

## **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](http://www.pioneerdistilleries.com) Email: [info@pioneerdistilleries.com](mailto:info@pioneerdistilleries.com)

### **Notice**

**Notice is hereby given of the twenty second Annual General Meeting (“AGM”)** of Pioneer Distilleries Limited (the “Company”) to be held at Hotel Green Park, Greenlands, Begumpet, Hyderabad 500 016 on Wednesday, September 30, 2015 at 12.00 Noon for the following purposes:

#### **Ordinary Business:**

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended March 31, 2015, the Balance Sheet as at that date and the Reports of the Directors and Auditors;
2. To ratify the appointment of Statutory Auditors and to fix their remuneration.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**RESOLVED** that pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, the appointment of M/s. Lodha & Co, Chartered Accountants (Firm Registration Number: 301051E) as the Statutory Auditors of the Company, which has been approved at the Annual General Meeting held on September 26, 2014, to hold office from the conclusion of 21<sup>st</sup> AGM till the conclusion of the 23<sup>rd</sup> AGM, be and is hereby ratified and the Board of Directors be and is hereby authorized to fix their remuneration.

#### **Special Business:**

To consider and if thought fit, to pass with or without modification(s), the following Resolutions:

#### **3. As an Ordinary Resolution:**

##### **Appointment of Mr. Vinod Rao as a Director:**

**RESOLVED** that Mr. Vinod Rao (DIN: 01788921), who was appointed as an Additional Director by the Board of Directors of the Company and whose period of office expires on the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

#### **4. As an Ordinary Resolution:**

##### **Appointment of Ms. Mamta Sundara as a Director:**

**RESOLVED** that Ms. Mamta Sundara (DIN: 05356182), who was appointed as an Additional Director by the Board of Directors of the Company and whose period of office expires on the date of this

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Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

### 5. As an Ordinary Resolution:

#### **Appointment of Mr. R. Krishnamurthy as an Independent Director:**

**RESOLVED** that pursuant to the provisions of Sections 149, 150 (2), 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. R. Krishnamurthy (DIN: 06940830), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five years from July 13, 2015 to July 12, 2020, who shall not be liable to retire by rotation.

### 6. As an Ordinary Resolution:

#### **Approval of agreements for tie-up manufacture of Indian Made Foreign Liquor products and licensing of trade marks therefor, both dated September 2, 2013, between the Company and United Spirits Limited, which is an existing material related party transaction entered into by the Company, and increase in retention charges payable to the Company:**

**RESOLVED** that in compliance with and subject to the provisions of the Companies Act, 2013 and the rules made thereunder, the equity listing agreements entered into by the Company with the Stock Exchanges and applicable circulars and regulations issued by the Securities and Exchange Board of India (including circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014), as may be applicable, the agreements for tie-up manufacture of Indian Made Foreign Liquor ("IMFL") products and licensing of trade marks therefor, both dated September 2, 2013, entered into by the Company with United Spirits Limited be and are hereby approved.

**Further RESOLVED** that in compliance with and subject to the provisions of the Companies Act, 2013 and the rules made thereunder, the equity listing agreements entered into by the Company with the Stock Exchanges and applicable circulars and regulations issued by the Securities and Exchange Board of India (including circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014), as may be applicable, and subject to such other approvals, permissions and sanctions as may be necessary and such conditions or modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company and subject to the provisions of the Memorandum and Articles of Association of the Company, the increase in retention charges payable to the Company under the agreement for tie-up manufacture of IMFL dated September 2, 2013 between the Company and United Spirits Limited, such increase ranging from Rs.5 per case to Rs.10 per case over the existing rates with United Spirits Limited, be and is hereby approved.

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**Further RESOLVED** that the Board is hereby authorised to do, perform or cause to be done all such acts, deeds, matters and things as may be necessary or desirable, and to do all other acts and things as may be incidental, necessary or desirable to give effect to the above resolutions.

**Further RESOLVED** that the Board is hereby authorised to delegate all or any of its powers conferred by the above resolutions to any director or directors or any other officer or officers of the Company to give effect to the aforesaid resolutions.

### 7. As a Ordinary Resolution:

**Approval of arrangements for the sale of Extra Neutral Alcohol by the Company to United Spirits Limited from time to time during the financial years ending March 31, 2015 and March 31, 2016:**

**RESOLVED** that in compliance with and subject to the applicable provisions of the Companies Act, 2013 and the rules made thereunder, the equity listing agreements entered into by the Company with the Stock Exchanges and applicable circulars and regulations issued by the Securities and Exchange Board of India (including circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014), as may be applicable, and subject to such other approvals, permissions and sanctions as may be necessary and such conditions or modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company and subject to the provisions of the Memorandum and Articles of Association of the Company, approval of the shareholders be and is hereby accorded to the Company entering into arrangements for the sale of Extra Neutral Alcohol by the Company to United Spirits Limited from time to time during the financial years ending March 31, 2015 and March 31, 2016 .

