

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This document ("Letter of Offer" or "LoF") is sent to you as shareholder(s) of Shaw Wallace & Company Limited ("SWC" or the "Target Company"). If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your shares in SWC, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement and Form of Withdrawal and Transfer Deed to the member of stock exchange through whom the said sale was effected.

CASH OFFER

by

The Acquirers:

McDowell & Company Limited
Registered Office: 51 Richmond Road
Bangalore 560 025, India
Tel: +91 80 2227 4458; Fax: +91 80 2227 2973

Phipson Distillery Limited
Registered Office: Le Parc Richmond, 51 Richmond Road
Bangalore 560 025, India.
Tel: +91 80 2221 5415; Fax: +91 80 2227 2973

United Spirits Limited
Registered Office: 51 Richmond Road
Bangalore 560 025, India
Tel: +91 80 2221 5415; Fax: +91 80 2227 2973

for

the acquisition of up to 12,001,518 fully paid-up equity shares representing 25% of the paid-up equity share capital of

Shaw Wallace & Company Limited

Regd. Office: Wallace House, 4, Bankshall Street, Kolkata - 700 001, India. Tel: +91 33 2220 0088; Fax: +91 33 2220 9910

at Rs260 per Equity Share payable in cash

Along with The Persons Acting in Concert:

United Breweries (Holdings) Limited
Registered Office: UB Anchorage, 5th Floor
No.100/1, Richmond Road
Bangalore 560 025, India
Tel: +91 80 2227 2808; Fax: +91 80 2227 4890

Zelinka Limited
Registered Office: Julia House
3, Themistocles Dervis Street, CY - 1066
Nicosia, Cyprus
Tel.: 357 22 555000; Fax : +357 22 555001

Attention:

(1) This Offer is being made pursuant to the Regulations (2) The Offer is not subject to a minimum level of acceptance by the shareholders of SWC. (3) The Offer is subject to the following statutory and regulatory approvals and clearances required to acquire Shares tendered pursuant to the Offer: Approval of RBI under FEMA, if required, for acquiring Shares tendered and accepted under the Offer by non-resident shareholders of SWC. As on date, there are no other statutory approvals required, other than those indicated above. (4) The Acquirers will make the application for requisite approval to the RBI, if any, on closure of the Offer for acquisition of the Shares tendered and accepted under the Offer. (5) If there is any further upward revision of the Offer Price by the Acquirers till the last date for revision viz. April 27, 2005 or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the Public Announcement and the Corrigendum Announcement had appeared. Such revised Offer Price would be payable for all the Shares tendered anytime during the Offer and accepted under the Offer. (6) Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement / Corrigendum Announcement / Letter of Offer, can withdraw the same up to three working days prior to the closure of the Offer i.e. May 3, 2005 (7) **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 offers / 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 acceptance accordingly.** (8) **No competitive bid has been announced as on the date of this Letter of Offer.** (9) A copy of the Public Announcement, Corrigendum Announcement, Revised Public Announcement and Letter of Offer (including Form of Acceptance-cum-Acknowledgement and Form of Withdrawal) is also available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 ICICI Securities ICICI Securities Limited ICICI Centre H.T. Parekh Marg, Churchgate Mumbai 400 020, India Tel: +91 22 2288 2460 Fax: +91 22 2282 6580 Email: swc_offer@isecitd.com Contact Person: Ashok Khandelwal	 KARVY Karvy Computershare Pvt Limited 46, Avenue 4, Street No 1 Banjara Hills Hyderabad 500 034, India Tel: +91 40 2343 1545 / 2331 2454 Fax: +91 40 2343 1551 E-mail: swc_offer@karvy.com Contact Person: Murali Krishna

Schedule of the Major Activities of the Offer

Activity	Date (Day)
1 Date of publication of Public Announcement	February 23, 2005 (Wednesday)
2 Specified date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	March 4, 2005 (Friday)
3 Last date for announcement of a competitive bid	March 16, 2005 (Wednesday)
4 Date of publication of Corrigendum Announcement	March 22, 2005 (Tuesday)
5 Date of publication of Revised Public Announcement	April 16, 2005 (Saturday)
6 Date by which Letter of Offer will be posted to shareholders	April 16, 2005 (Saturday)
7 Date of Opening of the Offer	April 18, 2005 (Monday)
8 Last date for revising the Offer Price / number of Shares	April 27, 2005 (Wednesday)
9 Last date for withdrawing acceptance from the Offer	May 3, 2005 (Tuesday)
10 Date of Closure of the Offer	May 7, 2005 (Saturday)
11 Date of communicating rejection / acceptance and payment of consideration for applications accepted	May 20, 2005 (Friday)

RISK FACTORS

Risks related to the proposed Offer

1. The Offer involves an offer to acquire 25% of fully paid-up equity share capital of SWC from the Eligible Persons for the Offer. Pursuant to the Purchase Agreement, the Acquirers along with Zelinka, propose to acquire up to 54.54% of the fully paid-up equity share capital of SWC. In the case of oversubscription in the Offer, as per the Regulations, acceptance would be determined on proportionate basis and hence there is no certainty that all the Shares tendered by the shareholders in the Offer will be accepted.
2. In the event that either (a) a regulatory approval is not received in a timely manner, (b) there is any litigation leading to a stay of the Offer, or (c) SEBI instructing the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of the SWC whose Shares have been accepted in the Offer as well as the return of the Shares not accepted by the Acquirers may be delayed. In case of the delay, due to non-receipt of the statutory approvals, as per Regulation 22(12) of the Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to the wilful default or negligence or failure to diligently pursue on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders, as may be specified by the SEBI. Further, shareholders should note that after the last date of withdrawal i.e. May 3, 2005, the shareholders who have lodged the Shares would not be able to withdraw them even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.

