PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF
PIONEER DISTILLERIES LIMITED

Registered Office: # 8-2-311/C, Mithila Nagar, Road No.10, Banjara Hills, Hyderabad - 500 034 (A.P.)

This Public Announcement (the "PA") is being issued by Ambit Corporate Finance Private Limited (the "Manager to the Offer"/"Ambit") to the equity shareholders of Pioneer Distilleries Limited ("PDL" or the "Target Company") on behalf of United Spirits Limited ("USL" or the "Acquirer") pursuant to and in compliance with Regulations 10 & 12 and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto up to the date of this PA (the "SEBI Takeover Code").

The Offer and its background

1. This offer (the "**Offer**") is being made by the Acquirer to the equity shareholders, other than the Sellers (as defined below), of Pioneer Distilleries Limited. There are no persons acting in concert with the Acquirer for the purpose of the Offer. Due to the operation of Regulation 2(1)(e)(2) of the SEBI Takeover Code, there could be persons who could be deemed to be acting in concert with the Acquirer. However, such persons are not persons acting in concert for the purposes of this Offer.
2. On September 13, 2010, the Acquirer has entered into a Share Purchase Agreement (the "**Share Purchase Agreement**" or the "**SPA**") for acquisition of 73,22,280 equity shares of the Target Company (the "**Sale Shares**") from the following existing shareholders of the Target Company (the "**Sellers**").

Proposed acquisition of Sale Shares under the SPA is as follows:

Sr. No.	Name of the Seller	Equity shares of PDL held as on the date of SPA	Equity shares of PDL proposed to be acquired under the SPA
1	K V Rajeshwar Rao (HUF)	859,340	859,340
2	Ms. Sarla Devi Kalvakuntla	50,100	50,000
3	Mr. K Sudhir Rao	23,84,856	23,84,856
4	K Sudhir Rao (HUF)	4,17,000	4,17,000
5	Ms. K Rekha	50,100	50,100
6	Mr. K Suhan Rao	24,22,004	24,22,004
7	K Suhan Rao (HUF)	3,76,900	3,76,900
8	Ms. K Aparna	50,100	50,100
9	Mr. L Venkateswara Rao	5,31,700	5,31,700
10	L Venkateswara Rao (HUF)	1,30,180	1,30,180
11	Ms. L Sumana	50,100	50,100
	Total	73,22,380	73,22,280

The Sellers are the present promoters of the Target Company as defined under the SEBI Takeover Code. The purchase price for all the Sale Shares is ₹ 101 per Sale Share, payable in cash, aggregating to ₹ 73,95,50,280 (the "**Purchase Consideration**"). The Sellers constitute the entire present promoter group of the Target Company and their combined existing holding of 73,22,380 equity shares constitutes 54.69% of the Voting Equity Capital (as defined subsequently) of the Target Company. 100 equity shares owned by Ms. Sarla Devi Kalvakuntla, which are not part of the Sale Shares, would be classified as non promoter shares post completion of the Offer.

As on the date of this PA, 12,00,000 Sale Shares are locked in for three years from the respective dates of allotment, in terms of applicable provisions of the erstwhile Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. As is permissible under the applicable regulations, these locked in Sale Shares would be transferred to the Acquirer, subject to the residual lock-in period continuing in the hands of the Acquirer.

In the subsequent sections the words "Share" or "Shares" refer to the fully paid up equity shares having face value of ₹ 10 each of the Target Company.

