

# Pioneer Distilleries Limited

Corporate Identity Number: L24116AP1992PLC055108  
Reg. Office: UB House, Plot No.36, Street No.4, Srinagar Colony, Hyderabad 500 073  
Tel: +91 40 6674 7388; Fax: +91 40 6674 7386  
Web: [www.pioneerdistilleries.com](http://www.pioneerdistilleries.com) Email: [info@pioneerdistilleries.com](mailto:info@pioneerdistilleries.com)

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October 25, 2016

## **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 Third Annual General Meeting**

We forward herewith a copy of the Proceedings of the 23<sup>rd</sup> Annual General Meeting of the Company held on September 26, 2016.

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

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### PROCEEDINGS OF THE TWENTY THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD ON MONDAY, SEPTEMBER 26, 2016 AT 12.00 NOON AT HOTEL GREEN PARK, GREENLANDS, BEGUMPET, HYDERABAD 500 016

Present:	
Ms. MAMTA SUNDARA	Chairperson of the meeting and Chairperson of Stakeholders Relationship Committee
MR. B.V. KRISHNA REDDY	Managing Director
MR. R. KRISHNAMURTHY	Independent Director and Chairman of Audit 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. SOMESHWARA RAO	Partner, M/s. Lodha & Co, Statutory Auditors
MR. SUDHIR V HULYALKAR	Secretarial Auditor
88	MEMBERS PRESENT IN PERSON
4	MEMBERS 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 August 25, 2016, Ms. Mamta Sundara, 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 summarized the events of the past year, the operations and key financials for the year ended March 31, 2016.
- She informed that it was challenging year (2015-16) with severe drought in Maharashtra leading to shortage of water and availability of raw materials. However, on the whole there was satisfaction with the Company's achievement of profit before tax of Rs.34.2 Crores against the loss before tax of Rs.33.6 reported during FY 2014-15. All of this has been result of focus and vigour brought in by new management team.
- She also informed that the Company's turnover for the financial year 2015-16 was decreased by 5% from Rs.150.4 Cr in the previous year to Rs.142.9 Cr in the current year and the sales volume of Extra Neutral Alcohol (ENA) decreased by 22% from 300 lakh liters to 234 lakh liters during the year under consideration when compared to that of 2014-15. She informed that this is on account of

closure of MENA plant due to shortage of water. She further informed that IMFL sales were increased from Rs.11.5 Cr in FY 2014-15 to Rs.35.3 Cr in FY 2015-16.

- She further informed that there was a substantial increase (163%) in subsidy from Rs.30.9 Cr to Rs.81.3 Cr. The Company has achieved a reduction in direct costs through efficiencies in operations and sourcing.
- She concluded her 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.

The Chairperson informed the Members that as per Section 145 of the Companies Act, 2013, the qualifications, observations or comments on the financial transactions or matters which have any adverse effect on the functioning of the Company and mentioned in the Auditors' Report are required to be read out in the General Meeting. Since, there were no such qualifications, observations or comments in the Auditor's Report, the same was not read out at the Meeting.

Since, there were observations in the Secretarial Audit Report, the Chairperson asked the Company Secretary to read out the relevant observations in the Secretarial Audit Report as per SS -2 Secretarial Standard on General Meetings.

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 September 23, 2016 and ended at 5.00 pm on September 25, 2016. Mr. Depuru Raghavendar Rao, Company Secretary in Practice, is 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 8 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 (except item no.2) 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 Profit and Loss for the financial year ended March 31,2016, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon	Ordinary
<i>Since, item no.2 on the Agenda related to her appointment as a Director, she requested Mr. B.V. Krishna Reddy, Managing Director to take the chair and continue the meeting for consideration of this item. Accordingly, Mr. B.V. Krishna Reddy took the chair and continued the proceedings.</i>		
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
<i>Mr. B.V. Krishna Reddy thanked the Members and at his request, Ms. Mamta Sundara resumed the Chair for the continuation of the meeting.</i>		
3	Re-appoint Statutory Auditors and to fix their remuneration	Ordinary
4	Appointment of Ms. Junia Sebastian as an Independent Director	Ordinary
5	Approval of agreements for tie-up manufacture of Indian Made Foreign Liquor products and licensing of trade marks therefor, to be entered between the Company and United Spirits Limited, which is material related party transaction	Ordinary
6	Approval of arrangements for the sale of Extra Neutral Alcohol by the Company to United Spirits Limited from time to time during the financial year ending March 31, 2017, March 31, 2018, March 31, 2019	Ordinary
7	Approval of arrangements for the sale of Malt Spirit by the Company to United Spirits Limited from time to time during the financial years ending March 31, 2017, March 31, 2018 and March 31, 2019	Ordinary
8	Approval of arrangements for recharge of Salary by the Company to United Spirits Limited for the financial year 2016-17, 2017-18 and 2018-19	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. Kamal Kishore
3. Mr. Bharat H Shah
4. Mr. K Bharat Raj
5. Mr. Suresh Chand Jain; and
6. Mr. Ashok Chand

- a. Impact on the Company because of recent heavy rains at the factory and on the turnover of 2016-17?
- b. Increase in legal charges, bad debts and doubtful debts?

- c. Impact on the Company due to exit of Dr. Vijay Mallya from holding company?
- d. Brief profile of Directors?