The Offer is subject to the receipt of statutory approvals, as provided under section 6.14 of this Letter of Offer for the acquisition of Shares by the Acquirers under the Offer. The Acquirers may not be able to proceed with the Offer in the event the approvals are not received in terms of Regulation 27 of the Regulations. Delay, if any, in the receipt of these approvals may delay completion of the Offer.

3. The Shares tendered in the Offer will be held in trust by the Registrar to the Offer, till the completion of the Offer formalities. Accordingly, the Acquirers makes no assurance with respect to the market price of the Shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the shareholders of SWC on whether to participate or not to participate in the Offer.
4. The transaction is subject to completion risks as would be applicable to similar transactions.

Risks involved in associating with the Acquirers/ PACs

5. The Acquirers propose to acquire ownership and control of SWC by the direct and indirect acquisition of up to 54.54% fully paid-up equity share capital of SWC from the Promoter Group of SWC pursuant to the Purchase Agreement. In the event, the aforesaid acquisition of up to 54.54% fully paid-up equity share capital of SWC does not materialise, the Acquirers and the PACs may not get control of SWC or any of its subsidiaries. The Acquirers make no assurance with respect to the financial performance of the Target Company or any of its subsidiaries.

The risk factors set forth above pertain to the acquisition and the Offer and not in relation to the present or future business operations of the Target Company or its subsidiaries or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for further risk with respect to their participation in the Offer.

Table of Contents

Serial Number	Particulars	Page Number
1	Disclaimer clause	05
2	Details of the Offer	05
3	Background of the Acquirers and PACs	07
4	Background of SWC	24
5	Offer Price and financial arrangements	30
6	Terms and conditions of the Offer	33
7	Procedure for acceptance and settlement of the Offer	34
8	Documents for inspection	38
9	Declaration by the Acquirers and the PACs	39
Attached	Form of Acceptance-cum-Acknowledgement	
Attached	Form of Withdrawal	
Attached	Transfer Deed (for physical shares)	

Definitions

Acquirers	McDowell & Company Limited, Phipson Distillery Limited and United Spirits Limited
Act	The Companies Act, 1956
BSE	The Stock Exchange, Mumbai
Business Hours	Monday to Friday – 10.00 a.m. to 4.00 p.m.; Saturday – 10.00 a.m. to 1.00 p.m. (Closed on Sundays and public holidays)
CDSL	Central Depository Services (India) Limited
Corrigendum Announcement	Corrigendum to the Public Announcement published on March 22, 2005
CSE	The Calcutta Stock Exchange Association Limited
DP	Depository Participant
Eligible Persons for the Offer	Registered shareholders of SWC appearing in the Register of Members as on the Specified Date and unregistered shareholders who own the equity shares of SWC, anytime before the closure of the Offer, except the Acquirers, PAC and Promoter Group of SWC.
FEMA	Foreign Exchange Management Act, 1999
Form of Acceptance	Form of Acceptance-cum-Acknowledgement
Letter of Offer	This Letter of Offer dated April 16, 2005
McDowell	McDowell & Company Limited
Manager / Manager to the Offer	ICICI Securities Limited
NRIs	Non-Resident Indians
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
Offer	Offer for acquisition of up to 12,001,518 fully paid-up equity shares of face value of Rs10 each of SWC representing 25% of the equity share capital at a price of Rs260 per Share, payable in cash
Offer Price	Rs260 per Share. The Offer Price has been revised upwards from Rs250 per share as per the Corrigendum Announcement
Persons Acting in Concert / PACs	The persons acting in concert with the Acquirers for the purpose of this Offer, viz., United Breweries (Holdings) Limited ('UBHL') and Zelinka Limited
Phipson	Phipson Distillery Limited
Promoter Group of SWC	Jumbo World Holdings Limited, Mather & Platt II Limited, Dandvati Investments & Trading Co. Private Limited and Firestorm Finance & Trading Private Limited
Public Announcement / PA	Announcement of the Offer made by the Acquirers on February 23, 2005

Purchase Agreement	The Agreement, dated March 21, 2005, signed by the Acquirers, Zelinka and the Promoter Group of SWC to acquire, amongst others, directly or indirectly, up to 54.54% of the fully paid-up equity share capital of SWC, 100% of the fully paid-up equity share capital of Primo Distributors Private Limited and Montrose International S.A. and 5-year worldwide non-compete undertaking, subject to fulfilment of terms and conditions.
RBI	Reserve Bank of India
Registrar / Registrar to the Offer / Karvy	Karvy Computershare Pvt Limited
Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto up to the date of Public Announcement
Revised Public Announcement /	Announcement of the Offer made by the Acquirers on April 16, 2005 pursuant to the observations made by SEBI under the Regulations vide letter dated April 13, 2005.
RPA	
SEBI	The Securities and Exchange Board of India
Share(s) / Equity Share(s)	Fully paid-up equity share(s) of face value of Rs10 each of SWC to be acquired pursuant to the Offer not exceeding 12,001,518 Equity Shares
Specified Date	March 4, 2005
Target Company / SWC	Shaw Wallace & Company Limited
UBHL	United Breweries (Holdings) Limited
United Spirits	United Spirits Limited
Zelinka	Zelinka Limited, a subsidiary of McDowell and incorporated in Cyprus

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE 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 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 SHAW WALLACE & COMPANY LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRERS, PERSON ACTING IN CONCERT OR OF THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, ICICI SECURITIES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MARCH 22, 2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in the Letter of Offer or in the advertisement or any material issued by, or at the instance of Acquirers and the Manager to the Offer, and anyone placing reliance on any other source of information would be doing so at his/her own risk.