3. Summary of key terms of the SPA and the associated Escrow Agreements, is as follows:
   - In accordance with the SPA, Standard Chartered Bank has been appointed as the escrow agent ("**SPA Escrow Agent**"). The Sellers have deposited 61,22,280 Sale Shares in a share escrow account ("**SPA Share Escrow Account**") and the Acquirer has deposited the Purchase Consideration and Non Compete Consideration (defined hereinafter) in a cash escrow account ("**SPA Cash Escrow Account**"), with the SPA Escrow Agent. Balance 12,00,000 Sale Shares, which are under lock-in, would be transferred to the SPA Share Escrow Account subsequently. The Sale Shares are proposed to be acquired, on spot delivery basis, on the Completion Date (i.e. the date on which Manager to the Offer issues the certificate evidencing Acquirer's compliance of the Takeover Code). The transfer of Sale Shares, Purchase Consideration and Non Compete Consideration shall be governed by the Share Escrow Agreement and the Cash Escrow Agreement, which have also been executed between the Sellers, the Acquirer and the SPA Escrow Agent simultaneously with the SPA.
   - Out of the Purchase Consideration deposited with it, the SPA Escrow Agent shall pay ₹ 36,00,00,000 to the Sellers in three equal tranches: (i) within 5 business days of the execution of SPA, (ii) within 10 business days of the execution of SPA and (iii) within 15 business days of the execution of SPA. An additional amount of ₹ 6,00,00,000 shall be paid to the Sellers upon receipt of final observation letter from SEBI. ₹ 31,95,50,280 (the "**Final Tranche**") is payable on the Completion Date, subject to satisfaction of all Conditions Precedent.
     In the event certain Conditions Precedent have not been fulfilled by the Sellers by the Completion Date, certain amounts (as agreed in the SPA) shall be retained in the SPA Cash Escrow Account, out of the Final Tranche, until such time the relevant Conditions Precedent are fulfilled. However, if any of the Conditions Precedent (against which amounts have been retained) is not fulfilled by March 31, 2011 (or until such extended time at sole discretion of Acquirer), then the corresponding retained amounts shall be returned to the Acquirer.
   - Some of the material Conditions Precedent to be fulfilled by the Sellers are:
     - Regularization / agricultural to non-agricultural conversion of certain parcels of land owned by the Target Company;
     - Procurement of eligibility certificate in respect of new project from the state government;
     - Commissioning of the 4.725 MW power generation plant being set-up by the Target Company;
     - Disposition of the writ petition filed by the Target Company against the State of Maharashtra challenging levy of export fee on alcohol setting aside the levy of such export fee;
     - Repayment by the Target Company of working capital loan of ₹ 20,21,70,382.
   - The Acquirer may elect to nominate its directors on the board of the Target Company ("**Board**") in compliance with the proviso to Regulation 22(7) of the SEBI Takeover Code. In case the Acquirer elects to do so, the Sellers shall cause a meeting of the Board for the purposes of co-opting the directors nominated by the Acquirer and to take on record the resignations of two of the Sellers, Mr. K V Rajeshwar Rao and Mr. L Venkateswara Rao from the Board. The resignations of Mr. K Suhan Rao and Mr. K Sudhir Rao from the Board shall take effect from the Completion Date.
   - Within 3 months from the Completion Date, the Acquirer shall cause the release of personal guarantees and collateral securities provided by the Sellers to banks against financing facilities availed by the Target Company. Further, on the Completion Date, the Acquirer shall also discharge the Sellers from the personal guarantees provided to the Acquirer in due course of business.
   - The Sellers have agreed to certain non compete and non solicitation undertakings, which would be valid for a period of five years from the date of the SPA. In full and final consideration for the non compete and non solicitation undertakings of the Sellers, the Acquirer has agreed to pay ₹ 12,00,00,000 to Mr. K Suhan Rao, Mr. K Sudhir Rao, Mr. K V Rajeshwar Rao, Mr. L Venkateswara Rao, K Suhan Rao (HUF), K Sudhir Rao (HUF), K V Rajeshwar Rao (HUF) and L Venkateswara Rao (HUF), in the ratio of their shareholding ("**Non Compete Consideration**").
   - The Sellers have agreed to exercise their voting rights to vote on resolution(s) to ensure that the Target Company does not engage in certain actions. These, inter-alia, include change of the articles and memorandum of association of the Target Company; payment of dividends except dividends which has already been proposed and provided in accounts; issuance of new securities; disposing of or encumbering any assets; incurring capital expenditure; raising debt above agreed levels; constituting change in the Board of Directors except as provided in the SPA.
   - In terms of Regulation 22 (16) of the SEBI Takeover Code, the parties have agreed that in the event of any non-compliance of any of the provisions of the SEBI Takeover Code, the SPA shall not be acted upon by either party. In case the transaction is cancelled or abandoned; the Sellers shall refund to the Acquirer the money, paid to them till that date to the Acquirer. In case of failure on the part of the Sellers to refund such amount, the Acquirer shall be entitled to exercise lien on the Sale Shares.
   - There are certain covenants, representations and warranties of the Sellers, which are intended to protect the rights of Acquirer.
4. Other than as stated above, the Acquirer has neither acquired nor has been allotted any Shares of the Target Company in the last 12 months. As on the date of this PA, the Acquirer and Manager to the Offer do not hold any Shares of the Target Company.
5. The above acquisition by Acquirer would lead to a change of control of the Target Company. This Offer is being made in terms of, among others, Regulations 10 & 12 of the SEBI Takeover Code.

Offer Price

6. The Offer is for acquisition of 2,677,640 Shares (the "**Offer Size**") from the existing shareholders of the Target Company, other than the Sellers, representing 20% of the Voting Equity Capital of the Target Company, at a price of ₹ 101 per Share (Rupees One Hundred and One only), payable in cash (the "**Offer Price**"). This Offer is not subject to any minimum level of acceptance.
7. The Shares are listed on the Bombay Stock Exchange Limited ("**BSE**"), the National Stock Exchange of India Limited ("**NSE**") and the Pune Stock Exchange Limited ("**PSE**"). Based on the information available, the Shares are frequently traded on BSE and NSE# within the meaning of explanation (i) to Regulation 20 (5) of SEBI Takeover Code. There is no trading on PSE. The Shares are most frequently traded on NSE.

i.	Negotiated price under the SPA	₹ 101 per Sale Share
ii.	Highest price paid by the Acquirer for acquisitions including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to the date of the PA	Not Applicable
iii.	The average of the weekly high and low of the closing prices of Shares on NSE during the 26 weeks preceding the date of PA#	₹ 57.26 per Share
iv.	The average of the daily high and low prices of Shares on NSE during the 2 weeks preceding the date of PA	₹ 70.73 per Share

 # Source: www.nseindia.com. Shares were listed on NSE on June 15, 2010. The frequency of trading is determined in terms of explanation (iii) to Regulation 20(5) of the SEBI Takeover Code. The 26 weeks average price parameter is calculated to the extent of actual trading data available.

