

Pioneer Distilleries Limited

Corporate Identity Number: L24116AP1992PLC055108

Reg. Office: UB House, Plot No.36, Street No.4, Srinagar Colony, Hyderabad 500 073

Tel: +91 40 6674 7388; Fax: +91 40 6674 7386

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

November 11, 2016

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: Unaudited Financial Results for the quarter and six months ended September 30, 2016

The Board of Directors of the Company at their meeting held today, has considered and taken on record the Unaudited Financial Results including the Statement of Assets and Liabilities of the Company in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and six months ended September 30, 2016. We forward herewith a copy thereof for your information and records along with the Limited Review Report received from the statutory auditors of the Company which was placed at the said Board Meeting.

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

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

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Part -I Statement of Standalone Unaudited Financial Results for the Quarter and six months ended 30th September 2016

Rs in Lakhs

S.No.	PARTICULARS	Three Months Ended			Year to date		
		30/09/2016	30/06/2016	30/09/2015	30/09/2016	30/09/2015	31/03/2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from Operations						
	a. Sales/ Income from Operations	1,922.20	1,617.15	2,663.32	3,539.35	5,201.99	10,797.83
	b. Other Operating Income -Government Grant	-	1,655.19	1,227.38	1,655.19	2,559.99	8,127.27
	c. Other Operating Income (including scrap sale)	38.48	17.23	10.58	55.70	26.09	95.28
	Total Income from operations (net)	1,960.68	3,289.57	3,901.28	5,250.24	7,788.06	19,020.38
2	Expenses						
	a) Cost of materials consumed	1,740.90	932.98	1,745.76	2,673.88	3,164.60	7,170.60
	b) Changes in Inventories of Finished goods, work in progress and Stock in trade	(77.09)	68.11	102.58	(8.98)	667.13	625.51
	c) Employee benefit expense	231.60	282.44	225.03	514.04	456.83	1,179.87
	d) Depreciation and amortisation expense	654.92	647.53	638.17	1,302.45	1,256.57	2,552.76
	e) Other expenses	631.73	514.10	419.55	1,145.83	926.48	1,969.12
	Total Expenses	3,182.07	2,445.15	3,131.10	5,627.22	6,471.61	13,497.86
3	Profit/(Loss) from Operations before Other Income, finance cost and Exceptional Items (1-2)	(1,221.39)	844.41	770.18	(376.98)	1,316.46	5,522.52
4	Other Income	0.32	0.32	0.29	0.65	0.58	52.61
5	Profit/(Loss) from ordinary activities before Finance Cost and exceptional items (3+4)	(1,221.07)	844.74	770.48	(376.33)	1,317.04	5,575.13
6	Finance Costs	468.79	435.87	589.08	904.66	1,257.64	2,400.60
7	Profit/(Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)	(1,689.86)	408.87	181.40	(1,280.99)	59.40	3,174.54
8	Exceptional items	-	-	-	-	-	-
9	Profit/(Loss) from ordinary activities before tax (7+8)	(1,689.86)	408.87	181.40	(1,280.99)	59.40	3,174.54
10	Tax Expenses	(340.22)	93.13	61.00	(247.09)	18.77	1,023.23
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	(1,349.64)	315.74	120.40	(1,033.90)	40.62	2,151.31
12	Other Comprehensive Income/ (Expenses)	-	-	-	-	-	52.29
13	Total Comprehensive Income	(1,349.64)	315.74	120.40	(1,033.90)	40.62	2,203.60
14	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	1,338.82
15	Reserves excluding revaluation reserves as per the balance sheet of previous accounting year						(2,453.29)
16	Earnings per Share of Rs.10 each (not annualised)						
	Basic and Diluted	(10.08)	2.36	0.90	(7.72)	0.30	16.07

Govil

Bhaskar Reddy



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Rs. in Lakhs

Particulars	As At 30/09/2016	As At 31/03/2016
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, Plant and Equipment	15,138.55	16,417.48
Capital work - in - progress	5,422.94	3,180.25
Financial asset		
Security Deposit -Electricity and Other utilities	64.96	42.06
Deferred tax assets (net)	4,304.20	4,057.12
Other non - current assets	6,182.54	3,976.92
Total-Non-current assets	31,113.19	27,673.82
Current assets		
Inventories	1,722.78	1,269.17
Financial assets		
Trade Receivables	69.59	74.28
Cash and Cash Equivalents	81.74	73.96
Others	1.86	1.22
Current tax assets (Net)	63.46	63.74
Other current assets	9,397.07	8,229.81
Total-Current assets	11,336.52	9,712.18
Total Assets	42,449.71	37,386.00
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,341.94	1,341.94
Other Equity	(3,487.19)	(2,453.29)
Total Equity	(2,145.25)	(1,111.35)
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	1,064.00	1,430.87
Other long-term liabilities	19,384.11	18,773.74
Total non-current liabilities	20,448.11	20,204.61
Current liabilities		
Financial liabilities		
Borrowings	5,508.08	276.49
Trade Payables	1,437.09	1,301.27
Other Current financial liabilities	16,116.17	16,247.15
Other current liabilities	866.58	258.39
Short-term provisions	218.93	207.13
Total - current liabilities	24,146.85	18,290.44
Total equity and liabilities	42,449.71	37,383.70

