

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

August 05, 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 ended June 30, 2016

The Board of Directors of the Company at their meeting held today, has considered and taken on record the Unaudited Financial Results of the Company in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended June 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

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 ended **June 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 : August 5, 2016



PIONEER DISTILLERIES LIMITED
Registered Office: UB House, Plot No. 36, Street No. 4, Srinagar Colony, Hyderabad - 500073
Corporate Identity Number: L24116AP1992PLC055108

Part -I Statement of Standalone Unaudited Financial Results for the Quarter ended 30th June 2016

Amount in Rs Lacs

S.No.	PARTICULARS	Three Months Ended			Year Ended
		30/06/2016	31/03/2016	30/06/2015	31/03/2016
		Unaudited	Unaudited	Unaudited	Unaudited
1	Part-I				
	Income from Operations	1617.23	1734.88	2538.75	10797.83
	Less: Excise Duty	7.67	4.43	9.25	37.54
	a. Net Sales/ Income from Operations (Net of excise duty)	1,609.56	1,730.45	2,529.50	10,760.29
	b. Other Operating Income -Government Grant	1,655.13	3,117.02	1,332.53	8,127.27
	c. Other Operating Income (including scrap sale)	25.82	55.06	15.50	95.28
	Total Income from operations (net)	3,290.52	4,902.52	3,877.54	18,982.84
2	Expenses				
	a) Cost of materials consumed	933.93	1,325.56	1,716.57	7,133.06
	b) Changes in Inventories of Finished goods, work in progress and Stock in trade	68.11	(279.30)	257.57	625.51
	c) Employee benefit expense	282.44	349.46	231.80	1,179.87
	d) Depreciation and amortisation expense	647.53	648.15	618.40	2,552.76
	e) Other expenses	521.63	628.50	507.01	1,969.12
	Total Expenses	2,453.63	2,672.36	3,331.35	13,460.32
3	Profit/(Loss) from Operations before Other Income, finance cost and Exceptional Items (1-2)	836.89	2,230.16	546.18	5,522.52
4	Other Income	0.32	51.74	0.29	52.61
5	Profit/(Loss) from ordinary activities before Finance Cost and exceptional items (3+4)	837.21	2,281.90	546.48	5,575.13
6	Finance Costs	428.34	538.10	668.48	2,400.60
7	Profit/(Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)	408.87	1,743.80	(122.00)	3,174.54
8	Exceptional items	-	-	-	-
9	Profit/(Loss) from ordinary activities before tax (7+8)	408.87	1,743.80	(122.00)	3,174.54
10	Tax Expenses	141.50	603.49	(42.22)	1,098.64
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	267.37	1,140.30	(79.78)	2,075.89
12	Other Comprehensive Income/ (Expenses)	-	52.29		52.29
13	Total Comprehensive Income	267.37	1,192.59	(79.78)	2,128.18
14	Paid-up Equity share capital (Face value of Rs.10 each)	1,338.82	1,338.82	1,338.82	1,338.82
15	Earnings per Share of Rs.10 each (not annualised)				
	Basic and Diluted	2.00	8.52	(0.60)	15.51

Signature



PIONEER DISTILLERIES LIMITED
Unaudited Financial Results for the quarter ended June 30, 2016

Notes:

1. The above results have been approved by the Board of Directors at their meeting held on 5th August 2016.
2. The Company is primarily engaged in the business of Extra Neutral Alcohol, Malt Spirit, Indian Made Foreign Liquor and allied products. The company considers and reviews performance based on these segments. Since 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 was entitled to a Government Grant up to Rs. 14489.14 Lacs mostly in the form of VAT refund from the State of Maharashtra and which is being recognised as other operating income in the statement of Profit & loss on a systemic basis over the period it accrues. Until June 16, the Company has recognised Grant aggregating to Rs. 14489.14 Lacs (including Rs. 1655.13 Lacs for Quarter ended June-16; Rs. 8127.27 Lacs for the year ended 31st March 2016).
5. (a). The Company has adopted Indian Accounting Standard (Ind-AS) from April 1, 2016 and accordingly, these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind-AS 34-Interim Financial Reporting prescribed under section 133 of The Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- 5 (b). The format for the Statement of Results is prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015. Further, pursuant to the exemption available vide SEBI circular No.CIR/CFD/FAC/62/2016 dated July 5, 2016, the line item - "Reserves (excluding Revaluation Reserves), as per Balance sheet of the previous accounting year ended March 31, 2016" has not been disclosed.
- 5 (c). Reconciliation of results between previously reported (referred to as "Previous GAAP") and Ind-AS for the previous year are presented as under:



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Amount Rs. Lacs

Particulars	Note	Q4 2015-16			Q1-2015-16			FY 2015-16		
		IGAAP	IND AS	Diff	IGAAP	IND AS	Diff	IGAAP	IND AS	Diff
Sales	i	3060.6	1730.4	1330.1	3114.9	2529.5	585.4	14288.0	10760.3	3527.7
Other Operating Income		55.1	55.1	0.0	15.4	15.4	0.0	95.3	95.3	0.0
Total Income		3115.6	1785.5	1330.1	3130.3	2544.9	585.4	14383.3	10855.6	3527.7
COGS	i	2376.4	1046.3	1330.1	2559.0	1974.1	584.9	11285.7	7758.6	3527.1
Pers & Other OH		978.0	978.0	0.0	739.3	738.8	0.5	3149.6	3149.0	0.6
Total		3354.3	2024.2	1330.1	3298.3	2712.9	585.4	14435.3	10907.6	3527.7
EBDITA before Govt. Grant		-238.7	-238.7	0.0	-168.0	-168.0	0.0	-52.0	-52.0	0.0
Subsidy Income		3117.0	3117.0	0.0	1332.5	1332.5	0.0	8127.3	8127.3	0.0
EBDITA after Govt. Grant		2878.3	2878.3	0.0	1164.5	1164.5	0.0	8075.3	8075.3	0.0
Depreciation		648.1	648.1	0.0	618.4	618.4	0.0	2552.8	2552.8	0.0
EBIT		2230.2	2230.2	0.0	546.1	546.1	0.0	5522.5	5522.5	0.0
Other Income	ii	131.7	51.7	80.0	0.3	0.3	0.0	132.6	52.6	80.0
Finance Cost	iii	495.8	538.1	-42.3	626.1	668.5	-42.3	2231.3	2400.6	-169.3
PBT		1866.1	1743.8	122.3	-79.7	-122.1	42.4	3423.8	3174.5	249.3
Tax		0.0	603.5	-603.5	0.0	-42.2	42.2	0.0	1098.6	-1098.6
PAT		1866.1	1140.3	725.8	-79.7	-79.8	0.1	3423.8	2075.9	1347.9
OCI/ (OCE)	ii	0.0	52.3	-52.3	0.0	0.0	0.0	0.0	52.3	-52.3
Total Comprehensive Income		1866.1	1192.6	673.5	-79.7	-79.8	0.1	3423.8	2128.2	1295.7

- 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 at the profit for the year as a result of these adjustments.
- ii) **Actuarial profit on employee benefit defined plan** has been re-classed to other comprehensive income (OCI) with consequential deferred tax impact.
- iii) **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. Unwinding of interest on sales tax deferred loan has been recognised as finance cost.

By authority of the Board


 B. V. Krishna Reddy
 Managing Director
 DIN-07293482

Place: Bangalore
 Date: 5th August 2016

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