Since the Shares are listed on NSE for less than 6 months, it is further disclosed that average of the weekly high and low of the closing prices of Shares on BSE during the 26 weeks preceding the date of PA is ₹ 49.28 per Share (*Source: www.bseindia.com*).

The Offer Price of ₹ 101 per Share is justified in terms of Regulation 20(4) of the SEBI Takeover Code, since it is the highest of i, ii, iii and iv above, as required under the SEBI Takeover Code.

The Non Compete Consideration proposed to be paid to the Sellers as disclosed above, translates into ₹ 16.85 per Sale Share held by these Sellers. This amount is less than twenty five per cent of the Offer Price and is therefore not required to be added to the Offer Price, as provided in Regulation 20(8) of the SEBI Takeover Code.

8. If the Acquirer acquires any Shares after the date of this PA and up to 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances under the Offer.
9. To the extent of the Offer Size and in accordance with this PA and the Letter of Offer to be sent to the equity shareholders of the Target Company (the "**Letter of Offer**"), the Shares of the Target Company that are validly tendered & accepted pursuant to this Offer are proposed to be acquired by the Acquirer. If the aggregate of the valid responses to the Offer exceeds the Offer Size, then the Acquirer shall accept the valid acceptances received on a proportionate basis from each shareholder as per Regulation 21(6) of the SEBI Takeover Code.
10. This is not a competitive bid.

Information about the Acquirer

11. USL was originally incorporated as McDowell Spirits Limited on March 31, 1999 in Bangalore, Karnataka. Its name was changed to McDowell & Company Limited on April 12, 2001 and again changed to the present name of United Spirits Limited on October 17, 2006. The registered and corporate office of USL is situated at 'UB Tower', # 24, Vittal Mallya Road, Bangalore – 560 001 (Tel: +91 80 39856500, Fax: +91 80 39856862/39856959, Website - www.unitedspirits.in).
12. USL is the largest spirits company in India. It is a constituent of the UB Group and is the flagship company of the spirits business of the UB Group in India. USL has 20 millionaire brands (selling more than a million cases each, every year) in its portfolio and enjoys a strong market share for its first line brands in India. It has a sizeable presence in India with distilleries and sales offices all across the country.
13. The Promoters of USL are Dr. Vijay Mallya, United Breweries (Holdings) Limited, Kingfisher Finvest India Limited (formerly Kingfisher Radio Limited), Rossi & Associates Private Limited, Vittal Investments Private Limited, Devi Investments Private Limited and Mallya Private Limited who collectively hold 36,628,260 equity shares representing 29.16% of the total paid up equity share capital of USL.
14. As on the date of this PA, the Board of Directors of USL comprises Dr. Vijay Mallya, Mr. S. R. Gupte, Mr. V. K. Rekhi, Mr. M. R. D. Iyengar, Mr. B. M. Labroo, Mr. Sreedhara Menon and Mr. S. K. Khanna.
15. Presently, the issued and subscribed equity share capital of USL consists of 125,594,329 equity shares of '10 each aggregating ₹ 12,559.43 lakhs.
16. The shares of USL are listed on the Bombay Stock Exchange Limited, the National Stock Exchange of India Limited and Bangalore Stock Exchange Limited. The Global Depository Shares of USL are listed on the Luxembourg Stock Exchange. The closing price of USL equity share on BSE was ₹ 1599.55 and on NSE was ₹ 1601.90, on September 16, 2010.
17. As on June 30, 2010, 29.16% of the equity share capital of USL was held by the promoter and promoter group of USL, 52.60% was held by Institutional shareholders, 9.45% was held by individual public shareholders (including employees), 1.06% was held by custodians against which depository shares have been issued and the remaining was held by other public shareholders.
18. Audited consolidated financials of USL for the years ended March 31, 2010 and March 31, 2009 are as follows:

Particulars	₹ in lakhs except for per Share data	
	FY 2010	FY 2009
Total Income	6,44,718	557,190
Profit / (Loss) after tax after minority interest	(2,271)	(40,841)
Paid up equity share capital	12,067	10,016
Net Worth	3,77,353	2,38,277
Basic / Diluted Earnings per Share (₹)	(2.05)	(39.66)
Return on Networth (%)	(0.60%)	(17.14%)
Book value per Share (₹)	312.71	237.90
P/E Multiple*	NA	

** based on the closing price on BSE on September 16, 2010*

Information about the Target Company (The information under this section has been sourced from PDL and from public sources)

