

**DIAGEO**  
INDIA

Pioneer Distilleries limited  
Subsidiary of United Spirits Limited

Registered Office:  
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December 2, 2019

**BSE Limited**

(Regular Office & Corporate Relations Dept.)  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai— 400001  
Scrip Code: 531879

**National Stock Exchange of India Limited**

Exchange Plaza, C—1, Block G  
Bandra Kurla Complex  
Bandra (East), Mumbai- 400051  
Scrip Code: PIONDIST

Dear Sir/Madam,

**Sub: Disclosure in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and paragraph A (1.2) of Annexure I to SEBI circular dated September 9, 2015**

The Board of Directors (“Board”) of Pioneer Distilleries Limited (the “Company”) at its meeting held today, 29.11.2019, has approved a scheme of amalgamation and arrangement (the “Scheme”) between Pioneer Distilleries Limited (“PDL”) and United Spirits Limited (“USL”) under Sections 230 – 232 and other applicable provisions of the

The disclosure required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed herewith as **Annexure – A**.

Thanking you,

Yours faithfully,

**For Pioneer Distilleries Limited**



**Akshara B.L**  
**Company Secretary**

*Enclosed: As above*

## Annexure – A

Sl. No.	Particulars	Details	
		Company (Transferor Company)	USL (Transferee Company)
a)	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.	<p>Pioneer Distilleries Limited</p> <p>Standalone net worth (as at March 31, 2019): INR (41.6) (negative balance) Crores</p> <p>Standalone turnover (as at March 31, 2019): INR 142.8 Crores</p>	<p>United Spirits Limited</p> <p>Standalone net worth (as at March 31, 2019): INR 3,131.5 Crores</p> <p>Standalone turnover (as at March 31, 2019): INR 28,607.5 Crores</p>
b)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”	The Company is a subsidiary of USL, which has a 75% shareholding in the Company. The Company is a related party of USL and valuation is done by an independent valuer and also supported by a fairness opinion. Hence, it is an arm’s length transaction as per the relevant SEBI regulations.	
c)	Area of business of the entity(ies)	The Company is engaged in the business of manufacture and sale of extra neutral alcohol, malt spirits, Indian Made Foreign Liquor (IMFL) and other allied products, including bottling operations.	USL is engaged in the business of distilling, rectifying and blending of spirits, and production of ethyl alcohol from fermented material.
d)	Rationale for amalgamation/merger	<ol style="list-style-type: none"> <li>1. Simplification of the corporate structure and consolidation of the group’s business;</li> <li>2. realising business efficiencies, inter alia, through optimum utilisation of resources due to pooling of management, expertise and other resources of the</li> </ol>	

Overcoming limitations on raising capital

		<p>especially since USL is in the same line of business as the Company; and</p> <p>8. enhanced shareholder value pursuant to economies of scale and business efficiencies.</p> <p>The Company has been incurring losses in the recent past and its entire net worth has eroded. The negative net worth of the Company as on March 31, 2019 is Rs. 41.63 crores. USL, holding 75% of the equity capital of the Company has to account to the extent of 75% of the losses of the Company while consolidating its accounts. Company's equity capital is</p>
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without the active support of USL would be very difficult.

Amalgamation of the Company with USL would be