POST OFFER REPORT PURSUANT TO AND IN ACCORDANCE WITH REGULATION 27(7) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

In respect of the Open Offer made by Relay B.V. ("**Acquirer**") together with Diageo plc ("**Diageo**" / "**PAC 1**") and United Spirits Limited ("**USL**" / "**PAC 2**") as the persons acting in concert ("**PACs**") to acquire up to 2,466,168 equity shares ("**Equity Shares**") from the Public Shareholders of Pioneer Distilleries Limited ("**Target Company**" / "**Target**").

Capitalized terms not defined herein shall have the meaning as assigned to such terms in the Pioneer Letter of Offer dated August 22, 2013.

A. Names of the parties involved

1.	Target Company	Pioneer Distilleries Limited
2.	Acquirer	Relay B.V.
3.	Persons acting in concert with Acquirer	Diageo plc and United Spirits Limited
4.	Manager to the Open Offer	JM Financial Institutional Securities Private Limited
5.	Registrar to the Open Offer	Link Intime India Private Limited

B. Details of the offer

- Whether conditional offer : No
- Whether voluntary offer : No
- Whether competing offer : No

C. Activity Schedule

Sl. No.	Activity	Due dates as specified in the SEBI (SAST) Regulations	Actual Dates
1.	Date of the Pioneer Public Announcement	November 9, 2012	November 9, 2012
2.	Date of publication of the Pioneer Detailed Public Statement	July 11, 2013	July 11, 2013
3.	Date of filing of Pioneer Draft Letter of Offer with SEBI	July 18, 2013	July 18, 2013
4.	Date of sending a copy of the Pioneer Draft Letter of Offer to the Target Company and the Stock Exchanges	July 18, 2013	July 18, 2013
5.	Date of receipt of SEBI comments	August 8, 2013	August 13, 2013 & August 20, 2013
6.	Date of dispatch of Pioneer Letter of Offer to the Public Shareholders	August 21, 2013	August 23, 2013
7.	Dates of price revisions / offer revisions (if any)	August 22, 2013	NA
8.	Date of publication of recommendation by the committee of independent directors of the Target Company	August 26, 2013	August 26, 2013

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Sl. No.	Activity	Due dates as specified in the SEBI (SAST) Regulations	Actual Dates
9.	Date of publication of the Pioneer Offer Opening Public Announcement	August 27, 2013	August 29, 2013
10.	Date of commencement of the Tendering Period	August 28, 2013	August 30, 2013
11.	Date of expiry of the Tendering Period	September 11, 2013	September 13, 2013
12.	Date of making payments to shareholders / return of rejected shares	September 25, 2013	September 26, 2013*

** Payment of consideration through electronic transfers and demand drafts was done on September 25, 2013 and September 26, 2013 respectively.*

D. Details of the payment consideration in the open offer

Sl. No.	Item	Details
1.	Offer Price for fully paid Equity Shares of Target Company (₹ per Offer Share)	₹64.02
2.	Offer Price for partly paid shares of Target Company, if any	NA
3.	Offer Size (Offer Shares x Offer Price per Offer Share)	₹157,884,075.36
4.	Mode of payment of consideration	Cash
5.	If mode of payment is other than cash - securities	NA

E. Details of market price of the shares of Target Company

1. The Equity Shares of the Target Company are listed on BSE Limited ("**BSE**"), National Stock Exchange of India Limited ("**NSE**") and the Pune Stock Exchange Limited ("**PSE**" and together with the BSE and the NSE, the "**Stock Exchanges**"). The Equity Shares of the Target Company were most frequently traded on NSE during the twelve months preceding the calendar month in which the Pioneer PA was made.