19. PDL 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 and corporate office of PDL is situated at # 8-2-311/C, Mithila Nagar, Road No.10, Banjara Hills, Hyderabad - 500 034. (Tel: +91 +91-40-2354 2920, Fax: +91-40-2354 2921).
20. The sole manufacturing unit of PDL is situated in Balapur Village, Dharmabad Taluk, Nanded District, Maharashtra - 431 809 where it produces extra neutral alcohol ("**ENA**"), rectified spirit, absolute alcohol, special denatured spirit and carbon dioxide.
21. The Shares are currently listed on the Bombay Stock Exchange Limited, the National Stock Exchange Limited and the Pune Stock Exchange Limited.
22. The present authorised share capital of PDL comprises 1,75,00,000 Shares and 25,00,000 Preference Shares aggregating to ₹ 2,000 lakhs and the present subscribed and paid up capital comprises of 1,33,88,200 Shares aggregating ₹ 1,338.82 lakhs ("**Voting Equity Capital**"). PDL had forfeited 62,400 Shares, which have not been reissued and are not included in the subscribed and paid up capital of PDL. As on the date of this PA, there are no partly paid-up equity shares or outstanding convertible instruments.
23. The Board of Directors of PDL comprises of Mr. K. V. Rajeshwar Rao, Mr. K Sudhir Rao, Mr. K. Suhan Rao, Mr. L. Venkateswara Rao, Mr. V. Subramanian, Mr. C. V. Kamalaker, Mr. H Anantha Krishnan and Mr. C. V. Krishnaiah. The Acquirer does not have any representation on the Board of Directors of the Target Company, as on the date of this PA.
24. Audited financials of PDL for the years ended March 31, 2010 and March 31, 2009 are as follows:

Particulars	₹ in lakhs except for per Share data	
	FY 2010	FY 2009
Total Income	4,752	7,666
Profit after tax	319	786
Paid up equity share capital	1,259	1,176
Net Worth	3,795	3,244
Basic Earnings per Share (₹)	3.59	7.98
Diluted Earnings per Share (₹)	3.41	6.65
Return on Networth (%)	8.41%	24.23%
Book value per Share (₹)	30.14	27.59

Reasons for the Acquisition and Future Plans about Target Company

25. This Offer is a mandatory offer, in compliance with Regulations 10 & 12 and other applicable provisions of the SEBI Takeover Code, for the purpose of substantial acquisition of Shares and voting rights, as disclosed earlier, accompanied with change in control of the Target Company thereby enabling the Acquirer to exercise control over the Target Company, through, inter-alia, the right to appoint directors and by virtue of its shareholding. The Acquirer will seek reconstitution of the Board of Directors of the Target Company, in accordance with the provisions contained in the SEBI Takeover Code and the Companies Act, 1956. The Acquirer reserves the right to change the name of the Target Company at a later date subject to shareholders' / other applicable regulatory approvals. On completion of the Offer, the Acquirer will be classified as promoter of the Target Company.
26. The Acquirer plans to continue the present business of the Target Company and does not have any plans to dispose off any assets of the Target Company in the next two years, except in the ordinary course of business of the Target Company and except to the extent required for the purpose of rationalization of assets, investments, liabilities, business or otherwise of the Target Company, which will be done subject to receipt of statutory approvals wherever necessary. The Acquirer may encumber the assets of the Target Company to avail financing facilities from the financial institutions in the ordinary course of business. The Acquirer may evaluate options for merger of the Target Company with itself, subject to necessary approvals. Further, the Acquirer undertakes that it shall not sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company. The Acquirer may transfer the registered office of the Target Company, subject to necessary approvals.
27. The Target Company is in the business of manufacture and sale of ENA, which is the primary ingredient for IMFL, manufactured by the Acquirer. The Acquirer has been drawing up its supply side strategy and exploring options for shoring up its primary distillation capacity in order to gain better control over its upstream supplies of ENA. The Acquirer believes that there could be cost efficiencies in having control over manufacture of ENA, in-house, as compared to buying it from third parties. This acquisition will help USL to enhance its in-house capacity of primary spirit distillation and will therefore provide enhanced supply side security.

Statutory and Other Approvals required for this Offer

Statutory Approvals

28. The Offer is subject to the approval from Reserve Bank of India ("**RBI**") under the Foreign Exchange Management Act, 1999, ("**FEMA**") as amended from time to time, for the acquisition / transfer of Shares tendered by non-resident persons pursuant to this Offer. The Acquirer will shortly file an application with the RBI for this approval.
29. To the best of the knowledge and belief of the Acquirer, as on the date of this PA, other than the above, no statutory approvals are required to acquire the Shares tendered pursuant to this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. In terms of Regulation 27 of the SEBI Takeover Code, the Acquirer will not proceed with the Offer in the event that any of the required statutory approvals is refused.
30. The Acquirer shall complete all procedures relating to the Offer within a period of 15 days from the Offer Closing Date (defined hereinafter). It may be noted that if the Acquirer is unable to make payment to the shareholders who have accepted the Offer within the said period of 15 days, due to non-receipt of statutory approvals, the Securities and Exchange Board of India ("**SEBI**"), if satisfied that the non receipt of the statutory approvals was not due to willful default or negligence on part of the Acquirer, has a power to grant an extension of time to the Acquirer for payment of consideration to shareholders and the Acquirer shall pay interest for the delay, to the shareholders who have accepted the Offer, at such rates as may be specified by SEBI under Regulation 22(12) of the SEBI Takeover Code. Further, if the delay occurs due to willful default of the Acquirer in obtaining the requisite statutory approvals, Regulation 22(13) of the SEBI Takeover Code shall be applicable.

