

PIONEER DISTILLERIES LIMITED

Corporate Identity Number: L24116TG1992PLC055108
Registered Office: Roxana Towers, Ground Floor, M.No.7-1-24/1/RT/G1&G2,
Greenland Begumpet, Hyderabad 500016
Tel.: +91 40 2970 3391, +91 80 3964 2207, Fax:+91 80 3985 6862
Website: www.pioneerdistilleries.com e-mail: pdlinvestor.india@diageo.com

POSTAL BALLOT NOTICE

Notice pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies
(Management and Administration) Rules, 2014

Dear Shareholders,

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and other applicable provisions of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force, to the members of Pioneer Distilleries Limited (the "Company") to transact the following special businesses by passing the resolutions by way of Postal Ballot.

1. Alteration of Registered Office Clause in the Memorandum of Association

To Consider and if thought fit, pass the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 12, 13 and Rule 30 of the Companies (Incorporation) Rules, 2014 and 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), subject to the approval, permissions and sanctions, as may be required under the provisions of the said Act or under any other law for the time being in force, the existing Clause II of the Memorandum of Association of the Company relating to the State where the Registered Office of the Company is situated be and is hereby altered by deleting the same and substituting in its place, the following new Clause II:

II. The Registered Office of the Company will be situated in the State of Karnataka.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be required for obtaining necessary approvals in relation to the above, to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of its powers herein conferred to any Director, Company Secretary or any other officer(s) of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to provide a certified true copy of this Resolution to any authority(ies)/entity(ies) and such authority(ies)/entity(ies) be requested to rely upon the authority of the same and to delegate all or any of its powers herein conferred to any Director, Company Secretary or any other officer(s) of the Company.

2. Shifting of Registered Office of the Company from Hyderabad in the State of Telangana to Bengaluru in the State of Karnataka:

To Consider and if thought fit, pass the following resolution as a Special Resolution.

NOTICE (CONTINUED)

“RESOLVED THAT pursuant to the provisions of Section 12, 13 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with Rule 30 of the Companies (Incorporation) Rules, 2014 (including any statutory modification(s), or reenactment(s) thereof for the time being in force) and subject to the approval of the Central Government (power delegated to Regional Director) and/or any other authority(ies) as may be prescribed from time to time and subject to such other approvals, permissions and sanctions, as may be required under the provisions of the said Act or under any other law for the time being in force, consent of the members of the Company be and is hereby accorded for shifting the Registered Office of the Company from Hyderabad in the State of Telangana to Bengaluru in the State of Karnataka.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be required for obtaining necessary approvals in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of its powers herein conferred to any Director, Company Secretary or any other officer(s) of the Company”.

3. Approval for entering into Related Party Transaction with United Spirits Limited for availing financial assistance in the form of loan:

To consider, and if thought fit, pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Regulation 23 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and other applicable provisions if any of SEBI Listing Regulations, Companies Act, 2013, and the rules made thereunder, if any or under any other laws and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the members of the Company be and is hereby accorded to the Company, to borrow additional loans from United Spirits Limited (“USL”), the holding company of the Company, up to Rs. 150,00,00,000 (Rupees One Hundred and Fifty Crores only) (over and above the existing loans already approved and availed by the Company), in one or more tranches having a repayment period and interest rates and other terms and conditions as may be permissible under law and as may be agreed to between the Company and USL from time to time.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and hereby authorised to do all such acts, matters, deeds and things as may be necessary, expedient or desirable and to execute the documents, deeds or writings required to be made and to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable, including to settle any question, difficulty or doubt that may arise in respect of such loans.

RESOLVED FURTHER THAT the Board of Directors be and hereby authorised to delegate any of its powers conferred by the above resolution to any director or directors or to any committee of directors or to any other officer or officers of the Company or to Company Secretary to give effect to the above resolution.

RESOLVED FURTHER THAT all actions taken by the Board of Directors or its delegates in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

**By order of the Board
For Pioneer Distilleries Limited**

Place: Bengaluru
Date: November 9, 2018

**Akshara B L
Company Secretary**

NOTICE (CONTINUED)

Notes:

1. Please refer to the explanatory statement given hereunder.
2. A copy of this notice together with the Postal Ballot Form has been placed on the website of the Company www.pioneerdistilleries.com.
3. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules, 2014, ("Rules") setting out all material facts in respect of the business specified in this notice and the reasons thereto is annexed hereto.
4. The Postal Ballot form for voting by members is enclosed.
5. In accordance with Rule 22(3) of the Rules, after the Postal Ballot is dispatched, an advertisement will be published in at least one English language and one vernacular language newspaper circulating in Hyderabad.
6. The Notice and the Postal Ballot Form, outlining the detailed procedures, will be mailed to such Members whose names appear on the register of members of the Company / Depositories, or who are beneficial owners of Equity Shares as per the records of Depositories, on the cut-off date i.e. November 23, 2018 and who have their email IDs registered with the Company / Depositories and for all remaining Members who do not have their email IDs registered with the Company / Depositories, the Physical copy of the Notice along with the Postal Ballot Form will be sent separately.
7. Upon request from a member to whom the Notice and Postal Ballot Form were earlier sent by e-mail, Physical copy of Notice along with Postal Ballot Form will be sent separately.
8. The Board of Directors have, at their meeting held on November 09, 2018, appointed Mr. Sudhir V Hulyalkar, Company Secretary in Practice (Membership No.: FCS6040; CP Number: 6137) as the scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The scrutinizer's address is 16/8, Ground Floor, 2nd Cross, Gupta Layout, South End Road (Near South End Circle), Basavangudi, Bengaluru- 560 004.
9. Members are requested to read carefully the instructions printed on the Postal Ballot form and either: (a) return the form duly completed in the attached self-addressed pre-paid postage envelope; or (b) vote by electronic means in the manner set out herein, in each case, so as to ensure that votes reach the scrutinizer on or before 5.00 p.m. (17.00 hours IST) on Monday January 21, 2019 ("Last Date"). The Voting period will commence on Sunday, December 23, 2018 at 9 a.m. (9.00 hours IST)
10. The scrutinizer will submit his report to the Chairman / any of the Director(s) of the Company as soon as possible after the last date of receipt of all Postal Ballots but not later than 48 hours thereof. Upon completion of the scrutiny of the Postal Ballot forms, the result of the Postal Ballot will be announced on or before January 23, 2019 and the result along with the scrutinizer report will be hosted on the website of the Company, pursuant to the provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.
11. Non-Individual Members and custodians should submit a scanned copy of the Board Resolution and/ or Power of Attorney (POA), along with Postal Ballot form (for physical voting) and in case of e-voting Board Resolution and/ or Power of Attorney (POA) shall be uploaded in PDF format in the system, for the scrutinizer to verify the same.
12. In accordance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 20 and Rule 22 of the Rules, the Company is pleased to offer e-voting facility to members, and business connected with this Postal Ballot may be transacted by the members through such e-voting system. Notice of this meeting has been sent to all members who have registered their email ids with the Company or the Registrar and Transfer Agent/Depository Participants. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited ('CDSL') to facilitate e-voting as an alternate to Postal Ballot forms. E-voting is optional and members shall have the option to vote either through e-voting or through submission of the Postal Ballot form. Kindly note that the members can opt for only one mode of voting i.e., either by physical ballot or e-voting. In case any Member cast his votes both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through Postal Ballot Form shall be considered invalid.

NOTICE (CONTINUED)

Members who wish to vote through a ballot form may also download the ballot form from the link www.pioneerdistilleries.com or seek a duplicate form from Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar Hyderabad, 500018, fill in the details and send the same to the scrutinizer.

13. The instructions for shareholders voting electronically are as under:

- (i) The e-voting period commences on December 23, 2018 (09:00 a.m.) and ends on January 21, 2019 (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 November 23, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter
- (ii) The cut-off date for e-voting facility is November 23, 2018 and members whose names appear on the register of members/list of beneficial owners shall be entitled to avail the service.
- (iii) The members should log on to the e-voting website www.evotingindia.com
- (iv) Click on "Shareholders / Members" tab.
- (v) Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in DEMAT form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on address sticker.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the company selection screen. However, members holding shares in DEMAT form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the DEMAT holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for "**Pioneer Distilleries Limited**" (EVSN 181212008) on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

NOTICE (CONTINUED)

- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If DEMAT account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Institutional Members (Non Individual and Custodians)
 - Institutional members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

14. The Scrutinizer's decision on the validity of the Postal Ballot shall be final and binding.
15. Please note that any Postal Ballot form(s) received after the Last Date (i.e., January 21, 2019) will be treated as not having been received and after the Last Date, the portal where e-votes can be cast will be blocked.
16. If you have any queries, please refer to Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the 'downloads' section of www.evotingindia.com.

NOTICE (CONTINUED)

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE OF POSTAL BALLOT

Item No(s). 1 and 2

Presently the Registered Office of the Company is situated in Hyderabad in the State of Telangana. The Head Office of the Holding Company i.e., United Spirits Limited is situated in Bengaluru in the State of Karnataka. The proposal for shifting of the Registered Office of the Company to the State of Karnataka is to bring synergy between the holding company and the Company as the holding Company's registered office is also situated in Karnataka which helps in ease of administration and management of the Company. It may be noted that Hyderabad was made as Registered office since the previous promoters prior to acquisition of the Company by United Spirits Limited had their offices in Hyderabad and neither the factory of the Company nor the holding Company's registered office is located in the State of Andhra Pradesh. The Board of Directors of the Company at their meeting held on 9th November 2018 have approved to shift the Registered Office of the Company from Hyderabad in the State of Telangana to Bengaluru in the State of Karnataka.

