

UNITED SPIRITS

A DIAGEO Group Company

Pioneer Distilleries Limited

Registered Office:

Roxana Towers, Ground Floor

M.No.7-1-24/1/RT/G1&G2, Greenlands

Begumpet, Hyderabad 500 016

Tel: +91 40 2970 3391

Fax: +91 80 3985 6862

www.pioneerdistilleries.com

May 10, 2017

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai 400 001

National Stock Exchange of India Limited

Exchange Plaza, Plot No.C-1, Block G,

Bandra Kurla Complex, Bandra East,

Mumbai 400 051

Dear Sirs,

Sub: Audited Financial Results for the financial year ended March 31, 2017

The accounts of the Company for the financial year ended March 31, 2017 were considered and approved at the meeting of the Board of Directors held today. The Board has not recommended any dividend on the equity shares of the Company for the year ended March 31, 2017. The Audited Financial Results including the Statement of Assets and Liabilities as at March 31, 2017 along with Auditors Report thereon received from the statutory auditors of the Company, are enclosed.

We are making arrangements to publish the above results in the newspapers in terms of the Listing Regulations.

Please take the above on your record and acknowledge the same.

Thanking you,

Yours faithfully,

for **PIONEER DISTILLERIES LIMITED**



SANTHOSH KUMAR KEERTHI

Company Secretary



Encl: as above

Part -I Statement of Standalone Audited Financial Results for the Quarter and Year ended March 31, 2017

Rs in Lakhs

S.No.	PARTICULARS	Three Months Ended			Year Ended	
		31/03/2017	31/12/2016	31/03/2016	31/03/2017	31/03/2016
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from operations	3464.39	2600.08	4906.95	11314.72	19020.38
II	Other income	2.53	0.32	0.48	3.50	1.35
	Total income (I+II) = III	3,466.92	2,600.41	4,907.43	11,318.22	19,021.73
III	Expenses					
	a) Cost of materials consumed	2,524.80	1,993.02	1,325.56	7,191.09	7,133.06
	b) Changes in Inventories of Finished goods, work in progress and Stock in trade	353.04	(151.00)	(279.30)	193.06	625.51
	c) Excise duty	3.99	9.82	4.43	14.42	37.54
	d) Employee benefit expense	449.52	316.96	298.20	1,280.52	1,128.61
	e) Finance Costs	516.78	510.16	531.00	1,931.60	2,400.60
	f) Depreciation and amortisation expense	722.95	707.41	648.15	2,732.81	2,552.76
	g) Other expenses	657.13	519.00	635.60	2,321.96	1,969.12
	Total expenses (IV)	5,228.21	3,905.38	3,163.64	15,665.47	15,847.20
V	Profit/(Loss) before exceptional items and taxation (III-IV)	(1,761.29)	(1,304.97)	1,743.80	(4,347.25)	3,174.54
VI	Exceptional items	-	-	-	-	-
VII	Profit/(Loss) before tax	(1,761.29)	(1,304.97)	1,743.80	(4,347.25)	3,174.54
VIII	Income tax expense					
	Deferred tax charge/(credit)	(640.14)	(451.65)	530.55	(1,338.87)	982.78
IX	Net profit/(Loss) after tax (9-10)	(1,121.15)	(853.32)	1,213.25	(3,008.37)	2,191.76
	Other comprehensive income/ (expenses)					
	Items that will not be reclassified to profit or loss					
	Remeasurements of post-employment benefit obligations	(11.67)	-	55.26	(11.67)	55.26
	Other comprehensive income for the year, net of tax	(11.67)	-	55.26	(11.67)	55.26
X	Total comprehensive income	(1,132.82)	(853.32)	1,268.50	(3,020.05)	2,247.01
XI	Paid-up equity share capital (Face value of Rs.10 each)	1,338.82	1,338.82	1,338.82	1,338.82	1,338.82
XII	Reserves excluding revaluation reserve as per the balance sheet of previous accounting year	-	-	-	-	(2,807.25)
XIII	Earnings per share of Rs.10 each (not annualised)					
	Basic and diluted	(8.37)	(6.37)	9.06	(22.47)	16.37

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PIONEER DISTILLERIES LIMITED

Registered Office: Roxana Towers, Ground Floor, M.No.7-1-24/1/RT/G1&G2, Greenlands, Begumpet,
Hyderabad 500 016