2. DETAILS OF THE OFFER

2.1 Background of the Offer

- 2.1.1 The Offer was voluntary in nature made by the Acquirers pursuant to Regulation 10 with the objective of acquisition of substantial shares without change in control. In the meantime, the Acquirers along with Zelinka entered into Purchase Agreement, on March 21, 2005, with the Promoter Group of SWC to acquire, directly or indirectly, up to 54.54% of the fully paid-up equity share capital of SWC along with its control, subject to fulfillment of certain terms and conditions as per the Purchase Agreement. The Acquirers and the Promoter Group of SWC anticipate that the closing will occur on or about May 15, 2005 and shall work diligently towards consummating the closing on such date, unless mutually extended. The said acquisition of shares of SWC is at a price of Rs260 per share. In addition to this, the Acquirers would pay Rs65 per share to the Promoter Group of SWC, representing 25% on the offer price of Rs260 per share, towards a 5-year world-wide non-compete undertaking by the Promoter Group of SWC.

Salient features of the agreement cover:

- a. 5-year worldwide non-compete undertaking by the Promoter Group of SWC.
- b. Acquisition of 100% of the fully paid-up equity share capital of Primo Distributors Private Limited, and Montrose International S.A.
- c. No acquisition of any shares/control of Narmada Gelatins Limited.

The boards of directors of the Acquirers in their meeting held on March 21, 2005 have unanimously ratified and approved the Purchase Agreement.

Details of Purchase Agreement

- 2.1.2 As per the Purchase Agreement, the Acquirers through Zelinka would acquire control over Palmer Investment Group Limited (Palmer), an entity incorporated in British Virgin Islands. Palmer directly owns 0.02% stake in SWC. However, through its 100% subsidiary namely, R. G. Shaw & Co. Ltd. (UK) (RG) and further through three 100% owned subsidiaries of RG, Palmer controls 38.74% of the fully paid-up equity share capital of SWC. Hence, incidental to the acquisition of Palmer, the Acquirers would indirectly acquire 38.76% of the fully Paid-up equity share capital of SWC. Further, the Acquirers along with Zelinka propose to acquire another Mauritius incorporated entity namely Mather & Platt II Limited. (M&P II). M&P II holds 4.86% of the fully paid-up equity share capital of SWC. Incidental to this acquisition, the Acquirers along with Zelinka would acquire indirectly 4.86% of the fully paid-up equity share capital of SWC as well as 100% of the fully paid-up equity share capital of Primo Distributors Private Limited. Hence, amongst other things, this indirect acquisition of 43.6% of fully paid-up equity share capital of SWC, as mentioned above, is incidental to the Purchase Agreement. Further, the Acquirers would acquire another 10.93% of the fully paid-up equity share capital of SWC from two Indian entities, namely, Dandvati Investments & Trading Co. Private Limited and Firestorm Finance & Trading Private Limited.
- 2.1.3 In view of the above, the Offer would now be under Regulation 10 and 12 of the Regulations, and the same shall no longer remain voluntary in nature. The Acquirers confirm to acquire 12,001,518 fully paid-up equity shares of SWC representing 25% of the fully paid-up equity share capital.
- 2.1.4 McDowell, Phipson, United Spirits, UBHL and Zelinka are companies of the United Breweries Group, which is a leading manufacturer, marketer and supplier of potable alcohol in India. McDowell, Phipson and United Spirits are collectively referred to as the "Acquirers". UBHL holds around 42% stake in McDowell.
- 2.1.5 The Acquirers are making an open offer to acquire up to 12,001,518 fully paid-up equity shares of the face value of Rs10 each, representing 25% of the paid-up equity share capital of SWC at a price of Rs260 per share payable in cash subject to the terms and conditions mentioned hereinafter ("Offer" or "Public Offer" or "Open Offer"). The Offer is being made to all the shareholders of the Target Company other than, the Acquirers and the PACs and the Promoter Group of SWC.
- 2.1.6 The Offer is not conditional upon any minimum level of acceptance, i.e. the Acquirers will acquire all the fully paid-up equity shares of SWC that are tendered in the Offer up to 12,001,518 Shares, subject to the conditions specified in the Public Announcement published on February 23, 2005 read with the Corrigendum Announcement published on March 22, 2005 and the Revised Public Announcement published on April 16, 2005, this Letter of Offer and Form of Acceptance-cum-Acknowledgement.
- 2.1.7 Neither the Acquirers, nor the PAC, nor their directors, have been prohibited by SEBI from dealing in securities in terms of directions issued u/s 11B of the SEBI Act or under any of the regulations made under the SEBI Act.
- As per information provided by the Target Company, SWC has not been prohibited by SEBI from dealing in securities in terms of directions issued u/s 11B of the SEBI Act or under any of the regulations made under the SEBI Act.
- 2.1.8 As on the date of the Public Announcement, ICICI Securities Limited, the Manager to the Offer, did not hold any shares of SWC.
- 2.1.9 ICICI Securities Limited shall not deal in the shares of the Target Company during the period commencing from the date of its appointment in terms of Regulation 13 till the expiry of the fifteen days period from the date of Closure of the Offer.

2.2 Details of the proposed Offer

- 2.2.1 The Public Announcement published on February 23, 2005, and the Corrigendum Announcement published on March 22, 2005 and the Revised Public Announcement published on April, 16, 2005 were published in all the editions of the following newspapers in accordance with Regulation 15 of the Regulations:

Newspapers	Language	Editions
Economic Times	English	Kolkata, Mumbai, New Delhi, Chennai, Ahmedabad, Bangalore, Chandigarh, Hyderabad, Pune
Navbharat Times	Hindi	Mumbai, New Delhi
Aajkal	Bengali	Kolkata

The Public Announcement published on February 23, 2005, and the Corrigendum Announcement published on March 22, 2005 and the Revised Public Announcement published on April, 16, 2005 are also available on the SEBI website, www.sebi.gov.in.

