

Pioneer Distilleries Limited

Regd. Office: 'UB House', Plot No.36, Street No.4, Srinagar Colony, Hyderabad 500 073



NOTICE IS HEREBY GIVEN OF THE NINETEENTH ANNUAL GENERAL MEETING of the Company to be held at Hotel Green Park, Greenlands, Begumpet, Hyderabad 500 016, on Monday, August 27, 2012 at 12.30 p.m. for the following purposes:

1. To receive and consider the accounts for the year ended March 31, 2012 and the reports of the Auditors and Directors thereon;
2. To elect a Director in the place of **Mr. P.A. Murali**, who retires by rotation and being eligible, offers himself for re-appointment;
3. To appoint Auditors and to fix their remuneration.

By Order of the Board,

Place: Bangalore
Date: May 24, 2012

SANTHOSH KUMAR KEERTHI
Company Secretary

NOTES:

1. **A SHAREHOLDER ENTITLED TO ATTEND THE MEETING AND VOTE THEREAT MAY APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF ONLY ON A POLL. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

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 meeting.

2. The Transfer Books and Register of Members will remain closed from Friday, August 24, 2012 to Monday, August 27, 2012 (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, 1956, can be sent to their email addresses, as a measure of "Green Initiative" introduced by the Ministry of Corporate Affairs (MCA); 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. In terms of Section 205A and 205C of the Companies Act, 1956, the amount of dividend declared for the financial year 2006-07 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.
9. 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.
10. Members attending the Annual General Meeting are requested to bring with them the following:
 - a. Members holding shares in dematerialized form, their DP & Client ID Number.
 - 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 Meeting.
 - d. The Attendance Slip duly completed and signed in terms of specimen signature lodged with the Company.

Notice (Contd.)

The Company would accept only the Attendance Slip from a member actually attending the Meeting; 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 Meeting. Attendance Slips of Members/valid proxies not personally present at the Meeting, or relating to Proxies which are invalid, will not be accepted from any other member/person.

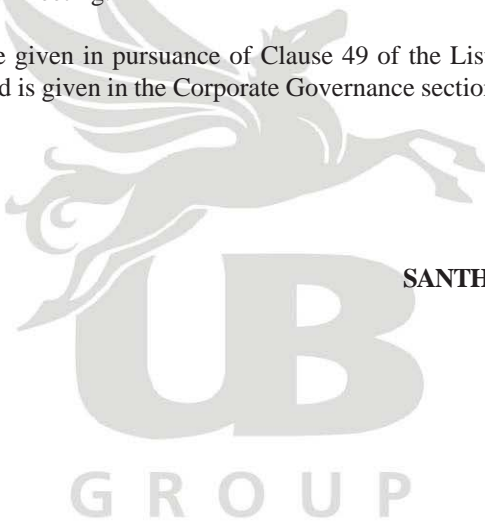
The Meeting is for members or their proxies only. Please avoid being accompanied by non-members/children.

11. The Company has designated an exclusive email id viz., pdlinvestor@ubmail.com to enable the investors to post their grievances and monitor its redressal.
12. Corporate members are required to send to the Company a certified copy of the Board Resolution pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
13. The details required to be given in pursuance of Clause 49 of the Listing Agreement in case of Director being reappointed is given in the Corporate Governance section of the Annual Report.

By Order of the Board,

Place: Bangalore
Date: May 24, 2012

SANTHOSH KUMAR KEERTHI
Company Secretary



Pioneer Distilleries Limited

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Hyderabad 500 073



PROXY FORM

Folio No. / Client ID:

DPID:

I/We _____ being a
member of Pioneer Distilleries Limited hereby appoint Mr./Ms. _____ of
_____ or failing him _____ of as my/our proxy to vote for
me/us on my/our behalf for or against any resolution, at the Nineteenth Annual General Meeting of the
Company to be held at Hotel Green Park, Greenlands, Begumpet, Hyderabad 500 016 on Monday, August 27,
2012 at 12.30 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2012

Affix
Rs.1/-
Revenue
Stamp

Note: This form duly completed should be deposited at the Registered Office of the Company not less
than 48 hours before the time for holding the Meeting.

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ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the Meeting Hall. Only Members
or their Proxies are entitled to be present at the meeting.

Folio No. / Client ID:

DPID:

Name & Address _____

No. of Shares held: _____

I hereby record my present at the Nineteenth Annual General Meeting held at Hotel Green Park, Greenlands,
Begumpet, Hyderabad 500 016 on Monday, August 27, 2012 at 12.30 p.m.

Members/Proxy's Name

Signature of the Member/Proxy*

* Strike out whichever is not applicable

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**Board of Directors**

P. A. Murali
Chairman

Ashok Capoor

M. R. Doraiswamy Iyengar

S. G. Ruparel

Company Secretary

Santhosh Kumar Keerthi

Auditors

Lodha & Co.,
Chartered Accountants,
6, Karim Chambers, 40,
A. Doshi Marg, (Hamam Street),
Mumbai 400 001

Registered Office

‘UB House’, Plot No.36
Street No.4, Srinagar Colony,
Hyderabad 500 073

Registrars & Transfer Agents

Venture Capital and Corporate Investments
Private Limited
H.No.12-10-167, Bharat Nagar,
Hyderabad 500 018
Tel: 040 2381 8475/76,
Fax: 040 2386 8024

Report of the Directors



Your Directors have pleasure in presenting the Annual Report of your Company and the audited accounts for the year ended March 31, 2012.