Tel: +91 04 66747388; Fax: +91 40 66747386

Web: www.pioneerdistilleries.com; Email: info@pioneerdistilleries.com

Corporate Identity Number: L24116AP1992PLC055108

Particulars	Rs. in Lakhs	
	As At 31/03/2017	As At 31/03/2016
	Audited	Audited
ASSETS		
Non-current assets		
Property, Plant and Equipment	16,671.84	16,417.48
Capital work - in - progress	10,808.23	3,180.25
Financial asset		
Security Deposit	140.59	65.17
Deferred tax assets (net)	5,047.25	3,703.15
Government Grant	1,860.96	1,369.69
Other non - current assets	2,572.71	2,477.21
Total-Non-current assets	37,101.57	27,212.96
Current assets		
Inventories	5,442.88	1,269.17
Financial assets		
Trade Receivables	141.92	74.28
Cash and Cash Equivalents	32.53	73.96
Others	2.51	1.22
Advance income tax (net)	57.99	57.99
Government Grant	1,544.21	7,321.32
Other current assets	2,008.86	1,041.95
Total-Current assets	9,230.89	9,839.89
Total Assets	46,332.47	37,052.85
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,341.94	1,341.94
Other Equity	(5,827.29)	(2,807.25)
Total Equity	(4,485.35)	(1,465.31)
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	1,279.39	1,587.18
Other long-term liabilities	19,990.86	18,773.74
Long-term provisions	164.43	202.16
Total non-current liabilities	21,434.68	20,563.08
Current liabilities		
Financial liabilities		
Borrowings	7,968.63	276.49
Trade Payables	2,286.64	1,266.15
Other Current financial liabilities	2,585.95	1,452.85
Other current liabilities	16,538.28	14,954.61
Short-term provisions	3.64	4.97
Total - current liabilities	29,383.14	17,955.08
Total equity and liabilities	46,332.47	37,052.85

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PIONEER DISTILLERIES LIMITED

Statement of Audited Financial Results for the quarter and year ended March 31, 2017

Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 10, 2017.
2. The Company is primarily engaged in the business of Extra Neutral Alcohol, Malt Spirit, Indian Made Foreign Liquor ('IMFL') and allied products. Since all these segments meet the aggregation criteria as per the requirements of Ind AS 108 on 'Operating segments', the management considers these as a single reportable segment.
3. The Company is entitled to government grant from the State of Maharashtra for setting up Projects in notified rural area. These grants are towards capital expenditure incurred, and are receivable mostly in the form of VAT refund.

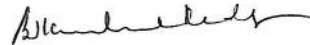
Mega Subsidy Phase I Project:

The Company is entitled to government grant of up to Rs. 14489.14 lakhs under the Mega Phase I project. Upon receipt of Eligibility Certificate, the Company has recognised Rs. Nil for the quarter ended March 31, 2017 and Rs. 1655.11 lakhs for the year ended March 31, 2017 under 'Other operating revenue' in the Statement of profit and loss. Of the total Income from government grant, Rs. 11083.97 lakhs has been received as of March 31, 2017, and the balance outstanding of Rs. 3405.17 lakhs will be received in due course and has been disclosed as Government grant.

Mega Subsidy Phase II Project:

The Company is entitled to government grant of up to Rs. 18200.00 lakhs under the Mega Phase II project. As of March 31, 2017, the Company has made a capital expenditure of Rs. 17151.11 lakhs under the Mega Subsidy Phase II Project and has made an application for government grant of Rs. 14319.45 lakhs. Pending receipt of Eligibility Certificate, the Company has deferred the recognition of Rs. 5708.81 relating to FY 2016-17 out of the aforesaid grant.

4. In terms of SEBI Circular CIR/CFD/CMD/56/2016 dated May 27, 2016, the Company hereby declares that the Auditors have issued Audit report with unmodified opinion on annual audited financial results for the year ended March 31, 2017.



