PIONEER LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This letter of offer ("**Pioneer Letter of Offer**" / **"PLoF"**) is sent to you as a Public Shareholder (as defined below) of Pioneer Distilleries Limited (**"Target Company" / "Target").** If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or the Manager / the Registrar to the Offer (in both cases, as defined below). In case you have recently sold your equity shares in the Target Company ("**Equity Shares**"), please hand over the PLoF and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed to the member of stock exchange through whom the said sale was effected.

RELAY B.V.
A private limited company incorporated under the laws of the Netherlands
Registered office: Molenwerf 10-12,1014 BG, Amsterdam, the Netherlands
(Tel: +31207745000, Fax: +31207745091)
(hereinafter referred to as the "**Acquirer**" / "**Relay**")

ALONG WITH

DIAGEO plc
A public limited company incorporated under the laws of England
Registered office: Lakeside Drive, Park Royal, London, NW107HQ, United Kingdom
(Tel: +44 20 89786000, Fax: +44 20 89781577)
(hereinafter referred to as "**PAC 1**" / "**Diageo**")

AND

UNITED SPIRITS LIMITED
A public limited company incorporated under the Companies Act, 1956
Registered office: UB Tower, #24 Vittal Mallya Road, Bangalore - 560 001
(Tel: +91 80 39856500 Fax: +91 80 39856862)
(hereinafter referred to as "**PAC 2**" / "**USL**" and collectively with PAC 1 referred to as "**Persons Acting in Concert" / "PACs")**

MAKE A CASH OFFER OF ₹64.02 (Rupees Sixty four and two paise only) ("OFFER PRICE") PER FULLY PAID UP EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH, TO ACQUIRE UP TO 2,466,168 EQUITY SHARES REPRESENTING THE REMAINING 18.42% OF THE PAID UP CAPITAL (AS DEFINED BELOW), UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED ("SEBI (SAST) REGULATIONS") FROM THE PUBLIC SHAREHOLDERS OF

PIONEER DISTILLERIES LIMITED
A public limited company incorporated under the Companies Act, 1956
Registered office: UB House, Plot No. 36, Street No.4, Srinagar Colony, Hyderabad- 500 073
Tel: +91 40 66747388 Fax: +91 40 66747386
(hereinafter referred to as "**Target Company**" / "**Target**")

1. This Offer (as defined below) is made pursuant to and in compliance with the provisions of Regulation 3(1), Regulation 4 and Regulation 5 of the SEBI (SAST) Regulations.
2. This Offer is not a conditional offer and is not subject to any minimum level of acceptance.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. With the coming into effect of the SHA (as defined below) on July 4, 2013, Diageo and Relay are identified as part of the 'Promoter and Promoter Group' of USL and consequently this Offer is being made pursuant to Regulation 3(1), Regulation 4 and Regulation 5 of the SEBI (SAST) Regulations to the Public Shareholders of the Target Company.
5. Other than as set out below in paragraph 6, to the best of the knowledge of the Acquirer and the PACs, there are no statutory approvals required to complete the acquisition of the Offer Shares (as defined below). If any other statutory approvals become applicable prior to the completion of the Offer, the Offer would be subject to such other statutory approvals.
6. The acquisition of Offer Shares tendered by NRIs (as defined below) and OCBs (as defined below) is subject to and where applicable such OCBs and NRIs submitting the approval / exemption from the RBI (as defined below) for tendering their Equity Shares in the Open Offer.
7. Where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer and / or the PACs shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
8. The Offer Price is subject to revision, if any, pursuant to the SEBI (SAST) Regulations orat the discretion of the Acquirer and PACs at any time prior to three Working Days before the commencement of the Tendering Period (as defined below) in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and the PACs shall (i) make corresponding increases to the escrow amounts, as more particularly set out in Part V-Financial Arrangement- paragraph 3 of this PLoF (as defined below); (ii) make a public announcement in the same newspapers in which the PDPS (as defined below) was published; and (iii) simultaneously with the issue of such announcement, inform SEBI (as defined below), the Stock Exchanges (as defined below) and the Target Company at its registered office of such revision.
9. **There has been no competing offer as of the date of this Pioneer Letter of Offer.**
10. **If there is a competing offer, the open offers under all subsisting bids will open and close on the same date.**

A copy of the Pioneer PA, the Pioneer Detailed Public Statement, the Pioneer Draft Letter of Offer and the Pioneer Letter of Offer (each as defined below) (including the Form of Acceptance cum Acknowledgement) is also available on the website of SEBI (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
JM FINANCIAL	LINK INTIME INDIA PVT LTD
JM Financial Institutional Securities Private Limited 141, Maker Chamber III, Nariman Point, Mumbai – 400 021 Tel: +91 22 66303030, Fax: +91 22 2204 7185 Contract Person: Ms.Lakshmi Lakshmanan Email: lakshmi.lakshmanan@jmfl.com	**Link Intime India Private Limited** C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078 Tel: +91 22 25967878, Fax: +91 22 25960329 Contact Person: Mr.Pravin Kasare Email: pdl.offer@linkintime.co.in

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The indicative schedule of activities under the Offer is as follows:

Activity	Date & Day
Date of Pioneer PA	November 9, 2012 - Friday
Date of publication of the Pioneer Detailed Public Statement	July 11, 2013 - Thursday
Filing of the Pioneer Draft Letter of Offer with SEBI	July 18, 2013 - Thursday
Last date for a competing offer(s)	August 1, 2013 -Thursday
Receipt of SEBI observations on the Pioneer Draft Letter of Offer	August 13, 2013 -Tuesday
Identified Date*	August 16, 2013 -Friday
Date by which the Pioneer Letter of Offer is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date	August 23, 2013 -Friday
Latest date for revision of the Offer Price / Offer Size	August 26, 2013 -Monday
Last date by which the committee of the independent directors of the Target Company shall give its recommendation to the shareholders of the Target Company for this Offer	August 28, 2013 -Wednesday
Date of publication of Pioneer Offer Opening Public Announcement (as defined below) in the newspapers in which the PDPS has been published	August 29, 2013 -Thursday
Date of commencement of Tendering Period (Offer opening date)	August 30, 2013 -Friday
Date of expiry of Tendering Period (Offer closing date)	September 13, 2013 -Friday
Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the shareholders of the Target Company	September 27, 2013 -Friday
Last date for publication of Pioneer post-Offer public announcement in the newspapers in which the PDPS has been published	October 7, 2013 -Monday

**The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the Pioneer Letter of Offer would be mailed. It is clarified that all the Public Shareholders(registered or unregistered)of the Target shall be eligible to participate in the Offer at any time prior to the closure of the Offer.*

RISK FACTORS

Risk factors relating to the Transaction (as defined below)

- The Offer is being made in accordance with Regulation 3(1), Regulation 4 and Regulation 5 of the SEBI (SAST) Regulations, pursuant to the coming into effect of the SHA on July 4, 2013. UBHL, one of the signatories to the SHA, is currently the subject matter of certain winding-up petitions in the High Court of Karnataka. There is no certainty as to the outcome of these winding-up petitions or the consequences thereof.

Risk factors relating to the Offer

- To the best of the knowledge of the Acquirer and the PACs, other than as set out below, there are no statutory approvals required to complete the acquisition of the Offer Shares. If any other statutory approvals become applicable prior to the completion of the Offer, the Offer would be subject to such other statutory approvals.

- The acquisition of Offer Shares tendered by NRIs and OCBs is subject to, and where applicable such OCBs and NRIs submitting the approval / exemption from the RBI for tendering their Equity Shares in the Open Offer.

- In the event of any litigation leading to a stay/injunction on the Offer by a court of competent jurisdiction or which restricts/restrains the Acquirer/PACs from performing its/their obligations hereunder, or SEBI instructing that the Offer should not proceed, the Offer may be withdrawn or the Offer process may be delayed beyond the schedule of activities indicated in this Pioneer Letter of Offer.

- The Equity Shares tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer, and the Public Shareholders who have tendered their Equity Shares will not be able to trade such Equity Shares during such period. During such period, there may be fluctuations in the market price of the Equity Shares that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.

- Further, Public Shareholders should note that, under the SEBI (SAST) Regulations, once Public Shareholders have tendered their Equity Shares, they will not be able to withdraw their Equity Shares from the Offer even in the event of a delay in the acceptance of Equity Shares under the Offer and/or the dispatch of consideration.

- The Acquirer, the PACs and the Manager to the Offer accept no responsibility for the statements made otherwise than in the PLoF, the PDPS and/or the Pioneer PA and anyone placing reliance on any other source of information (not released by the Acquirer, the PACs or the Manager to the Offer) would be doing so at his, her or their own risk.

Probable risks in associating with the Acquirer and the PACs

- None of the Acquirer, the PACs or the Manager makes any assurance with respect to the continuation of past trends in the financial performance of the Target Company.

- None of the Acquirer, the PACs or the Manager can provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and each of them expressly disclaim any responsibility or obligation of any kind with respect to any decision by any Public Shareholder regarding whether or not to participate in the Offer.

- None of the Acquirer, the PACs or the Manager makes any assurance with respect to their investment or disinvestment relating to their proposed shareholding in the Target Company.

Risk factors relating to the Target Company

- The Target Company has vide letter dated October 23, 2012 made a reference to the Board for Industrial and Financial Reconstruction ("**BIFR**") under the provisions of Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 following the erosion of the entire net worth of the Target Company. The BIFR at its hearing dated May 28, 2013 issued directions to all statutory authorities concerned to file their objections on the sickness of the Target Company within a period of 2 weeks from May 28, 2013. At the last hearing of the BIFR held on July 31, 2013,the BIFR directed the Target Company to furnish certain additional information, which shall be submitted in due course and fixed the next date of hearing for October 15, 2013.

- The risk factors set forth above are indicative only and are not intended to provide a complete analysis of all risks as perceived in relation to the Offer or associating with the Acquirer and the PACs. The risk factors do not relate to the present or future business or operations of the Target Company or any other related matter, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by any Public Shareholder in the Offer. Public Shareholders are advised to consult their stockbroker, investment consultant or tax advisor for an understanding of the further risks associated with their participation in the Offer.

NO OFFER / SOLICITATION / REGISTRATION IN THE UNITED STATES OF AMERICA AND CERTAIN OTHER JURISDICTIONS

United States of America

This Pioneer Letter of Offer together with the Pioneer Detailed Public Statement that was published on July 11, 2013 and the Pioneer Public Announcement dated November 9, 2012 in regards to this Offer, has not been and shall not be registered under the United States' Securities Act of 1933, as amended (the "**Securities Act**") under the exemptions available there under or any US state securities laws. The Offer is not, and under no circumstances is to be construed as, an offering of any securities in the United States or as a solicitation therein or an invitation to subscribe to any securities including the Equity Shares.

The disclosures in this Pioneer Letter of Offer and the Offer particulars including but not limited to the Offer Price, Offer Size and procedure for acceptance and settlement of the Offer is governed by the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended and other applicable laws, rules and regulations of India that are different from those of any domestic tender offer under the US laws.

United Kingdom

This Pioneer Letter of Offer together with the Pioneer Detailed Public Statement that was published on July 11, 2013 and the Pioneer Public Announcement dated November 9, 2012 in connection with this Offer, has not been registered or approved under the UK's Financial Services and Markets Act, 2000. The disclosures in this Pioneer Letter of Offer and the Offer particulars including but not limited to the Offer Price, Offer Size and procedures for acceptance and settlement of the Offer is governed by the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended and other applicable laws, rules and regulations of India that are different from those of any domestic tender offer under the UK laws.

General

This Pioneer Letter of Offer together with the Pioneer Detailed Public Statement that was published on July 11, 2013 and the Pioneer Public Announcement dated November 9, 2012 in connection with the Offer, has been prepared for the purposes of compliance with the applicable laws and regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended. Accordingly the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. Neither the delivery of this Pioneer Letter of Offer or the Pioneer Letter of Offer, under any circumstances, create any implication that there has been no change in the affairs of the Target, the Acquirer and the PACs and persons acting in concert or deemed to act in concert with such persons, since the date hereof or that the information contained herein is correct as at any time subsequent to this date. Nor is it to be implied the Acquirer and the PACs or any persons acting in concert or deemed to act in concert with them are under any obligations to update the information contained herein at any time after this date.

No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The Pioneer Letter of Offer shall be dispatched to all Public

Shareholders whose name appears on the register of members of the Target Company, at their stated address, as of the Identified Date (as defined below). However, receipt of this Pioneer Letter of Offer and the Pioneer Letter of Offer by any Public Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of this Pioneer Letter of Offer and/or the Pioneer Letter of Offer under any local securities laws), shall not be treated by such Public Shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only. Accordingly no such Public Shareholder may tender his, her or its Equity Shares in this Offer.

Persons in possession of this Pioneer Letter of Offer and/or the Pioneer Letter of Offer are required to inform themselves of any relevant restrictions. Any Public Shareholder who tenders his, her or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer.

CURRENCY OF PRESENTATION

In this Pioneer Letter of Offer, all references to "**Rs.**"/"**INR**"/ "**₹**"are to Indian Rupee(s), the official currency of India, all references to "**USD**"/"**US$**"/"**US Dollar**" are to United States Dollars, the official currency of the United States of America and all references to "**£**"/"**GBP**" and "**pence**" are to United Kingdom Pounds Sterling and United Kingdom Pence, respectively, the official currency of the United Kingdom.

In this Pioneer Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

All data presented in US$ and GBP in this Pioneer Letter of Offer have been converted into INR for the purpose of convenience translation only. The conversions have been made at the following rates as on November 9, 2012, being the date of the Pioneer PA (unless otherwise stated in this Pioneer Letter of Offer):

1 USD = 54.3400INR
1 GBP = 86.9685INR

(Source: Reserve Bank of India – www.rbi.org.in)

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DEFINITIONS / ABBREVIATIONS

Particulars	Details / Definition
Acquirer	Relay B.V.
BgSE	Bangalore Stock Exchange Limited
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
DCAP	Diageo Capital plc
Depositories	CDSL and NSDL
Depository Participant	DSP Merrill Lynch, with which the Registrar to the Offer has opened the Open Offer Escrow Demat Account for receiving Equity Shares tendered during the Offer
DFIN	Diageo Finance plc
Diageo Group	The companies operating under Diageo across all its markets
DP	Depository Participant
Equity Shares	Fully paid up equity shares of the Target Company with a face value of ₹ 10 each
FII	Foreign Institutional Investors
Identified Date	The date falling on the 10th Working Day prior to the commencement of the Tendering Period for the purposes of determining the Public Shareholders to whom the PLoF shall be sent
Income Tax Act	The Income Tax Act, 1961, as amended
KFIL	Kingfisher Finvest India Limited
Listing Agreement	The listing agreement entered into by the Target Company with BSE, NSE and with PSE
Manager	JM Financial Institutional Securities Private Limited
NECS	National Electronic Clearing Services
NEFT	National Electronic Funds Transfer
NRIs	Non-Resident Indians, as defined in the Foreign Exchange Management (Deposit) Regulations, 2000
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCBs	Overseas Corporate Bodies, as defined in the Foreign Exchange Management (Deposit) Regulations, 2000
Offer / Open Offer	The open offer being made by the Acquirer and the PACs to the Public Shareholders of the Target to acquire up to 2,466,168 Equity Shares, representing the remaining 18.42% of the Paid Up Capital, at a price of ₹64.02 (Rupees Sixty four and two paise only) per Equity Share
Offer Price	₹64.02 (Rupees Sixty four and two paise only) per Offer Share
Offer Shares	2,466,168 Equity Shares, representing the remaining 18.42% of the Paid Up Capital

Particulars	Details / Definition
Offer Size	₹157,884,075.36 (Rupees One hundred and fifty seven million eight hundred and eighty four thousand seventy five and thirty six paise only), being the maximum consideration payable under this Offer assuming full acceptance.
Open Offer Escrow Account	The account opened with Bank of America N.A. Bangalore branch in accordance with Regulation 17(4) of the SEBI (SAST) Regulations
Open Offer Escrow Demat Account	The special depository account opened by the Registrar to the Offer with the Depository Participant for receiving Equity Shares tendered during the Offer
PAA	The preferential allotment agreement dated November 9, 2012 between the Acquirer and Diageo with USL
PAC 1	Diageo plc / Diageo
PAC 2	United Spirits Limited / USL
PAN	Permanent Account Number
Paid Up Capital	13,388,200 Equity Shares, being the Equity Shares as of the 10th Working Day following completion of the Offer.
PDPS / Pioneer Detailed Public Statement	The detailed public statement in connection with the Offer, published on behalf of the Acquirer and the PACs on July 11, 2013
PDLoF / Pioneer Draft Letter of Offer	The draft letter of offer filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations
Pioneer Offer Opening Public Announcement	The announcement of the commencement of the Tendering Period made on behalf of the Acquirer and the PACs
Pioneer Public Announcement / Pioneer PA	The public announcement in connection with the Offer dated November 9, 2012 issued by the Manager on behalf of the Acquirer and the PACs (USL has been included as a PAC since the date of the Pioneer PA and Diageo Finance plc, Diageo Capital plc and Tanqueray Gordon and Company Limited are discontinued as PACs)
PLoF / Pioneer Letter of Offer	This letter of offer dated August 22, 2013
PSE	Pune Stock Exchange Limited
Public Shareholders	The shareholders and beneficial owners (registered or otherwise) of Equity Shares, other than the parties to the Transaction Documents and persons acting, or deemed to be acting, in concert with such parties
RBI	Reserve Bank of India
Registrar to the Offer	Link Intime India Private Limited
RTGS	Real Time Gross Settlement
Sale Shares	Together the equity shares of USL acquired by the Acquirer from UBHL, KFIL, Seller 3, Seller 5 and Seller 6 and proposed to be acquired from Seller 4 under the SPA
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India

