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INDIA

Pioneer Distilleries limited
Subsidiary of United Spirits Limited

Registered Office:
UB Tower, Level 10
#24 Vittal Mallya Road,
Bengaluru 560 001
Tel: +91 80 2221 0705
Fax: +91 80 3985 6862
info@pioneerdistilleries.com

July 18, 2019

BSE Limited,
(Regular Office & Corporate Relations Dept.)
Dalal street, Mumbai 400 001
Scrip Code: 531879

Notional Stock Exchange of Indio Ltd
Exchange Plaza, C-1 Block G,
Bandra Kurio Complex,
Bandra East, Mumbai- 400051
Scrip Code: PIONDIST

Dear Sir/Madam,

Sub: Intimation of unaudited results for the quarter and three months ended June 30, 2019.

The Board of Directors of the Company at their meeting held today, considered and have token on record the Unaudited financial results of the Company for the Quarter and three months ended June 30, 2019 ("UFR"). The Limited Review Report (LRR) thereon received from Statutory Auditors of the Company was placed at the said Meeting. UFR along with the LRR in respect of this UFR are being uploaded on to your websites along with this letter.

Thanking you,

Yours faithfully,

for **Pioneer Distilleries Limited**

B L Akshara
Company Secretary

Encl as above

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: L24116TG1992PLC055108

Statement of Unaudited Financial Results for the quarter ended June 30, 2019

INR in Lakhs except for earnings per share data

	PARTICULARS	3 months ended June 30, 2019	3 months ended March 31, 2019 (Refer Note 6)	3 months ended June 30, 2018	Previous year ended March 31, 2019
		Unaudited	Audited	Unaudited	Audited
1	**Income**				
	(a) Revenue from operations	4,316	3,345	3,131	13,838
	(b) Government grant (refer note 3)	-	-	-	-
	(c) Other income	85	210	76	437
	Total income	**4,401**	**3,555**	**3,207**	**14,275**
2	**Expenses**				
	(a) Cost of materials consumed	3,109	3,237	2,859	11,612
	(b) Changes in inventories of work in progress and finished goods	303	(783)	(972)	(2,256)
	(c) Employee benefit expense	279	196	255	1,015
	(d) Finance costs	910	803	669	2,936
	(e) Depreciation expense	1,157	1,168	1,231	4,861
	(f) Other expenses:				
	(i) Allowance for government grant (refer note 3)	-	1,686	-	2,686
	(ii) Others	787	728	769	3,128
	Total expenses	**6,545**	**7,035**	**4,811**	**23,982**
3	**Profit / (loss) before exceptional items and taxation (1-2)**	**(2,144)**	**(3,480)**	**(1,604)**	**(9,707)**
4	Exceptional items (net)	-	-	-	-
5	**Profit / (loss) before taxation (3+4)**	**(2,144)**	**(3,480)**	**(1,604)**	**(9,707)**
6	Income tax expense				
	(a) Current tax [Minimum Alternative Tax (MAT)]	-	-	-	-
	(b) Taxes relating to earlier years (MAT)	-	(48)	-	131
	(c) Deferred tax charge/(credit) (Refer Note 4)	6,022	(1,058)	(496)	(2,999)
	(d) MAT credit utilised/ (availed)	-	48	-	(131)
7	**Profit / (loss) for the period (5-6)**	**(8,166)**	**(2,422)**	**(1,108)**	**(6,708)**
8	**Other comprehensive income/ (loss) (net of income tax)**				
	Items that will not be reclassified to profit or loss				
	Remeasurements of post-employment benefit obligations	(5)	(21)	-	(21)
	Income tax credit/(charge) relating to these items	-	8	-	8
	Total other comprehensive income/ (loss) for the year, net of tax	**(5)**	**(13)**	**-**	**(13)**
9	**Total comprehensive income/ (loss) (7+8)**	**(8,171)**	**(2,435)**	**(1,108)**	**(6,721)**
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)	(60.99)	(18.09)	(8.27)	(50.10)

PIONEER DISTILLERIES LIMITED

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN:304026E/E-300009
Bangalore

PIONEER DISTILLERIES LIMITED

Statement of Unaudited Financial Results for the quarter ended June 30, 2019

Notes:

1. Pioneer Distilleries Limited ('the Company') is primarily engaged in the business of manufacturing and selling Extra Neutral Alcohol, Malt Spirit, Indian Made Foreign Liquor ('IMFL') and allied products. Since the entire business of the Company is evaluated and reviewed by 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.