Other Approvals

31. Under the current loan covenants of the Target Company, a no objection certificate is required from State Bank of Mysore and Indian Overseas Bank for the proposed change of control of the Target Company.
32. The Acquirer shall obtain such approvals as may be required under its loan covenants, from financial institutions or banks for the acquisition contemplated in the SPA and the Offer.

Disclosure in terms of Regulation 21 of the SEBI Takeover Code

33. In the event the public shareholding is found to be reduced below the minimum level required as per the listing agreement entered into by the Target Company with the stock exchange on which Shares are listed (the "**Listing Agreement**") and Notifications of the Government of India dated June 4, 2010 and August 9, 2010 amending the Securities Contracts (Regulation) Rules, 1957, as a result of acquisition of Shares under (i) the SPA; and/or (ii) acquisition of shares from open market, if any; and/or (iii) the Offer, the Acquirer shall take necessary steps to facilitate compliance of the Target Company with the relevant provisions of the Listing Agreement, within the time period stipulated therein.

Financial Arrangements

34. The total financial resources required for this Offer, assuming full acceptance of the Offer Size at the Offer Price will be ₹ 27,04,41,640 (Rupees Twenty Seven Crores Four Lakhs Forty One Thousand Six Hundred and Forty only) (the "**Maximum Consideration**"). The Acquirer has made firm arrangements for the Maximum Consideration and proposes to fund the Offer through its financial resources consisting of internal accruals.
35. In accordance with Regulation 28 of the SEBI Takeover Code, USL has created an escrow account by making a cash deposit of ₹ 27,04,41,640 (Rupees Twenty Seven Crores Four Lakhs Forty One Thousand Six Hundred and Forty only) in an account (the "**Escrow Account**") with Standard Chartered Bank at their branch located at 90, M.G. Road, Fort, Mumbai – 400 001. The cash deposit in the Escrow Account is equal to the Maximum Consideration payable under the Offer. The Acquirer has arranged a lien on the cash deposit in favour of the Manager to the Offer and the Manager to the Offer has been authorised to realize the value of the Escrow Account in terms of the provisions contained in the SEBI Takeover Code.
36. In addition, Vishnu Ram & Co., Chartered Accountants, [Address: 2nd Floor, # 12 (Above IDBI Bank), between 8th & 9th Cross, Margosa Road, Malleshwaram, Bangalore – 560 003.], through Mr. S. Vishnumurthy, Proprietor, membership number: 22715 (Tel:+91 080 23568916; Fax: +91 080 23568916; Email: vishnuram@vishnuram.in), have certified vide their letter dated September 15, 2010 that USL has adequate liquid financial resources to fulfill all financial obligations arising out of the Offer.
    In view of the above, the Manager to the Offer is satisfied that firm arrangements for funds, required to implement the Offer at the Offer Price, through verifiable means, are in place to fulfill the financial obligations of the Acquirer under the Offer.

Other terms of this Offer

37. The Acquirer will acquire the Shares tendered in the Offer free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
38. The Offer is not conditional on any minimum level of acceptance by the shareholders of the Target Company. During the Offer period, the Acquirer may purchase additional Shares in accordance with the SEBI Takeover Code.
39. A Letter of Offer, specifying the detailed terms and conditions of this Offer, along with a Form of Acceptance-cum-Acknowledgement (the "**Form of Acceptance**") and a Form of Withdrawal, will be mailed to all the shareholders of the Target Company (other than the Sellers) whose names appear on the register of members of the Target Company, and to the beneficial owners of the Shares of the Target Company whose names appear on the beneficial records of the respective depositories, at the close of business hours on Friday, October 01, 2010 (the "**Specified Date**"). All the shareholders (other than the Sellers) who own Shares anytime before Monday, November 29, 2010 (the "**Offer Closing Date**") are eligible to participate in the Offer.
40. Shareholders who are holding Shares in physical form and wish to tender their Shares will be required to send the duly completed Form of Acceptance, original Share Certificate(s) and transfer form(s) duly signed & witnessed to Bigshare Services Private Limited, acting as the Registrar to the Offer (the "**Registrar to the Offer**"), at any of the addresses mentioned below, in accordance with the instructions to be specified in the Letter of Offer and the Form of Acceptance so that the same are received on or before the close of business hours on the Offer Closing Date. In case of registered shareholders in whose respect, the aforesaid documents have not been received, but the original share certificate(s) and duly signed transfer form(s) have been received, the Offer shall be deemed to have been accepted.
41. For shareholders holding Shares in dematerialised form, the Registrar to the Offer has opened a special depository account. Beneficial owners who wish to accept the Offer would be required to transfer the Shares in an off-market mode in favour of the special depository account. Such beneficial owners are requested to fill in the following details in the delivery instructions for the purpose of crediting their Shares in the special depository account:

DP Name	Ambit Capital Private Limited
DP ID / Client ID	1204750000006305
Account name	PDL OPEN OFFER – BSPL ESCROW A/C
Depository	Central Depository Services (India) Limited

Shareholders having their beneficiary account in National Securities Depository Limited ("**NSDL**") have to use inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the special depository account with Central Depository Services (India) Limited ("**CDSL**"). NSDL and CDSL are collectively referred to as Depositories.