Particulars	Details / Definition
SEBI Act	SEBI Act, 1992, as amended
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Sellers	Together UBHL ("Seller 1"), KFIL ("Seller 2"), SWEW Benefit Company ("Seller 3"), Dr. Vijay Mallya and A.K. Ravindranath Nedungadi in their capacities as trustees to the USL Benefit Trust ("Seller 4"), Palmer Investment Group Limited ("Seller 5") and UB Sports Management Overseas Limited ("Seller 6")
SHA	The shareholders' agreement dated November 9, 2012, as amended, between the Acquirer, Diageo, UBHL and KFIL
SPA	The share purchase agreement dated November 9, 2012 between the Acquirer, Diageo and the Sellers
Stock Exchanges	BSE, NSE and PSE
Target / Target Company	Pioneer Distilleries Limited
Tendering Period	August 28, 2013 to September 11, 2013, both days inclusive
TGCL	Tanqueray Gordon and Company Limited
Transaction	The acquisition of the Sale Shares pursuant to the terms of the SPA, the subscription to 14,532,775 equity shares of USL by the Acquirer pursuant to the terms of the PAA and the arrangements contemplated by the SHA (including all amendments thereto)
Transaction Documents	Together the SPA, the PAA and the SHA
UBHL	United Breweries (Holdings) Limited
USL EVC	The paid up capital of USL i.e. the equity share capital of USL as on the 10th Working Day after the closure of the tendering period in the USL Open Offer including the equity shares to be issued in terms of the PAA
USL Open Offer	The open offer that was made by the Acquirer together with Diageo, DFIN, DCAP and TGCL to the public shareholders of USL, which was completed on May 13, 2013
USL Public Shareholders	The shareholders and beneficial owners (registered or otherwise) of the equity shares of USL, other than the parties to the Transaction Documents and persons acting, or deemed to be acting, in concert with such parties
Working Day(s)	Has the meaning given in the SEBI (SAST) Regulations

I. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE PIONEER DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE PIONEER DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF PIONEER DISTILLERIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER, PACS OR THE TARGET COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PIONEER LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND PACS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS PIONEER LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER (MANAGER) TO THE OFFER, JM FINANCIAL INSTITUTIONAL SECURITIES PRIVATE LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JULY 18, 2013 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE PIONEER LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND PACS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

II. DETAILS OF THE OFFER

Background to the Offer

1. The USL Open Offer was completed on May 13, 2013 pursuant to which the Acquirer acquired 58,668 equity shares in USL representing 0.04 per cent of the USL EVC from the USL Public Shareholders. Subsequently,

   (i) On May 27, 2013, USL issued and allotted 14,532,775 equity shares representing 10.00 per cent of the USL EVC to the Acquirer pursuant to the terms of the PAA; and

   (ii) On July 4, 2013, the Acquirer completed the acquisition of 21,767,749 equity shares representing 14.98 per cent of the USL EVC from UBHL, KFIL, Seller 3, Seller 5 and Seller 6 pursuant to the terms of the SPA. The acquisition by the Acquirer of 3,459,090 equity shares of USL representing 2.38 per cent of the USL EVC held by Seller 4 is proposed to be made upon the release of security that is currently held over these shares by certain lenders.

2. Pursuant to the completion of the acquisition of the relevant Sale Shares (other than from Seller 4) as described herein above, the SHA came into effect on July 4, 2013. Accordingly and with the coming into effect of the SHA, PAC 1 and Relay are identified as part of 'Promoter & Promoter group' of USL and consequently this Offer is being made pursuant to the indirect acquisition of Equity Shares(by virtue of the acquisition of the equity shares of USL as mentioned above by the Acquirer) in terms of Regulation 3(1), Regulation 4 and Regulation 5 of the SEBI (SAST) Regulations to the Public Shareholders of the Target Company. The Offer is not a 'deemed direct' offer in terms of Regulation 5(2) of the SEBI (SAST) Regulations. For further information see Part V -Justification of Offer Price - paragraph 4 of this PLoF.

3. The Acquirer as on date holds 36,359,192 equity shares in USL representing 25.02 per cent of the USL EVC. USL in turn holds 10,922,032 Equity Shares in the Target Company representing 81.58 per cent of the Paid Up Capital.

4. USL has now been included as a person acting in concert with the Acquirer for the purpose of the Open Offer. Further USL shall acquire all the Equity Shares that are validly tendered by the Public Shareholders in the Open Offer. Accordingly and given the limited role to be played by DFIN, DCAP and TGCL, each of DFIN, DCAP and TGCL who were named as persons acting in concert in the Pioneer PA are being discontinued as persons acting in concert for the purpose of the Open Offer.

5. While the Equity Shares to be tendered in this Offer shall be acquired by USL, the Acquirer and Diageo shall be jointly and severally liable with USL in respect of the fulfillment of the obligations under this Offer.

6. Neither the Acquirer nor any of the PACs has been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

7. As per Regulation 26(6) of the SEBI (SAST) Regulations, the board of directors of the Target Company is required to constitute a committee of independent directors to provide their reasoned recommendations on the Offer. The reasoned recommendations are required to be

published in the same newspapers in which the PDPS was published by no later than 2 Working Days prior to the commencement of the Tendering Period.

Details of the Proposed Offer

1. The Pioneer Detailed Public Statement was published on July 11, 2013 in The Economic Times (all editions), English national daily, Navbharat Times (all editions), Hindi national daily, Maharashtra Times (Mumbai edition), Marathi regional daily and Vaartha (Hyderabad edition), Telugu regional daily. A copy of the PDPS is also available on the website of SEBI (www.sebi.gov.in).

2. The Acquirer and the PACs are making this Offer to all the Public Shareholders to acquire up to 2,466,168 Equity Shares ("**Offer Shares**") of face value of ₹10/- each at a price of ₹64.02(Rupees Sixty four and two paise only) ("**Offer Price**") aggregating to ₹157,884,075.36(Rupees One hundred and fifty seven million eight hundred and eighty four thousand seventy five and thirty six paise only) in cash ("**Offer Size**"). The Offer Shares represent the remaining 18.42 per cent of the Paid Up Capital.

3. Other than as set out in paragraph 4 below to the best of the knowledge of the Acquirer and the PACs, there are no statutory approvals required to complete the acquisition of the Offer Shares. If any other statutory approval becomes applicable prior to the completion of the Offer, the Offer would also be subject to such other statutory approval.

4. The acquisition of Offer Shares tendered by NRIs and OCBs is subject to and where applicable such OCBs and NRIs submitting the approval / exemption from the RBI for tendering their Equity Shares in the Open Offer.

5. The Offer Price is subject to revisions pursuant to the SEBI (SAST) Regulations, if any, or at the discretion of the Acquirer and the PACs at any time prior to three Working Days before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations.

6. The Paid Up Capital has been computed as under:

Particulars	**Issued and paid up capital and voting rights**	**% of Paid Up Capital**
Fully paid up Equity Shares as of the Pioneer PA date	13,388,200	100.00
Partly paid up Equity Shares as of the Pioneer PA date	Nil	Nil
Employee stock options outstanding	Nil	Nil
Paid Up Capital	13,388,200	100.00

7. There are no partly paid up Equity Shares in the share capital of the Target Company

8. The Offer is not conditional on any minimum level of acceptance by the Public Shareholders of the Target Company and is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. Further, there is no differential pricing for this Offer.

9. The Acquirer and the PACs have not acquired any Equity Shares of the Target Company between the date of the Pioneer PA (i.e. November 9, 2012) and the date of this Pioneer Letter of Offer.

10. Pursuant to the completion of the Open Offer, USL shall take such steps in consultation with the Acquirer as may be permitted under applicable law including under the provisions of clause 40A of the Listing Agreement to achieve compliance with the minimum public shareholding requirement of 25 per cent under the Securities Contract (Regulation) Rules, 1957 within a period of 1 year from the completion of the Open Offer.

Object of the Acquisition / Offer

1. Pursuant to the completion of the acquisition of the relevant Sale Shares from UBHL, KFIL, Seller 3, Seller 5 and Seller 6, the SHA came into effect on July 4, 2013. Accordingly and with the coming into effect of the SHA, PAC 1 and Relay are identified as part of 'Promoter & Promoter group' of USL and consequently this Offer is being made pursuant to Regulation 3(1), Regulation 4 and Regulation 5 of the SEBI (SAST) Regulations to the Public Shareholders of the Target Company.

2. The Acquirer and the PACs currently do not have any intention to alienate, whether by way of sale, lease, encumbrance or otherwise, any material assets of the Target Company during the period of two years following the completion of the Offer, except in the ordinary course of business or on account of regulatory approvals or conditions, or compliance with any applicable law.

3. Other than the above, if the Acquirer and the PACs intend to alienate any material asset of the Target Company, within a period of 2 years from completion of the Offer, the Target shall seek the approval of its shareholders as per the proviso to regulation 25(2) of SEBI (SAST)Regulations.

III. BACKGROUND OF THE ACQUIRER AND THE PACs

ACQUIRER

1. Relay B.V., a private limited company incorporated on July 13, 2012 in the Netherlands with trade register number 55690319, is an indirectly wholly owned subsidiary of Diageo. Its registered office is situated at Molenwerf 10-12,1014 BG, Amsterdam, Netherlands, Tel: +31207745000, Fax: +31207745091, Email id: marga.gerichhausen@diageo.com. Compliance Officer: Marga Gerichhausen.

2. Relay is part of the Diageo Group. Its main objects include the acquisition of, subscription to and investment in equity shares / equity linked instruments of investee companies and the carrying on of all activities incidental or conducive thereof.

3. The issued and paid up capital of Relay as of July 17, 2013 was 1,300 ordinary A shares of ₹1,000 each and 10,100,000 ordinary B shares of ₹1,000 each. The shares of Relay are not listed on any stock exchange.

4. As of the date of this PLoF and pursuant to the coming into effect of the SHA, Relay and PAC 1 are identified as part of the 'Promoter and Promoter group' of USL. As of date of this PLoF, USL directly holds and controls 10,922,032 Equity Shares representing 81.58 per cent

of the Paid Up Capital of the Target Company. Other than as stated hereinabove, neither the Acquirer nor any of its directors' hold, either directly or indirectly any stake in the equity share capital of or have any other interest in the Target Company. Further, there are no common directors on the board of Relay and the Target Company. The details of the directors on the board of directors of the Acquirer are provided below:

Name	DIN	Date of Appointment	Designation	Qualifications & Experience
Ian Hockney	NA	December 10, 2012	Director	He holds a BSc in Chemistry from the University of Birmingham and is an Associate of the Chartered Institute of Management Accountants. He is Finance Director Diageo Brands BV and Global Supply Controller. He currently also provides functional support to Diageo's Supply Chain in Africa. He has worked for Diageo since October 1998. Besides his current global roles he has covered various finance roles in a number of markets, including Russia, Ireland, Great Britain and currently The Netherlands. His experience includes providing functional leadership to a team of finance professionals, responsibility for financial performance, controls and compliance across the Diageo global manufacturing organisation and supporting the strategy and decision making across Diageo's Africa businesses.
Margaretha Catharina Theodora Maria Gerichhausen	NA	July 13, 2012	Director	She holds a Master's Degree in Law (1988) from the University of Utrecht, the Netherlands. She is also a member of the Netherlands Institute of Company Lawyers. She is a corporate lawyer with extensive experience on Corporate Governance issues. She started her career with Pricewaterhouse in 1987 where she headed the Legal Department from 1990 to 1996. She has been part of Diageo since its formation in 1997,and prior to that she has worked for Guinness PLC. During her career with Diageo she has held various positions interalia as Business & Legal Director heading up the Amsterdam Corporate team, responsible for the Dutch holding structure. She currently holds the position of Company Secretary and Head of Corporate Governance of Diageo in the Netherlands. She also holds various directorship positions in Diageo companies in the Netherlands, France and Italy.
Timothy Young Chow	NA	July 17, 2012	Director	He holds an A.B. Magna cum Laude from Dartmouth College, Hanover, New Hampshire (1996) and a J.D. from University of Pennsylvania Law School, Philadelphia, Pennsylvania (2000). He was admitted to the Bar in New York State in 2002. He began his

Name	DIN	Date of Appointment	Designation	Qualifications & Experience
				career as an Associate in Sullivan & Cromwell's general practice group focusing primarily on corporate finance matters. In 2004 he joined Diageo plc as Senior Counsel, Treasury and Finance and assisted the group with legacy issues regarding the disposal of its foods business (Pillsbury and Burger King). Before taking on his current role as Associate General Counsel, Corporate Centre in 2006, he spent a short secondment based in Taipei and Shanghai as Acting Regional Counsel, Diageo Greater China. As primary legal counsel to the Chief Financial Officer, he and his team provide legal support on all financial and capital structure related issues, disclosure and corporate governance obligations arising from the group's dual listing in the UK and US and general compliance matters, including, amongst other accountabilities, ownership of the group's anti-bribery and corruption policy. He is a member of the group's Finance Committee, Audit Risk Committee and Filings Assurance (disclosure) Committee. He is an American-British dual national and is currently based in New York City.
Claire-Louise Jordan	NA	July 17, 2012	Director	She holds a Bachelor of Law Degree from the University of Leicester, Faculty of Law (1995). She is also an Associate of The Institute of Chartered Accountants in England and Wales.
David Heginbottom	NA	July 17, 2012	Director	He is a Chartered Accountant and holds a B.A. in Mathematics from the University of Oxford. He joined Diageo Group in 1996 and has been Group Treasurer since 2010, prior to which he was the Regional Finance Director for Asia Pacific, being based in Singapore for six years. During his career at Diageo Group, he has also worked in Ireland and Australia.
Kieran John Gowing	NA	July 17, 2012	Director	He is an Associate of The Chartered Institute of Management Accountants (1991).

5. Relay has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

6. The Acquirer has complied with all the applicable provisions of Chapter V of the SEBI (SAST) Regulations within the timelimits specified in the SEBI (SAST) Regulations.

7. Relay was incorporated on July 13, 2012 and accordingly there are no historical financial statements relating to it. The financial statements for the first year of operation are yet to be

finalized and approved and pending such finalization and approval, currently there are no financial statements related to Relay.

8. There are no outstanding litigations involving Relay as of the date of the PDLoF.

PAC 1

1. Diageo plc is a public limited company incorporated in England under registered number 23307. Diageo was originally incorporated as Arthur Guinness Son and Company, Limited on October 21, 1886. Its name was subsequently changed to Arthur Guinness and Sons Plc on March 1, 1982 and subsequently to Guinness PLC on May 1, 1985. The company was eventually named Diageo plc on December 17, 1997. Its registered office is situated at Lakeside Drive, Park Royal, London, NW107HQ, United Kingdom, Tel: +44 20 89786000, Fax: +44 20 89781577. Compliance Officer: Paul Tunnacliffe, Tel: +44 20 89782274, Fax: +4420 8978 1577, Email id: paul.tunnacliffe@diageo.com.

2. Diageo is one of the world's leading premium drinks business selling products in more than 180 markets and collection of beverage alcohol brands across spirits, beer and wine categories. These brands include Johnnie Walker, Crown Royal, J&B, Buchanan's, Windsor and Bushmills whiskies, Smirnoff, Ciroc and Ketel One vodkas, Captain Morgan, Baileys, Tanqueray and Guinness. Diageo is the ultimate holding company of the Acquirer.

