charge / (credit)	-	-	-	-
(c) MAT credit utilised / (availed)	-	-	-	-
7 Profit / (loss) for the period (5-6)	(2,051)	(1,253)	(2,064)	(7,196)
8 Other comprehensive income / (loss)				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of post-employment benefit obligations	-	6	-	6
Income tax credit / (charge) relating to these items	-	-	-	-
Other comprehensive income / (loss) for the period, net of tax	-	6	-	6
9 Total comprehensive income / (loss) (7+8)	(2,051)	(1,247)	(2,064)	(7,190)
10 Paid-up equity share capital (Face value of INR 10 each)	1,339	1,339	1,339	1,339
11 Earnings / (loss) per share of INR 10 each (not annualised)				
Basic and diluted (Amounts in INR)	(15.32)	(9.36)	(15.42)	(53.75)

**PIONEER DISTILLERIES
LIMITED**

Statement of Unaudited Financial Results for the quarter ended June 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 July 14, 2022 and has been adjourned to August 3, 2022.
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			Year Ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
Income under tie-up manufacturing agreement	201	224	220	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.

	Three Months Ended			Year Ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
Gross Sales	10,535	13,693	13,495	58,861
Excise Duty	(7,591)	(9,866)	(9,723)	(42,415)
Cost of goods sold	(2,944)	(3,827)	(3,772)	(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 32 lakhs for the quarter 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 Water Resources Department, State of Maharashtra, levying increased water charges and an interim relief against any coercive steps had been received. The Company has been in appeal on the matter with Maharashtra Water Resources Regulatory Authority and the Company has paid INR 129.44 “under protest”. The Company has received further demands from the said Department levying water charges at a higher rate along with taxes and penalties for the period November 2018 to June 2022. 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. Management has considered various internal and external information available up to the date of approval of financial results in assessing the impact of COVID-19 pandemic on the Financial Results for the quarter ended June 30, 2022. Management has determined that COVID-19 is not likely to materially impact the future operations of the Company. Based on Company's own past experience with the pandemic, no material impact is expected, but the Company will continue to monitor changes in future economic conditions, as they arise.

The Company has made an assessment of its liquidity position (considering the support letter received from USL) and of the recoverability and carrying values of its assets as at June 30, 2022 and does not foresee any material impact on account of COVID-19. The Company assessed its existing controls and internal financial reporting processes and made appropriate changes, as required, in view of the situation arising due to COVID-19, which have largely been reinstated to the original controls and processes. The Company has also reviewed its contracts / arrangements and does not expect any material impact on account of non- fulfilment of the obligations by any party.

9. The figures for the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the respective financial year, which were subjected to limited review by the statutory auditors.
10. Previous period's figures have been regrouped / reclassified to conform to the current period's presentation for the purpose of comparability.
11. 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 July 21, 2022.

Place: Dharmabad
Date: July 21, 2022

By authority of the Board

ALOKESH
BISWAS
Alokesh Biswas
Managing Director
DIN: 08756326

Digitally signed by
ALOKESH BISWAS
Date: 2022.07.21
15:42:09 +05'30'

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 June 30, 2022, which are included in the accompanying “Statement of Unaudited Financial Results for the quarter ended June 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.

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

SHIVAKUMAR
RAJGOPAL HEGDE

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Date: 2022.07.21 17:18:15 +05'30'

Shivakumar Hegde
Partner

Membership Number: 204627
UDIN: 22204627ANJEKS7856

Bengaluru
July 21, 2022

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