42. Beneficial owners holding Shares in the dematerialised form, who wish to accept the Offer, will be required to send their duly completed Form of Acceptance to the Registrar to the Offer at any of the addresses mentioned below so that the same are received on or before the close of business on the Offer Closing Date. The Form of Acceptance should be sent along with a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode with the above details filled in favour of special depository account mentioned above and duly acknowledged by their Depository Participant ("**DP**").
43. In case of non-receipt of the aforesaid documents, but receipt of the Shares in the special depository account, the Offer shall be deemed to have been accepted. Shareholders holding dematerialised Shares and wishing to participate in the Offer should ensure the credit of the Shares in favour of the special depository account mentioned above before the close of business hours on the Offer Closing Date.
44. Details of collection centers where shareholders desirous of tendering acceptances can submit their completed Forms of Acceptance, along with the necessary document, in terms of this PA and Letter of Offer:

Sl. No.	City	Address of Collection Centers	Contact Person	Phone No.	Fax No.	Mode of delivery
1.	Ahmedabad	Bigshare Services Private Limited C/o Vishwam Advisory Private Limited, 310, Aditya Plaza, Nr. Karnavati Apartments, Jodhpur, Satellite, Ahmedabad - 380 015	Mr. Hitesh Buch	(079) 40321260	NA	Hand Delivery
2.	Bangalore	Bigshare Services Private Limited C/o Skystock Financial Services, 74, Ist Floor, Keshava Krupa, Jaya Nagar, 4th Block, Bangalore - 560011	Mr. Umashankar	(080) 41211374 / 9845158104	NA	Hand Delivery
3.	Chennai	Bigshare Services Private Limited C/o Skystock Financial Services, B2 Gemini Parasan Commercial Complex, 1st Floor, Chennai -600006	Mr. K V Supara	9176697491	NA	Hand Delivery
4.	Hyderabad	Bigshare Services Private Limited G-10, Left Wing, Amrutha Ville, Opp.Yasodha, Hospital, Somajiguda, Raj Bhavan Road, Hyderabad - 500 082	Mr Bojimon	(040) 23374967	040 23370295	Hand Delivery
5.	Kolkatta	Bigshare Services Private Limited C/o Maheshwari Datamatics Pvt Ltd, 2nd Floor, 6, Mangoe Lane, Kolkata - 700 001	Mr. Rajgopal	(033) 22435029	033 22484787	Hand Delivery
6.	Mumbai	Bigshare Services Private Limited E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400 072	Mr. Babu Rapheal	(022) 40430200/ 28470652	022 28475207	Hand Delivery / Registered Post
7.	New Delhi	Bigshare Services Private Limited C/o Sterling Services, F-63, 1st Floor, Bhagat Singh Market, Near Gole Market, Opp. SBI ATM, New Delhi - 110001	Mr. Sridhar / Mr. Ombir	9911151199 9312546905	NA	Hand Delivery

Working Hours: *Monday to Friday 10.30 AM to 4.30 PM, Saturday 10.30 AM to 1 PM;* ***Holidays:*** *Sundays and Bank Holidays*

Shareholders who cannot hand deliver their documents at any of the collection centers referred to above may send the same by registered post /speed post, at their own risk, to the Registrar to the Offer at their office at Bigshare Services Private Limited, E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai 400 072, Tel: 022 40430200; Fax: 022 28475207, E-mail: openoffer@bigshareonline.com, Contact Person: Mr. Ashok Shetty, and not to any other collection centre so that the same are received on or before the close of business hours on the Offer Closing Date.

45. In case of non-receipt of the Letter of Offer / Form of Acceptance / Form of Withdrawal eligible shareholders and unregistered owners (including beneficial owners) may download the same from SEBI's website http://www.sebi.gov.in or obtain a copy of the same by writing to the Registrar to the Offer at the collection centers set out in paragraph above clearly marking the envelope "*Pioneer Distilleries Limited - Open Offer*" by providing suitable documentary evidence of acquisition / ownership of Shares.
46. In case of non-receipt of the Letter of Offer / Form of Acceptance / Form of Withdrawal eligible shareholders and unregistered owners (including beneficial owners) may also submit their acceptance on plain paper, as follows:
    - Shareholders holding Shares in physical form should state their name, address, folio number, number of Shares held, distinctive numbers, number of Shares offered, bank particulars along with original Share Certificate(s), duly signed & witnessed transfer form(s). The details of buyer should be left blank failing which, the same will be invalid under the Offer. Unregistered owners should also enclose original broker contract note and valid share transfer deed(s) as received from market. Unregistered shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered shareholders.
    - Beneficial owners should state their name, address, DP name, DP ID, beneficiary account number, number of Shares held, number of Shares offered, bank particulars, photocopy of the delivery instructions in "Off-market" mode or a counterfoil of the delivery instructions in "Off-market" mode duly acknowledged by the DP in favour of the special depository account mentioned above, as may be relevant.