3. The issued and paid up capital of Diageo as of June 30, 2012 was 2,754 million ordinary shares of face value 28(101/108) pence each aggregating to £797 million. This includes 259 million ordinary shares held as treasury shares repurchased under various buy-back programs and shares for hedging share scheme grants to employees. The shares of Diageo are listed on the London Stock Exchange, Paris Stock Exchange and the Dublin Stock Exchange. The American depository receipts of Diageo are listed on the New York Stock Exchange. Diageo is a widely held company with no identified promoter. As at November 9, 2012 the following substantial interest (3 per cent. or more) in Diageo's ordinary share capital has been notified to Diageo:

Shareholder	Number of ordinary shares	% of issued share capital (excluding treasury shares)
BlackRock Investment Management (UK) Limited (indirect holding)	147,296,928	5.89
Capital Research and Management Company (indirect holding)	124,653,096	4.99
Legal & General Group Plc (direct holding)	99,894,002	3.99

Brief information of the market prices of Diageo on the London Stock Exchange is provided below:

Particulars	London Stock Exchange			
	Highest closing price (in pence)	Lowest closing price (in pence)	Average closing price (in pence)	Total volumes
June 2013	1,956.5	1,822.5	1,895.9	98,466,415
May, 2013	2,069.0	1,951.0	2,013.0	74,858,469
April, 2013	2,085.0	1,947.5	1,992.4	86,691,954

March, 2013	2,075.0	1,972.0	2,013.5	84,597,248
February, 2013	1,980.0	1,876.5	1,923.0	71,421,326
January, 2013	1,877.0	1,788.0	1,828.0	89,284,737

(Source: Bloomberg data)

4. As of date of this PLoF and pursuant to the coming into effect of the SHA, Diageo and the Acquirer are identified as part of 'Promoter & Promoter group' of USL. As of the date of this PLoF, USL directly holds and controls 10,922,032 Equity Shares representing 81.58 per cent of the Paid Up Capital of the Target Company. Other than as stated hereinabove, neither Diageo nor any of its directors' hold, either directly or indirectly any stake in the equity share capital of or have any other interest in the Target Company. Further, there are no common directors on the board of Diageo and the Target Company. The details of the directors on the board of directors of Diageo are provided below:

Name	DIN	Date of Appointment	Designation	Qualifications & Experience
Peggy B Bruzelius	NA	April 24, 2009	Non-Executive Director	She obtained a Master of Science (Business Administration) from Stockholm School of Economics in 1972. She was also awardedan Honorary Doctorate from the Stockholm School of Economics in 2005. She was appointed as a Non-Executive Director of Diageo plc in April 2009. She is Chairman of Lancelot Asset Management in Sweden and sits on the boards of Akzo Nobel NV in the Netherlands and Axfood AB and Skandia Liv AB, both in Sweden. She is a Non-Executive Director of Lundin Petroleum. She was formerly Managing Director of ABB Financial Services AB, headed the asset management arm of Skandinaviska Enskilda Banken AB and a Non-Executive Director of Scania AB.
Laurence M Danon	NA	January 1, 2006	Non-Executive Director	She obtained an Ecole Normale Superieure(Ulm) (1977-1981). She also has a Corps des Mines - Postgraduate Diploma in Organic Chemistry (1981-1984) and an Agregee with a Senior Postgraduate Teaching qualification in Physics. She was appointed a Non-Executive Director of Diageo plc in January 2006. She is Co-President of the Executive Board of Leonardo & Co and a Non-Executive Director of Groupe BPCE and TF1, both in France. Formerly, she served with the French Ministry of Industry and Energy, held a number of senior management posts with Total Fina Elf and was Chairman and Chief Executive Officer of France Printemps. She was also a Non-Executive Director of Experian Group Limited, Plastic Omnium SA and Rhodia SA.
Lord Davies of Abersoch	NA	September 1, 2010	Non-Executive Director	He holds a PhD from Harvard Business School (1989) and is a Fellow of the Institute of Bankers. He was appointed Non-Executive Director of Diageo plc in September 2010 and Senior Non-

Name	DIN	Date of Appointment	Designation	Qualifications & Experience
				Executive Director and Chairman of the Remuneration Committee in October 2011. He is a partner of Corsair Capital, Chairman of Chime Communications plc, Non-Executive Chairman of Pinebridge Investments Limited, a member of the Advisory Board of Moelis & Co and an advisor to Monitise Group Limited. He is also trustee of the Royal Academy of Arts and Chair of Council, University of Wales, Bangor. Previously he was Minister for Trade, Investment and Small Business for the UK Government between January 2009 and May 2010 and prior to this role, he was Chairman of Standard Chartered PLC.
Betsy D Holden	NA	September 1, 2009	Non-Executive Director	She has a BA in Education from Duke University (1977). She has also obtained a Master of Management, Marketing and Finance from Kellogg Graduate School of Management (1982) and a Master of Arts in Teaching from the Northwestern University (1987). She was appointed a Non-Executive Director of Diageo plc in September 2009. She is a Senior Adviser to McKinsey & Company and holds Non-Executive Directorships of Catamaran Corporation and Western Union Company, both in the United States. She is a member of the board of trustees at Duke University, a member of the North American Advisory Board of Schneider Electric and a Member of the Executive Committee at the Kellogg School Management Global Advisory Board. She was formerly President, Global Marketing and Category Development and Co-Chief Executive Officer of Kraft Foods, Inc
Dr.Franz B Humer	NA	April 1, 2005	Chairman	Dr. Franz B Humer holds a Doctorate of Law from the University of Innsbruck. He also has an MBA from INSEAD, an Honorary Doctorate from the Faculty of Science, University of Basel and an Honorary Doctorate of Science from the London School of Pharmacy. Dr. Franz B Humer was appointed Chairman of Diageo plc in July 2008, having been a non-executive director since April 2005. He is also Chairman of F. Hoffmann-La-Roche Ltd in Switzerland, Chairman of INSEAD's board of directors and a non-executive director of Citigroup Inc. He was formerly Chief Operating Director of Glaxo Holdings plc and has held a number of other non-executive directorships.

Name	DIN	Date of Appointment	Designation	Qualifications & Experience
Deirdre Mahlan	NA	October 1, 2010	Chief Financial Officer	She completed her BSc from the New York University in 1984 and an MBA from the Colombia Business School in 1991. She is also a Certified Public Accountant (1986). She was appointed as the Chief Financial Officer and a Director of Diageo plc in October 2010, prior to which she was Deputy Chief Financial Officer and before that Head of Tax and Treasury. She joined the company in 2001, having held various senior finance positions in Joseph E Seagram & Sons Inc since 1992 and having formerly been a Senior Manager with Pricewaterhouse. She was appointed as a Non-Executive Director of Experian plc with effect from September 2012 and is also a member of the Main Committee of the 100 Group of Finance Directors.
Ivan Menezes	NA	July 2, 2012	Chief Executive Officer	He obtained his BA in Economics (Hons) from St Stephen's College, Delhi University, India in 1979 and a Postgraduate Diploma in Management from the Indian Institute of Management, Ahmedabad, India in 1981. He obtained his Master of Management from Kellogg Graduate School of Management, Northwestern University, USA in 1985. He was appointed a Director of Diageo plc in July 2012, having been appointed Chief Operating Officer in March 2012. He was elevated to the post of Chief Executive Officer effective July 2013. He was previously President, North America since January 2004, Chairman, Diageo Asia Pacific since October 2008 and Chairman, Diageo Latin America and Caribbean since July 2011. Formerly he held various senior management positions with Guinness and then Diageo and worked across a variety of sales, marketing and strategy roles with Nestle in Asia, Booz-Allen Hamilton Inc in the United States and Whirlpool in Europe. He is also a Non-Executive Director of Coach Inc., in the United States.
Philip G Scott	NA	October 17, 2007	Non-Executive Director	He is a Fellow of the Institute of Actuaries and a Fellow of the Association of Certified Public Accountants. He is also a Fellow of the Royal Society of Arts. He was appointed a Non-Executive Director of Diageo plc and Chairman of the Audit Committee in October 2007. He is a Non-Executive Director of the Royal Bank of Scotland Group plc. He was previously Chief Financial Officer of Aviva plc and former President of the Council of the Institute and Faculty of Actuaries.

Name	DIN	Date of Appointment	Designation	Qualifications & Experience
H Todd Stitzer	NA	June 23, 2004	Non-Executive Director	He obtained his BA from Harvard University in 1974 and a J.D. from Columbia University in 1978. He obtained a Doctor of Humanics from Springfield College in 2007. He was admitted to the State of New York Bar in 1979 and State of Connecticut Bar in 1984. He was appointed a Non-Executive Director of Diageo plc in June 2004. He is Chairman of Signet Limited and a Non-Executive Director of Massachusetts Mutual Life Insurance Company. He is also a member of the advisory board of Hamlin Capital Management, LLC, a New York based investment advisory firm and a member of the advisory committee of Virgin Group Holdings Limited. He was previously Chief Executive of Cadbury plc.
Paul S Walsh	NA	December 17, 1997	Advisor to the Chairman and the CEO of Diageo plc	He is a Chartered Management Accountant from the University of Manchester (1976). He is also a Chartered Global Management Accountant (ACMA, CGMA). He was appointed Chief Executive of Diageo plc in September 2000. He has served in a number of management roles since joining GrandMet's brewing division in 1982, including Chief Executive Officer of the Pillsbury Company. He was appointed to GrandMet board in October 1995 and to the Diageo plc board in December 1997. He is lead Non-Executive and Deputy Chair of the board of the Department of Energy and Climate Change, a Non-Executive Director of Avanti Communication Group plc, a Non-executive Director of Unilever PLC and a Non-Executive Director of FedEx Corporation in the United States. He was appointed a business ambassador on the UK Government's Business Ambassador network on August 9, 2012 and a member of the Council of the Scotch Whiskey Association.
Ho Kwon Ping	NA	October 1, 2012	Non-Executive Director	He obtained his BA in Economics from University of Singapore. He was appointed as Non-Executive Director of Diageo plc in July 2012 with effect from October 1, 2012. He is Executive Chairman and Founder of Banyan Tree Holdings, Ltd and a member of the Global Advisory Board of the global investment bank Moelis & Co. He is also Chairman of the Singapore Management University, Chairman of Laguna Resorts & Hotels Public Company Limited and Chairman and Chief Executive Office of Thai Wah Food Products Public Company Limited. Formerly, he served as Non-Executive Director at Singapore Airlines Ltd and Standard Chartered plc, as well as Chairman of MediaCorp Pte Ltd and Singapore Power Ltd.

5. Diageo has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

6. Diageo has not acquired any equity shares in any listed company in India and accordingly the provisions of Chapter V of the SEBI (SAST) Regulations or Chapter II of the erstwhile Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended,("**Erstwhile Takeover Code**")were not applicable to Diageo.

7. Diageo's ordinary shares are listed on the London Stock Exchange, the Paris Stock Exchange and the Dublin Stock Exchange and its American depositary shares are listed on the New York Stock Exchange. Diageo is required to comply with (among other rules and legislation) the UK Corporate Governance Code ("**Code**") issued and published by the Financial Reporting Council, the Listing Rules, Prospectus Rules and Disclosure and Transparency Rules issued by the UK Financial Services Authority and the Companies Act 2006. Diageo is additionally subject to the listing requirements of the New York Stock Exchange and the rules of the Securities and Exchange Commission. Diageo also continually monitors compliance with the provisions of the US Sarbanes–Oxley Act of 2002. The board of directors of Diageo is required to describe in their annual report the application of the principles set out in the Code, together with specific disclosures regarding anynon-compliance. The annual report for the year ended June 30, 2012 carried the corporate governance report issued by the board of directors of Diageo. The report lays out details of compliance with the Code and no specific areas of non-compliance were noted.

8. Brief audited financial information on a consolidated basis as at and for the financial years ended June 30, 2012, 2011 and 2010 and the reviewed financials as at and for the six months ended December 31, 2012 are provided below:

(In million)

Profit & Loss Statement	For the six months ended December 31, 2012[1]		For the year ended June 30, 2012		For the year ended June 30, 2011		For the year ended June 30, 2010	
	£	*₹	£	*₹	£	*₹	£	*₹
Income from operations[2]	6,039	536,988	10,762	956,957	9,936	883,509	9,780	869,638
Other income[3]	128	11,382	213	18,940	176	15,650	142	12,626
Total income[4]	**6,167**	**548,370**	**10,975**	**975,897**	**10,112**	**899,159**	**9,922**	**882,264**
Total expenditure[5]	(3,832)	(340,742)	(7,046)	(626,530)	(7,003)	(622,707)	(6,849)	(609,013)
PBIDAT[6]	**2,335**	**207,628**	**3,929**	**349,367**	**3,109**	**276,452**	**3,073**	**273,251**
Depreciation, amortization and impairment	(162)	(14,405)	(411)	(36,546)	(352)	(31,300)	(372)	(33,078)
Interest[7]	(212)	(18,851)	(397)	(35,302)	(397)	(35,301)	(462)	(41,081)
Profit before taxation	**1,961**	**174,372**	**3,121**	**277,519**	**2,360**	**209,851**	**2,239**	**199,092**
Provision for taxation	(360)	(32,011)	(1,038)	(92,299)	(343)	(30,499)	(477)	(42,415)
Discontinued operations	Nil	Nil	(11)	(978)	Nil	Nil	(19)	(1,689)
Profit after taxation[8]	**1,601**	**142,361**	**2,072**	**184,242**	**2,017**	**179,352**	**1,743**	**154,988**

** 1 £ = ₹88.92Source: Bloomberg closing rate December 31, 2012*

Notes

1) Diageo plc prepares group financial statements for years ending 30 June, and condensed financial statements in half-yearly financial reports for the six months ended 31 December
2) Net sales
3) Share of associates' profits after taxation
4) Excludes sale of businesses, other income and net interest income
5) Excludes depreciation, amortization, impairment and other finance income and charges
6) Profit before net finance charges, depreciation, amortization, impairment and taxation
7) Interest receivable and other finance income less interest payable and other finance charges
8) Profit for the period / year

(In million)

Balance Sheet	**As at December 31, 2012[1]**		**As at June 30, 2012**		**As at June 30, 2011**		**As at June 30, 2010**	
	£	***₹**	**£**	***₹**	**£**	***₹**	**£**	***₹**
Called up share capital	797	70,869	797	70,869	797	70,869	797	70,869
Reserves & share premium[2]	5,530	491,728	4,791	426,016	4,448	395,516	3,210	285,433
Net worth[3]	**6,327**	**562,597**	**5,588**	**496,885**	**5,245**	**466,385**	**4,007**	**356,302**
Non-current liabilities	9,785	870,082	10,755	956,335	8,877	789,343	10,724	953,579
Current liabilities	6,096	542,057	4,784	425,393	4,915	437,042	3,944	350,700
Non-controlling interests	1,121	99,679	1,223	108,749	740	65,801	779	69,269
Total equity and liabilities	**23,329**	**2,074,415**	**22,350**	**1,987,362**	**19,777**	**1,758,571**	**19,454**	**1,729,850**
Intangible assets	8,910	792,277	8,821	784,363	6,545	581,981	6,726	598,076
Property, plant & equipment	3,124	277,786	2,972	264,270	2,552	226,924	2,404	213,764
Biological assets	34	3,023	34	3,023	33	2,934	30	2,668
Investments[4]	2,418	215,009	2,295	204,071	2,487	221,144	2,177	193,579
Other non-current assets[5]	911	81,006	975	86,697	999	88,831	1,165	103,592
Current assets	7,932	705,314	7,253	644,938	7,161	636,757	6,952	618,171
Total assets	**23,329**	**2,074,415**	**22,350**	**1,987,362**	**19,777**	**1,758,571**	**19,454**	**1,729,850**

** 1 £ = ₹88.92Source: Bloomberg closing rate December 31, 2012*
Notes
1) Diageo plc prepares group financial statements for years ending 30 June, and condensed financial statements in half- yearly financial reports for the six months ended 31 December
2) Share premium, other reserves, and retained earnings (there is no revaluation reserve)
3) Net assets less non-controlling interests
4) Investments in associates and other investments
5) Other receivables, other financial assets, deferred tax assets and post employment benefit assets

Other financial data	For the six months ended December 31, 2012[1]		For the year ended June 30, 2012		For the year ended June 30, 2011		For the year ended June 30, 2010	
	pence	*₹	pence	*₹	pence	*₹	pence	*₹
Dividend (%)[2]	NA[4]	NA[4]	136.3%	136.3%	126.5%	126.5%	119.1%	119.1%
Basic earnings per share[3]	61.5	54.7	77.8	69.2	76.2	67.8	65.5	58.2
Diluted earnings per share[2]	61.1	54.3	77.4	68.8	76.0	67.6	65.4	58.2

** 1 £ = ₹88.92Source: Bloomberg closing rate December 31, 2012*
Notes
1) Diageo plc prepares group financial statements for years ending 30 June, and condensed financial statements in half- yearly financial reports for the six months ended 31 December
2) Recommended full year dividend / called up share capital
3) Earnings per share after discontinued operations
4) An interim dividend of 18.10 pence per share was approved by the board of Diageo plc on January 30, 2013

Details of the contingent liabilities and material legal proceedings of Diageo as of December 31, 2012, as disclosed in its unaudited interim financial information, are provided below:

a. Guarantees – As of 31 December 2012 the Diageo Group has no material performance guarantees or indemnities to third parties;

b. Colombian litigation - An action was filed on 8 October 2004 in the United States District Court for the Eastern District of New York by the Republic of Colombia and a number of its local government entities against Diageo and other spirits companies, alleging several causes of action, including violations of the Federal RICO Act. This claim was dismissed in November 2012. The dismissal was without prejudice and as such, plaintiffs are not barred from bringing a similar action in future. Diageo cannot meaningfully quantify the possible loss or range of loss in the event of any future litigation. Diageo remains committed to continued dialogue with the Colombian governmental entities to address the underlying issues;

c. Korean customs dispute - Litigation is ongoing in Korea in connection with the application of the methodology used in transfer pricing on spirits imports since 2004. In December 2009, Diageo Korea received a final customs audit assessment notice from the Korean customs authorities, covering the period from 1 February 2004 to 30 June 2007, for Korean won 194 billion or £112 million (including £14 million of value added tax), which was paid in full and appealed to the Korean Tax Tribunal.

   On 18 May 2011, the Tax Tribunal made a determination that the statute of limitations had run for part of the assessment period, ordered a partial penalty refund and instructed the Korean customs authorities to reinvestigate the remaining assessments. Accordingly, a refund of Korean won 43 billion or £25 million (including £2 million of value added tax) was made to Diageo Korea in the year ended 30 June 2012.

   However, post the completion of the reinvestigation, the Korean customs authorities have concluded that they will continue to pursue the application of the same methodology and on 18 October 2011 a further final imposition notice was issued for Korean won 217 billion or £125 million (including £14 million of value added tax) in respect of the period from 29 February 2008 to 31 October 2010.

