

Corporate Office:

Level 9 , Canberra, UB City,

#24,Vittal Mallya Road,

Bangalore 560 001

Tel: +91 40 2970 3391

80 3985 6609

Fax: +91 80 3985 6862

info@pioneerdistilleries.com

www.unitedspirits.in

www.pioneerdistilleries.com

August 23, 2017

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai 400 001

National Stock Exchange of India Limited

Exchange Plaza, Plot No.C-1, Block G,

Bandra Kurla Complex, Bandra East,

Mumbai 400 051

Dear Sirs,

Sub: Proceedings of Twenty Fourth Annual General Meeting

We forward herewith a copy of the Proceedings of the 24th Annual General Meeting of the Company held on July 28, 2017.

Kindly acknowledge the receipt and take note of the above on your record.

Thanking you,

Yours faithfully,

for **PIONEER DISTILLERIES LIMITED**



SANTHOSH KUMAR KEERTHI

Company Secretary

Encl: as above

PIONEER DISTILLERIES LIMITED

Corporate Identity Number: L24116TG1992PLC055108

Regd. Office: Roxana Towers, Ground Floor, M.No.7-1-24/1/RT/G1&G2, Greenlands, Begumpet, Hyderabad 500 016

Tel: +91 40 2970 3391, +91 80 3964 6609; Fax: +91 80 3985 6862

Web: www.pioneerdistilleries.com Email: info@pioneerdistilleries.com

PROCEEDINGS OF THE TWENTY FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD ON FRIDAY, JULY 28, 2017 AT 12.00 NOON AT HOTEL GREEN PARK, GREENLANDS, BEGUMPET, HYDERABAD 500 016

Present:	
Mr. B.V. Krishna Reddy.	Chairperson of the meeting & Managing Director & representative of Stakeholders Relationship Committee
Mr. R. Krishnamurthy	Independent Director and Chairman of Audit and Risk Management Committee
Ms. Junia Sebastian	Independent Director and Chairperson of the Nomination and Remuneration Committee
Mr. Gopal Kothari	Chief Financial Officer
Mr. Santhosh Kumar Keerthi	Company Secretary
Mr. K. Chandra Babu	Representative of M/s. Lodha & Co, Statutory Auditors
Ms. Padmasri Appana	Representative of Secretarial Auditor
	93 Members present in Person
	10 Members present through Proxy

In terms of Article 88 of the Articles of Association of the Company and pursuant to the resolution passed by the Board of Directors on June 23, 2017, Mr. B.V. Krishna Reddy, Managing Director, took the Chair. Since the requisite quorum as per Section 103 of the Companies Act, 2013 was present, the Chairperson called the meeting to order.

The Chairperson welcomed the members and introduced the Directors/executives on the dais and addressed the gathering.

Business update:

Chairperson gave a brief on the following highlights of the year went by, on the Company's vision, to be the best performing distillery.

- Expansion plans got approved and we have completed several projects during the year
- Enhanced IMFL volume
- Obtained certificate for Rs.118 crores subsidy from State Govt of Maharashtra
- Malt plant operations have now been stabilized. We have produced 19.8 lacs bulk liters of Fresh Malt Spirit

- Interest costs have come down significantly through rate reduction and optimum utilisation of funds
 - Garnered support from local villages administration through CSR engagement
 - Employee skills/ competencies developed
 - Leadership pipeline improved
 - Harmonious Industrial relations maintained
 - Code of Business Conduct and Ethics has been implemented to further strengthen the governance
 - Implemented and enhanced Internal Financial Controls
- Thereafter, Chairperson summarized the events of the past year, the operations and key financials for the year ended March 31, 2017.
- He informed that it was challenging year (FY 2016-17) with huge impact on COGS, fuel and revamping the utilities. This has impacted production and sales volume.
- He further informed that the Company's turnover for the financial year 2016-17 was decreased by 13% from Rs.107.90 Cr in the previous year to Rs.94 Cr in the current year and the sales volume of Extra Neutral Alcohol (ENA) decreased by 48% from 234 lakh liters to 121 lakh liters during the year under consideration when compared to that of 2015-16. The Company has made a loss after tax of Rs.30.20 crores this year. The direct costs have increased significantly due to shortage of raw material in the market.
- He informed that as mandated by the Ministry of Corporate Affairs, your Company has adopted Ind-AS accounting standards for presentation of its financial statements from April 01, 2015. These were in alignment with internationally accepted IFRS standards used for global financial reporting. This has effected the presentation of profit and loss statement of your Company significantly.
- He also further informed that Increase in Depreciation cost by Rs.1.80 crore on account of significant investment in capital assets to increase the capacity. Interest cost is decreased by 20% amounting to Rs.4.7 crores.
- He concluded his address by touching upon the Company's commitment to highest standards of Corporate Governance and intense focus on Compliance and ethical conduct and also highlighted the steps taken towards Corporate Social Responsibility.

Agenda:

The Chairperson mentioned that the Registers as per the Statutory Requirements were laid open at the Meeting.