FINANCIAL RESULTS

The Summary of Financial Performance of the Company for the year 2011-12 is as under:

(Rs. in Lakhs)

Particulars	2011-12	2010-11
Net Sales	10445.25	5355.13
Add: Other income	1.25	213.79
Add: Increase / (Decrease) in stocks	(233.44)	(1174.14)
Total Income	10213.06	4394.78
Less: Expenditure	10520.13	6116.01
Profit / (Loss) before depreciation, interest and tax	(307.07)	(1721.23)
Less: Interest	1292.36	479.60
Less: Depreciation	930.93	485.88
Profit / (Loss) before Tax	(2530.36)	(2686.71)
Provision for Taxation :		
• Current Tax	-	9.36
• Deferred Tax	-	224.12
Profit / (Loss) after Tax	(2530.36)	(2920.19)
Add: Balance brought forward from previous year	(1401.06)	1587.38
APPROPRIATIONS:		
• Preference Shares Redemption Premium	-	68.25
Balance carried to Balance Sheet	(3931.42)	(1401.06)

DIVIDEND

In view of Loss, your Directors do not recommend any Dividend on the equity shares of the Company.



Report of the Directors (Contd.)

PERFORMANCE OF THE COMPANY

The Company has registered a Turnover of Rs. 10446.50 Lakhs for the financial year ended March 31, 2012. The Loss before Tax of your Company during the financial year amounted to Rs. 2530.36 Lakhs.

The Company has incurred losses mainly due to higher Input Costs and Interest Cost.

PROSPECTS

Keeping in view the emerging demand for Grain Based Alcohol, the Company has already installed Grain Based facility. Plans are afoot to install a fresh production facility for Malt Spirit shortly. The Company also proposes to set up an Indian Made Foreign Liquor (IMFL) Bottling plant. Both these facilities will come on stream during the fiscal 2012-13.

The expansion would enable the Company to substantially increase the revenue.

In view of further expansion plans / programmes and diversification into value added products, your Company expects to report growth in the turnover and profitability in future.

EROSION OF ENTIRE NET WORTH

The accumulated losses as on March 31, 2012, as per the audited accounts, have resulted in erosion of your Company's entire net worth. However, the Directors are pleased to inform you that with the acquisition of controlling interest in your Company by United Spirits Limited (USL), the market leader in the liquor industry, your Company has already started expansion plans and diversification into bottling of IMFL, which is expected to generate sufficient profits in the near future, making your Company's net worth positive.

Applicable provisions of Sick Industrial Companies (Special Provisions) Act, 1985 shall be complied with, as appropriate, after the annual accounts have been approved by the Shareholders and stand finalised.

DEPOSITORY SYSTEM

The trading in the equity shares of your Company is under compulsory dematerialization mode. As on May 18, 2012 equity shares representing 91.83 % of the equity share capital are in dematerialization form. As the depository system offers numerous advantages, members are requested to take advantage of the same and avail of the facility of dematerialization of the Company's shares.

DIRECTORS

Mr. P.A. Murali, retires by rotation and being eligible, offers himself for re-appointment.

As per declarations received, none of the Directors of the Company is disqualified to be appointed as a Director of any Public Limited Company in terms of Section 274 (1) (g) of the Companies Act, 1956.

Report of the Directors (Contd.)

AUDITORS

M/s. Lodha & Co., Chartered Accountants, the retiring Auditors, are eligible for re-appointment at the ensuing Annual General Meeting and it is necessary to fix their remuneration.

CORPORATE GOVERNANCE REPORT

A report on the Corporate Governance is annexed separately as part of this report along with a certificate of compliance from Auditors. Necessary requirements of obtaining certifications / declarations in terms of Clause 49 of the listing agreement with the stock exchanges have been complied with.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report is annexed and forms an integral part of the Annual Report.

FIXED DEPOSITS

The Company has not accepted any deposits from public during the year.

LISTING OF EQUITY SHARES OF THE COMPANY

The Equity Shares of your Company continue to be listed with Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Pune Stock Exchange Limited. The Annual Listing fees for the year 2012-13 have been paid to these Stock Exchanges.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

As on date, no amount of dividend has remained unclaimed and unpaid for more than 7 years, which are required to be transferred to the Investor Education and Protection Fund, pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956.

HUMAN RESOURCES

The Company has no employee in respect of whom Statement under 217 (2A) of the Companies Act, 1956, is required to be annexed.

CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

In accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the required information relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo is annexed.



Report of the Directors (Contd.)

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the Section 217 (2AA) of the Companies, Act, 1956, in relation to financial statements for year 2011-12, the Board of Directors reports that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) accounting policies have been selected and applied consistently and that the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the loss of the Company for the year ended March 31, 2012;
- (iii) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation for the continued support from employees, shareholders, customers, suppliers, banks, Government of Maharashtra and other business associates.

By Authority of Board

Bangalore
May 24, 2012

P.A.MURALI
Chairman