In response Diageo Korea filed a claim with the Seoul Administrative Courtalong with a petition for preliminary injunction to stay the final imposition notice. The Seoul Administrative Court granted Diageo Korea's request for preliminary injunction and has stayed the final imposition until the decision of the Seoul Administrative Court on the underlying matter. On 31 October 2012, the Seoul Administrative Court instructed the Korean customs authorities to reinvestigate the second imposition notice per the instructions of the Tax Tribunal and stayed the Seoul Administrative Court hearings until the completion of the re-audit. The re-audit is currently in progress and is likely to be completed by early 2013.

The underlying matter is currently in progress with the Seoul Administrative Court and Diageo Korea is unable to quantify meaningfully the possible loss or range of loss to which these claims may give rise. Diageo Korea continues to defend its position vigorously;

d. Ketel One vodka put option - The Nolet Group has an option exercisable from 9 June 2011 to 9 June 2013 to sell its 50% equity stake in Ketel One Worldwide BV to Diageo for a total consideration of US$900 million (£552 million) plus 5.5% annual interest calculated from the date of the original acquisition on 9 June 2008. If the Nolet Group exercises this option but Diageo chooses not to buy the stake, Diageo will then have to pay US$100 million (£61 million) to the Nolet Group and the Nolet Group may then pursue a sale of its stake to a third party, subject to rights of first offer and last refusal on Diageo's part;

e. Thalidomide litigation - In Australia, a class action claim alleging product liability and negligence for injuries arising from the consumption of the drug thalidomide has been filed in the Supreme Court of Victoria against Distillers Company (Biochemicals) Limited, its parent Diageo Scotland Limited (formerly Distillers Company Limited), as well as against Grünenthal GmbH, the developer of the drug (not a member of the group). On 18 July 2012 Diageo settled the claim of the lead claimant Lynette Rowe and agreed a process to consider the remaining claimants in the class. To enable this process to occur, Ms. Rowe and her legal representatives have agreed not to take any step towards a trial of any issue in the litigation before 31 August 2013. Pursuant to orders made by the Supreme Court of Victoria the class has now been closed. 124 claimants have filed registration forms in the Rowe class action. In the United Kingdom, proceedings have twice been commenced but lapsed for lack of service. Distillers Company (Biochemicals) Limited distributed the drug in Australia and the United Kingdom for a period in the late 1950s and early 1960s. Diageo is unable to quantify meaningfully the possible loss or range of loss to which these lawsuits may give rise. The group has worked voluntarily for many years with various thalidomide organisations and has provided significant financial support;

f. Others - The Diageo Group has extensive international operations and is defendant in a number of legal, customs and tax proceedings incidental to these operations. There are a number of legal, customs and tax claims against the group, the outcome of which cannot at present be foreseen.

PAC 2

1. United Spirits Limited is a public limited company incorporated in Bangalore, India. USL was incorporated as McDowell Spirits Limited on March 31, 1999. Subsequently its name was changed to McDowell & Company Limited on April 12, 2001 and eventually changed to United Spirits Limited on October 17, 2006. Its registered office is situated at UB Tower, #24, Vittal Mallya Road, Bangalore – 560 001, Tel: +91 80 3985 6500 and Fax: +91 80 3985 6862.

2. The USL Open Offer was completed on May 13, 2013 pursuant to which the Acquirer acquired 58,668 equity shares in USL representing 0.04 per cent of USL EVC from the USL Public Shareholders. Subsequently,

   (i) on May 27, 2013 USL issued and allotted 14,532,775 equity shares representing 10.00 per cent of the USL EVC to the Acquirer pursuant to the terms of the PAA; and

   (ii) on July 4, 2013, the Acquirer completed the acquisition of 21,767,749 equity shares representing 14.98 per cent of the USL EVC from UBHL, KFIL, Seller 3, Seller 5 and Seller 6 pursuant to the terms of the SPA. The acquisition by the Acquirer of 3,459,090 equity shares of USL representing 2.38 per cent of the USL EVC held by Seller 4 is proposed to be made upon the release of security that is currently held over these shares by certain lenders.

3. Pursuant to the consummation of the PAA, SPA and the coming into effect of the SHA, the Acquirer and Diageo together with UBHL, KFIL and other promoter group members of USL are identified as the 'Promoters' of USL. USL's objects include *inter alia* manufacturing alcohol, rectified spirit and potable and industrial alcohol and manufacturing, brewing, distilling, blending, compounding, preparing, processing and rendering potable or marketable various categories of liquors, wines, spirits and beers. USL carries on the business of manufacturing and bottling Indian Made Foreign Liquor through distillery and bottling units (which include "owned" units, "tie-up" units, "associate" units and "leased"/"privileged" units).

4. The equity shares of USL are listed on each of the BSE, NSE and BgSE. Further the Global Depository Shares of USL ("**GDS**") are listed on the Luxembourg Stock Exchange. Two GDS represent 1 equity share. There are no outstanding shares that have been issued but not listed on at least one of the BSE, NSE and BgSE. The brief shareholding pattern of USL as of July 5, 2013 is provided below:

Shareholder	**Number of ordinary shares**	**% of total issued shares**
Promoter & Promoter Group		
Relay	36,359,192	25.02
UBHL	10,167,733	7.00
KFIL	5,940,590	4.09
Other Promoter Group members	82,597	0.06
Total	**52,550,112**	**36.16**
Public	**92,777,631**	**63.84**
Grand Total	**145,327,743**	**100.00**

(Source: USL)

Brief information of the market prices of USL on the BSE and NSE is provided below:

Particulars	BSE				NSE			
	Highest Closing Price (₹)	Lowest Closing Price (₹)	Average Closing Price (₹)	Total Volumes	Highest Closing Price (₹)	Lowest Closing Price (₹)	Average Closing Price (₹)	Total Volumes
June 2013	2,517.35	2,171.00	2,403.23	6,953,306	2,520.75	2,167.80	2,402.82	26,617,249
May 2013	2,569.50	2,266.40	2,379.00	6,420,331	2,568.15	2,269.65	2,379.27	32,158,542
April 2013	2,212.35	1,755.50	1,961.54	7,657,280	2,210.95	1,755.15	1,961.59	37,775,786
March 2013	1,994.30	1,803.30	1,900.12	5,518,960	1,995.85	1,804.25	1,900.29	27,551,072
February 2013	1,957.15	1,800.65	1,870.04	5,898,591	1,957.45	1,799.70	1,869.99	30,123,030
January 2013	1,983.20	1,755.05	1,850.54	5,610,691	1,982.85	1,755.90	1,851.08	30,098,512

5. As of the date of this PLoF, USL directly holds and controls 10,922,032 Equity Shares representing 81.58 per cent of the Paid Up Capital of the Target Company.

6. Mr. Ashok Harikishanlal Capoor and Mr. Murali Ananthasubramanian Pathai, directors on the board of USL are also directors on the board of the Target Company. The Target Company also supplies 'Extra Neutral Alcohol'("**ENA**") to USL under an arrangement with USL. USL also extends support to the Target Company like providing corporate guarantees and advances in the normal course of business. USL also provides general business support to the Target Company.

7. The details of the directors on the board of directors of USL are provided below:

Name	DIN	Date of Appointment	Designation	Qualifications & Experience
Dr.Vijay Mallya	00122890	April 27, 2000	Chairman Non-Executive	Dr. Vijay Mallya is a well-known Industrialist and a Member of the Parliament (Council of States). He took over the reins of the United Breweries Group in 1983 at the age of 28, which today is a multi-national conglomerate. Dr. Mallya is the Chairman of several public companies, both in India as well as overseas. Dr. Mallya has won wide recognition from distinguished institutions throughout the span of his career, which includes: • Edmund Hillary Fellowship by the government of New Zealand 2011 • Entrepreneur of the Year Award - The Asian Awards, London - 2010 • Officer of the Legion of

Name	DIN	Date of Appointment	Designation	Qualifications & Experience
				Honour conferred by the President of French Republic 2008 • Asia's Leading Airline Personality - World Travel Award - 2007 Dr. Mallya has over 32 years of experience.
Mr. Ashok Harikishanlal Capoor	03340438	May 2, 2011	Managing Director	Mr. Ashok Capoor is a graduate in Economics (Hons.) and had obtained his Masters in Business Administration (Marketing) from Faculty of Management Studies, Delhi. He has also successfully completed an Advanced Management Program from Harvard University, Boston. Mr. Capoor has over 38 years of experience across companies and various functions, sales and marketing being his major specialization. Mr. Capoor has been with the UB Group since 1992 having joined as Divisional Vice President in erstwhile Herbertsons Limited, since merged with USL. He was the Deputy President of USL since 2007 and was promoted to the position of President of USL with effect from May 2, 2011. Mr. Ashok Capoor was appointed as Managing Director of USL with effect from May 2, 2011 for a period of 3 (three) years.
Mr. Murali Ananthasubramanian Pathai	00204710	July 04, 2013	Executive Director	Mr. P. A. Murali was the Joint President and Chief Financial Officer of United Spirits Limited before he became an Executive Director. Mr. Murali has had a rich experience of over two decades in UB Group and was instrumental in the creation of United Spirits Limited by the consolidation and legal mergers of all the spirits businesses of the UB Group. He has spear headed the efforts of USL for a successful completion of the GDR/FCCB issue of $230 Million in 2006. He played a leading and vital role in the acquisition of Whyte and Mackay, UK, Bouvet Ladubay SA, France and Liquidity

Name	DIN	Date of Appointment	Designation	Qualifications & Experience
				Inc, USA. He joined the UB Group as Senior Manager - Finance in Mumbai. He is a Chartered Accountant and holds a Bachelors' Degree in Commerce. Mr. Murali has over 32 years of experience.
Mr. Paul Steven Walsh	06658767	August 19, 2013	Non Executive Director	Mr. Paul Steven Walsh was Chief Executive, Diageo plc from September 1, 2000 to June 30, 2013 and is now an Advisor to the Chairman and Chief Executive of Diageo plc. Mr. Walsh joined GrandMet's brewing division in 1982 and became Finance Director in 1986. He held financial and commercial positions with Inter-Continental Hotels and in the GrandMet food business, becoming CEO of The Pillsbury Company in 1992. Mr. Walsh was appointed to the GrandMet board in October 1995 and to the Diageo Board in December 1997. Mr. Walsh is a non-executive director of FedEx Corporation, Unilever plc, and Avanti Communications plc. He was previously a non-Executive Director of Centrica plc, stepping down in May 2009. Mr. Walsh has also been appointed Business Ambassador for the food and drink industries by the UK Department for Business, Innovation and Skill and is a Council Member, and former Chairman of the Scotch Whisky Association. Mr. Walsh has 31 years of experience.
Mr.Gilbert Ghostine	06555302	May 27, 2013	Non-Executive Director	Mr. Gilbert Ghostine graduated from Saint Joseph University, Lebanon, in 1985 with a Masters' in Business Administration and a major in marketing. Mr. Gilbert is President of Diageo Asia Pacific and a member of the Global Executive Committee of Diageo

Name	DIN	Date of Appointment	Designation	Qualifications & Experience
				plc. He is responsible for all of the Diageo's businesses in Australasia, Greater China, North Asia, South East Asia, India, the Middle East, North African and Global Travel. He has been with Diageo for 20 years covering leadership roles in Africa, Asia, the USA and Europe. His previous roles include Managing Director Continental Europe for Diageo Europe, President of US Major Markets and National Accounts for Diageo North America and Managing Director of Eastern / Central Europe, Middle East and Africa for Diageo Venture Markets. Mr. Gilbert has over 25 years of experience.
Mr.Ravi Rajagopal	00067073	July 04, 2013	Non-Executive Director	Mr. Ravi Rajagopal is currently the Global Head of Business Development of Diageo plc and has been in this role since September, 2010. Mr. Ravi joined Diageo in 1997 and has held a variety of roles covering regional finance and group controller. He is a Chartered Accountant, a Cost Accountant and has attended the Advanced Management Program at the Harvard Business School. Prior to joining Diageo, Mr. Ravi worked with ITC, India where again he held a variety of senior positions both in finance and general management. Mr. Ravi has over 30 years of experience.
Mr. Ghyanendra Nath Bajpai	00946138	January 20, 2012	Independent Director	Mr. Ghyanendra Nath Bajpai holds a Master's Degree in Commerce from the University of Agra and a Degree in Law (LLB) from the University of Indore. Mr. Bajpai, a distinguished leader in Indian Business community, was the Chairman of Securities & Exchange Board of India (SEBI) and Life Insurance Corporation of India (LIC). Mr. Bajpai has been the Chairman of Corporate Governance Task Force of International Organization of Securities Commissions and the Chairperson of the Insurance

Name	DIN	Date of Appointment	Designation	Qualifications & Experience
				Institute of India, a counterpart of Chartered Insurance Institute, UK. He was the Non-Executive Chairman of National Stock Exchange of India Limited, Stock Holding Corporation of India Limited, LIC Housing Finance Limited and LIC International EC Bahrain and LIC Nepal Limited and was also on the Governing Board of Indian Institute of Management, Lucknow. Mr. Bajpai is on the Board of Advisors of Indian Army Group Insurance Fund and on the Governing Board of National Insurance Academy. He is also Non-Executive Chairman and Non-Executive Director in several corporates in India. Mr. Bajpai has 48 years of experience.
Mr. Arunkumar Ramanlal Gandhi	00007597	July 04, 2013	Independent Director	Mr. Arunkumar Ramanlal Gandhi is a fellow member of the Institute of Chartered Accountants in England & Wales, the Institute of Chartered Accountants of India and an associate member of the Chartered Institute of Taxation, London. Prior to joining Tata Sons as an Executive Director in 2003 he was with M/s N.M.Raiji & Co. Chartered Accountants, a firm of over 60 years of professional standing. Mr. Gandhi continued as an Executive Director in Tata Sons Ltd. till 2008 and as a Director till March 2013. He was also a member of Tata Group's Group Corporate Council and the member of Audit Committee of Tata Sons Ltd. Over the last 20 years, Mr. Gandhi has served on the boards of various Indian companies including Tata Global Beverages Limited, Tata Communications Limited, Paper Products Limited and Tata Limited (UK). Mr. Gandhi has also been a member of various committees constituted by industry forums and regulatory bodies such as SEBI's Takeover Panel Exemption Committee and the Accounting Standards Board of the Institute of Chartered Accountants

Name	DIN	Date of Appointment	Designation	Qualifications & Experience
				of India. Mr. Gandhi has 44 years of experience.
Ms. Renu Sud Karnad	00008064	July 04, 2013	Independent Director	Ms. Renu Sud Karnad is a post graduate in Economics from the University of Delhi and holds a degree in law from the University of Mumbai. She brings with her rich experience and enormous knowledge in the mortgage sector, having been part of the nascent real estate and mortgage sector in India. She is also a Parvin Fellow - Woodrow Wilson School of International Affairs, Princeton University, USA. She joined HDFC Limited in 1978 and was inducted on to the board of directors as an Executive Director in 2000. She grew to become Joint Managing Director in 2007 and has been elevated to Managing Director with effect from 2010. She has also served as the President of the International Union for Housing Finance and Director, Asian Real Estate Society. She has served on the boards of a number of Indian and multinational companies like Akzo Nobel India Limited, Feedback Ventures Limited, HDFC Plc and Transunion LLC. She is a member of Senior Expert Council of IDFC Private Equity. She is also the recipient of many awards including “Outstanding Woman Business Leader” at CNBC TV18 Indian Business Leader Awards in 2012, was part of the 25 Most Influential Women Professional in India. Ms. Renu Sud Karnad has 35 years of experience.
Mr. D. Sivanandhan	03607203	July 04, 2013	Independent Director	Mr. Sivanandhan is one of the most highly regarded IPS officers in India with illustrious career spanning several postings during his 35 years in service and retired as the Director General of Police, Maharashtra. He is the driving force behind Securus First India Private Limited where he actively oversees and advises case teams during investigations. Most

Name	DIN	Date of Appointment	Designation	Qualifications & Experience
				recently has been a member of the special task force in National Security Council Secretariat for revamping India's internal and external national security measures. He is also the security advisor to the Reserve Bank of India. Mr. Sivanandhan has 35 years of experience.
Mr. Sudhakar Rao	00267211	July 04, 2013	Independent Director	Mr. Sudhakar Rao is a retired Indian Administrative Service (IAS) Officer of the 1973 batch. He is currently a director in a number of Indian companies including Indian Oil Corporation Limited, BSE Limited, Binani Industries Limited, CMC Limited and L&T Infrastructure Development Projects Limited. He holds a Masters' Degree in Economics from the Delhi School of Economics and a Masters' Degree in Public Administration from the Kennedy School of Government, Harvard University. He was conferred the Karnataka Rajyotsava Award in 2010. Having served across ministries in both the State and Central Governments, he retired from service as Chief Secretary, Karnataka. He also served as a Member of the Public Enterprises Selection Board, Government of India after retirement. Mr. Sudhakar Rao has over 35 years of experience in public administration.
Mr. Vikram Singh Mehta	00041197	August 19, 2013	Independent Director	Mr. Vikram Singh Mehta's career began with the Indian Administrative Service (IAS) of the Government of India in 1978. He resigned that position in 1980 and joined Philips Petroleum in London as their Senior Economist. He was with Philips Petroleum for 4 years in London and at their headquarters in Bartlesville, Oklahoma, USA. In 1984, he returned to India to join the Public Sector Oil Company, Oil India Limited as its advisor (Strategic Planning). He

Name	DIN	Date of Appointment	Designation	Qualifications & Experience
				resigned from Oil India in 1988 and joined Shell International in London. In 1991, he was posted to Egypt as the Managing Director for Shell Markets and Chemicals, Egypt. In 1994, he returned to India as the Chairman of the Shell Group in India. Mr. Mehta was a member of the National Council of the Confederation of Indian Industry (CII) and chairman of its hydrocarbon committee. He was the Chairman of the Board of Trustees of the Youth Award for India (earlier the Duke of Edinburgh's Award program). He serves on the boards of Colgate Palmolive India Limited, Mahindra & Mahindra Limited, Vodafone India Limited, Apollo Tyres Limited and Larsen & Toubro Limited. Mr. Mehta is also on the Board of Governors of the Pandit Deendayal Petroleum University in Gujarat, India and a member of the Board of Overseers of the Fletcher School of Law & Diplomacy, Tufts University. Mr. Mehta has a BA (Hons) degree in Mathematics from St Stephen's College, Delhi University, an MA in Economics from Magdalen College, Oxford University and an MA from the Fletcher School of Law and Diplomacy, Tufts University. Mr. Mehta has 35 years of experience.