**Further RESOLVED** that the Board is hereby authorised to do, perform or cause to be done all such acts, deeds, matters and things as may be necessary or desirable, and to do all other acts and things as may be incidental, necessary or desirable to give effect to the above resolution.

**Further RESOLVED** that the Board is hereby authorised to delegate all or any of its powers conferred by the above resolutions to any director or directors or any other officer or officers of the Company to give effect to the aforesaid resolutions.

By Order of the Board,

Bangalore  
September 03, 2015

**SANTHOSH KUMAR KEERTHI**  
Company Secretary

### NOTES:

1. Please refer to the explanatory statement given hereunder.

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**2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF ONLY ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Pursuant to the provisions of Section 105 of the Companies Act, 2013 and rules made thereunder, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

The proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time appointed for holding of the AGM.

3. The Transfer Books and Register of Members will remain closed from September 23, 2015 to September 30, 2015 (both days inclusive).
4. Members are requested to intimate immediately to the Company's Registrars and Transfer Agents, M/s. Venture Capital and Corporate Investments Private Limited, Regd. Office: 12-10-167, Bharat Nagar, Hyderabad 500 018, in case of physical form and to their respective Depository Participants, in case of shares held in dematerialized/electronic form:
  - a. any change in their registered addresses along with PIN Code Number;
  - b. details about their email addresses, if any, so that all notices and other statutory documents which are required to be sent to the Members, as per the provisions of the Companies Act, 2013, can be sent to their email addresses; and
  - c. details about their bank account number, name of the bank, bank's branch name and address to enable the Company to draw dividend warrant payable accordingly.
5. Members holding shares in the same name or same order of names under different ledger folios are requested to apply for consolidation of such folios, to the Company's Registrars and Transfer Agents, at the address as stated in Note No.4 above.
6. Members may please address all their documents/correspondence relating to the equity shares of the Company directly to the Company's Registrars and Transfer Agents, at the address as stated in Note No.4 above.
7. Nomination facility for shares is available for Members. The prescribed format in this regard can be obtained from the Company's Registrars and Transfer Agents, at the address as stated in Note No.4 above.

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8. The Company's equity shares are under compulsory dematerialisation. Accordingly, trading of these shares through the Stock Exchanges would be facilitated if the share certificates are dematerialised. Members having the physical share certificates are advised to consider opening of a Demat Account with an authorised Depository Participant and arrange for dematerialising their shareholdings in the Company.
9. In terms of Section 205A and 205C of the Companies Act, 1956, the amount of dividend declared for the financial year 2007-08 and thereafter remaining unclaimed for a period of seven years from the due date of payment shall hereafter be transferred to the Investor Education and Protection Fund on the respective due dates.
10. Members may kindly note that once the Unclaimed/Unpaid Dividend is transferred to the Fund, no claim shall lie against the Fund or the Company in respect of the individual amounts which were Unclaimed and Unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claim.
11. Members attending the AGM are requested to bring with them the following:
  - a. Members holding shares in dematerialized form, their DP & Client ID Numbers.
  - b. Members holding shares in physical form, their Folio Numbers.
  - c. Copy of the Annual Report and Notice, as no copies thereof would be distributed at the AGM.
  - d. The Attendance Slip duly completed and signed in terms of specimen signature lodged with the Company.

The Company would accept only the Attendance Slip from a member actually attending the AGM; or from the person attending as a proxy under a valid proxy form registered with the Company not less than 48 hours prior to the AGM. Attendance Slips of Members/valid proxies not personally present at the AGM, or relating to Proxies which are invalid, will not be accepted from any other member/person.

The AGM is for members or their proxies only. Please avoid being accompanied by non-members/children.

