

## Pioneer Distilleries Limited

Corporate Identity Number: L24116TG1992PLC055108  
Reg. Office: Roxana Towers, Ground Floor, M.No.7-1-24/1RT/G1&G2,  
Greenlands, Begumpet, Hyderabad 500 016  
Tel: +91 40 2970 3391, +91 80 3964 2207; Fax: +91 80 3985 6862  
Web: [www.pioneerdistilleries.com](http://www.pioneerdistilleries.com) Email: [info@pioneerdistilleries.com](mailto:info@pioneerdistilleries.com)

### Notice

**Notice is hereby given of the twenty fourth Annual General Meeting (“AGM”)** of Pioneer Distilleries Limited (the “Company”) to be held at Hotel Green Park, Greenlands, Begumpet, Hyderabad 500 016 on Friday, July 28, 2017 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, 2017, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon;
2. To appoint a Director in place of **Ms. Mamta Sundara (DIN: 05356182)**, who retires by rotation and being eligible, offers herself for re-appointment;
3. Appointment of Price Waterhouse & Co Chartered Accountants LLP (FRN304026E/ E-300009) as Statutory Auditors of the Company in place of Lodha & Co., Chartered Accountants 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, 140, 141, 142 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, and pursuant to the recommendation of the Audit Committee of the Board of Directors, M/s. Price Waterhouse & Co Chartered Accountants LLP, (FRN 304026E/ E-300009), be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of the twenty ninth AGM, subject to ratification of the appointment by the members at every AGM held after this AGM and that the Board of Directors be and are hereby authorized to fix such remuneration as may be recommended by the Audit Committee in consultation with the Auditors.

Special Notice in terms of Section 140(4)(i) read with Section 115 of the Companies Act, 2013.

A special notice in terms of Section 115 has been received in terms of Section 140(4)(i) of the Companies Act, 2013 from a member proposing the appointment of M/s Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants, as Auditors of the Company in place of M/s. Lodha & Co., Chartered Accountants, who have informed the Company that they do not wish to continue as statutory auditors of the Company with effect from the conclusion of Annual General Meeting of the Company to be held on July 28, 2017.

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### 4. As an Ordinary Resolution:

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

#### **Approval of arrangements for payment of guarantee commission to United Spirits Limited:**

**RESOLVED** that pursuant to the recommendation by the Audit Committee and the Board of Directors of the Company and in compliance with and subject to the applicable provisions of the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 for entering into the arrangement with United Spirits Limited, holding company of the Company (USL) for payment of guarantee commission of an amount of up to Rs.50,00,000/- p.a. to USL (calculated at the rate of 0.50% p.a. on an amount of up to Rs.100 Crores).

**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  
June 23, 2017

**SANTHOSH KUMAR KEERTHI**  
Company Secretary

#### **NOTES:**

Please refer to the explanatory statement given hereunder.

1. **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

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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.

2. The Transfer Books and Register of Members will remain closed from July 21, 2017 to July 28, 2017 (both days inclusive).
3. 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.
4. 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.3 above.
5. 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.3 above.
6. 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.3 above.
7. 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.
8. Transfer of Unclaimed / Unpaid amounts to the Investor Education and Protection Fund (IEPF):

In terms of Section 205A and 205C of the Companies Act, 1956, the amount of dividend declared for the financial year 2009-10 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

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the respective due date. Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), both of which were applicable with effect from September 07, 2016, also contain similar provisions for transfer of such amounts to the IEPF. Accordingly, all unclaimed / unpaid dividend remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, have been transferred to the IEPF established by the Central Government. No claim shall be entertained against the Company for the amounts so transferred.

As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account.

The Company has sent notice to all the members whose Dividends are lying unpaid / unclaimed against their name for seven consecutive years or more. Members are requested to claim the same before it is transferred to IEPF. In case the dividends are not claimed before the transfer to IEPF, necessary steps will be initiated by the Company to transfer shares held by the members to IEPF without further notice. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.

In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules. Members who have not yet encashed their dividend warrant(s) pertaining to the final dividend for the financial year 2009-10, are requested to lodge their claims.

9. Members attending the AGM are requested to bring with them the following:
- Members holding shares in dematerialized form, their DP & Client ID Numbers.
  - Members holding shares in physical form, their Folio Numbers.
  - Copy of the Annual Report and Notice, as no copies thereof would be distributed at the AGM.
  - 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.

10. 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.