8. The common directors between USL and the Target Company are provided below:

Name of Director	Designation
Mr. Murali Ananthasubramanian Pathai	Non-Executive Chairman
Mr. Ashok Harikishanlal Capoor	Non-Executive Director

In accordance with Regulation 24(4) of the SEBI (SAST) Regulations, the common directors shall not participate in any deliberations of the board of directors of the Target Company or vote in any matter in relation to the Offer.

9. USL has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

10. USL has complied with all the applicable provisions of Chapter II of Erstwhile Takeover Code and Chapter V of the SEBI (SAST) Regulations within the time limits specified in the SEBI (SAST) Regulations.

11. USL has complied with all Corporate Governance requirements under clause 49 of the listing agreement.

12. Brief audited financial information on a consolidated basis as at and for the financial years ended March 31, 2013, 2012 and 2011 are provided below:

(In ₹million)

Profit & Loss Statement	**For the year ended March 31, 2013**	**For the year ended March 31, 2012**
Income from operations	105,979.86	91,864.91
Other Income	2,532.99	2,692.12
Total Income	**108,512.85**	**94,557.03**
Total expenditure	(96,041.30)	(81,262.30)
Profit Before Depreciation, Interest and Tax	**12,471.55**	**13,294.73**
Depreciation and amortization	(1,784.02)	(1,474.15)
Interest and finance charges	(9,849.10)	(8,359.54)
Profit before tax and exceptional items	**838.43**	**3,461.04**
Exceptional Items	(108.30)	(108.16)
Provision for tax	(1,780.57)	(1,480.91)
Profit after tax	**(1,050.44)**	**1,871.97**
Minority Interest	(38.32)	12.71
Share of profits/(losses) of associates	Nil	(5.47)
Profit for the year	**(1,012.12)**	**1,879.21**

(Source: CA certificate dated July 9, 2013 issued by Walker, Chandiok & Co, Chartered Accountants, registration number 001076N)

(In ₹million)

Balance Sheet	**As at March 31, 2013**	**As at March 31, 2012**
Paid up share capital	1,258.70	1,258.70
Reserves & Surplus (excluding revaluation reserves) net of miscellaneous expenditure	46,614.26	45,358.98
Net worth	**47,872.96**	**46,617.68**
Minority Interest	110.60	146.11
Non-current liabilities	51,101.64	55,886.48
Current liabilities	64,763.62	55,915.17
Total	**163,848.82**	**158,565.44**
Non-current assets	104,518.27	97,840.36

Balance Sheet	As at March 31, 2013	As at March 31, 2012
Current assets	59,330.55	60,725.08
Total	**163,848.82**	**158,565.44**

(Source: CA certificate dated July 9, 2013 issued by Walker, Chandiok & Co, Chartered Accountants, registration number 001076N)

Other financial data	For the year ended March 31, 2013	For the year ended March 31, 2012
Dividend (%)	25%	25%
Basic Earnings per Share (In ₹)	(8.04)	14.93

(Source: CA certificate dated July 9, 2013 issued by Walker, Chandiok & Co, Chartered Accountants, registration number 001076N)

(In ₹million)

Profit & Loss Statement	For the year ended March 31, 2011
Income from operations	68,586.49
Other Income	7,625.72
Total Income	**76,212.21**
Total expenditure	(62,237.06)
Profit Before Depreciation, Interest and Tax	**13,975.15**
Depreciation	(1,023.27)
Interest and finance charges	(4,984.72)
Profit before tax and exceptional items	**7,967.16**
Exceptional Items	368.40
Provision for tax	(2,652.29)
Profit/ (Loss) after tax	**5,683.27**
Minority Interest in Profit/ (Loss)	(25.71)
Share of profits/ (losses) in associates	(13.78)
Profit/ (Loss) for the year	**5,695.20**

(Source: CA certificate dated July 9, 2013 issued by Walker, Chandiok & Co, Chartered Accountants, registration number 001076N)

(In ₹million)

Balance Sheet	As at March 31, 2011
Paid up share capital	1,258.70
Reserves & Surplus (excluding revaluation reserves)	40,527.48
Net worth	**41,786.18**
Minority Interest	175.07
Secured Loans	52,843.68
Unsecured Loans	10,966.88
Term Liability towards franchisee rights	3,296.18
Total Sources of Funds	**109,067.99**
Fixed Assets	20,689.96
Goodwill on consolidation	44,320.10
Investments	1,544.22
Deferred Tax Asset	325.31

Balance Sheet	As at March 31, 2011
Current assets, loans & advances	61,842.38
Less: Current liabilities & provisions	(20,101.62)
Miscellaneous expenditure (to extent not written off)	447.64
Total Application of Funds	**109,067.99**

(Source: CA certificate dated July 9, 2013 issued by Walker, Chandiok & Co, Chartered Accountants, registration number 001076N)

Other financial data	For the year ended March 31, 2011
Dividend (%)	25%
Basic Earnings per Share (In ₹)	45.25

(Source: CA certificate dated July 9, 2013 issued by Walker, Chandiok & Co, Chartered Accountants, registration number 001076N)

Details of the contingent liabilities in USL as of March 31, 2013 are provided below:

(In ₹million)

SL. No.	Nature of the Contingent Liability*	Estimated Amount
1	Guarantees given by the company's bankers for which counter guarantees have been given by the company	315.06
2	Disputed claims against the company not acknowledged as debts, currently under appeal / sub judice:	
	Excise and service tax demands for excess wastages and distillation losses	1,176.69
	Other miscellaneous claims	231.94
	Income tax demand (including interest) under appeal	2,572.77
	Sales tax demands under appeal in various states	792.08
3	Bills receivables discounted – since fully settled	897.13
4	Claims from suppliers not acknowledged as debts	98.14

(Source: CA certificate dated July 9, 2013 issued by Walker, Chandiok & Co, Chartered Accountants, registration number 001076N)
**The management is hopeful of succeeding in the above appeals / disputes based on legal opinions / legal precedents*

IV. BACKGROUND OF THE TARGET COMPANY

1. Pioneer Distilleries Limited was originally incorporated as Ganga Orgchem Limited on November 25, 1992. Its name was changed to its current name on September 12, 1994. The registered office of the Target Companyis situated at UB House, Plot No. 36, Street No. 4, Srinagar Colony, Hyderabad - 500 073 (Tel: +91 40 6674 7388, Fax: +91 40 6674 7386). The Equity Shares of the Target Company are listed on the BSE, NSE and PSE.

2. The sole manufacturing unit of the Target Company is situated at Balapur village, Dharmabad Taluk, Nanded district, Maharashtra - 431 809 where it produces ENA, rectified spirit, absolute alcohol, special denatured spirit and carbon dioxide.

3. USL became the promoter of the Target Company with effect from May 24, 2011, consequent to USL's acquisition of 10,977,132 Equity Shares representing 81.99 per cent of the Paid Up Capital. Subsequently, on October 23, 2012, USL undertook an offer for sale through the stock exchange mechanism ("**OFS**") in compliance with the SEBI circular CIR/MRD/DP/18/2012 dated July 18, 2012 to increase the public shareholding in the Target

Company for the purpose of ensuring compliance with the minimum public shareholding requirement of 25 per cent under Rule 19(A)(2) of the Securities Contract (Regulation) Rules, 1957 and clause 40A of the listing agreement entered into between the Target Company and each of the Stock Exchanges ("**Listing Agreement**"). However the OFS was unsuccessful and USL received valid bids for only 55,100 Equity Shares as against 935,982 Equity Shares that were on offer. Pursuant to the OFS, USL's shareholding in the Target Company reduced to 10,922,032 Equity Shares representing 81.58 per cent of the Paid Up Capital.

4. The Target Company has vide letter dated October 23, 2012 made a reference to the Board for Industrial and Financial Reconstruction ("**BIFR**") under the provisions of Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 following the erosion of the entire net worth of the Target Company.

5. The BIFR at its hearing dated May 28, 2013 issued directions to all statutory authorities concerned to file their objections on the sickness of the Target Company within a period of 2 weeks from May 28, 2013. At the last hearing of the BIFR held on July 31, 2013, the BIFR directed the Target Company to furnish certain additional information, which shall be submitted in due course and fixed the next date of hearing for October 15, 2013.

6. The Paid Up Capital has been computed as follows:

Particulars	**Issued and paid up capital and voting rights**	**% of Voting Capital**
Fully paid up Equity Shares as of the Pioneer PA date	13,388,200	100.00
Partly paid up Equity Shares as of the Pioneer PA date	Nil	Nil
Employee stock options outstanding	Nil	Nil
Paid Up Capital	13,388,200	100.00

7. All the Equity Shares are listed on each of the Stock Exchanges and are not currently suspended from trading on any of the Stock Exchanges.

8. As on the date of this Pioneer Letter of Offer, there are no outstanding instruments (warrants, compulsorily convertible debentures, compulsorily convertible preference shares, optionally convertible debentures or preference shares or partially convertible debentures) that are convertible into Equity Shares.

9. The details of the board of directors of the Target Company are provided below:

Name of Director	**Date of Appointment**	**Designation**
Murali Ananthasubramanian Pathai	August 5, 2011	Non-Executive Chairman
Ashok Harikishanlal Capoor	August 5, 2011	Non-Executive Director
Maddagiri Ramaswamy Doraiswamy Iyengar	August 5, 2011	Independent Director
Chhaganlal Meghraj Jain	March 21, 2013	Independent Director

10. There have been no de-merger, spin offs or mergers that involved the Target Company in the preceding three financial years ending March 31, 2013, 2012 and 2011.

11. Brief audited financial information of the Target Company on a stand-alone basis as at and for the financial years ended March 31, 2013, 2012 and 2011 are provided below:

(In ₹)

Profit & Loss Statement	For the year ended March 31, 2013	For the year ended March 31, 2012
Income from operations	1,036,298,928	1,044,524,572
Other Income	234,740	124,568
Total Income	**1,036,533,668**	**1,044,649,140**
Total expenditure	1,113,888,603	1,075,357,151
Profit Before Depreciation, Interest and Tax	**(77,354,935)**	**(30,708,011)**
Depreciation	92,734,413	93,093,444
Interest	103,043,642	129,235,820
Profit before tax	**(273,132,990)**	**(253,037,275)**
Provision for tax	5,443,437	Nil
Profit / (Loss) after tax	**(278,576,427)**	**(253,037,275)**

(Source: CA certificate datedJuly 8, 2013issued by Lodha & Co. Chartered Accountants, registration number 331051E)

(In ₹)

Balance Sheet	As at March 31, 2013	As at March 31, 2012
Sources of funds		
Paid up share capital	134,194,000	134,194,000
Reserves & Surplus (excluding revaluation reserves)	(440,286,579)	(207,303,465)
Net worth	**(306,092,579)**	**(73,109,465)**
Secured loans	716,683,111	551,721,456
Unsecured loans	1,224,512,226	1,038,958,402
Total	**1,635,102,758**	**1,517,570,393**
Uses of funds		
Net fixed assets	2,012,375,497	1,744,408,723
Investments	Nil	Nil
Net other assets	(377,272,739)	(226,838,330)
Total	**1,635,102,758**	**1,517,570,393**

(Source: CA certificate dated July 8, 2013 issued by Lodha & Co. Chartered Accountants, registration number 331051E)

Other financial data	For the year ended March 31, 2013	For the year ended March 31, 2012
Dividend (%)	Nil	Nil
Basic Earnings per Share (In ₹)	(20.81)	(18.90)

(Source: CA certificate dated July 8, 2013 issued by Lodha & Co. Chartered Accountants, registration number 331051E)

(In ₹million)

Profit & Loss Statement	For the year ended March 31, 2011
Income from operations	535,512,187
Other Income	21,378,659
Total Income	**556,890,846**
Total expenditure	729,014,654
Profit Before Depreciation, Interest and Tax	**(172,123,808)**
Depreciation	48,588,002
Interest	47,960,025
Profit before tax	**(268,671,835)**
Provision for tax	23,347,883
Profit/ (Loss) after tax	**(292,019,718)**

(Source: CA certificate dated July 8, 2013 issued by Lodha & Co. Chartered Accountants, registration number 331051E)

(In ₹)

Balance Sheet	As at March 31, 2011
Sources of funds	
Paid up share capital	134,194,000
Reserves & Surplus (excluding revaluation reserves)	(17,866,890)
Net worth	**116,327,110**
Secured Loans	403,075,444
Unsecured Loans	564,842,696
Total	**1,084,245,250**
Uses of funds	
Net fixed assets	1,527,446,725
Net other assets	(443,201,475)
Total Application of Funds	**1,084,245,250**

(Source: CA certificate dated July 8, 2013 issued by Lodha & Co. Chartered Accountants, registration number 331051E)

Other financial data	For the year ended March 31, 2011
Dividend (%)	Nil
Basic Earnings per Share (In ₹)	(21.74)

(Source: CA certificate dated July 8, 2013 issued by Lodha & Co. Chartered Accountants, registration number 331051E)

Details of the contingent liabilities in the Target Company as of March 31, 2013 are provided below:

(In ₹)

SL. No.	Nature of the Contingent Liability	Estimated Amount
1	Guarantees given by the Target Company's bankers for which counter guarantees have been given by the Target Company	10,000,000

(Source: CA certificate dated July 8, 2013 issued by Lodha & Co. Chartered Accountants, registration number 331051E)

Shareholding pattern of the Target Company pre and post Offer is provided below:

Shareholder Category	Shareholding & voting rights prior to agreement / acquisition and open offer (A)		Shareholding & voting rights to be acquired / (sold) under the agreement (B)		Shares / voting rights to be acquired / (sold) in open offer (assuming full acceptance) (C)		Shareholding / voting rights after the acquisition and offer (D) = (A) + (B) + (C)	
	No.	%	No.	%(1)	No.	%(1)	No.	%(1)
(1) Promoter Group								
USL – PAC 2	10,922,032	81.58	Nil	Nil	2,466,168	18.42	13,388,200	100.00
Total (1)	***10,922,032***	***81.58***	***Nil***	***Nil***	***Nil***	***Nil***	***13,388,200***	***100.00***
(2) Acquirer& Other PACs								
a.Acquirer	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b.Diageo	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (2) (a+b)	***Nil***	***Nil***	***Nil***	***Nil***	***Nil***	***Nil***	***Nil***	***Nil***
Total (1) + (2)	***10,922,032***	***81.58***	***Nil***	***Nil***	***2,466,168***	***18.42***	***13,388,200***	***100.00***
(3) Public Shareholders								
a. FIs / MFs / FIIs / Banks / SFIs (1)	899	0.01	Nil	Nil	(2,466,168)	(18.42)	Nil	Nil
b. Others (2)	2,465,269	18.41	Nil	Nil				
Total (3) (a+b)	***2,466,168***	***18.42***	***Nil***	***Nil***	***(2,466,168)***	***(18.42)***	***Nil***	***Nil***
Grand Total	**13,388,200**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**13,388,200**	**100.00**

(Source: Target Company- Shareholding pre Offer is as of July 12, 2013)
Notes
(1) Includes Mutual Funds, Financial Institutions / Banks, Central / State Government(s), Insurance Companies, FIIs
(2) Includes Bodies Corporate, NRI, Clearing Members, Foreign OCB DR, Overseas Corporate Bodies, Indian Individuals and Custodians

The above information related to the Target Company has been, unless otherwise specified, sourced from or confirmed by the Target Company.