Pursuant to the provisions of Section 12, 13, 110 and all other applicable provisions, if any, of the Act read with applicable Rules and Regulations made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), shifting of the Registered Office from one State to another and alteration of Clause II of the Memorandum of Association (the "MOA") of the Company requires the approval of the members of the Company by means of a Special Resolution through Postal Ballot and approval of the Central Government (power delegated to Regional Director).

The shifting of Registered Office from Hyderabad to Bengaluru proposed under Item No.2 of this Notice would require consequential amendments to the existing Clause II of the MOA. Accordingly, the Resolutions in Item No. 1 seek the approval of the Members for the consequent amendments to the existing Clause II of the MOA.

In view of the above, approval of the members is sought through Postal Ballot/e-voting for shifting of the Registered Office of the Company from Hyderabad in the State of Telangana to Bengaluru in the State of Karnataka and consequently for altering Clause II of the MOA.

A copy of the existing MOA of the Company along with the proposed draft amendments is available for inspection by any Member at the Registered Office of the Company during business hours (between 9.30 a.m. and 5.45 p.m.) on all working days of the Company (Monday to Friday) from the date of dispatch of notice up to the last date for receipt of Postal Ballot Forms or e-voting, i.e., January 21, 2019.

None of the Directors and/or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution except to the extent of their respective Shareholding in the Company to the same extent as that of every other Shareholder of the Company.

The Board recommends passing of the resolutions as set out under Item No. 1 and 2 for approval of the members as a special resolution through Postal Ballot process.

Item No. 3

Section 185 of the Companies Act, 2013 prohibited Companies from lending to any of its directors or to any other person in whom the director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person unless such companies are wholly owned subsidiaries. However, Companies (Amendment) Act, 2017 relaxed this restriction and has allowed companies to advance any loan, including any loan represented by a book debt to, or give any guarantee or provide any security in connection with any loan taken by (a) any director of company, or of a company which is its holding company or any partner or relative of any such director; or (b) any firm in which any such director or relative is a partner subject to the condition that a special resolution is passed by the Company in General Meeting and the loans are utilized by the borrowing Company for its principal business activities.

NOTICE (CONTINUED)

In view of the amended provision(s) as stated above, the holding company has expressed its desire to support your Company in response to your Company's request and the Board of Directors of your Company at its meeting held on 9th November 2018 based on the recommendation of the Audit Committee of Directors of the Company held on 9th November 2018 has decided to obtain the approval of its members for enabling itself to avail loan up to Rs.150 crores from the Company's holding Company, United Spirits Limited ("USL") (which shall be in addition to the existing loan of Rs 135 crores) as and when the Company deems fit, subject to the terms and conditions as may be mutually agreed between the Company and USL. Borrowing from the Company's holding company would benefit the company in terms of borrowing cost, security and repayment schedule in comparison with your Company approaching lenders based on your Company's credit standing alone. The loan will be utilized by your Company for its principal business activities.

Though the company is not required to obtain the approval of the shareholders for the proposed borrowings as the Company had already availed the approval of the members by way of Special Resolution at the Annual General Meeting of the Company held on September 26, 2014 up to a borrowing limit of Rs.500 crores pursuant to Section 180 of the Companies Act, 2013. And the borrowing from holding company would not be treated as Related Party transaction under the Companies Act, 2013, approval of the members would still be required pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for any kind of transaction or arrangement between a holding company and a subsidiary if the transaction involved is a material transaction. As per the materiality policy approved by the Board and adopted by the Company, additional amount of Rs.150 crore proposed to be borrowed as and when necessary for the purpose of business of the Company as per the terms and conditions and interest rates as may be permissible under law and as may be mutually agreed between the Company and USL, crosses the threshold limit of materiality and accordingly approval of the members of the Company is required and the related party, viz., holding company cannot vote in favour of the resolution as proposed and if voted in favour, the same will not be taken into cognizance. The proposed additional borrowing limit of Rs 150 crores would be within the overall limit of Rs 500 crores.

There is a synergy between the Company and USL. The Extra Neutral Alcohol produced by the Company is sold to USL amongst others. Your Company has also commenced maturing spirit recently which is a three year process and which requires bridge working capital. Your Company will need to invest in excellent manufacturing facilities including incurring expenses relating to pollution control and fire extinguishing equipments. The loan proceeds will assist the Company to meet its capital expenditure and working capital needs of the Company.

None of the Directors and/or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution except to the extent of their respective Shareholding in the Company to the same extent as that of every other Shareholder of the Company.

The Board recommends passing of the resolutions as set out under Item No. 3 for approval of the members as an ordinary resolution through Postal Ballot process.

**By order of the Board
For Pioneer Distilleries Limited**

Place: Bengaluru
Date: November 9, 2018

**Akshara B L
Company Secretary**

Encl.:

1. Postal Ballot form
2. Self-addressed and prepaid postage envelope