- 2.2.2 Pursuant to and subject to the terms and conditions of this Letter of Offer, the Acquirers are hereby making an Offer to the Eligible Persons for the Offer to acquire from them up to 12,001,518 Shares (representing 25% of the paid-up equity share capital of SWC) at a price of Rs260 (Rupees Two Hundred & Sixty Only) per Share, payable in cash. Any upward revision in the Offer with respect to the Offer Price will be announced in the abovementioned newspapers and the revised Offer Price would be payable by the Acquirers for all the Shares tendered anytime during the Offer.
- 2.2.3 The Shares will be acquired by the Acquirers, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.
- 2.2.4 As per the information provided by the Target Company, as on March 31, 2004, there are no partly paid-up equity shares in the Target Company.
- 2.2.5 The Offer is not conditional on any minimum level of acceptance i.e. the Acquirers will acquire all the Shares that are tendered in terms of the Offer up to 12,001,518 Shares, subject to the conditions specified in the Public Announcement published on February 23, 2005 read with the Corrigendum Announcement published on March 22, 2005 and Revised Public Announcement published on April 16, 2005 together with this Letter of Offer and Form of Acceptance-cum-Acknowledgement.
- 2.2.6 The Acquirers and the PACs do not hold nor have acquired any Shares since the date of the Public Announcement and up to the date of this Letter of Offer.
- 2.2.7 Pursuant to this Offer, McDowell and/or Phipson and/or United Spirits shall acquire shares of SWC. No Shares shall be acquired by the PACs pursuant to this Offer.

2.3 Object of the Offer

- 2.3.1 The Offer to the shareholders of SWC is for substantial acquisition of Shares with change in control / management of SWC, and is made in accordance with Regulation 10 and 12 read with other applicable provisions of the Regulations.
- 2.3.2 The Acquirers and SWC are in the same line of business. Pursuant to the Purchase Agreement, the Acquirers would have a significant share of Indian spirits business. The economy of scale would also result in significant cost advantages.

3. BACKGROUND OF THE ACQUIRERS AND PACS

3.1 McDowell

- 3.1.1 McDowell is a company registered under the Act and was incorporated on March 31, 1999 as McDowell Spirits Limited. The name was changed to McDowell & Company Limited with effect from April 12, 2001. McDowell is primarily carrying on the business of manufacture, marketing and supply of potable alcohol. The registered office of McDowell is located at 51 Richmond Road, Bangalore 560 025, India, Tel: +91 80 2227 4458. The shares of McDowell are listed on the following stock exchanges: Bangalore Stock Exchange Limited, BSE, National Stock Exchange of India Limited, Madras Stock Exchange Limited, The Delhi Stock Exchange Association Limited, CSE and The Stock Exchange – Ahmedabad. The closing price of McDowell on BSE on **April 15, 2005 (last available market price) was Rs285.15 (Source: www.bseindia.com)**. As on the date of PA, the issued and paid-up share capital of the Company constitutes of 51,720,028 equity shares of Rs10 each aggregating Rs51.72 crore. The share holding pattern as on February 22, 2005 is as follows

Shareholder	No. of shares	% holding
Promoters' shareholding		
UBHL	2,18,00,934	42.15
Others	163,538	0.32
Total Promoters' shareholding	2,19,64,472	42.47
Non-promoters' shareholding		
Institutional Shareholders	86,38,361	16.70
Private Corporate Bodies	41,47,623	8.02
NRIs/OCBs	14,10,317	2.73
Indian Public	1,55,59,255	30.08
Total non-promoter shareholding	2,97,55,556	57.53
Total	5,17,20,028	100.00

3.1.2 McDowell acquired 5,100 equity shares of the Target Company in the year 1999 in physical mode and acquired a further 5,000 equity shares in 2002 in demat mode. The said equity shares were disposed-off in 2004. Since the shares constituted less than the threshold limits as specified in Chapter II of the Regulations, the provisions of Chapter II of the said Regulations are not applicable.

3.1.3 As on the date of PA, the Board of Directors of McDowell is as follows:

Name of Director	Experience	Qualifications	Date of Appointment	Address
Dr. Vijay Mallya	Dr. Mallya is a well known industrialist and an Honourable Member of Parliament (Council of States). He took over the reins of United Breweries Group at the young age of 28 and has been instrumental in growing it into a multinational business conglomerate. Dr. Mallya is the Chairman of the United Breweries Group and several other public companies in India and abroad. Dr. Mallya has won wide recognition from distinguished institutions.	Ph.D in Business Administration from Southern California University, Santana, CA, USA	27.04.2000	6, Bulkley Avenue, Sausalito, California 94965, U.S.A.
S. R. Gupte	Mr.S. R. Gupte has worked with Caltex India Ltd. for 5 $\frac{1}{2}$ years. Mr. Gupte has also worked with Air India for 24 years where he was acting Chairman and Managing Director. Mr. Gupte has been with the United Breweries Group for the last 12 years. Mr. Gupte has wide experience in financial, administration and personnel fields as he was heading these fields in Air India.	Chartered Accountant	03.04.2001	77, Lavelle Road, Bangalore 560 001, India
P.K. Kakodkar	Mr. P.K. Kakodkar had a distinguished career in Pharmaceutical Industry and was for about 19 years the Managing Director of Roussel India Limited. Mr. Kakodkar was honoured by the Government of France with the Knighthood of the National Order of Merit.	B.A. (Hons.)	19.04.2001	4, Beach Croft., 17, Juhu Tara Road, Mumbai 400 049, India
V. K. Rekhi	Mr. Vijay Rekhi has over 35 years of varied experience in both operational and policy making positions within and outside the United Breweries Group. Mr. Rekhi has been associated with the United Breweries Group for over 32 years including its overseas operations and has had vast experience in manufacturing, marketing and general management, particularly in the liquor industry. He is President of the UB Group Spirits Division and Managing Director of the McDowell.	Post Graduate in Economics, Masters in Business Administration (Indian Institute of Management, Ahmedabad) Mr.Rekhi has successfully completed a 16 week Programme on export management from the International Trade Centre, Geneva, Switzerland a 12 week Advanced Management Programme (ISMP) of the Harvard Business School, USA and a seminar on Leading Organizational Change at the Wharton School, USA.	31.03.1999	'Camelot', Apartment 203, No.4, Kensington Road, Ulsoor, Bangalore 560 042, India