   The Equity Shares of the Target Company are infrequently traded in terms of the SEBI (SAST) Regulations. Further the Offer is not a 'deemed direct' offer in terms of Regulation 5(2) of the SEBI (SAST) Regulations. The Offer Price of ₹ 64.02 per Equity Share was determined taking into account *interalia* valuation report Ref DHS/G-200/132 dated November 9, 2012 issued by Deloitte Haskins & Sells, Chartered Accountant (Registration Number 117365W). The Offer Price consists of the price determined as on the Pioneer PA date 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 the Pioneer PA and the date of the PDPS, in accordance with the provisions of Regulation 8(12) of the SEBI (SAST) Regulations.

   In accordance with the SEBI letter dated August 13, 2013, the determination of the Offer Price *interalia* also considered the valuation methodologies upheld by the Hon'ble Supreme Court in the case of Hindustan Lever Employees' Union versus Hindustan Lever Limited (1995) being (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 were not applied. The 60 day VWAMP of the Target Company as of November 8, 2012 was ₹ 40.56 on the NSE and ₹ 41.43 on the BSE. The Offer Price is in excess of the 60 day VWAMP.

2. The trading data during the twelve months preceding the calendar month in which the Pioneer PA was made on the NSE is as follows:

Stock Exchange	Total traded volumes during the 12 calendar months preceding the calendar month in which the Pioneer PA was made	Total number of outstanding Equity Shares	Traded volumes as a %age of the total outstanding Equity Shares
NSE	251,515	13,388,200	1.9

*(**Source:** CA certificate dated November 9, 2012 issued by Deloitte Haskins & Sells, Chartered Accountants, registration 117365W)*

3. Details of market price of the Equity Shares of Target Company on the NSE:

Sl. No.	Particulars	Date	Closing Price (₹/ share)
1.	1 trading day prior to the Pioneer PA date	November 8, 2012	38.25
2.	On the date of Pioneer PA	November 9, 2012	39.95
3.	On the date of the Pioneer Detailed Public Statement	July 11, 2013	62.05
3.	On the date of commencement of the Tendering Period	August 30, 2013	63.20
4.	On the date of expiry of the Tendering Period	September 13, 2013	NA(1)
5.	10 working days after the last date of the Tendering Period	September 27, 2013	NA(1)
6.	Average market price during the Tendering Period(2)	August 30, 2013 to September 13, 2013	63.36
7.	Average of the weekly high and low of the closing prices during the period from the date of the Pioneer PA till closure of the Offer(3)	November 9, 2013 to September 26, 2013	58.63

*(**Source:** NSE website)*

Notes

(1) There was no trading on the NSE on these days

(2) Computed as the average of the closing price during the Tendering Period

(3) Closure of the Offer means the completion of the payments to the Public Shareholders who have successfully tendered their Equity Shares in the Offer. Payment of consideration through electronic transfers and demand drafts was done on September 25, 2013 and September 26, 2013 respectively.

F. Details of escrow arrangements

1. Details of creation of Escrow account as under

	Date of creation	Amount (₹)	Form of escrow account
Escrow account	July 8, 2013	39,471,019.00	Cash Escrow being the cash deposit in Open Offer Escrow Account opened with Bank of America N.A., Bangalore branch

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2. Details of the Cash Escrow

(i) Name of the Escrow Agent - Bank of America N.A., Bangalore branch

(ii) Utilization of the Cash Escrow is as under:

Purpose	Date	Amount (₹)
Transfer to special escrow account	September 20, 2013	35,523,917.00

The balance monies lying in the Open Offer Escrow Account shall be returned to USL upon the expiry of thirty days from the completion of payment of consideration to the Public Shareholders whose Equity Shares were accepted in the Offer.