   The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company has completed the evaluation of its leasing arrangements. The impact on adoption of the Indian Accounting Standard 116 on the results for the quarter ended June 30, 2019 is not material.

3. 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. During previous year, the Company had received a communication amending certain terms of eligibility ('Amended Sanction Letter'). The Company had carried out an internal assessment supported by a legal opinion in respect of the above and had filed a revised claim. Subsequently, the said Amended Sanction Letter had been further revised by the concerned Government department restoring certain terms that were amended earlier. Consequently, the Company had recognised an allowance of INR 1,000 lakhs as expected credit loss on account of impairment during the quarter ended September 30, 2018. Further, the Company had reassessed the timing of cash inflows since initial recognition and had recognised an additional allowance of INR 1,686 lakhs during the quarter ended March 31, 2019.

4. During the month of June 2019, management undertook a detailed technical review of plant operations and processes. Based on the recommendations of this review, it is proposed to augment manufacturing infrastructure and processes which involves capital and overhauling spends resulting in temporary reduction in production volumes. Accordingly, the future business plans and projected profits have been re-evaluated. Further, in light of reduction in production volumes and increase in cost of materials, overheads and interest, the Company's ability to earn sufficient taxable profits is likely to be impeded resulting in probable non utilisation of deferred tax assets (including MAT credit) against unused tax losses and therefore, as a matter of prudence, deferred tax assets amounting to INR 6,022 lakhs (including MAT credit of INR 1,168 lakhs) have been written-off during the quarter.

PIONEER DISTILLERIES LIMITED

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5. The Company has a tie-up manufacturing agreement with United Spirits Limited ('USL'), the holding company. In terms of this agreement, the Company manufactures, under USL's supervision, brands owned and marketed by USL. Under Ind-AS 115 on '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, 2019	March 31, 2019	June 30, 2018	March 31, 2019
Income	105	121	84	468

   b. not disclosed 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:

INR in lakhs

	Three Months Ended			Year Ended
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
Gross sales	12,240	14,217	9,634	54,814
Excise duty	(8,812)	(10,247)	(6,785)	(39,054)
Cost of goods sold	(3,428)	(3,970)	(2,849)	(15,760)
Net impact	-	-	-	-

6. Figures for quarter ended March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year and the published year-to-date figures up to third quarter of the relevant financial year ended March 31, 2019 i.e. December 31, 2018.

7. Previous period's figures have been regrouped/ reclassified to conform to the current period's presentation for the purpose of comparability.

8. 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 meetings held on July 18, 2019.

PIONEER DISTILLERIES LIMITED

By authority of the Board

Ravi Varma
Managing Director
DIN: 02168293

Place: Bengaluru
Date: July 18, 2019

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The Board of Directors
Pioneer Distilleries Limited
UB Tower, Level 10
#24, Vittal Mallya Road
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Independent Auditor's Report on Review of Interim Results for the quarter ended June 30, 2019

1. We have reviewed the unaudited financial results of Pioneer Distilleries Limited (the "Company") for the quarter ended June 30, 2019 which are included in the accompanying 'Statement of Unaudited Financial Results for the quarter ended June 30, 2019 (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes.

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" ("Ind AS 34"), 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 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 Statement is free of material misstatement.

4. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

5. 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 applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, 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
Chartered Accountants

Gautam Dharamshi
Partner
Membership Number: 042393
UDIN: 19042393AAAAAB5395

Bengaluru
July 18, 2019