Name of Director	Experience	Qualifications	Date of Appointment	Address
B. M. Labroo	Mr. B.M. Labroo, is an industrialist and has wide experience in Marketing, Finance and Corporate Governance. Mr. Labroo is the Promoter and Chairman of Asahi India Glass Ltd	M.A. in Political Science	19.04.2001	D-1/54, Vasant Vihar, New Delhi 110 057, India
M.R. Doraiswamy Iyengar	Mr. Doraiswamy Iyengar is a Senior Partner in M/s. K.V. Narasimhan & Co., Chartered Accountants. He has been in practice since 1965 having wide experience in Audits and Taxation.	Chartered Accountant, Graduate in Law	19.04.2001	No. 54, Ist 'A' Main, II Stage, I Block, R.M.V. Extension, Bangalore 560 094, India

None of these directors are on the board of SWC

3.1.4 The financial information of McDowell, is given below, in compliance with the provisions of Clause 4.1.9 of the standard letter of offer format as prescribed by SEBI:

(Rs lakhs)

Profit and Loss Statement	FY05 9 months	FY04	FY03	FY02
Income from operations	8,77,96	10,81,67	9,85,54	8,71,11
Other income	12,91	32,91	17,53	14,05
Total Income	8,90,87	11,14,58	10,03,07	8,85,16
Total Expenditure	8,26,48	10,22,12	9,34,71	8,18,92
Profit before Depreciation, Interest and Taxes	64,39	92,46	68,36	66,24
Depreciation	11,70	20,32	12,53	10,88
Interest	22,53	33,09	26,77	26,44
Profit Before Tax	30,16	39,05	29,06	28,92
Provision for Tax	11,97	17,70	15,95	13,15
Profit After Tax	18,19	21,35	13,11	15,77

(Rs lakhs)

Balance Sheet Statement	FY05 9 months	FY04	FY03	FY02
Sources of Funds				
Paid-up Equity Share Capital	51,72	51,72	51,72	51,72
Reserves and surplus (excluding revaluation reserves)	2,39,01	2,20,83	2,11,15	2,09,71
Networth	2,90,73	2,72,55	2,62,87	2,61,43
Secured Loans	2,49,95	2,61,75	1,91,53	1,44,30
Unsecured Loans	68,58	60,23	1,45,37	1,16,13
Other Liabilities				
Deferred Tax Liability	11,28	10,05	11,55	9,30
Total	6,20,54	6,04,58	6,11,32	5,31,16
Uses of Funds				
Net fixed Assets	2,19,93	2,21,38	2,28,04	2,25,55
Investments	1,03,28	1,02,91	96,21	65,98
Net Current Assets	2,97,33	2,80,29	2,87,07	2,39,63
Total Miscellaneous Expenditure Not Written-Off				
Total	6,20,54	6,04,58	6,11,32	5,31,16

Other Financial Data	FY05 9 months	FY04	FY03	FY02
Dividend per Share (%)	N.A	20%	20%	20%
Earnings per Share (Rs)	3.51	4.13	2.54	3.05
Return on Networth (%)	6.25%	7.83%	4.99%	6.03%
Book Value per Share (Rs)	56.23	52.72	50.85	50.57

Un-audited results for 9 months of FY05 - limited review by Pricewaterhouse vide report dated January 31, 2005

Significant Accounting Policies for the year ended March 31, 2004

1. Basis of presentation of Financial Statements

The Financial Statements of the Company have been prepared under historical cost convention, except as otherwise stated, in accordance with the Generally Accepted Accounting Principles (GAAP) in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

2. Fixed Assets

Fixed assets are stated at their original cost of acquisition and subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets concerned. Interest on borrowings attributable to qualifying assets are capitalised and included in the cost of fixed assets as appropriate.

The costs of Fixed Assets acquired in the amalgamations have been determined with reference to their fair values on April 1, 2000 or nearer thereto.

3. Depreciation

Depreciation is provided on the Straight Line Method at rates prescribed in Schedule XIV to the Companies Act, 1956 except for the following which are based on management's estimate of useful life of assets concerned:

- Computers and Vehicles over a period of three and five years respectively, commencing from the beginning of the year in which these are acquired;
- In respect of certain items of Plant and Machinery eligible for triple shift allowance, depreciation is provided for the full year on triple shift basis.

Leasehold Land are not amortised over the lives of the respective lease agreements.

Depreciation charged as above is not less than the minimum specified as per Schedule XIV of the Companies Act, 1956.

4. Investments

Long-term Investments acquired at the time of amalgamations are stated at cost determined with reference to their fair values as on April 1, 2000 and the acquisition thereafter are stated at cost to the Company. Provision for diminution in the value is made to recognise a decline, other than temporary, in the value of long-term investments.

Current investments are valued at cost or market value, whichever is less.

5. Inventories

Inventories are valued at lower of cost and net realisable value. The costs are, in general, ascertained under Weighted Average Method. Finished goods and work-in-progress include appropriate manufacturing overheads and borrowing costs as applicable. Excise/Customs duty payable on stocks in bond is added to the cost. Due allowance is being made for obsolete and slow moving items.