12. The Company has designated an exclusive email id viz., [pdlinvestor@unitedspirits.in](mailto:pdlinvestor@unitedspirits.in) to enable the investors to post their grievances and monitor its redressal.
13. Corporate members are required to send to the Company a certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the AGM.
14. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administrations) Rules, 2014, the Company is pleased to provide to Members with a facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through electronic voting (e-voting) services provided by National Securities Depository Limited (NSDL):

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15. The instructions for e-voting are as under:

- (i) Members whose shareholding is in the Dematerialisation form and whose e-mail addresses are registered with the Company / Depository Participants will receive an email from NSDL informing User ID and Password:
  - (a) Open e-mail and open PDF file titled “PDL E-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
  - (b) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
  - (c) Click on “Shareholder” – “Login”.
  - (d) Type your user ID and initial password as mentioned in Step (a) above.
  - (e) Click Login.
  - (f) Password change menu appears, change the password with the new password of your choice with minimum of 8 digits / characters or a combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (g) Home page of “e-Voting” opens. Click on “e-Voting”: Active Voting Cycles.
  - (h) Select “EVEN” of Pioneer Distilleries Limited.
  - (i) Now you are ready for “e-Voting” as “Cast Vote” page opens.
  - (j) Cast your vote by selecting the appropriate option and click on “Submit” and also “Confirm” when prompted.
  - (k) Upon confirmation, the message “Vote cast successfully” will be displayed.
  - (l) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (m) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.,) are required to send scanned copy (PDF/JPG format) of the relevant board resolution / authority letter etc. together with an attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer by an e-mail to [pdlscriutinizer@gmail.com](mailto:pdlscriutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- (ii) For Members whose shareholding is in the Dematerialisation form and whose e-mail address is not registered with the Company / Depository Participants, Members holding shares in Physical form as well as those Members who have requested for a physical copy of the Notice and Annual Report, the following instructions may be noted:
  - I. Initial password is provided at the bottom of the Attendance Slip for the AGM: EVEN (e-Voting Event Number) USER ID and PASSWORD.
  - II. Please follow all steps from paragraph (b) to (m) above to cast your vote;

16. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

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17. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot Password” option available on the site to reset the password.
18. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
19. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
20. The e-voting period commences on September 27, 2015 (10:00 a.m.) and ends on September 29, 2015 (5:00 p.m.). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 22, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
21. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 22, 2015.
22. Mr. Depuru Raghavendar Rao, Company Secretary in Practice (CP - 13407; Address: Flat No.113, Block B, Sri Datta Sai Commercial Complex, Opp: Sathagiri Theatre, RTC ‘X’ Roads, Hyderabad 500 020) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
23. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
24. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website - [www.pioneerdistilleries.com](http://www.pioneerdistilleries.com) and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
25. Documents referred to in this Notice and the accompanying Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 a.m. to 5.00 p.m.) on all working days except Saturdays, up to and including the date of the AGM of the Company.

## **STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No.3: Appointment of Mr. Vinod Rao as a Director:**

Mr. Vinod Rao (DIN: 01788921) was appointed as an Additional Director w.e.f. May 20, 2015 in accordance with the provisions of Sections 149, 152, 160 and 161 of the Companies Act, 2013 and



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Articles of Association of the Company. In accordance with the provisions of Section 161 of Companies Act, 2013, Mr. Vinod Rao shall hold office up to the date of this AGM. The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying its intention to propose his appointment.

Mr. Vinod Rao has 29 years of professional experience in Asia/Middle East spanning three global companies – Akzo Nobel India Limited (previously known as ICI India), PepsiCo and Diageo, across a diverse range of businesses such as FMCG, consumer durables, and chemical and industrial products.

Mr. Vinod Rao has joined Diageo in July 2013 as Finance Director of Asia Pacific responsible for all aspects of the finance function comprising performance management, compliance, and regional strategy for the region. Prior to that, Mr. Vinod Rao has spent 14 years at PepsiCo across India, China and Hong Kong with his last role being CFO, PepsiCo Asia Pacific. He has spent 13 years at ICI India, in his last role there as CFO, Paints, he was responsible for finance, supply chain and procurement functions. Mr. Vinod Rao has stepped in as Interim Head of Finance of United Spirits Limited (USL), while continuing in his role as Finance Director, Diageo Asia Pacific.

No director, key managerial personnel or their respective relatives, except Mr. Vinod Rao, to whom the resolution relates, is interested or concerned, financially or otherwise, in the resolution.

Mr. Vinod Rao does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Your Directors recommend the above resolution for your approval.

### **Item No.4: Appointment of Ms. Mamta Sundara as a Director:**

Ms. Mamta Sundara (DIN: 05356182) was appointed as an Additional Director of the Company w.e.f. April 13, 2015 in accordance with the provisions of Sections 149, 152, 160 and 161 of the Companies Act, 2013 and Articles of Association of the Company. In accordance with the provisions of Section 161 of Companies Act, 2013, Ms. Mamta Sundara shall hold office up to the date of this AGM. The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying its intention to propose her appointment.

Ms. Mamta Sundara has 16 years of experience as a legal professional working in India, Singapore and London across a diverse range of businesses including telecom and consumer durables. Ms. Mamta Sundara has joined USL as the General Counsel in February 2015. Prior to that, she has spent 6 years in various roles in Diageo across London, Mumbai and Bangalore, with her last role providing support to the strategy and standards work done within USL. Prior to Diageo, Ms. Mamta Sundara has spent 4 years based in Singapore and providing support all legal aspects for the South East Asia business of the Global Services division of British Telecom.