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11. 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.
12. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) 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”):
13. The instructions for e-voting are as under:
  - (i) In case of shareholders receiving an email from NSDL:
    - (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) 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) In the case of shareholders other than those referred to in paragraph 13 (i) above, your initial password is provided at the bottom of the Attendance slip for the AGM. Please follow all steps from paragraph (b) to (k) above to cast your vote;
  - (iii) If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote; and
14. 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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15. The e-voting period commences on July 25, 2017 (10:00 a.m.) and ends on July 27, 2017 (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 (record date) of July 21, 2017, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
16. 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 (record date) of July 21, 2017.
17. 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.
18. The Scrutinizer shall, not later than 48 hours after the conclusion of the AGM, 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 Chairperson/any other Director(s)/a person authorized by Chairperson of the Company.
19. 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 forty eight (48) hours of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
20. 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 Auditors**

M/s. Lodha & Co. Chartered Accountants, the existing Statutory Auditors of the Company were appointed as Auditors of the Company by the Members to hold office from the conclusion of the Twenty Third Annual General Meeting till the conclusion of the Twenty Eighth Annual General Meeting. By their letter dated June 23, 2017 M/s. Lodha & Co. Chartered Accountants have informed the Company that they do not wish to continue as Auditors of the Company with effect from the conclusion of this Annual General Meeting to be held on July 28, 2017. Accordingly, the ratification of their appointment at this AGM of the Company cannot be considered by the Members.

At the Meeting held on June 23, 2017, the Board of Directors have recommended the appointment of M/s Price Waterhouse & Co Chartered Accountants LLP, (FRN 304026E/ E-300009) as Statutory Auditors of the Company, in place of M/s. Lodha & Co., Chartered Accountants, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 29<sup>th</sup> AGM on remuneration to be fixed by the Board of Directors, subject to the approval of the Members.

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None of the Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested in this resolution.

Your Directors recommend the ordinary resolution set forth in Item No.3 for your approval.

### **Item No.4: Approval of related party transactions:**

#### **Requirement of approval of material related party transactions**

PDL intends to avail additional borrowing of Rs.100 crores from a Bank in order to enhance the capacity and productivity by venturing into capital expenditure projects and to meet its working capital needs, for which Corporate Guarantee favoring bank is being sought from USL. Approval of the shareholders by way of an ordinary resolution is being sought for the arrangement that the company is proposing to enter into for payment of guarantee commission of an amount of up to Rs.50,00,000/- p.a. to USL (calculated at the rate of 0.50% p.a. on an amount of Rs.100 Crores).

In terms of Regulation 23(4) of the Securities and Exchange Board of India (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 SEBI LODR Regulations, if it falls within the definition of “related party” under Section 2(76) of the Companies Act, 2013. 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 No.4 in the financial year ending March 31, 2018 together with existing transactions with USL may exceed 10% of the annual consolidated turnover of the Company in the previous financial year. Therefore, approval of the shareholders by way of an ordinary resolution in respect of such agreements/arrangements is being sought. For the sake of clarity, all the agreements/arrangements in Item No.4 are in the ordinary course of the Company’s business and at arm’s length basis.

The monetary value of the previously approved related party transactions for the financial year 2017-18 is Rs.776 Crores. The monetary value of the proposed transactions, together with the monetary value of previously approved related party transactions for the financial year 2017-18 would be Rs.776.50 Crores. This sum is greater than ten per cent of the company’s annual consolidated turnover as per the last audited financial statement of the company. Accordingly, these transactions are material related party transactions, and shareholders’ approval is sought.

In accordance with Regulations 23(4) of the SEBI LODR Regulations, all entities falling under the definition of related parties are required to abstain from voting irrespective of whether the entity is a party to the particular transaction or not. Accordingly, all shareholders of the Company who are related parties of the



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Company, including USL, are required to abstain from voting on the resolution in Item No.4 of this Notice.

The Audit Committee unanimously approved the payment of guarantee commission on June 23, 2017, subject to the approval of the Board and the Company's shareholders. The Audit Committee has independently assessed the above arrangements (taking into account the potential financial and commercial benefits that are likely to accrue to the Company and its shareholders as estimated by the management of the Company), and has thereafter accorded its approval.

Thereafter, the Board has independently assessed the above arrangements (taking into account the potential financial and commercial benefits that are likely to accrue to the Company and its shareholders as estimated by the management of the Company), and has, subject to the approval of the shareholders, approved the payment of guarantee commission on June 23, 2017.

The arrangements are to be entered into at arm's length basis and all other factors relevant to the Arrangements have been independently considered by the Board.