6. Revenue Recognition

Sales are recognised when goods are despatched from distilleries / warehouses of the Company in accordance with the terms of sale. Gross Sales are inclusive of excise duty but are net of trade discounts and sales tax, where applicable.

Income from brand franchise is recognised at contract rates on sale of the branded products by the franchisees.

Dividend incomes on investments are recognised and accounted for when the right to receive the payment is established.

7. Foreign Currency Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rates of exchange at the Balance Sheet date and resultant gain or loss is recognised in the Profit and Loss Account. In case of forward contracts, the difference between the forward rate and the exchange rate at the inception of a forward exchange contract is recognised as income or expense over the life of the contract. Exchange differences relating to fixed assets are adjusted to the cost of the assets.

8. Retirement Benefits

Contributions to Provident and Superannuation funds are made at the applicable rates and charged to Profit and Loss Account as incurred. Accrued liability on account of Gratuity is ascertained based on actuarial valuation at the year-end and is funded in the approved Gratuity Funds. Leave salary payable at the time of retirement has been actuarially ascertained at the year-end and provided for in the accounts.

9. Research and Development

Revenue expenditure on research and development is charged to Profit and Loss Account in the period in which it is incurred. Capital Expenditure is included as part of fixed assets and depreciated on the same basis as other fixed assets.

10. Taxes on Income

Provision for income tax comprises current taxes and deferred taxes. Current tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a reasonable / virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

11. Earnings per Share

Earning per equity share (basic/diluted) is arrived at based on Net Profit after taxation to the basic/weighted average number of equity shares.

The contingent liabilities as on the last audited balance sheet date (March 31, 2004) for McDowell are as below (Rs lakhs):

Details	Amount
a) (i) Guarantee given on behalf of other bodies corporate (including performance guarantees)	50,75
(ii) Guarantees given by the Company's bankers for which counter guarantees have been given by the Company	6,87
b) Disputed claims against the Company not acknowledged as debts, currently under appeal / sub judice:	
(i) Excise demands for excess wastages and distillation losses [excluding likely relief of Rs3321 lakhs [Deposits made under protest included under Loans and Advances Rs424 lakhs	3,44
(ii) Other miscellaneous claims	4,04
(iii) Income Tax demand (including interest) under appeal. (Excluding relief of Rs731 lakhs expected in respect of disputed demands based on the decision of the Income Tax Appellate Tribunal on similar matters for earlier years)	-
(iv) Sales Tax demands under appeal in various states (Excluding relief of Rs4493 lakhs expected in respect of disputed demands). (Deposits made under protest included under Loans and Advances Rs28,63 lakhs)	82
(v) Bills Receivables discounted - since fully settled	14,02
c) Co-accepted bills of contract bottling units under Franchise arrangement - since settled Rs499 lakhs	5,54
d) A demand has been raised by Central Excise Authorities towards differential duty of Rs3546 lakhs and penalty of similar amount on royalty received on sale of Indian Made Foreign Liquor (IMFL) and allegedly attributed to despatches of food flavour during April 1997 to March 2001. The Company has filed an appeal against the same in Customs, Excise and Service Tax Appellate Tribunal (CESTAT).	

3.1.5 Status of Corporate Governance & Pending Litigation

The Board of Directors comprises a Non - Executive Chairman, a Managing Director and four other Non Executive Directors, three of whom are independent.

The board of directors of McDowell has constituted the following committees:

- a. Audit Committee: Comprising of 3 Non Executive Independent Directors and a Non-Executive Director to meet the requirements under both the Listing Agreement and Section 292A of the Companies Act, 1956.
- b. Compensation Committee: Comprising of 3 Non Executive Independent Directors and a Non-Executive Director. The Committee is authorised, *inter alia*, to deal with the matters related to compensation by way of salary, perquisites, benefits etc. to the Managing/Whole Time Directors of McDowell, and set guidelines for salary, performance pay and perquisites to other senior employees from the level of Executive Vice President and above. The Committee is also empowered to formulate and implement the Scheme for grant of Stock Option to employees.
- c. Shareholders/Investors Grievance Committee: Comprising of 2 Non-Executive Independent Directors to operate in terms of the provisions related thereto in the Listing Agreements with the stock exchanges and /or the provisions as prescribed or as may be prescribed in this regard by the Act

The Company also has a Committee of Directors with authority delegated by the Board of Directors, *inter alia*, to approve transfer and transmission of shares, issue of new share certificates on account of certificates lost, defaced, etc., and for other routine operations such as issue of powers of attorney, operation of bank accounts etc.

The Statutory Auditors of McDowell vide their letter dated July 28, 2004 have certified that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the listing agreement with the stock exchanges of which the shares of McDowell are listed.

The following are the list of material litigation by and against the McDowell:

Against McDowell

S. No.	Nature and Relief Sought
Debt Recovery	
1.	Mysore Sales International Limited has filed an appeal in High Court of Karnataka, Bangalore against the order of a Single Judge in a company petition for winding up on a claim of commission on direct and inter-state sale of liquor, to the tune of Rs81.73 lakhs. Appeal is pending.
Securities Related	
2.	Suit filed for mismanagement and oppression by the present management of Herbertsons Limited at Company Law Board, Principal Bench, New Delhi. McDowell has been impleaded as a party. The case is pending.
3.	SEBI vide its Order dated February 19, 2002 held that Dr. Vijay Mallya had, through entities acting in concert with him, acquired equity shares of Herbertsons Limited in violation of the provisions of the Listing Agreement with the Stock Exchanges as also the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1994. SEBI order set aside by the Securities Appellate Tribunal; however adjudication proceedings were not interfered with. Notice to 20 parties, including McDowell, issued by the Adjudicating & Enquiry Officer. Orders are pending.
Labour Cases	
4.	Eighteen cases filed against McDowell in various courts for reinstatement with back wages and continuity of service. The cases are pending at various stages.
Tax claims	
5.	Central Excise Department has raised vide order dated 2.09.2002 a demand for Rs70,80 lakhs including penalty against McDowell for the period from April 1997 to March 2001 royalty/service charges received by McDowell on sale of IMFL is attributable to sale of food flavour. Further, a demand for Rs29,65.92 lakhs has been raised for the period April 2001 to December 2003. The demands has been challenged by McDowell before the CESTAT
6.	Two claims pending against McDowell made by the Excise Department Udaipur for various claims amounting to Rs66.97 lakhs and Rs89.78 lakhs for various assessment years
7.	The appeals filed by the Department with respect to Income Tax / Wealth Tax cases which are pending at various stages amounting to Rs43,51.79 lakhs
8.	Sales tax demands under appeal in various States amounting to Rs36,17.25 lakhs
Criminal Cases	
9.	Criminal cases against officers of erstwhile Carew & Co Ltd., since amalgamated with McDowell, under Section 420, 467, 471, 120B of IPC alleging use of fake and forged import permits at Metropolitan Magistrate Court, Burdwan, Asansol, West Bengal. The directors of erstwhile Carew & Cohave been impleaded as parties to the case.
Damages	
10.	An appeal against order of Single Judge in a petition for winding up for claiming commission Rs81.73 lakhs has been filed at High Court of Karnataka, Bangalore.

By McDowell**S.No. Nature and Relief Sought****Tax Claims**

1. Suit filed by McDowell against State of West Bengal before Special Judge, Burdwan in an excise claim involving Rs1,50 lakhs. The matter is pending
2. Writ Petitions filed by McDowell against State of Bihar in High Court at Patna against raising of export and import pass fee for an amount totalling up to Rs70 lakhs and Rs1,10 lakhs, respectively. The matters are pending
3. McDowell has filed a Writ Petition in High Court of AP, at Hyderabad against Administrative Fee on captive consumption of Alcohol amounting to Rs1,48.80 lakhs against Government of AP. The matter is yet to come up for hearing
4. Service charges imposed by Beverages Corporation for supply of Indian Made Foreign Liquor for the period Dec 2001 to July 2002 in three cases. The amount involved is Rs82.92 lakhs. McDowell has filed a Special leave Petition in the Supreme Court of India against order of the Karnataka High Court dismissing the petition
5. Demand of excise duty claim for an amount of Rs63.82 lakhs alleged to be on forged CT-3 forms. The appeal is pending. The demand is stayed
6. The appeals filed by the Company in respect of Income Tax / Wealth Tax which are pending at various stages amounting to Rs94.91 lakhs

3.1.6 Mr. V. S. Venkataraman, Company Secretary, McDowell is the Compliance Officer. The correspondence address is as below:

Mr. V. S. Venkataraman

Company Secretary

McDowell & Company Limited

51, Richmond Road

Bangalore 560 025, India

Tel: +91 80 2227 4458; Fax: +91 80 2227 2973

3.1.7 There were no mergers, demergers and / or spin-offs involving McDowell during the last three years.

3.2 Phipson

3.2.1 Phipson is a company registered under the Act and was incorporated on July 4, 2001. The objects of Phipson include carrying on the business of manufacture, marketing and supply of potable alcohol. The registered office of Phipson is located at Le Parc Richmonde, 51 Richmond Road, Bangalore 560 025, India Tel No: +91 80 2221 5415. Phipson is a wholly owned subsidiary of McDowell and the shares of Phipson are not listed on any stock exchange. As on the date of PA, the issued and paid up share capital of Phipson constitutes of 50,000 equity shares of Rs10 each aggregating Rs0.05 crore.

3.2.2 As Phipson does not hold any shares in the Target Company, provisions of Chapter II of the Regulations are not applicable.

3.2.3 As on the date of PA, the Board of Directors of Phipson is as follows:

Name of Director	Experience	Qualifications	Date of Appointment	Address
A. Harish Bhat	Mr. Harish Bhat has over 27 years of experience in finance, accounts, banking and taxation and has held various important positions in Listed Companies, MNC and in the United Breweries Group. He is presently Executive Vice President - Finance & Accounts with the spirits business of the Group.	B.Com. ACA	04.07.2001	28, IV Main, Shankar Nagar, Mahalaxmi Layout, Bangalore 560 096, India
I. P. Suresh Menon	Mr. Suresh Menon has over 26 years of experience in Management. He joined the United Breweries Group in April 1985 and is currently Divisional Vice President - Planning & Control with the Spirits Business of the Group.	B.A. (Hons.) MMS	04.07.2001	201, Craigmore, 102, Wheeler Road Extension, Cooke Town, Bangalore 560 005, India

Name of Director	Experience	Qualifications	Date of Appointment	Address
Navratan Dugar	Mr. Navratan Dugar has worked in Consumer / Liquor Companies in Senior Position in Finance, Marketing / Sales & Production. Set up and run large production units in the field of consumer products and Distilleries. Presently Executive Vice President (Procurement, Projects, Manufacturing & QC) with McDowell.	M.Com., MBA (IIM - Calcutta), MCIM-UK, AMP - Harvard, USA	04.07.2001	406, Olympus III, Prestige Acropolis, Hosur Road, Bangalore - 560 029 India

None of these directors are on the board of SWC

3.2.4 The financial information of Phipson is given below, in compliance with the provisions of Clause 4.1.9 of the standard letter of offer format as prescribed by SEBI:

(Rs lakhs)

Profit and Loss Statement	FY05 9 months	FY04	FY03	FY02
Income from operations	25	36	18	-
Other income	128	3,46	1,24	-
Total Income	153	3,82	1,42	-
Total Expenditure	3	88	2	-
Profit before Depreciation, Interest and Taxes	150	2,94	1,40	-
Depreciation	-	-	-	-
Interest	83	2,18	1,15	-
Profit Before Tax	67	76	25	-
Provision for Tax	9	24	9	-
Profit After Tax	58	52	16	-