V. OFFER PRICE AND FINANCIAL ARRANGEMENTS

Justification of Offer Price

1. The Equity Shares of the Target Company are listed on each of the Stock Exchanges.

2. The trading turnover in the Equity Shares based on the trading volumes during the twelve months prior to the calendar month in which the Pioneer PA was made on NSE, BSE and PSE is as given below:

Stock exchange	Total traded volumes during the 12 calendar months preceding the calendar month in which the Pioneer PA was made	Weighted average number of Equity Shares during the 12 calendar months preceding the calendar month in which the Pioneer PA was made	Trading turnover (as a % of weighted average number of Equity Shares)
BSE	238,780	13,388,200	1.8
NSE	251,515	13,388,200	1.9
PSE	No trading		

(Source: CA certificate dated November 9, 2012 issued by Deloitte Haskins & Sells, Chartered Accountants, registration117365W)

3. Based on the above, the Equity Shares are infrequently traded in terms of the SEBI (SAST) Regulations.

4. Further in terms of Regulation 5(2) and Regulation 8(5) of the SEBI (SAST) Regulations and on the basis of the audited financial statements of the Target Company, USL and USL on a consolidated basis, as applicable, for the year ended March 31, 2012:

   (i) The proportionate net asset value of the Target Company as a percentage of the consolidated net asset value of USL is less than 15 per cent;

   (ii) The proportionate sales turnover of the Target Company as a percentage of the consolidated sales turnover of USL is less than 15 per cent; and

   (iii) The proportionate market capitalization of the Target Company as a percentage of the enterprise value of USL is less than 15 per cent.

   For the purpose of (i) above, the net asset value of the Target Company and USL on a consolidated basis was calculated as non-current assets, including goodwill on consolidation plus current assets excluding miscellaneous expenditure less non-current and current liabilities as applicable.

   For the purpose of (ii) above, the sales turnover of the Target Company and USL on a consolidated basis represents respective revenue from operations net of excise duty.

   For the purpose of (iii) above, the enterprise value of USL was calculated as market capitalization of USL (calculated in the manner as set out in this paragraph) plus non-current and current borrowings, current maturities of non-current borrowings, minority interests, preferred shares minus total cash and cash equivalents. In accordance with the explanation to Regulation 5(2)(c) of the SEBI (SAST) Regulations, the market capitalization of the Target Company was calculated based on the sixty day volume weighted average market price of Equity Shares on the BSE where the maximum volume of trading in the Equity Shares of Target Company were recorded for a period of sixty trading days preceding November 9, 2012 being the date of the Pioneer PA. Likewise the market capitalization of USL was calculated based on the sixty day volume weighted average market price of equity shares of USL on the NSE where the maximum volume of trading in the equity shares of USL were recorded for a period of sixty trading days preceding November 9, 2012 being the date of the public announcement for USL open offer.

5. In light of the above, the Offer is not a 'deemed direct' offer in terms of Regulation 5(2) of the SEBI (SAST) Regulations.

6. The Offer Price of ₹64.02 per Equity Share is justified in terms of Regulation 8(3) and Regulation 8(4) of the SEBI (SAST) Regulations, being the highest of the following parameters:

SL. No.	Details	₹
A	The highest negotiated price per sale share of the Target Company(as per the SPA) attracting the obligation of the Open Offer	NA
B	The volume weighted average price paid or payable per Equity Share by the	NA

SL. No.	Details	₹
	Acquirer or the PACs during the fifty two weeks immediately preceding the date of the Pioneer PA	
C	The highest price paid or payable per Equity Share for any acquisition by the Acquirer or the PACs during the twenty six weeks immediately preceding the date of the Pioneer PA	NA
D	The volume weighted average market price of the Equity Shares during the sixty trading days immediately preceding the date of the Pioneer PA as traded on BSE, being the stock exchange on which the Equity Shares were most frequently traded for the said period, provided such Equity Shares are frequently traded	NA
E	Fair Value per Equity Share as determined taking into account, *interalia* valuation report Ref DHS/G-200/132 dated November 9, 2012 issued by Deloitte Haskins & Sells, Chartered Accountants, (Registration Number. 117365W) i.e. ₹60.00 per Equity Share as enhanced by ₹4.02 being the sum determined at the rate of 10 per cent per annum for the period between the date of Pioneer PA and the date of the PDPS, in accordance with the provisions of Regulation 8(12) of the SEBI (SAST) Regulations	64.02*

Note 1: The Offer Price would be revised in the event of any corporate action like bonus, rights, split etc: where the record date for effecting such corporate actions falls within 3 Working Days prior to the commencement of the tendering period of the Open Offer

*Note 2: In the case of Hindustan Lever Employees' Union versus Hindustan Lever Limited (1995), the Hon'ble Supreme Court upheld the use of the following three bases of valuation: (i) the yield method; (ii) the net asset value method; and (iii) the market value method. In the case of the Target Company as the Target Company is currently incurring losses and its entire net worth has been eroded, the yield method and the net asset value method are not being applied. The 60 day volume weighted average market price of the Target Company as of November 8, 2012 (i.e. the date immediately prior to the date of the PA) was ₹40.56 on the NSE and ₹41.43 on the BSE ("**60 day VWAMP**"). The Offer Price is in excess of the 60 day VWAMP.*

**CA certificate dated July 10, 2013 issued by Deloitte Haskins & Sells, Chartered Accountants, registration number 117365W*

7. The Offer Price is subject to revision pursuant to the SEBI (SAST) Regulations, if any, or at the discretion of the Acquirer and PACs, at any time prior to three Working Days before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and PACs shall (i) make corresponding increases to the escrow amount; (ii) make a public announcement in the same newspapers in which the PDPS was published; and (iii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.

Financial Arrangements

1. The Offer Size is ₹157,884,075.36 (Rupees One hundred and fifty seven million eight hundred and eighty four thousand seventy five and thirty six paise only).

2. In accordance with Regulation 17 of the SEBI (SAST) Regulations, a Cash Escrow (as defined below) has been created.

3. USL has entered into an escrow agreement with Bank of America N.A. Bangalore branch (**"Open Offer Escrow Agent**") and the Manager ("**Open Offer Escrow Agreement**") pursuant to which USL has deposited cash aggregating to ₹39,471,019 (Rupees Thirty nine million four hundred and seventy one thousand and nineteen only), being twenty five percent of the Offer Size ("**Cash Escrow**"), in the Open Offer Escrow Account. The Cash Escrow constitutes the escrow amount ("**Open Offer Escrow Amount**"). The Open Offer Escrow

Amount has been computed in accordance with Regulation 17(1) of the SEBI (SAST) Regulations. The Manager has been authorized to operate the Open Offer Escrow Account on theterms set out in the Open Offer Escrow Agreement.

4. The Open Offer Escrow Agent is neither an associate company nor a group company of the Acquirer, the PACs or the Target.

5. Walker, Chandiok & Co, have, on the basis of details of bank balances, liquid investments as of July 7, 2013, reading of the Open Offer Escrow Agreement and examination of the balance confirmation in the Open Offer Escrow Account provided by the Escrow Agent, certified vide their certificate dated July 8, 2013 that USL has sufficient means and internal accruals to meet their obligations under this Offer.

6. Based on the above, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer and the PACs to fulfill their obligations in relation to this Offer through verifiable means in accordance with the SEBI (SAST) Regulations.

VI. TERMS AND CONDITIONS OF THE OFFER

Operational Terms and Conditions

1. In terms of the tentative schedule of activities, the Tendering Period for the Offer is expected to commence on August 28, 2013 and is expected to close on September 11, 2013.

2. The Equity Shares offered under this Offer shall be free from all liens, charges, equitable interests and encumbrances and are to be offered together with all rights in respect of dividends or bonuses, if any, declared hereafter.

3. This is not a conditional Offer and is not subject to any minimum level of acceptance.

4. The Identified Date for this Offer as per the tentative schedule of activities is August 13,2013.

5. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1(one only).

6. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

7. There are no Equity Shares in the Target Company that are locked-in under any applicable law.

Eligibility for accepting the Offer

1. The Pioneer Letter of Offer shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of the Target Company as on August 13, 2013 (the "**Identified Date**").

2. All Public Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period are eligible to participate in this Offer.

3. The Pioneer Public Announcement, the Pioneer Detailed Public Statement, the Pioneer Letter of Offer and the Form of Acceptance cum Acknowledgement will also be available on SEBI's website (www.sebi.gov.in). In case of non-receipt of the Pioneer Letter of Offer,

Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the Pioneer Letter of Offer or the Form of Acceptance cum Acknowledgement from SEBI's website.

4. The acceptance of this Offer by Public Shareholders must be unconditional, absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

5. The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s) of the Target Company.

6. None of the Acquirer, the PACs, the Manager to the Offer or the Registrar to the Offer accepts any responsibility for any loss of equity share certificates, Offer acceptance forms, share transfer forms etc. during transit and Public Shareholders are advised to adequately safeguard their interest in this regard.

7. The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer and PACs in consultation with the Manager to the Offer.

8. The instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgement constitute an integral part of the terms of the Offer.

Statutory and Other approvals

1. To the best of the knowledge of the Acquirer and the PACs, other than as set out below there are no statutory approvals required to complete the acquisition of the Offer Shares. If any other statutory approval becomes applicable prior to completion of the Offer, the Offer would also be subject to such other statutory approval.

2. The acquisition of Offer Shares tendered by NRIs and OCBs is subject to and if applicable, such OCBs and NRIs submitting the approval / exemption from the Reserve Bank of India for tendering their Equity Shares in the Open Offer.

3. Where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

VII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

1. For the purpose of the Offer, the Registrar to the Offer has opened the Open Offer Escrow Demat Account in the name and style of "USL – PDL Open Offer Escrow Demat Account" with DSP Merrill Lynchas the Depository Participant in NSDL. The DP ID is IN302638 and the Client ID is 10066850.

2. The Offer is made to the Public Shareholders as defined in this PLoF. While the PLoF shall be dispatched to the Public Shareholders of the Target Company whose name appears in the register of members as of the Identified Date, all Public Shareholders of the Target Company may tender their Equity Shares in the Offer. Accordingly, all Public Shareholders, whether holding Equity Shares in dematerialized form or physical form, registered or unregistered, are eligible to participate in this Offer at any time during the Tendering Period. No indemnity is needed from unregistered Public Shareholders.

3. The Public Shareholders who qualify and who wish to participate in this Offer will have to deliver the relevant documents as mentioned below and such other documents as specified in the Pioneer Letter of Offer at the Registrar to the Offer's office or at the following collection centres, either by hand delivery or by registered post between 10.00 a.m. and 4.00 p.m. on any Working Day during the Tendering Period. The documents should not be sent to the Manager, the Acquirer, the PACs or the Target.

SL. No.	Collection Centre	Address of Collection Centre	Contact person	Phone No. / Fax No. and Email Id	Mode of delivery
1.	Mumbai	Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg,Bhandup (W),Mumbai -400078	Pravin Kasare	Ph: 022-25967878 Fax: 022-25960329 Email: pravin.kasare@linkintime.co.in	Hand delivery / registered post
2.	Ahmedabad	Link Intime India Pvt. Ltd, 303, 3rd Floor, ShoppersPlaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Navrangpura, Ahmedabad - 380009	Hitesh Patel	Ph: 079-26465179 Fax: 079-26465179 Email: ahmedabad@linkintime.co.in	Hand delivery
3.	Bangalore	Link Intime India Pvt. Ltd., 543/A, 7TH Main , 3rd Cross, Hanumanthanagar, Bangalore - 560019	Nagendra Rao	Ph: 080-26509004 Fax: 080-26509004 Email: bangalore@linkintime.co.in, linkblr@gmail.com	Hand delivery
4.	Kolkata	Link Intime India Pvt. Ltd, 59C,Chowringhee Road,3rd Floor,Kolkata -700020	S.P.Guha	Ph: 033-22890539/40 Fax: 033-22890539/40 Email: kolkata@linkintime.co.in	Hand delivery
5.	New Delhi	Link Intime India Pvt. Ltd., 44 Community Centre 2nd Floor,Nariana Industrial Area Phase I, Near PVR, Nariana, New Delhi-110028	Swapan Naskar	Ph: 011-41410592/93/94 Fax: 011-41410591 Email: delhi@linkintime.co.in	Hand delivery
6.	Hyderabad	Skystock Services (India) Pvt. Ltd.C/o PRVS Courier 1-8-155/A, Behind Autofin Showroom,Above Sharavana Bhavan Hotel, CG Road, Secunderabad -500003	Sirish Terela	Ph: 040-65648544/65908183 Fax: 040-27729082 Email: skystock01@gmail.com	Hand delivery

4. Any person who has acquired Equity Shares of the Target (irrespective of the date of purchase) but whose name does not appear in the register of members of the Target on the Identified Date, or any Public Shareholder who has not received the Pioneer Letter of Offer, may also participate in this Offer by submitting an application on plain paper giving details regarding their shareholding and confirming their agreement to participate in this Offer as per the terms and conditions of this Offer. Such application should be sent to the Registrar to the Offer together with the relevant share certificate(s) and transfer forms (if the Equity Shares are held in physical form) or a photocopy of the DP instruction slip duly acknowledged by

the DP (in the case of Equity Shares held in dematerialized form) in "off-market" mode, the original contract note issued by a registered share broker of a recognized stock exchange through whom such Equity Shares were acquired and/or such other documents as specified in the Pioneer Letter of Offer.

5. Public Shareholders holding Equity Shares in dematerialized form shall deliver the following documents:

    (i) Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the depository;

    (ii) A photocopy of the delivery instruction slip in "off-market" mode or counterfoil of the delivery instruction slip in "off-market" mode, duly acknowledged by the relevant DP;

    (iii) For each delivery instruction, the beneficial owner should submit a separate form of acceptance cum acknowledgment. The Public Shareholders having their beneficiary account in CDSL must use an inter-depository delivery instruction for the purpose of crediting their Equity Shares in favour of the escrow depository account with NSDL. The ISIN number allotted to the Equity Shares is INE889E01010. The Public Shareholders who have sent their physical Equity Shares for dematerialization need to ensure that the dematerialization process is completed in sufficient time to ensure that the credit in the Open Offer Escrow Demat Account is received on or before closure of the Offer;

    (iv) A copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signature) and no objection certificate / tax clearance certificate from income tax authorities, as applicable; and

    (v) In case the aforesaid documents have not been tendered but the Equity Shares have been transferred to the Open Offer Escrow Demat Account, the Equity Shares shall be deemed to have been accepted for all resident Public Shareholders.

6. Public Shareholders holding the Equity Shares in physical form shall deliver the following documents:

    (i) Form of Acceptance cum Acknowledgement, duly completed and signed in accordance with the instructions contained therein by all Public Shareholders whose name appears on the share certificates;

    (ii) Original share certificates;

    (iii) Valid transfer forms duly signed by the transferors by all registered Public Shareholders in same order and as per the specimen signatures registered with and duly witnessed at the appropriate place;

    (iv) A copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signature) and no objection certificate / tax clearance certificate from income tax authorities, as applicable; and

    (v) In case the aforesaid documents have not been tendered but theoriginal share certificates and valid transfer forms, duly signed, have been tendered, the Equity Shares shall be deemed to have been accepted for all resident Public Shareholders.

7. When tendering their Equity Shares in the Offer, Public Shareholders may select an option to receive the payment of Offer consideration through electronic means by indicating in the space provided in the Form of Acceptance cum Acknowledgement. The payment consideration for Equity Shares accepted under the Offer, in such cases, may be made through NECS, Direct Credit, RTGS or NEFT, as applicable, at specified centers where clearing houses are managed by the RBI, wherever possible. In other cases, payment of consideration would be made through demand draft / pay order sent by registered post / speed post. Public Shareholders who opt to receive consideration through electronic means are requested to give the authorization for electronic mode of transfer of funds in the Form of Acceptance cum Acknowledgement, provide the Magnetic Ink Character Recognition / Indian Financial System Code of their bank branch and enclose a cancelled cheque or a photocopy of a cheque associated with the particular bank account, along with the Form of Acceptance cum Acknowledgement. In case of joint holders/unregistered owners, payments will be made in the name of the first holder/unregistered owner.

8. For the purposes of electronic transfer, in case of Public Shareholders opting for electronic payment of consideration and for the purposes of printing on the demand draft / pay-order for the other cases, the bank account details will be taken directly from the Depositories' database, wherever possible. A Public Shareholder tendering Equity Shares in the Offer is deemed to have given consent to obtain the bank account details from the Depositories for this purpose. Only if the required details cannot be obtained from the Depositories' database will the particulars provided by the Public Shareholders be used.

9. For Public Shareholders who do not opt for electronic mode of transfer and for those Public Shareholders whose payment consideration is rejected or not credited through NECS, direct credit, RTGS or NEFT (as applicable) due to any technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through speed post / registered post. Such payment consideration will be made by pay orders or demand drafts payable at par at places where the address of the Public Shareholder is registered. It is advised that Public Shareholders provide bank details in the Form of Acceptance cum Acknowledgment, so that the same can be incorporated in the cheque/demand draft/pay order. It will be the responsibility of the tendering Public Shareholders to ensure that correct bank account details are mentioned with the Depositories and in the Form of Acceptance cum Acknowledgment.

10. The Registrar to the Offer will hold in trust the Equity Shares/share certificates, Equity Shares held in credit of the Open Offer Escrow Demat Account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the Public Shareholders of the Target who have accepted the Open Offer, until the drafts / pay order for the consideration or the unaccepted Equity Shares / share certificates are dispatched / returned vide registered post or payment consideration has been made through electronic modes.

11. In case of rejection of Equity Shares tendered for any reason, the unaccepted original share certificates, transfer forms and other documents, if any, will be returned by registered post at the Public Shareholder's / unregistered holder's sole risk as per the details provided in the Form of Acceptance cum Acknowledgement. Equity Shares held in dematerialized form, to the extent not accepted, will be returned to the beneficial owner to the credit of the beneficial owner's DP Account with the respective DP as per the details furnished by the beneficial owner(s) in the Form of Acceptance cum Acknowledgement.