3. For such part of Escrow which consists of Bank Guarantee (BG) / deposit of securities, provide the following details - NA

G. Details of response to the open offer

Shares proposed to be acquired		Shares tendered		Response level (no of times)	Shares accepted		Shares rejected	
No.	% of Emerging Voting Capital	No.	% w.r.t (A)	(C) / (A)	No.	% w.r.t (C)	No = (C)-(F)	Reasons
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
2,466,168	18.42	641,019	25.99	0.26	639,185	99.71	1,834	Forms received but Equity Shares not received in Open Offer Escrow Demat Account

H. Payment of Consideration

Due date for paying consideration to shareholders whose shares have been accepted	Actual date of payment of consideration	Reasons for delay beyond the due date
September 27, 2013	September 26, 2013*	NA

** Payment of consideration through electronic transfers and demand drafts was done on September 25, 2013 and September 26, 2013 respectively.*

Details of special escrow account where it has been created for the purpose of payment to shareholders.

- Name of the concerned bank - Bank of America N.A., Bangalore branch

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- Details of the manner in which consideration, has been paid to Public Shareholders whose shares have been accepted:

Mode of paying the consideration	No. of Shareholders	Amount of Consideration* (in ₹)
Physical mode	3	30,281.46
Electronic mode (ECS/ direct transfer, etc.)	95	40,524,926.24
Total	**98**	**40,555,207.70**

** Net of withholding taxes aggregating to ₹365,416.00*

I. Pre and post offer Shareholding of the Acquirer / PAC in Target Company

Sl. No.	Shareholding of Acquirer and PACs	No. of Equity Shares	% of Emerging Voting Capital
1.	Shareholding before Pioneer PA	10,922,032	81.58
2.	Shares to be acquired under the agreements	NA	NA
3.	Shares acquired after the Pioneer PA but before 3 Working Days prior to commencement of Tendering Period	Nil	Nil
4.	Shares acquired in the Offer	639,185	4.77
5.	Shares acquired during exempted 21-day period after Offer (if applicable)	NA	NA
6.	Post - offer shareholding	11,561,217	86.35

J. Give further details, as under, regarding the acquisitions mentioned at points 3, 4 & 5 of the above table -

Sl. No	Particulars	Details
1.	Name(s) of the entity who acquired the shares	United Spirits Limited
2.	Whether disclosure about the above entity(s) was given in the PLOF as either Acquirer or PAC	Yes as the PAC 2
3.	No of shares acquired per entity	639,185
4.	Purchase price per share	₹64.02
5.	Mode of acquisition	Open Offer
6.	Date of acquisition	September 26, 2013(1)
7.	Name of the Seller in case identifiable	Public Shareholders

Note

(1) The Equity Shares acquired under the Offer are in the process of being transferred to USL's demat account or in the name of USL.

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K. Pre and post offer Shareholding Pattern of the Target Company

Sl. No	Class of Entities	Shareholding in a Target Company			
		Pre-offer		Post-offer (actuals)	
		No.	% of current voting capital	No.	% of Emerging Voting Capital
1.	Acquirers & PACs	10,922,032	81.58	11,561,217	86.35
2.	Erstwhile Promoters (persons who cease to be promoters pursuant to the Offer and the Transaction Documents)	NA	NA	NA	NA
3.	Continuing Promoters	10,922,032	81.58	11,561,217	86.35
4.	Sellers if not in 1 and 2	NA	NA	NA	NA
5.	Other Public Shareholders	2,466,168	18.42	1,826,983	13.65
Total		**13,388,200**	**100.0**	**13,388,200**	**100.0**

L. Details of Public Shareholding in Target Company

Sl. No	Particulars	No of Equity Shares	% of the Emerging Voting Capital
1.	Indicate the minimum public shareholding the Target Company is required to maintain for continuous listing	3,347,050	25.00
2.	Indicate the actual public shareholding and if it has fallen below the minimum public shareholding limit, delineate the steps which will be taken in accordance with the disclosures given in the PLOF*	1,826,983	13.65

**As disclosed in the Pioneer Letter of 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.*

M. Other relevant information, if any - NA

For **JM Financial Institutional Securities Private Limited**

JM Financial Institutional Securities Private Limited MUMBAI

Authorized Signatory

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Designation: Vice President
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Date: October 7, 2013
Place: Mumbai