    The acceptance should be signed by all the shareholders as per the registration details available with PDL / Depositories and should be sent to the Registrar to the Offer in an envelope clearly marked "*Pioneer Distilleries Limited - Open Offer*" on or before the close of business on the Offer Closing Date.
47. In case any person has submitted Shares in physical form for dematerialisation and such dematerialisation has not yet been effected, the concerned shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialisation request form acknowledged by shareholder's DP. Such shareholders should ensure that the process of getting the Shares dematerialised is completed well in time so that the credit of the Shares to the special depository account is completed on or before the close of business hours on the Offer Closing Date, failing which such an acceptance would be rejected. A copy of delivery instructions acknowledged by the DP in favour of the special depository account should be forwarded to the collection centre where the Form of Acceptance and other documents were tendered, before the Offer Closing Date.
48. In case any person has lodged Shares for transfer and such transfer has not yet been effected, the concerned person may apply as per instructions to be contained in the Letter of Offer, together with the acknowledgement of the lodgement of Shares for transfer. Such persons should also instruct the Target Company and/or its registrar & transfer agents to send the transferred equity share certificate(s) directly to the collection centre located at Bigshare Services Private Limited, E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai 400 072, Tel: 022 40430200; Fax: 022 28475207, E-mail: openoffer@bigshareonline.com, Contact Person: Mr. Ashok Shetty. The person should ensure that the equity share certificate(s) reach the designated collection centre on or before the close of business hours on or before the Offer Closing Date.
49. The Acquirer shall accept Shares upto the Offer Size, from shareholders who have validly tendered the Shares under the Offer and remit the consideration in respect thereof within 15 days from the Offer Closing Date. The information as to whether the Shares tendered under the Offer have been accepted (in full or in part) or rejected and the consideration payable would be sent by registered post / speed post. The payment instrument will be drawn in favour of the Sole / First named shareholder in case of joint registered holders / beneficial owners.
50. Shareholders, while tendering their Shares in the Offer may indicate an option to receive the payment of Offer consideration through electronic form by indicating in the space provided in the Form of Acceptance. The payment consideration for Shares accepted under the Offer, in such cases, may be made through National Electronic Clearing Services (NECS), Direct Credit, Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (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 cheque / demand draft / pay order sent by Registered post / speed post. Shareholders who opt for receiving consideration through electronic form are requested to give the authorization for electronic mode of transfer of funds in the Form of Acceptance, provide the MICR / IFSC 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. In case of joint holders, payments will be made in the name of the first holder/ unregistered owner.
51. For shareholders, who do not opt for electronic mode of transfer and for those shareholders, whose payment consideration is rejected / not credited through ECS / Direct Credit / RTGS / NEFT, due to any technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through Speed Post / Registered Post. Such consideration payment will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered.
52. For the purposes of electronic transfer, in case of shareholders opting for electronic payment of consideration and for purposes printing on the cheque / demand draft / payorder for the other cases, the bank account details will be directly taken from the Depositories' database, wherever possible. A shareholder tendering 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 then the particulars provided by the shareholders would be used.
53. It is advised that shareholders provide bank details in the Form of Acceptance, so that the same can be incorporated in the cheque/demand draft/pay order, if the same data is not available from the Depositories' database. It will be the responsibility of the tendering shareholders to ensure that correct bank account details are recorded with the Depositories and mentioned in the Form of Acceptance.
54. The Registrar to the Offer will hold in trust the Shares/share certificates, Shares lying in credit of the special depository account, Form of Acceptance and the transfer form(s), if any, on behalf of the shareholders who have accepted the Offer, till the Acquirer completes the Offer obligations in accordance with the SEBI Takeover Code.
55. Any Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment order(s) / restriction from other statutory authorities, wherein the shareholder(s) may be precluded from transferring the Shares during pendency of the said litigation are liable to be rejected if directions / orders of the Court/relevant statutory authority permitting transfer of these Shares are not received together with the Shares tendered under the Offer.
56. While tendering Shares under the Offer, shareholders are requested to provide Permanent Account Number ("**PAN**") at the appropriate place in the Form of Acceptance.
57. While tendering Shares under the Offer, Non Resident Indians ("**NRIs**") / Overseas Corporate Bodies ("**OCBs**") / foreign and other non resident shareholders will be required to submit the RBI approvals, if any (specific or general) that they would have obtained for acquiring Shares. Further, OCB shareholders, if any, are also required to submit approval from RBI for tendering Shares in the Offer. In case the RBI approvals are not submitted, the Acquirer reserves the right to reject the Shares tendered. While tendering their Shares under the Offer, NRIs, OCBs and other non resident shareholders will be required to submit a No Objection Certificate ("**NOC**") / Tax Clearance Certificate ("**TCC**") / Certificate for Deduction of Tax at Lower Rate indicating the rate of tax to be deducted by the Acquirer before remitting the consideration and any interest, from Income Tax authorities under the Income tax Act, 1961 ("**Income Tax Act**"). In case the aforesaid NOC / TCC is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders, on the entire consideration amount and any interest payable to such shareholders. The Acquirer also reserves the right to reject such tenders from non-resident shareholders, where the aforesaid NOC / TCC is not submitted. As per the extant provisions of the Income Tax Act, no deduction of tax at source shall be made before remitting the consideration for Shares tendered under the Offer by Foreign Institutional Investors ("**FIIs**") as defined in the Income Tax Act for Shares held under "Investment / Capital Account" by FIIs. This exemption is not available for payment of consideration in respect of Shares held by FIIs under their "Trade Accounts". However interest payment for delay in payment of consideration, if any, will not be exempt from tax.
58. If the aggregate of the valid responses to the Offer exceeds the Offer Size, then the Acquirer shall accept the valid acceptances received on a proportionate basis from each shareholder as per Regulation 21(6) of the SEBI Takeover Code. The Shares are compulsorily traded in dematerialised form and the minimum marketable lot for the purposes of acceptance, for both physical and demat will be one Share.
59. Unaccepted share certificates, transfer forms and other documents, if any, will be returned by Registered Post / Speed Post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder. Shares held in dematerialised form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owner in the Form of Acceptance or otherwise. It will be the responsibility of the shareholders to ensure that the unaccepted Shares are accepted by their respective DPs when transferred by the Registrar to the Offer.
60. A schedule of some of the key events in respect of the Offer is as follows:

