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INDIA

Pioneer Distilleries limited
Subsidiary of United Spirits Limited

Registered Office:
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Bengaluru 560 001
Tel: +91 80 2221 0705
Fax: +91 80 3985 6862
info@pioneerdistilleries.com

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 considered and approved a scheme of amalgamation and arrangement (the “**Scheme**”) in relation to the proposed merger of the Company with its parent company United Spirits Limited (“**USL**”) under Sections 230 – 232 and other applicable provisions of the Companies Act, 2013 and the rules thereof. Further the Board has authorised the Company to file the Scheme along with the relevant disclosures, documents, certifications and undertakings with the stock exchanges.

The Scheme is subject to the receipt of requisite approvals from the relevant statutory authorities including Securities Exchange and Board of India, National Stock Exchange of India Limited, BSE Limited, the National Company Law Tribunal, and the respective shareholders and creditors of the Company and USL.



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.	Pioneer Distilleries Limited Standalone net worth (as at March 31, 2019): INR (41.6) (negative balance) Crores Standalone turnover (as at March 31, 2019): INR 142.8 Crores	United Spirits Limited Standalone net worth (as at March 31, 2019): INR 3,131.5 Crores Standalone turnover (as at March 31, 2019): INR 28,607.5 Crores
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"> 1. Simplification of the corporate structure and consolidation of the group’s business; 2. realising business efficiencies, inter alia, through optimum utilisation of resources due to pooling of management, expertise and other resources of the companies and to achieve economies of scale; 3. overcoming limitations on raising capital for the Company, ensuring improved allocation of capital and optimum cash flows contributing to better utilisation of capacity and the overall growth of the combined entity; 4. creation of a larger asset base and facilitation of access to better financial resources; 5. savings on compliance / interest costs; 6. uninterrupted operations of the Company’s plant in order to stabilize its business; 7. integration of the Company’s operations with USL resulting in benefits arising out of the synergies, 	

		<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. Continuity of the Company without the active support of USL would be very difficult. Amalgamation of the Company with USL would be beneficial to both the companies, including with respect to ease of getting uninterrupted financial and technical support and USL getting the full benefit of the Company's manufacturing facilities.</p>												
e)	In case of cash consideration – amount or otherwise share exchange ratio	10 equity shares of Rs. 2 each of USL, to be issued for every 47 equity shares of Rs. 10 each held by shareholders of the Company, in the ratio of 1: 4.7 to the shareholders of the Company, as on the record date fixed for this purpose. The shareholding of USL in the Company shall be cancelled upon the Scheme coming into force.												
f)	Brief details of change in shareholding pattern (if any) of listed entity	<p>Pre-amalgamation shareholding pattern of the Company:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>No. of shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Promoter</td> <td>1,00,41,150</td> <td>75</td> </tr> <tr> <td>Public</td> <td>33 47,050</td> <td>25</td> </tr> <tr> <td>Total</td> <td>1,33,88,200</td> <td>100.00</td> </tr> </tbody> </table> <p>Post-Amalgamation: Upon the Scheme becoming effective, USL will issue and allot equity shares as mentioned in (e), credited as fully paid up, to all the non-promoter equity shareholders of the Company whose names appear in the register of members of the Company and / or whose names appear as the beneficial owner of the shares of the Company in the records of the depository, as on the record date. The shareholding of USL shall be cancelled upon the Scheme coming into force. Accordingly, the Company shall stand amalgamated into USL.</p>	Category	No. of shares	%	Promoter	1,00,41,150	75	Public	33 47,050	25	Total	1,33,88,200	100.00
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Ansh. B. L.