As required by Section 188 of the Companies Act, 2013 read with Rule 15(3) of the Companies (Meetings of the Board and its Powers) Rules, 2014, the following details for the Arrangements are being set out as below:

- (a) **Name of the related party:** United Spirits Limited
- (b) **Name of the director of key managerial personnel who is related, if any:** None
- (c) **Nature of relationship:** 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.
- (d) **Nature, material terms, monetary value and particulars of the contract or arrangement:**

Nature of the arrangement	Payment of guarantee commission of an amount of up to Rs.50,00,000/- p.a. to USL (calculated at the rate of 0.50% p.a. on an amount of up to Rs.100 Crores)
Material terms	The Company is required to pay 0.50 % p.a. on an amount of up to Rs.100 Crores as Guarantee Commission
Monetary value (Rs)	An amount up to Rs.50,00,000/- p.a.
Particulars of the arrangement	The Company is seeking Loan from a Bank for an amount of Rs.100 Cr. PDL needs to provide a Corporate Guarantee from USL for this borrowing.

*Note: above payments will be subject to applicable tax, as the case may be.*



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- (e) **Any other information relevant or important for the members to take a decision on the proposed resolution: As above.**

No Director, key managerial personnel or their respective relatives is concerned or interested, financially or otherwise, in the resolution.

Your Directors recommend the above resolution for your approval.

By order of the Board

Place: Bangalore  
Date: June 23, 2017

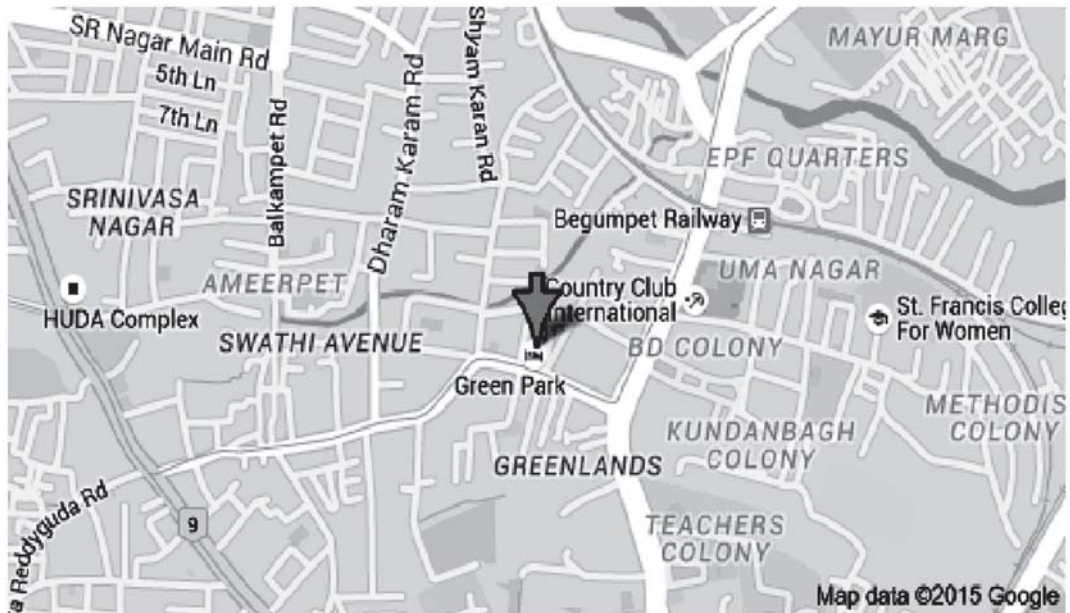
**Santhosh Kumar Keerthi**  
Company Secretary

### **Disclosure relating to Directors pursuant to Regulation 36 (3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings:**

<b>Name of Director</b>	<b>Ms. Mamta Sundara</b>
Date of Birth	19/04/1977
Age	40 years
Date of Appointment	13/04/2015
Expertise in specific functional Areas	Lawyer
Qualifications	B.A., LLB (Hons)
No. of Board meetings attended	6
List of other Indian Directorships held	Nil
* Chairperson/ Member of the Committee of the Board of Directors of the Company	Stakeholders Relationship Committee (Chairperson)
* Chairperson/ Member of the Committee of the Board of Directors of other companies in which she is a Director	NA
a. Audit Committee	NA
b. Stakeholders Relationship Committee	NA
No. of Shares held in the Company	Nil
Relationship with other Directors/ Manager/ Key Managerial Personnel	Nil

*\*Note: Pursuant to the SEBI Listing Regulations, 2015 only two Committees viz. Audit Committee and Stakeholders' Relationship Committee are considered.*

## Route Map to Hotel Green Park



Venue:  
Hotel Green Park,  
Greenlands, Begumpet,  
Hyderabad 500 016