With the permission of the members present, the Notice convening the Meeting was taken as read.

Since, there were no qualifications, observations or comments by the statutory auditor on financial statements and by secretarial auditor in secretarial audit report, the same were not read out at the Meeting.

The Chairperson informed the Members that:

- a. In compliance with the provisions of the Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided e-voting facility to the Members of the Company in respect of businesses to be transacted at the Annual General Meeting. The e-voting period commenced at 10.00 am on July 25, 2017 and ended at 5.00 pm on July 27, 2017. Mr. Depuru Raghavendar Rao, Company Secretary in Practice, was appointed as the Scrutinizer for scrutinizing the e-voting process and will be submitting his report after considering the results of voting at the AGM.
- b. In order to enable those shareholders who did not have access to e-voting facility or who had not exercised their vote through e-voting, opportunity was being given at this meeting for them to convey their accent or dissent in writing for all the 4 resolutions through the polling paper which had been distributed to the members. As per the Companies Act, passing of resolution by show of hands was not permitted. A member who had voted through e-voting facility would not be entitled to vote again at this meeting. The Ballot box was kept in the meeting hall and the members could deposit the duly completed polling papers in the Ballot box. At the end of the meeting the polling papers would be collected for counting the votes.

Thereafter, the Chairperson took up the following items on the agenda as per the Notice of the Meeting, *ad seriatim*.

Item No	Particulars	Type of Resolution
1	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	Ordinary
2	Appoint a Director in place of Ms. Mamta Sundara (DIN: 05356182), who retires by rotation and being eligible, offers herself for re-appointment	Ordinary
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	Ordinary
4	Approval of arrangements for payment of guarantee commission to United Spirits Limited	Ordinary

The Chairperson invited comments from Members for each item of the agenda.

Following members recorded their accolades on certain initiatives brought by the Company and raised certain queries, the gist of which are stated below:

1. Mr. Shantilal C Shah
 2. Mr. Ramesh Manguluri
 3. Mr. Suresh Chand Jain
 4. Mr. Kamal Kishore
 5. Mr. Ajay Kumar Shah; and
 6. Mr. Prakash Jain
- a. What is the expanded capacity?

- b. What is the capacity utilisation?
- c. What is the expected break even time?
- d. Any plans of de-listing/merging with USL?

The queries were answered by the Chairperson and CFO.

Thereafter, the Chairperson appointed Mr. Depuru Raghavendar Rao, Company Secretary in Practice as the Scrutinizer for conducting the poll at the AGM and stated that the combined results of the voting (both e-voting and physical voting at this meeting) on all the 4 resolutions would be announced within forty hours at the Registered Office of the Company and the results along with the Scrutinizers Report would be placed on the website of the Company and that of National Securities Depository Limited (NSDL) and would be intimated to the stock exchanges.

Based on the Scrutinizer's Reports received on both e-voting and poll, the following Ordinary Resolutions were approved by the Members with requisite majority. The result of the e-voting and poll in respect of Item Nos.1 to 4 of the Notice (as per format attached in Annexure I), forms part of the proceedings.

Item No.1 – 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

As an Ordinary Resolution:

RESOLVED that 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, be and are hereby adopted.

Item No. 2 – Appoint a Director in place of Ms. Mamta Sundara (DIN: 05356182), who retires by rotation and being eligible, offers herself for re-appointment.

As an Ordinary Resolution:

RESOLVED that Ms. Mamta Sundara (DIN: 05356182), who retires by rotation and being eligible, offers herself for reappointment, be and is hereby appointed as a Director of the Company.

Item No. 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

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.

Item No.4 – Approval of arrangements for payment of guarantee commission to United Spirits Limited

As an Ordinary Resolution:

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.

The meeting concluded at 12:40 pm, with a vote of thanks to the Chair.

The combined results of the e-voting and poll were announced on July 29, 2017 at the Registered Office of the Company and the results along with the Scrutinizer's Report were also placed on the website of the Company and that of NSDL and also enclosed as Annexure I herewith.

**Sd/-
CHAIRPERSON**

Place: Bangalore
Date: August 23, 2017

Annexure I

RESULTS OF E-VOTING AND POLL AT THE 24TH AGM

The combined results of the voting (both e-voting and poll) on the following 4 resolutions as per the Scrutinizer's Reports dated July 29, 2017 on e-voting and poll, is as follows:

Item No	Resolutions proposed at the AGM	Votes in favour		Votes against		Invalid votes
		No of Shares	%	No of Shares	%	No of Shares
1	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	10203376	99.9950	512	0.0050	4
2	Appoint a Director in place of Ms. Mamta Sundara (DIN: 05356182), who retires by rotation and being eligible, offers herself for re-appointment	10203876	99.9999	12	0.0001	4
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	10203876	99.9959	12	0.0001	4
4	Approval of arrangements for payment of guarantee commission to United Spirits Limited	162240	99.6940	498	0.3060	4

Sd/-
CHAIRPERSON