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PIONEER DISTILLERIES LIMITED

Statement of Unaudited Financial Results for the quarter and Six Months ended September 30, 2016

Notes:

1. The above results have been approved by the Board of Directors at their meeting held on 11th November 2016.
2. The Company is primarily engaged in the business of Extra Neutral Alcohol, Malt Spirit, Indian Made Foreign Liquor and allied products and 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. Accordingly, disclosure of segment information has not been furnished.
3. The reference made by the Company to the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) in compliance with Section 15 of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) has been registered as Case No. 70/2012. The matter is pending before BIFR for further orders.
4. The Company has fully utilized the entitled Government Grant of Rs. 14489.14 Lacs, mostly in the form of VAT refund, by Quarter 1 of financial year 2016-17. The same was recognised as other operating income in the statement of Profit & loss on a systemic basis over the period it accrued.
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/CMD/15/2015 dated November 30, 2015.
 - a) The reconciliation of net Profit or loss reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below:



Rs. In lakhs				
Particulars	Note	3 Months ended September 30, 2015	6 Months ended September 30, 2015	Previous Year ended March 31, 2016
Net Profit as reported under earlier Indian GAAP (Refer note (i) below)		223.73	144.07	3,423.84
Add (Less)- Adjustments for Ind AS (Refer note (ii) below)				
Fair valuation of Financial liabilities carried at amortised cost	6(c)(ii)	(42.34)	(84.67)	(169.34)
Actuarial Gain on employee benefit schemes considered under Other Comprehensive income	6(c)(iii)	-	-	(79.97)
Deferred taxes		(61.00)	(18.77)	(1,023.23)
Net Profit as per Ind AS		120.40	40.62	2,151.31
Other Comprehensive Income				
Actuarial gain on employee benefit schemes (net of tax)	6(c)(iii)	-	-	52.29
Other Comprehensive Income		-	-	52.29
Total Comprehensive Income as per Ind - AS		120.40	40.62	2,203.60

(i) The above results for the three months and six months ended September 30, 2016 and for the previous year ended March 31, 2016 have been reviewed/audited by the Company's statutory auditors.

(ii) Adjustments for Ind-AS and Other Comprehensive Income for the period presented above have been reviewed by the Company's Statutory Auditors.

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

Rs. In Lakhs		
Particulars	31st March 2016	
Share Capital	1,341.94	
Other Equity as per erstwhile GAAP	(7,076.02)	
Total Equity as per erstwhile GAAP (Refer note (i) below)		(5,734.08)
Adjustments: (Refer note (ii) below)		
Fair valuation of Financial liabilities carried at amortised cost		565.62
Deferred tax		4,057.12
Total Equity as per Ind AS		(1,111.35)

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- (i) The above results for the three months and six months ended September 30, 2016 and for the previous year ended March 31, 2016 have been reviewed/audited by the Company's statutory auditors.
- (ii) Adjustments for Ind-AS and Other Comprehensive Income for the period presented above have been reviewed by the Company's Statutory Auditors.
- c) **Ind AS Adjustments**
 - (i) Accounting for manufacturing of Indian made foreign Liquor (IMFL) on behalf of United Spirits Limited: Under Ind AS 18 on 'Revenue', there is explicit guidance on assessment of principal-agent relationships. The company has assessed its relationship with United Spirits Limited (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.

Place: Bangalore
Date: 11th November 2016



By authority of the Board


B. V. Krishna Reddy
Managing Director
DIN-07293482



LIMITED REVIEW REPORT**To The Board of Directors
Pioneer Distilleries Limited**

We have reviewed the accompanying statement of unaudited standalone financial results of **Pioneer Distilleries Limited** ('the Company') for the quarter and half year ended **September 30, 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 results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian Accounting Standards (IND AS) and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matters

Without qualifying, we draw an attention to the fact that financial statements of the Company have been prepared on the principles of a going concern basis, which contemplates the realization of assets and the 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. Necessary Orders are awaited in respect of a reference made to the Board for Industrial and Financial Reconstruction, process has been initiated in this regard by the management. Considering the setting up of bottling and malt spirit projects, benefits arising therefrom in the coming years and further expansion thereon being on course, 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.

**For Lodha and Company
Chartered Accountants
ICAI Firm Registration No. 301051E**


**R.P. Baradiya
Partner
Membership No. 44101**

**Place : Bengaluru
Date : November 11, 2016**

