UNITED SPIRITS LIMITED

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Recommendations of the Committee of Independent Directors (**"IDC"**) pursuant to Regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the **"Takeover Code"**) on the Open Offer (**"Offer"**) made by Relay B.V. (hereinafter referred to as the **"Acquirer"**) along with Diageo Plc (**"Diageo"**), Diageo Finance Plc, Diageo Capital Plc and Tanqueray Gordon and Company Limited (hereinafter collectively referred to as the **"PACs"**) to the public shareholders of United Spirits Limited (**"Target Company/TC"**) for acquisition of upto 37,785,214 Equity Shares representing 26.0% of the Emerging Voting Capital of the Target Company.

For the purposes of this recommendation:

1) Equity Shares means fully paid-up equity shares of Target Company having a face value of Rs.10/- each.
2) Emerging Voting Capital means 145,327,743 Equity Shares, being the Equity Shares as of the 10th Working Day following completion of the Open Offer and assuming the issue and allotment of the Preferential Shares.
3) Preferential Shares means 14,532,775 Equity Shares, representing 10.0% of the Emerging Voting Capital, proposed to be issued by Target Company to the Acquirer under the preferential allotment agreement dated November 9, 2012 between the Acquirer, Diageo and the Target Company.

1	**Date**	March 25, 2013
2.	**Name of the Target Company**	United Spirits Limited
3.	**Details of the Offer pertaining to Target Company**	The Open Offer is being made by the Acquirer and the PACs to the public shareholders of the Target Company to acquire up to 37,785,214 Equity Shares representing 26.0% of the Emerging Voting Capital at a price of Rs.1,440/- per share (the **"Offer Price"**) in accordance with the Regulation 3(1) and Regulation 4 of the Takeover Code.
4.	**Name(s) of the acquirer and PACs with the acquirer**	Acquirer : Relay B.V. PACs : Diageo Plc, Diageo Finance Plc, Diageo Capital Plc and Tanqueray Gordon and Company Limited.
5.	**Name of the Manager to the Offer**	JM Financial Institutional Securities Private Limited SEBI Registration Number: INM000010361, 141, Maker Chamber III, Nariman Point, Mumbai – 400 021 Tel: +91 22 66303030, Fax: +91 22 2204 7185 Contact Person: Ms.Lakshmi Lakshmanan Email: lakshmi.lakshmanan@jmfl.com
6.	**Members of the Committee of Independent Directors** ***(Please indicate the Chairperson of the Committee separately)***	Mr. G.N. Bajpai - (Chairman of IDC); Mr. M.R. Doraiswamy Iyengar, Mr. B.M Labroo, Mr. Sudhindar Krishan Khanna and Mr. Sreedhara Menon
7.	**IDC Member's relationship with the TC (Director, Equity Shares owned, any other contract / relationship), if any**	All the members of the IDC are duly appointed independent directors of Target Company. Mr. G.N. Bajpai, Chairman of IDC holds Nil shares (0.0%) in the Target Company; Mr. M.R. Doraiswamy Iyengar, Director holds 21 shares (0.0%) in the Target Company, Mr. B.M. Labroo, Director holds 1,36,200 (0.10%) shares in the Target Company, Mr. Sudhindar Krishan Khanna, Director holds 2414 (0.002%) shares in the Target Company and Mr. Sreedhara Menon holds Nil (0.0%) shares in the Target Company. None of the members of IDC: (i) have any relations with the Target Company's other Directors; and (ii) have any contracts/ relationship with the Target Company.
8.	**Trading in the Equity Shares/other securities of the TC by IDC Members**	None of the members of IDC have done any trading in the Shares and other securities of Target Company since the Agreement Date (as defined below).
9.	**IDC Member's relationship with the acquirer (Director, Equity Shares owned, any other contract/ relationship), if any**	None of the members of IDC: (i) are directors of Acquirer or PACs; (ii) hold any shares or other securities of Acquirer or PACs; and (iii) have any contracts/ relationship with Acquirer, PACs or their respective directors.
10.	**Trading in the Equity Shares/other Securities of the acquirer by IDC Members**	None of the members of IDC have ever traded in the shares/other securities of Acquirer or PACs.
11.	**Recommendation on the Open Offer, as to whether the offer is fair and reasonable**	IDC believes that the Open Offer is fair and reasonable as on the Agreement Date (as defined below).
12.	**Summary of reasons for recommendation:** IDC has reviewed (a) the public announcement in connection with the Open Offer dated November 9, 2012 ("Agreement Date") issued on behalf of the Acquirer and the PACs (the "Public Announcement" or "PA"); (b) the detailed public statement in connection with the Open Offer, published on behalf of the Acquirer and the PACs on November 20, 2012 (the "DPS"); (c) the draft Letter of Offer ("DLOF") dated November 27, 2012 and (d) the announcement issued for and on behalf of the Acquirer and the PACs on February 10, 2013 (Announcement) in relation to the delay in the commencement of the tendering period and payment of interest. IDC has taken into consideration the following for making this recommendation: (i) Based on the review of PA, DPS, DLOF and Announcement, the IDC is of opinion that the Offer Price offered by the Acquirer and PACs (being the highest price amongst the selective criteria) is in line with the regulation prescribed by SEBI under the Takeover Code and prima facie appears to be justified. (ii) The Offer Price is higher than the volume weighted average price of the Equity Shares for a period of 60 trading days immediately preceding the date of PA and the date of receipt of shareholder approval in accordance with regulation 8(2) of Takeover Code. (iii) The Offer Price represents a premium of 36.6% to the closing price of the Equity Shares on September 24, 2012, one day prior to the date on which Diageo and Target Company issued a joint announcement in respect of possible transactions for Diageo Plc to acquire an interest in United Spirits Limited. (iv) The Offer Price also represents a premium of 7.2% to the closing price of the shares on November 8, 2012, one day prior to the date on which Public Announcement was issued on behalf of the Acquirer and the PACs. (v) The IDC had sought external financial advice from Morgan Stanley India Company Private Limited who advised the IDC that as of the Agreement Date, the Offer Price pursuant to the Offer is fair from a financial point of view to the public shareholders of Target Company. Based on the above, IDC is of the opinion that the Offer Price to the public shareholders of Target Company is in compliance with the requirements under the Takeover Code and is fair and reasonable as on the Agreement Date. However, the shareholders should independently evaluate the offer and take informed decision in the matter.	
13.	**Details of Independent Advisors, if any**	Morgan Stanley India Company Private Limited
14.	**Any other matter(s) to be highlighted**	Nil

"To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by Target Company under the Takeover Code."

For **UNITED SPIRITS LIMITED**

Sd/-

G.N.BAJPAI

CHAIRMAN – COMMITTEE OF INDEPENDENT DIRECTORS

Place : Mumbai
Date : March 25, 2013