The queries were answered by the Chairperson, MD and CFO.

The shareholders unanimously gave a grand applause to the Board of Directors and the management for the financial results of the company for the year under consideration when compared to the financial results of the earlier years and wholeheartedly appreciated the Board of Directors in general and the Managing Director in particular for their valuable contributions and efforts in achieving these implausible and incredible results.

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 8 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 8 of the Notice (as per format attached in Annexure I), forms part of the proceedings.

Item No.1 – **Receive, consider and adopt the Audited Profit and Loss for the financial year ended March 31, 2016, 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, 2016, 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 – **Re-appoint Statutory Auditors and to fix their remuneration:**

**As an Ordinary Resolution:**

**RESOLVED** that pursuant to the provisions of Section 139 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. Lodha & Co, Chartered Accountants (Firm Registration Number: 301051E), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of the twenty eighth 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 – **Appointment of Ms. Junia Sebastian as an Independent Director:**

**As an Ordinary Resolution:**

**RESOLVED** that pursuant to the provisions of Sections 149, 150 (2), 152 and any 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) read with Schedule IV to the Companies Act, 2013, Ms. Junia Sebastian (DIN: 06971903), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five years from April 20, 2016 to April 19, 2021, who shall not be liable to retire by rotation.

Item No.5 – **Approval of agreements for tie-up manufacture of Indian Made Foreign Liquor products and licensing of trade marks therefor, to be entered between the Company and United Spirits Limited, which is material related party transaction:**

**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 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, the agreements for tie-up manufacture of Indian Made Foreign Liquor ("IMFL") products and licensing of trade marks therefor, to be entered into by the Company with United Spirits Limited for an amount of up to Rs.130 crores per annum (plus applicable taxes and levies) for the financial years ending March 31, 2017, March 31, 2018 and March 31, 2019 as explained in the explanatory statement, be and are hereby approved.

**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.

**Item No.6 – Approval of arrangements for the sale of Extra Neutral Alcohol by the Company to United Spirits Limited from time to time during the financial year ending March 31, 2017, March 31, 2018, March 31, 2019:**

**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 arrangements for the sale of Extra Neutral Alcohol by the Company to United Spirits Limited from time to time during the financial years ending March 31, 2017, March 31, 2018 and March 31, 2019 for an amount of up to Rs.120 crores per annum (plus applicable taxes and levies), as explained in the explanatory statement.

**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.

**Item No.7 – Approval of arrangements for the sale of Malt Spirit by the Company to United Spirits Limited from time to time during the financial years ending March 31, 2017, March 31, 2018 and March 31, 2019:**

**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 entering into arrangements for the sale of Malt Spirit by the Company to United Spirits Limited from time to time during the financial years ending March 31, 2017, March 31, 2018 and March 31, 2019 for an amount of up to Rs.35 crores per annum (plus applicable taxes and levies), as explained in the explanatory statement.

**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.

Item No.8 – **Approval of arrangements for recharge of Salary by the Company to United Spirits Limited for the financial year 2016-17, 2017-18 and 2018-19:**

**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 entering into arrangements for Recharge of salary of executives of United Spirits Limited, holding company of the Company, deployed at the Corporate Office of the Company, for an amount of up to Rs.60 Lakhs p.a. (plus applicable taxes) from time to time during the financial years ending March 31, 2017, March 31, 2018 and March 31, 2019.

**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 12:45 pm, with a vote of thanks to the Chair.

The combined results of the e-voting and poll were announced on September 27, 2016 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.

**CHAIRPERSON**

Place: Bangalore  
Date: October 24, 2016



**Annexure I****RESULTS OF E-VOTING AND POLL AT THE 23<sup>RD</sup> AGM**

The combined results of the voting (both e-voting and physical voting) on the following 8 resolutions as per the Scrutinizer's Reports dated September 27, 2016 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, 2016, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon	10155096	100	NIL	NIL	1040
2	Appoint a Director in place of Ms. Mamta Sundara (DIN: 05356182), who retires by rotation and being eligible, offers herself for re-appointment	10155096	100	NIL	NIL	1040
3	Re-appoint Statutory Auditors and to fix their remuneration	10154961	99.999	135	0.001	1040
4	Appointment of Ms. Junia Sebastian (DIN: 06971903) as an Independent Director	10154961	99.999	135	0.001	1040
5	Approval of agreements for tie-up manufacture of Indian Made Foreign Liquor products and licensing of trade marks therefor, to be entered, between the Company and United Spirits Limited, which is a material related party transaction	113946	100	NIL	NIL	1040
6	Approval of arrangements for the sale of Extra Neutral Alcohol by the Company to United Spirits Limited from time to time during the financial years ending March 31, 2017, March 31, 2018 and March 31, 2019	113946	100	NIL	NIL	1040
7	Approval of arrangements for the sale of Malt Spirit by the Company to United Spirits Limited from time to time during the financial years ending March 31, 2017, March 31, 2018 and March 31, 2019	113946	100	NIL	NIL	1040
8	Approval of arrangements for recharge of salary by the Company to United Spirits Limited for the financial year 2016-17, 2017-18 and 2018-19	113946	100	Nil	Nil	1040

**CHAIRPERSON**