No director, key managerial personnel or their respective relatives, except Ms. Mamta Sundara, to whom the resolution relates, is interested or concerned, financially or otherwise, in the resolution.



Ms. Mamta Sundara does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

Your Directors recommend the above resolution for your approval.

**Item No.5: Appointment of Mr. R. Krishnamurthy as an Independent Director:**

In compliance with the provisions contained in clause 49 of the listing agreement entered into with the stock exchanges, the Board of Directors of the Company (Board) had appointed Mr. R. Krishnamurthy (DIN: 06940830), as an additional director of the Company in the capacity of Independent Director on July 13, 2015 not liable to retire by rotation.

In accordance with the provisions of Section 161 of Companies Act, 2013, Mr. R. Krishnamurthy shall hold office up to the date of this AGM and is eligible to be appointed as an Independent Director for a term up to five years. The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying its intention to propose his appointment for a period of five years.

Mr. R. Krishnamurthy has completed his Graduation in Commerce, Science and Law. He is also a member of the Institute of Company Secretaries of India. He has a rich experience in Compliance of various Laws and Administration. Mr. R. Krishnamurthy possess relevant experience and knowledge in the field of Law and Administration. Presently, Mr. R. Krishnamurthy practices as an Advocate in the High Court of Karnataka.

Mr. R. Krishnamurthy, is independent of the management and has submitted declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mr. R. Krishnamurthy fulfill the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and he has considerable experience and knowledge in his respective field to enable the Board to discharge his functions and duties efficiently.

A formal letter of his appointment as an Independent Director setting out the terms and conditions is available on the Company's website [www.pioneerdistilleries.com](http://www.pioneerdistilleries.com) and would also be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on working days except Saturdays, up to the date of the AGM.

No director, key managerial personnel or their respective relatives, except Mr. R. Krishnamurthy, to whom the resolution relates, is interested or concerned, financially or otherwise, in the resolution.

Mr. R. Krishnamurthy does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Your Directors recommend the above resolution for your approval.

**Item Nos. 6 and 7: Approval of certain related party transactions:****Requirement of approval of material related party transactions**

In terms of Clause 49(VII) the equity listing agreements (“Listing Agreement”) entered into by the Company with the stock exchanges and applicable circulars and regulations issued by the Securities and Exchange Board of India (“SEBI”) (including circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 (“April 17 Circular”), circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 (“September 15 Circular”) and Regulation 23(4) read with Regulation 1(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”)), any material related party transaction requires the approval of the shareholders of the Company by way of an ordinary resolution.

An entity will be a “related party” of a company in terms of the Listing Agreement if it falls within the definition of “related party” either under Section 2(76) of the Companies Act, 2013 or under the applicable accounting standards. Since USL is the holding company of the Company, it is a “related party” of the Company as per Section 2(76)(viii)(A) of the Companies Act, 2013.

Further, a transaction with a related party shall be considered “material” if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of a company as per the last audited financial statements of the company. The aggregate value of the agreements and/or arrangements in Item Nos. 6 and 7 in the financial year ending March 31, 2016 may exceed 10% of the annual consolidated turnover of the Company in the previous financial year. Therefore, approval of the shareholders by way of ordinary resolution in respect of such agreements and/or arrangements is being sought by way of abundant caution and as a proactive measure. For the sake of clarity, all the agreements and/or arrangements in Item Nos. 6 and 7 are in the ordinary course of the Company’s business and on an arm’s length basis, and therefore do not require the approval of the shareholders under the applicable provisions of the Companies Act, 2013 (including but not limited to Section 188 and the rules made thereunder).

The April 17 Circular issued by SEBI further provides that all existing material related party contracts or arrangements as on the date of that circular (i.e. April 17, 2014) which are likely to continue beyond March 31, 2015, shall be placed for approval of the shareholders of the Company in the first general meeting of the Company held subsequent to October 1, 2014. The Annual General Meeting of the shareholders of the Company proposed to be convened on September 30, 2015 would be the first general meeting of the Company to be held subsequent to October 1, 2014.

Accordingly, in order to comply with the requirement under the April 17 Circular (read with Regulations 23(4) and 1(2) of the SEBI LODR Regulations), approval of the shareholders of the Company by way of ordinary resolution is being sought for the agreements listed in Item No.6 of this Notice which the Company had previously entered into with USL prior to April 17, 2014, and which are valid and subsisting as on the date of this Notice.