Compliance with Tax Requirements

1. General tax requirements

a) Section 195(1) of the Income Tax Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including surcharge and cess, if applicable).The consideration received by the non-resident Public Shareholders for Equity Shares accepted in the Open Offer may be chargeable to tax in India either as capital gains under Section 45 of the Income Tax Act or as business profits, depending on the facts and circumstances of the case. USL is required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on such capital gains/ business profits. In addition, USL will also be obliged to deduct tax at source on interest, if any, to be made to non-resident Public Shareholders due to delay in payment of Offer consideration;

b) Section 194A of the Income Tax Act provides that payment of interest (if any, for delay in payment of Offer consideration) by USL to a resident Public Shareholder may be chargeable to tax and USL is required to deduct tax at source at the applicable rate as per the Income Tax Act on such interest (paid for delay in payment of Offer consideration or a part thereof);

c) Each Public Shareholder shall certify its (i) tax residency status (i.e. whether resident or non-resident); and (ii) its tax status (i.e. whether individual, firm, company, association or persons / body corporate, trusts, any others etc:) by selecting the appropriate box in the Form of Acceptance cum Acknowledgement. In case of ambiguity, incomplete or conflicting information or the information not being provided to USL, taxes shall be deducted assuming the Public Shareholder as a non-resident and at the rate as may be applicable, under the Income Tax Act, to the relevant category to which the Public Shareholder belongs to, on the entire consideration and interest, if any, payable to such Public Shareholder. Section 90(4) and Section 90A(4) of the Income Tax Act provide that, any person claiming benefit under any Double Taxation Avoidance Agreement ("**DTAA**") between India and any other foreign country, should furnish the 'Tax Residency Certificate' ("**TRC**") (containing the specific particulars) provided to him / it by the Government of that foreign country / specified territory of which he / it claims to be a tax resident;

d) USL will not accept any request from any Public Shareholder, under any circumstances, for non-deduction of tax at source or deduction of tax at a lower rate, on the basis of any self-computation / computation by any tax consultant, of capital gains and / or interest, if any, and tax payable thereon;

e) Securities transaction tax will not be applicable to the Equity Shares accepted in this Open Offer;

f) The provisions contained in clause (c) to (e) above are subject to anything contrary contained in Part VII - Compliance with Tax Requirements - paragraphs 2 to 5 below; and

g) All references to maximum marginal rate include applicable surcharge and education cess, as may be applicable.

For non-resident Public Shareholders

2. ***Tax implications in case of non-resident Public Shareholders (other than Foreign Institutional Investors ("FII's"))***

   a) For the purpose of remittance of funds on tendering of Equity Shares under the Open Offer, NRIs and OCBs, and other non-resident Public Shareholders (excluding FIIs) will be required to submit a no-objection certificate ("**NOC**") or a certificate for deduction of tax at a nil / lower rate (**"Certificate for Deduction of Tax at Nil / Lower Rate"**) from the income tax authorities under Section 195(3) or Section 197 of the Income Tax Act, indicating the amount of tax to be deducted by USL before remitting the consideration. USL will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Nil / Lower Rate;

   b) In the event of non-submission of NOC or Certificate for Deduction of Tax at Nil / Lower Rate, tax will be deducted at the maximum marginal rate as may applicable to the relevant category to which the Public Shareholder belongs, on the entire consideration amount payable to the Public Shareholders, by USL;

   c) In case of interest payment, if any, by USL for delay in payment of Offer consideration or a part thereof, if any, the NRIs, OCBs and other non-resident Public Shareholders (excluding FIIs) will be required to submit a NOC or Certificate for Deduction of Tax at Nil / Lower Rate from the income tax authorities under the Income Tax Act indicating the amount of tax to be deducted by USL before remitting the consideration. USL will arrange to deduct tax at source in accordance with such NOC or Certificate for Deduction of Tax at Nil / Lower Rate;

   d) In an event of non-submission of NOC or Certificate for Deduction of Tax at Nil / Lower Rate, USL will deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Public Shareholder belongs under the Income Tax Act on the entire amount payable as interest to such Public Shareholder;

   e) All NRIs, OCBs and other non-resident Public Shareholders (excluding FIIs) are required to submit a self-attested copy of their PAN card for income tax purposes. In case copy of PAN card is not submitted or is invalid or does not belong to the Public Shareholder, USL will deduct tax at the rate of 20 per cent (as provided under Section 206AA of the Income Tax Act) or the rate, as may be applicable to the category of the Public Shareholder under the Income Tax Act, whichever is higher.; and

   f) Any NRIs, OCBs and other non-resident Public Shareholders (excluding FIIs) claiming benefit under any DTAA between India and any other foreign country should furnish the TRC containing specified particulars provided to him / it by the Government of that foreign country / specified territory of which he / it claims to be a tax resident, and a self-declaration stating that it does not have a business connection in India as defined in Explanation 2 to Section 9(1)(i) of the Income Tax Act (along with the provisos thereto) or a permanent establishment in India, in terms of the DTAA entered between India and the country of its tax residence. In absence of such certificates / declarations, USL will arrange to deduct tax in accordance with the provisions of the Income Tax Act and without regard to the provisions of any DTAA.

3. ***Tax implications in case of FII's***

a) Section 196D(2) of the Income Tax Act provides that no deduction of tax at source is required to be made from any income arising to FIIs by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act as defined in Section 115AD of the Income Tax Act. FIIs are required to certify the nature of their holding (i.e. whether held on Capital Account as Investment or on Trade Account) of the Equity Shares in the Target by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement. The benefits under Section 196D(2) are applicable in case the Equity Shares are held on Capital Account;

b) In the absence of certificates/ declarations as contemplated in clause (a) above (as applicable), notwithstanding anything contained in clause (a) above, USL shall deduct tax at the maximum marginal rate as may be applicable on the entire consideration amount payable to such FII;

c) In an event wherein it is certified by the FIIs that Equity Shares held by such FIIs in the Target are held on Trade Account, no deduction of tax at source shall be made if such FIIs furnish a TRC and a self-declaration stating that such FIIs do not have a business connection in India as defined in Explanation 2 to Section 9(1)(i) of the Income Tax Act (along with the provisos thereto) or a permanent establishment in India, in terms of the DTAA entered between India and the country of tax residence of such FIIs. In the absence of such certificates/declarations, USL shall deduct tax at the maximum marginal rate as may be applicable on the entire consideration amount payable to such FIIs;

d) Notwithstanding anything contained in clause (a) to (c) above, in case FIIs furnish a NOC or Certificate for Deduction of Tax at Nil /Lower Rate, USL will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Nil/Lower Rate;

e) FIIs will be required to submit a NOC or Certificate for Deduction of Tax at Nil / Lower Rate from the income tax authorities under Section 195(3) or Section 197 of the Income Tax Act indicating the amount of tax to be deducted by USL before remitting the interest payable, if any, by USL for delay in payment of Offer consideration or a part thereof. USL will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Nil/LowerRate;

f) In an event of non-submission of NOC or Certificate for Deduction of Tax at Nil / Lower Rate, USL will arrange to deduct tax at the maximum marginal rate as may be applicable to the FII;

g) All FIIs shall submit a self-attested copy of their PAN for income tax purposes. In case copy of the PAN card is not submitted or is invalid or does not belong to the FII, USL will arrange to deduct tax at the rate of 20% (as provided under section 206AA of the Income Tax Act) or the rate, as may be applicable to the FII under the Income Tax Act, whichever is higher, on the interest income to be remitted from India, if any; and

h) FIIs claiming benefit under any DTAA between India and any other foreign country should furnish a TRC provided to it by the Government of that foreign country / specified of which it claims to be a tax resident. In the absence of such TRC, USL will arrange to deduct tax in accordance with the provisions of the Income Tax Act and without having regard to the provisions of any DTAA

For resident Public Shareholders

4. ***Tax implications in case of resident Public Shareholders***

   a) Under the Income Tax Act, no tax shall be deductible on the entire consideration (excluding interest) payable to resident Public Shareholders;

   b) All resident Public Shareholders will be required to submit a NOC or Certificate for Deduction of Tax at Nil / Lower Rate from the income tax authorities under Section 197 of the Income Tax Act, indicating the amount of tax to be deducted by USL before remitting the consideration for interest payments, if any, by USL for delay in payment of Offer consideration or a part thereof, if any. USL will deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Nil/Lower Rate;

   c) In an event of non-submission of NOC or Certificate for Deduction of Tax at Nil / Lower Rate, USL will deduct tax at the rates prescribed under Section 194A of the Income Tax Act as may be applicable to the relevant category to which the Public Shareholder belongs under the Income Tax Act on the consideration payable as interest to such Public Shareholder;

   d) All resident Public Shareholders shall submit a self-attested copy of their PAN card for income tax purposes. In case copy of the PAN card is not submitted or is invalid or does not belong to the Public Shareholder, USL will deduct tax at the rate of 20% (as provided under Section 206AA of the Income Tax Act) or the rate, as may be applicable to the category of the Public Shareholder under the Income Tax Act, whichever is higher; and

   e) Notwithstanding anything contained in clause (b) to (d) above, no deduction of tax shall be made at source by USL where (i) the total amount of interest payable, if any, to a resident Public Shareholder does not exceed ₹ 5,000 or (ii) where a self-declaration as per Section 197A of the Income Tax Act in Form 15G or Form 15H (as per Rule 29C of the Income Tax Rules, 1962) as may be applicable, has been furnished by a resident Public Shareholder or (iii) interest being paid, if any, to an entity specified under Section 194A(3)(iii) of the Income Tax Act if it submits a self-attested copy of the relevant registration, or notification along with the Form of Acceptance-cum-Acknowledgement. The self-declaration in Form 15G and Form 15H will not be regarded as valid unless the resident Public Shareholder has furnished its PAN in such declaration.

5. ***Others***

   a) Under the Income Tax Act, no tax shall be deductible on the entire consideration (excluding interest) payable to resident Public Shareholders;

   b) The tax deducted by USL while making payment to a Public Shareholder may not be the final tax liability of such Public Shareholder and shall in no way discharge the obligation of the Public Shareholder to appropriately disclose the amounts received by it, pursuant to this Offer, before the income tax authorities;

   c) Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability, pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take;

d) Neither the Acquirer nor the PACs nor the Manager accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above;

e) USL shall deduct tax (if required) as per the information provided and representation made by the Public Shareholders. In an event of any income-tax demand (including interest, penalty etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Public Shareholders, such Public Shareholders will be responsible to pay such income-tax demand under the Income Tax Act and provide USL with all information/documents that may be necessary and co-operate in any proceedings before income tax / appellate authority in India; and

f) USL shall issue a certificate in the prescribed form to the Public Shareholders (resident and non-resident) who have been paid the consideration and interest, if any, after deduction of tax, certifying the amount of tax deducted and other prescribed particulars in accordance with the provisions of Section 203 of the Income Tax Act read with the Income-tax Rules, 1962.

VIII. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection by Public Shareholders at the office of the Manager to the Offer at Flat No.5A, 5th floor, Hanslaya Building, 15, Barakhamba Road, New Delhi - 110 001,on any working day (except Saturdays and Sundays) during the period from the date of commencement of the Tendering Period until the date of expiry of the Tendering Period.

1. Memorandum and Articles of Association and certificate of incorporation of the Acquirer and the PACs.

2. Certificate dated July 8, 2013, from Walker, Chandiok & Co, having its office at "WINGS", First floor, 16/1, Cambridge Road, Ulsoor, Bengaluru 560 008, certifying that USL has adequate financial resources to fulfill their obligations under this Offer.

3. Annual reports and financial statements of Diageo for the three financial years ending on June 30, 2012, 2011and 2010 and annual reports of USL for the three financial years ending on March 31, 2012, 2011 and 2010 and the financial statements of USL for the three financial years ending on March 31, 2013, 2012 and 2011.

4. Annual reports of the Target Company for the three financial years ending on March 31, 2012, 2011 and 2010 and the financial statements for the three financial years ending March 31, 2013, 2012 and 2011.

5. Letter dated July 8, 2013 from the Open Offer Escrow Agent confirming the receipt of the Cash Escrow in the Open Offer Escrow Account.

6. Shareholders' Agreement dated November 9, 2012, and amendment agreement to the Shareholders' Agreement dated March 4, 2013 entered into between the Acquirer, Diageo, UBHL and KFIL.

7. Deed of Adherence to the SHA dated July 4, 2013, making USL a party to the SHA.

8. Pioneer Public Announcement submitted to the Stock Exchanges on November 9, 2012.

9. Copy of the Pioneer Detailed Public Statement published by the Manager to the Offer on behalf of the Acquirer and the PACs on July 11, 2013.

10. Copy of the Pioneer Offer Opening Public Announcement to be published by the Manager to the Offer on behalf of the Acquirer and the PACs on August 29, 2013.

11. Published copy of the recommendation made by the committee of the independent directors of the Target Company.

12. SEBI observation letter no. CFD/DCR/TO/DV/OW/20086/2013dated August 13, 2013 and SEBI observation letter no. CFD/DCR/TO/DV/OW/20701/2013 dated August 20, 2013 on the Pioneer Draft Letter of Offer.

13. Open Offer Escrow Agreement dated July 8, 2013 between the Acquirer, the Manager to the Offer and the Open Offer Escrow Agent.

IX. DECLARATION BY THE ACQUIRER AND THE PACs

1. The Acquirer and the PACs and their respective directors (as applicable) accept full responsibility for the information contained in this PLoF, including the attached Form of Acceptance cum Acknowledgement (other than such information as has been obtained from public sources).

2. The Acquirer and the PACs and their respective directors (as applicable) accept full responsibility for their obligations under the Offer and shall be jointly and severally responsible for the fulfillment of obligations under the SEBI (SAST) Regulations in respect of this Offer.

SIGNED FOR AND ON BEHALF OF RELAY B.V.

Sd/-

Authorized Signatory

SIGNED FOR AND ON BEHALF OF DIAGEO PLC

Sd/-

Authorized Signatory

SIGNED FOR AND ON BEHALF OF UNITED SPIRITS LIMITED

Sd/-

Authorized Signatory

Place:Bangalore / Singapore
Date:August 22, 2013

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INSTRUCTIONS

1. PLEASE NOTE THAT NO EQUITY SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER, THE PACs, THE TARGET COMPANY OR TO THE MANAGER TO THE OFFER

2. The Form of Acceptance-cum-Acknowledgement should be filled-up in English only.

3. In the case of dematerialized Equity Shares, the Public Shareholders are advised to ensure that their Equity Shares are credited in favour of the Open Offer Escrow Demat Account, before the closure of the Tendering Period i.e. **September 13, 2013.** The Form of Acceptance-cum-Acknowledgement of such dematerialized Equity Shares not credited in favour of the Open Offer Escrow Demat Account, before the closure of the Tendering Period will be rejected.

4. Public Shareholders should enclose the following:

a. For Equity Shares held in demat form:

Beneficial owners should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the Depository Participant ('DP').
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP as per the instruction in the Letter of Offer.
- Photocopy of the Inter-Depository Delivery Instruction Slip if the beneficiary holders have an account with Central Depository Services Ltd.
- A copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signature) and no objection certificate / tax clearance certificate from income tax authorities, as applicable
- For each Delivery Instruction, the beneficial owners should submit separate Form of Acceptance-cum-Acknowledgement.

In case of non-receipt of the aforesaid documents, but receipt of the Equity Shares in the Open Offer Escrow Demat Account, the Acquirer may deem the Offer to have been accepted by the Public Shareholder in case of a resident Public Shareholder.

b. For Equity Shares held in physical form:

Registered Public Shareholders should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all Public Shareholders whose names appear on the share certificates.
- Original share certificate(s)
- A copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signature) and no objection certificate / tax clearance certificates from income tax authorities, as applicable
- Valid share transfer form(s) duly signed as transferors by all registered Public Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Pioneer Distilleries Limited and duly witnessed at the appropriate place. A blank share transfer form is enclosed along with the Pioneer Letter of Offer.
- Verification and attestation, where required, (thumb impressions, signature difference, etc.) should be done by a magistrate, notary public or special executive magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and Membership No. or a manager of the transferor's bank.
- The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of USL as buyer will be filled by the USL upon verification of the Form of Acceptance-cum-Acknowledgement and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

If the Registrar to the Offer does not receive the documents listed above but receives the original share certificates and valid share transfer form from a registered resident Public Shareholder, then the Offer will be deemed to have been accepted by such resident Public Shareholders

Unregistered owners should enclose

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original share certificate(s)
- Original broker contract note
- Valid share transfer form(s) as received from the market leaving details of buyer blank. If the same is filled in then the Equity Share(s) are liable to be rejected
- Owners of Equity Shares who have sent their Equity Shares for transfer should enclose along with this Form duly completed and signed, copy of the letter sent to Pioneer Distilleries Limited for transfer of Equity Shares and valid share transfer form(s).
- A copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signature) and no objection certificate / tax clearance certificates from income tax authorities, as applicable

5. All the Public Shareholders are advised to refer to Section - **Compliance with Tax Requirements** in the Letter of Offer in relation to important disclosures regarding the taxes to be deducted on the consideration to be received by them.