5. The above results have been prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 as amended (Ind AS).
6. Beginning from April 1, 2016 the Company has for the first time adopted Ind AS with a transition date of April 1, 2015. The format for the statement of Results is prescribed in SEBI's circular CIR/CFD/FAC/62/2016 dated July 05, 2016.
- a) The reconciliation of net profit or loss reported in accordance with earlier Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

Rs. In lakhs

Particulars	Quarter ended March 31, 2016	Year ended March 31, 2016
Net Profit as reported under earlier Indian GAAP (Refer note (i) below)	1,886.10	3,423.84
Add (Less)- Adjustments for Ind AS (Refer note (ii) below)		
Fair valuation of Financial liabilities carried at amortised cost	(62.34)	(169.34)
Actuarial Gain on defined benefit schemes considered under Other Comprehensive income	(79.97)	(79.97)
Deferred taxes	(530.55)	(982.78)
Net Profit as per Ind AS	1,213.24	2,191.76
Other Comprehensive Income		
Actuarial gain on defined benefit schemes (net of tax)	55.26	55.26
Other Comprehensive Income	55.26	55.26
Total Comprehensive Income	1,268.50	2,247.01

- b) Reconciliation of equity reported under erstwhile GAAP to Ind-AS is given below:

Rs. In Lakhs

Particulars	March 31, 2016	
Share Capital	1341.94	
Other Equity as per erstwhile GAAP	(7076.02)	
Total Equity as per erstwhile GAAP (Refer note (i) below)		(5734.08)
Adjustments: (Refer note (ii) below)		
Fair valuation of Financial liabilities carried at amortised cost		565.62
Deferred tax		3703.15
Total Equity as per Ind AS		(1465.31)

for

Signature



- c) **Ind AS Adjustments:**
- (i) Accounting for manufacturing of IMFL on behalf of United Spirits Limited (USL) - Holding Company: Under Ind AS 18 on 'Revenue', there is explicit guidance on assessment of principal-agent relationships. The Company has assessed its relationship with USL and has identified that the Company acts as bottling service provider to USL for manufacture of IMFL. Accordingly, income from operations include bottling charges which were hitherto recorded as gross sales and purchases. Consequently, there was no impact as a result of these adjustments.
 - (ii) Financial liabilities carried at fair value at amortised cost with all changes in fair value recognised in the Statement of Profit and Loss. Unwinding of interest on sales tax deferred loan has been recognised as finance cost.
 - (iii) Actuarial profit on employee benefit defined plan has been re-classed to other comprehensive income (OCI) with consequential deferred tax impact.
 - (iv) Deferred tax asset has been recognised to the extent Company has reasonable certainty over future taxable profits.
7. Previous period's figures have been regrouped/ reclassified to conform to the current period's presentation for the purpose of comparability. The figures of the last quarter are the balancing figure between audited figures in respect of financial year and the published year to date figures up to the third quarter of the financial year.

Place: Bangalore

Date: May 10, 2017

By authority of the Board



B. V. Krishna Reddy

Managing Director
DIN-07293482



Independent Auditor's Report on Quarterly Standalone Financial Results and Year Ended Results of Pioneer Distilleries Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of PIONEER DISTILLERIES LIMITED

We have audited the quarterly standalone IND AS financial results of PIONEER DISTILLERIES LIMITED ('the Company') for the quarter ended 31st March, 2017 and for the year ended 31st March, 2017, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated 05th July, 2016.

This statement is the responsibility of the company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these standalone financial statements based on our audit.

These quarterly standalone financial results as well as the year ended financial results have been prepared on the basis of the standalone financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these standalone financial results based on our audit of such standalone financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (IND AS), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these quarterly standalone financial results as well as the year ended results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. 9CIR/CFD/FAC/62/2016 dated 05th July, 2016 in this regard; and
- (ii) give a true and fair view of the net loss including other comprehensive income and other financial information for the quarter ended 31st March, 2017 as well as the standalone financial results for the year ended 31st March, 2017.

Emphasis of Matter

Without qualifying, we draw an attention to Note 37 regarding the standalone financial statements of the Company having been prepared on a going concern basis, which contemplates the realisation of assets and satisfaction of liabilities in the normal course of business. The Company has been incurring losses for the past few years and its net worth has been fully eroded. Considering the projects on bottling capacity expansion and completion of malt spirit plant, the management is reasonably expecting to reverse the losses in the coming years with the committed Financial, Technical and Administrative support from the holding company. Accordingly, these financial statements have been prepared on a going concern basis.



Place: Bangalore
Date: May 10, 2017

For LODHA & CO.
Chartered Accountants
Firm Registration No: 301051E
R.P. Baradiya
R.P. Baradiya
Partner
Membership No. 44101