Activity	Day & Date
Specified Date*	Friday, October 1, 2010
Last date for a competitive bid	Friday, October 8, 2010
Date by which Letters of Offer will be dispatched to shareholders	Friday, October 29, 2010
Offer Opening Date	Wednesday, November 10, 2010
Offer Closing Date	Monday, November 29, 2010
Last date for revising the Offer Price / Offer Size	Thursday, November 18, 2010
Last date for withdrawing acceptance from the Offer	Wednesday, November 24, 2010
Last date of communicating acceptance / rejection and payment of consideration for accepted tenders / return of unaccepted Shares	Tuesday, December 14, 2010

** Specified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All eligible owners (registered or unregistered including beneficial owners) of the Shares, other than the Sellers, can participate in the Offer any time before the Offer Closing Date.*

General

61. The Acquirer can revise the Offer Price or the Offer Size upwards upto seven working days prior to the Offer Closing Date. In the event, there is any upward revision in the Offer Price or Offer Size till the last date for revising the Offer Price / Offer Size, mentioned above, or if the Offer is withdrawn pursuant to Regulation 27 of the SEBI Takeover Code, the same would be informed by way of a public announcement in the same newspapers in which this PA has appeared. Such revised offer price, if any, would be paid for all the Shares validly tendered any time during the Offer and accepted under the Offer.
62. The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act, 1992 or any other regulations made under the SEBI Act, 1992. Based on the information presently available publicly, the Target Company has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992.
63. Pursuant to Regulation 13 of the SEBI Takeover Code, the Acquirer has appointed Ambit Corporate Finance Private Limited as the Manager to the Offer. Further, Bigshare Services Private Limited has been appointed as the Registrar to the Offer. The office of the Registrar to the Offer is at E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai 400 072, Tel: 022 40430200; Fax: 022 28475207, E-mail: openoffer@bigshareonline.com, Contact Person: Mr. Ashok Shetty.
64. In terms of Regulation 22(5A) of the SEBI Takeover Code, shareholders desirous of withdrawing their acceptances tendered in the Offer, can do so up to three working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the prescribed documents, including the Form of Withdrawal, as per the instructions to be contained in the Letter of Offer, so as to reach the Registrar to the Offer at the collection center where the original tender was submitted, on or before the last date for withdrawing acceptance from the Offer, mentioned above.
65. For further details please refer to the Letter of Offer, the Form of Acceptance and the Form of Withdrawal.
66. **If there is a competitive bid:**
    i. The public offers under all the subsisting bids shall close on the same date.
    ii. As the Offer Price cannot be revised during seven working days prior to the closing date of the Offer/ bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their equity shares accordingly.
67. The Acquirer, represented by its Board of Directors, accepts full responsibility for the information (except that which pertains to the Target Company and has been compiled from publicly available sources) contained in this PA and also for fulfilling its obligations as laid down in the SEBI Takeover Code.
68. This PA is issued by the Manager to the Offer on behalf of the Acquirer.
69. **This PA would be available on the SEBI's website at www.sebi.gov.in. Eligible persons may also download a copy of the Letter of Offer, Form of Acceptance and Form of Withdrawal, which will also be available on SEBI's website and apply using the same.**

Issued by the Manager to the Offer:

AMBIT
Acumen at work

Ambit Corporate Finance Private Limited
Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai 400 013
Tel: (+91) 022 3982 1819; Fax: (+91) 022 3982 3020
Email: pdlopenoffer@ambitpte.com; Website: www.ambitpte.com
Contact Person: Praveen Kumar Sangal

On behalf of the Acquirer:

UB GROUP
UNITED SPIRITS

United Spirits Limited
'UB Tower', # 24,
Vittal Mallya Road,
Bangalore – 560 001

Date: September 17, 2010
Place: Mumbai