6. The share certificate(s), share transfer form(s) and the Form of Acceptance-cum-Acknowledgement should be sent only to, the Registrar to the Offer and not to JM Financial Institutional Securities Private Limited, the Manager to the Offer, the Acquirer, the PACs or the Target Company.

7. Public Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their Equity Shares in favour of the Open Offer Escrow Demat Account with NSDL.

8. While tendering the Equity Shares under the Offer, NRIs/ OCBs/ foreign Public Shareholders will be required to submit, where applicable the RBI and / or FIPB approvals (specific or general) that they would have obtained for acquiring the Equity Shares of the Target Company. If the Equity Shares are held pursuant to a general permission of RBI, the Non-Resident Public Shareholder should submit a copy of the relevant notification / circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis. In case the previous RBI approvals are not submitted, USL reserves the right to reject such Equity Shares tendered.
NRI Public Shareholders tendering their Equity Shares in the Offer and holding such Equity Shares on a repatriable basis (in which case the consideration can be remitted abroad) should (i) provide relevant proof of such holding on a repatriable basis viz. RBI approval (if applicable) or proof that such Equity Shares were purchased from funds from an NRE bank account or by way of foreign inward remittance; and (ii) furnish details of the type of the relevant bank account, i.e. NRE bank account, to which the consideration should be credited.

   NRI Public Shareholders tendering their Equity Shares in the Offer and holding such Equity Shares on a non-repatriable basis should provide details of their Non-Resident (Ordinary) ("NRO") bank account, based on which the consideration cheque or demand draft constituting payment of purchase consideration will be drawn. In the event that details of an NRO bank account are not furnished, the Equity Shares tendered by such NRI Public Shareholders would be rejected. Alternatively, if such an NRI Public Shareholder wishes to receive the consideration in an NRE bank account, such NRI Public Shareholder should provide a specific RBI approval permitting consideration to be credited to such bank account, based on which the consideration cheque or demand draft constituting payment of purchase consideration will be drawn. In the event that such a specific RBI approval and the details of such designated bank account are not furnished, the Equity Shares tendered by such NRI Public Shareholders would be liable for rejection.

9. Non-Resident Public Shareholders should enclose No Objection Certificate / certificate for deduction of tax at a lower rate from the Income-Tax Authorities under the Income Tax Act, 1961 indicating the tax to be deducted if any by the Acquirer before remittance of consideration. Otherwise tax will be deducted at the maximum marginal rate as may be applicable to the category and status of the Public Shareholder (as registered with the depositories / Target Company) on full consideration payable by the Acquirer.

10. FIIs are requested to enclose the SEBI Registration Certificate. In case of a company, a stamp of the company should be affixed on the Form of Acceptance-cum-Acknowledgement. A company / FII / OCB should furnish necessary authorization documents along with Specimen Signatures of Authorised Signatories.

11. The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted at the collection centres of **Link Intime India Private Limited** as mentioned below.

12. The Form of Acceptance-cum-Acknowledgement along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar of the Offer at the collection centres mentioned below on all days (excluding Saturdays, Sundays and Public holidays) during the business hours i.e. (Mondays to Fridays between 10:30 to 16:30).

13. All the Public Shareholders should provide all relevant documents which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent.

14. In case the Acquirer is of the view that the information / documents provided by the Public Shareholder is inaccurate or incomplete or insufficient, then tax may be deducted at source at the applicable maximum marginal rate on the entire consideration paid to the Public Shareholders.

15. <u>Payment of Consideration</u>: Public Shareholders must note that on the basis of name of the Public Shareholders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Form of Acceptance-cum-Acknowledgement, the Registrar to the Offer will obtain from the Depositories, the Public Shareholder's details including address, bank account and branch details. These bank account details will be used to make payment to the Public Shareholders. Hence Public Shareholders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Public Shareholders sole risk and neither the Acquirer, the PAC, the Manager to the Offer, Registrar to the Offer nor the Escrow Bank shall be liable to compensate the Public Shareholders for any loss caused to the Public Shareholders due to any such delay or liable to pay any interest for such delay. Public Shareholders holding Equity Shares in physical form are requested to fill up their bank account details in the 'Form of Acceptance-cum-Acknowledgement'.

The tax deducted under this Offer is not the final liability of the Public Shareholders or in no way discharges the obligation of Public Shareholders to disclose the consideration received pursuant to this Offer in their respective tax returns

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All Public Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer/PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The tax rates and other provisions may undergo changes.

Collection Centres

Collection Centre	Address of Collection Centre	Contact person	Phone No. / Fax No. and Email Id	Mode of delivery
Mumbai	Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai -400078	Mr. Pravin Kasare	Tel. No.: +91 22 25967878 Fax No.: +91 22 25960329 Email: pravin.kasare@linkintime.co.in	Hand Delivery & Registered Post
Ahmedabad	Link Intime India Pvt. Ltd, 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G	Mr. Hitesh Patel	Tel. No.: +91 79 26465179 Telefax No.: +91 79 26465179 Email: ahmedabad@linkintime.co.in	Hand Delivery

	Road, Navrangpura, Ahmedabad - 380009			
Bangalore	Link Intime India Pvt. Ltd., 543/A, 7TH Main, 3rd Cross, Hanumanthanagar, Bangalore - 560 019	Mr. Nagendra Rao	Tel. No.: +91 80 26509004 Telefax No.: +91 80 26509004 Email: bangalore@linkintime.co.in, linkblr@gmail.com	Hand Delivery
Kolkata	Link Intime India Pvt. Ltd, 59C, Chowringhee Road, 3rd Floor, Kolkata -700020	Mr. S.P. Guha	Tel. No.: +91 33 22890539 / 40 Telefax No.: +91 33 22890539 / 40 Email: kolkata@linkintime.co.in	Hand Delivery
New Delhi	Link Intime India Pvt. Ltd., 44 Community Centre 2nd Floor, Nariana Industrial Area Phase I, Near PVR, Nariana, New Delhi 110 028	Mr. Swapan Naskar	Tel. No.: +91 11 41410592 / 93 / 94 Fax No.: +91 11 41410591 Email: delhi@linkintime.co.in	Hand Delivery
Hyderabad	Skystock Services (India) Pvt. Ltd. C/o PRVS Courier 1-8-155/A, Behind Autofin Showroom, Above Sharavana Bhavan Hotel, CG Road, Secunderabad -500003	Mr. Sirish Terela	Ph: 040-65648544/65908183 Fax: 040-27729082 Email: skystock01@gmail.com	Hand Delivery

Collection Centre Timings - Between 10.00 a.m. and 4.00 p.m. on any Working Day (Monday – Friday)

Applicants who cannot hand deliver their documents at the Collection Centres, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at any of the Collection Centres so as to reach the Registrar to the Offer on or before the last date of acceptance i.e. **September 13, 2013.**

PUBLIC SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT / EQUITY SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER I.E. SEPTEMBER 13, 2013 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

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FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this form with enclosures to Link Intime India Private Limited at any of the collection centres mentioned in the Letter of Offer)

Name:

Address:

TENDERING PERIOD FOR THE OFFER	
OPENS ON	**AUGUST 30, 2013**
CLOSES ON	**SEPTEMBER 13, 2013**

Tel No.: **Fax No.:** **Email:**

To, Link Intime India Private Limited Unit: Pioneer Distilleries Ltd – Open Offer C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai - 400 078, India Contact person: Mr. Pravin Kasare Tel: +91 22 2596 7878; Fax: +91 22 2596 0329 Email: pdl.offer@linkintime.co.in	**Status of the Public Shareholder (Please tick whichever is applicable)**			
	☐ Individual	☐ Company	☐ FII	☐ FVCI
	☐ Partnership / Proprietorship firm / LLP	☐ Private Equity Fund	☐ Pension/ Provident Fund	☐ Sovereign Wealth Fund
	☐ Foreign Trust	☐ Financial Institution	☐ NRIs / PIOs	☐ Insurance Company
	☐ OCB	☐ Domestic Trust	☐ Banks	☐ Others _______________

Dear Sir/Madam,

Sub:

OPEN OFFER FOR ACQUISITION OF UP TO 2,466,168 EQUITY SHARES OF PIONEER DISTILLERIES LIMITED TO THE PUBLIC SHAREHOLDERS OF THE TARGET COMPANY BY RELAY B.V. ("ACQUIRER") TOGETHER WITH DIAGEO PLC ("DIAGEO") AND UNITED SPIRITS LIMITED ("USL") AS THE PERSONS ACTING IN CONCERT WITH THE ACQUIRER

I/We refer to the Letter of Offer dated August 22, 2013 for acquiring the Equity Shares held by me/us in Pioneer Distilleries Limited.

I/We, the undersigned, have read the Public Announcement, the Detailed Public Statement and the Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

FOR EQUITY SHARES HELD IN PHYSICAL FORM

I/We, holding the Equity Shares in physical form, accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our Equity Shares as detailed below:

Sr. No.	Folio No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
			From	To	
Total No. of Equity Shares					

Please attach additional sheets of paper and authenticate the same if the space is insufficient.

FOR EQUITY SHARES HELD IN DEMAT FORM

I/We, holding the Equity Shares in dematerialized form, accept the Offer and enclose a photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by my/our DP in respect of my/our Equity Shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Equity Shares

I/We have executed an off-market transaction for crediting the Equity Shares to the Open Offer Escrow Demat Account with DSP Merrill Lynch Limited as the DP in NSDL styled **'USL-PDL Open Offer Escrow Demat'** whose particulars are:

DP Name: DSP Merrill Lynch Limited	DP ID: IN302638	Client ID: 10066850

Public Shareholders having their beneficiary account with CDSL will have to use inter-depository slip for the purpose of crediting their Equity Shares in favour of the Open Offer Escrow Demat Account with NSDL.

I/We confirm that the Equity Shares of Pioneer Distilleries Limited, which are being tendered herewith by me/us under the Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer and / or the PAC pay the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer and / or the PAC will pay the purchase consideration only after verification of the documents and signatures.

I/We authorize the Acquirer or the Registrar to the Offer to send by Speed Post/Registered Post/ or through electronic mode, as may be applicable, at my/our risk, the crossed account payee cheque, demand draft/pay order, or electronic transfer of funds in full and final settlement due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned above.

I/We note and understand that the Equity Shares would lie in the Open Offer Escrow Demat Account until the time the Acquirer and / or the PAC make payment of purchase consideration as mentioned in the Letter of Offer. I/We authorise the Acquirer and / or the PAC to accept the Equity Shares so offered or such lesser number of Equity Shares which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirer and / or the PAC to return to me/us, share certificate(s) in respect of which the offer is not found valid/not accepted.

I/We authorize the Acquirer and / or the PAC to split / consolidate the share certificates comprising the Equity Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirer and / or the PAC are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

PUBLIC SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT / EQUITY SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER i.e. SEPTEMBER 13, 2013 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

So as to avoid fraudulent encashment in transit, Public Shareholder(s) holding **Equity Shares in physical form** and those who wish to receive payment of consideration through ECS should provide details of bank account along with a cancelled copy of the cheque of the first/sole Public Shareholder and the consideration amount will be remitted accordingly through electronic credit / cheque or demand draft.

Name of the Bank ____ Branch ________________________________ City ________________________________
MICR Code (9 Digits) ____ IFSC ____
Account Number (CBS Account): ____ Account Type (CA/SB/NRE/NRO/others) (please specify): _______________
Non Resident Public Shareholders are requested to state their NRO/NRE Bank Account Number as applicable based on the status of their account in which they hold Equity Shares, failing which the Acquirer has a right to reject their application.

For Equity Shares that are tendered in electronic form, the bank account details as contained from the beneficiary position provided by the depository will be considered and the draft/warrant/cheque will be issued with the said bank particulars.

For all Public Shareholders

I / We, confirm that our residential status for the purposes of tax is:

☐ Resident ☐ Non-resident

I / We, confirm that our status is:

☐ Individual ☐ Firm ☐ Company ☐ Association of persons / body of individuals ☐ Trust
☐ Any other - please specify ____________________

I / We, have enclosed the following documents:

☐ Cancelled cheque or a photocopy of a cheque associated with the particular bank account where payment is desired, with MICR / IFSC code of the bank branch clearly mentioned on the cheque, if payment of consideration through ECS is required
☐ Self attested copy of PAN card
☐ Duly attested Power of Attorney if any person apart from the Public Shareholder has signed the application form and/or transfer deed(s)
☐ Corporate authorization in case of Companies along with Board Resolution and Specimen Signatures of Authorised Signatories
☐ Death Certificate/ Succession Certificate if the original Public Shareholder is deceased

Additional confirmations and enclosures for Resident Public Shareholders

I / We, have enclosed the following documents:

☐ Self declaration form in Form 15G / Form 15H, if applicable to be obtained in duplicate copy (applicable only for interest payment, if any)
☐ No Objection Certificate (NOC) / Tax Clearance Certificate (TCC) from Income Tax Authorities (applicable only for interest payment, if any)
☐ For Mutual funds / Banks / Notified Institutions under Section 194A(3)(iii) of the Income Tax Act, 1961, copy of relevant registration or notification (applicable only for interest payment, if any)

Additional confirmations and enclosures for FII Public Shareholders

I / We, confirm that the Equity Shares of the Target Company are held by me / us on (select whichever is applicable):

☐ Investment / Capital Account ☐ Trade Account ☐ Any other (please specify) ______________

In case the Equity Shares are held on Trade Account, kindly enclose a declaration stating that you are a tax resident of your country of residence / incorporation and that you do not have a permanent establishment in India in terms of the DTAA entered into between India and your country of residence. In case there is a permanent establishment in India, kindly enclose a certificate from Indian tax authorities, specifying the rate of tax to be deducted. In the absence of the above tax would be deducted at the maximum marginal rate on the entire consideration paid to the Public Shareholders.

I / We, have enclosed self attested copies of the following documents (select whichever is applicable):

☐ SEBI Registration Certificate for FIIs ☐ RBI approval for acquiring Equity Shares of Pioneer Distilleries Limited tendered herein, if applicable
☐ Self declaration for no permanent establishment in India ☐ Tax Residency Certificate from Government of the Country or Specified Territory of which you are tax resident
☐ No Objection Certificate (NOC) / Tax Clearance Certificate (TCC) from Income Tax Authorities, for deduction of tax at a lower rate
☐ FII Certificate (self attested declaration certifying the nature of income arising from the sale of Equity Shares, whether capital gains or otherwise)

Additional confirmations and enclosures for other Non-resident Public Shareholders (except FIIs)

I / We, confirm that the Equity Shares tendered by me / us are held on (select whichever is applicable):

☐ Repatriable basis ☐ Non-repatriable basis

I / We, confirm that the tax deduction on account of Equity Shares of Target Company held by me / us is to be deducted on (select whichever is applicable):

☐ Capital Gains ☐ Trade Account ☐ Any other (please specify) _______________

In case the Equity Shares are held on Trade Account, kindly enclose a declaration stating that you are a tax resident of your country of residence / incorporation and that you do not have a permanent establishment in India in terms of the Double Taxation Avoidance Agreement (DTAA) entered into between India and your country of residence. In case there is a permanent establishment in India, kindly enclose a certificate from Indian tax authorities, specifying the rate of tax to be deducted. In the absence of the above tax would be deducted at the maximum marginal rate on the entire consideration paid to the Public Shareholders.

I/ We, have enclosed the following documents (select whichever is applicable):

☐ Self declaration for no permanent establishment in India ☐ Tax Residency Certificate from Government of the Country or Specified Territory of which you are tax resident
☐ No Objection Certificate (NOC) / Tax Clearance Certificate (TCC) from Income Tax Authorities, for deduction of tax at a lower rate
☐ Copy of RBI / FIPB approval, if any, for acquiring Equity Shares of Target Company hereby tendered in the Offer and RBI approval evidencing the nature of shareholding, *i.e.* repatriable or non-repatriable basis, if applicable
☐ Copy of RBI approval for OCBs tendering their Equity Shares in the Offer
☐ Copy of RBI approval (For NRI Public Shareholders tendering their Equity Shares in the Offer held on a non-repatriable basis) if any, permitting consideration to be credited to an NRE bank account

Yours faithfully, Signed and Delivered,

	Full name(s) of the holder	PAN	Signature(s)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all holders must sign. In case of body corporate, the Company seal should be affixed and necessary Board resolutions should be attached.

Place: ____ Date: ______________________

---Tear along this line ---

Acknowledgement Slip (To be filled in by the Public Shareholder) **Pioneer Distilleries Limited – Open Offer** **Sr. No.** _______________

Received from Mr./Ms./M/s.____
Address ____
Physical shares: Folio No. _____________________________ / Demat shares: DP ID ______________________________; Client ID_________________________________
Form of Acceptance-cum-Acknowledgement along with (Please put tick mark in the box whichever is applicable):
☐ Physical shares: No. of shares _________________; No. of certificates enclosed_______________; Share Transfer Form
☐ Demat shares: Copy of delivery instruction for _______________ shares enclosed; and copy of inter-depository delivery slip (for beneficiary holders maintaining an account with CDSL).
Date of Receipt ______________________________ Signature of Official _______________________________

Collection Centre Stamp

-- Tear along this line ---

All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address:

Link Intime India Private Limited
Unit: Pioneer Distilleries Ltd – Open Offer
C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai - 400 078, India
Contact person: Mr. Pravin Kasare
Tel: +91 22 2596 7878; Fax: +91 22 2596 0329; Email: pdl.offer@linkintime.co.in