



PIONEER

DISTILLERIES LIMITED

**SEVENTH ANNUAL REPORT
1998 - 99**

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PIONEER DISTILLERIES LIMITED

SEVENTH ANNUAL REPORT - 1998 - 99**BOARD OF DIRECTORS**

Sri K.V. Rajeshwar Rao	Chairman
Sri P.M. Nair	Director
Sri I.S. Rao	Director
Sri M.T. Chiddarwar	Nominee Director (SICOM)
Sri P.M. Natarajan	Nominee Director (LIC) (upto 26.05.99)
Sri H. Anantha Krishnan	Nominee Director (LIC) (w.e.f. 27.05.99)
Sri S. Gopalan	Nominee Director (IREDA)
Sri L. Venkateshwara Rao	Wholetime Director
Sri K. Suhan Rao	Executive Director
Sri K. Sudhir Rao	Managing Director

AUDITOR

P. Subhash
Chartered Accountant,
1-1-261/29, 2nd Floor,
Opp : Sunanda Hotel
Chikkadpally
HYDERABAD - 20.

REGISTERED OFFICE & WORKS

Balapur Village,
Dharmabad Taluk,
Nanded District,
MAHARASHTRA - 431 809.

CORPORATE OFFICE

211, Minerva Complex,
S.D. Road,
Secunderabad - 500 003.

BANKERS

State Bank of Mysore
(Industrial Finance Branch)
HYDERABAD.

PIONEER DISTILLERIES LIMITED

NOTICE

Notice is hereby given that the Seventh Annual General Meeting of the members of Pioneer Distilleries Limited will be held on Monday the 27th day of September, 1999 at 12:30 p.m. at the Registered Office of the company located at Balapur Village, Dharmabad Taluk, Nanded District, Maharashtra - 431 809 to transact the following business :

ORDINARY BUSINESS :

- (1) To receive, consider and adopt the audited Statement of Unallocated Preoperative Expenditure for the period ended 31st March, 1999 and the Balance Sheet as on that date and the reports of Directors and Auditor thereon .
- (2) To appoint a Director in place of Sri. K.V. Rajeshwar Rao, who retires by rotation and being eligible, offers himself for reappointment.
- (3) To appoint a Director in place of Sri. I.S.Rao, who retires by rotation and being eligible, offers himself for reappointment.
- (4) To reappoint the retiring Auditor to hold office from the conclusion of this meeting until the conclusion of the next meeting and to fix his remuneration.

SPECIAL BUSINESS :

- (5) To consider and if thought fit, to pass with or without modification (s) the following resolution as a Special Resolution :

"Resolved that pursuant to Section 81 (1A) and other applicable provisions of the Companies Act, 1956 and the Articles of Association of the company, subject to the approval of Securities and Exchange Board of India, Reserve bank of India and Financial Institutions, as may be necessary, on such terms and conditions which may be agreed to by the board of directors of the company, the consent of the Company be and is hereby accorded to the Board to offer / issue 43,80,000 (Forty three lakhs eighty thousand only) Equity Shares of Rs. 10/- each in the Equity Share Capital of the Company for cash at par aggregating to Rs. 438.00 lakhs (Rupees four hundred thirty eight lakhs only) to the promoters and their associates / NRIs on preferential / private placement basis to the extent and in one or more tranches and in the manner as may be decided by the Board in this behalf."

"Resolved further that for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such things and acts as may be necessary and expedient and to settle any matter that may arise in connection therewith".

By Order of the Board
for PIONEER DISTILLERIES LIMITED

Place: Secunderabad
Date: 30th July, 1999

(K.SUDHIR RAO)
Managing Director

PIONEER DISTILLERIES LIMITED

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. Proxy, in order to be effective, must be deposited at the company's Registered Office not less than 48 hours before the meeting.
3. The Register of member and Share Transfer registers will be closed on 27th day of September, 1999 and 28th day of September, 1999 for the purpose of the Annual General Meeting.
4. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed here to.

EXPLANATORY STATEMENT PURSUANT TO SECTION TO SECTION 173 (2) OF THE COMPANIES ACT, 1956:**Item No. 5 :**

The company intends to issue 43,80,000 equity shares of Rs.10/- per share on preferential issue/ private placement basis to the promoters and their associates / NRIs for the purpose to raise funds for meeting the long term requirements.

The Directors of the company may be deemed to be interested in the above resolution to the extent of the shares that may be allotted to them.

By Order of the Board
for PIONEER DISTILLERIES LIMITED

Place : Secunderabad
Date : 30th July, 1999

(K. SUDHIR RAO)
Managing Director.

PIONEER DISTILLERIES LIMITED

DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in placing before you the Seventh Annual Report and Accounts of your Company for the period ended 31st March, 1999.

1. STATUS OF PROJECT IMPLEMENTATION :

Your Directors are glad to inform that our unit has started trial production of Rectified Spirit from March, 1999. The trial production of Extra Neutral Alcohol is also going to commence shortly and we will be able to go for commercial production of both R.S. and ENA from October, 1999.

2. PERFORMANCE VS PROJECTIONS :

The project is originally scheduled to commence commercial production by January, 1996. There has been an initial delay in the supply of machinery and non-receipt of allotment money in the Public Issue. The issue of Form - I by the State Government of Maharashtra which is required for commencement of commercial production has further delayed the project.

3. DIVIDEND :

The Directors do not recommend dividend since the unit was under implementation during the period under review.

4. DIRECTORS :

Sri K.V. Rajeshwar Rao and Sri I.S. Rao who retire by rotation, being eligible offer themselves for reappointment. The Board recommends their reappointment.

Sri P.M. Natarajan has been withdrawn from the Board as Nominee Director of LIC and Sri H. Anantha Krishnan has been appointed in his place.

5. DEPOSITS :

The Company has not accepted any deposits from the public during the period under review.

6. AUDITOR :

The Present Auditor of the Company Sri P. Subhash, Chartered Accountant, Hyderabad retire at the conclusion of this Annual General Meeting and he is eligible for reappointment.