(Rs lakhs)

Balance Sheet Statement	FY05 9months	FY04	FY03	FY02
Sources of Funds				
Paid-up Equity Share Capital	5	5	5	5
Reserves and surplus (excluding revaluation reserves)	1,26	68	16	-
Networth	1,31	73	21	-
Secured Loans				-
Unsecured Loans	22,40	23,16	24,93	0.41
Other Liabilities				
Deferred Tax Liability				
Total	23,71	23,89	25,14	5.41
Uses of Funds				
Net fixed Assets				
Investments	14,79	14,79	11	-
Net Current Assets	8,92	9,10	25,03	5
Total Miscellaneous Expenditure Not Written-Off				0.41
Total	23,71	23,89	25,14	5.41

Other Financial Data				
Dividend per Share (%)	-	-	-	-
Earnings per Share (Rs)	116	104	32	-
Return on Networth (%)	44%	71%	76%	-
Book Value per Share (Rs)	262	146	42	-

Un-audited results for 9 months of FY05 - limited review by Vishnu Ram & Co. vide report dated March 1, 2005

Significant Accounting Policies for the year ended March 31, 2004

The financial Statements are prepared under the historical cost convention, having due regard to the fundamental accounting assumptions of going concern, consistency, accrual and in compliance with the accounting standards referred to in section 211(3C) of the Companies Act, 1956 and also the mandatory accounting standards issued by the Institute of Chartered Accountants of India.

There are no contingent liabilities for Phipson.

3.3 United Spirits

3.3.1 United Spirits is a company registered under the Act and was incorporated on December 13, 2004. The objects of United Spirits include carrying on the business of manufacture, marketing and supply of potable alcohol. The registered office of United Spirits is located at 51 Richmond Road, Bangalore 560 025, India. United Spirits is a wholly owned subsidiary of Phipson and the shares of United Spirits are not listed on any stock exchange.

3.3.2 As United Spirits does not hold any shares in the Target Company, provisions of Chapter II of the Regulations are not applicable.

3.3.3 As on the date of PA, the Board of Directors of United Spirits is as follows:

Name of Director	Experience	Qualifications	Date of Appointment	Address
A. Harish Bhat	Mr. Harish Bhat has over 27 years of experience in finance, accounts, banking and taxation and has held various important positions in Listed Companies, MNC and in the United Breweries Group. He is presently Executive Vice President - Finance & Accounts with the spirits business of the Group.	B.Com. ACA	13.12.2004	28, IV Main, Shankar Nagar, Mahalaxmi Layout, Bangalore 560 096, India
I. P. Suresh Menon	Mr. Suresh Menon has over 26 years of experience in Management. He joined the United Breweries Group in April 1985 and is currently Divisional Vice President - Planning & Control with the Spirits Business of the Group.	B.A. (Hons.) MMS	13.12.2004	201, Craigmore, 102, Wheeler Road Extension, Cooke Town, Bangalore 560 005, India
V. S. Venkataraman	Mr. Venkataraman has a post qualification experience of over 25 years. Has been with the United Breweries Group since August 1982 and presently the Company Secretary and Divisional Vice President of McDowell.	B.Com (Hons.), A.C.S.	13.12.2004	L-71, Sector X, 7th Main, Jeevan Bima Nagar, Bangalore 560 075, India
S. N. Prasad	Mr. S.N. Prasad has a post qualification experience of over 20 years with MNCs and consumer goods companies. Has been with the United Breweries Group since 1991 and presently the General Manager - Finance of McDowell.	A.C.A., A.C.S	13.12.2004	70, Kanakapura Main Road, Bangalore 560 078, India

None of these directors are on the board of SWC.

3.3.4 As on the date of PA, the issued and paid up share capital of United Spirits constitutes of 50,000 equity shares of Rs10 each aggregating Rs0.05 crore. Since the company has been incorporated in December 2004, no financial statements have been compiled till date.

3.3.5 In January 2005, United Spirits had submitted a bid to the advisor appointed by the Target Company and its promoters for acquisition of distilled spirits business including brands, manufacturing facilities and distribution arrangements of the Target Company and its affiliates under a competitive bidding process. The bidding process has lapsed as the Target Company, the Promoter Group of SWC and United Spirits failed to enter into a formal agreement within the prescribed time mentioned in the bid.

PERSONS ACTING IN CONCERT

3.4 UBHL

3.4.1 UBHL was incorporated on March 23, 1915 as United Breweries Limited under the Indian Companies Act, 1913. The name was changed to UB Limited on January 9, 1989. The name was again changed to United Breweries Limited on July 2, 1993 and subsequently to Kingfisher Properties & Holdings Limited on August 7, 2002. The name was subsequently changed to United Breweries (Holdings) Limited on October 11, 2002. The registered office of UBHL is at UB Anchorage, 5th Floor, No.100/1, Richmond Road, Bangalore 560 025, India. UBHL is

engaged primarily in the business of real estate development and investments. The shares of UBHL are listed on the Bangalore Stock Exchange Limited, The Stock Exchange, Mumbai and the CSE. **The closing price of UBHL on BSE on April 15, 2005 (last available market price) was Rs.227.65 (Source:www.bseindia.com).** As on the date of PA, the issued and paid-up share capital of UBHL constitutes of 2,26,40,956 equity shares of Rs10 each aggregating Rs22.64 crore. The shareholding pattern of UBHL as on February 22, 2005 is as follows

Shareholder	No. of shares	% holding
Promoters' shareholding		
Vijay Mallya (Dr)	28,82,739	12.73
Others	63,64,144	28.11
Total Promoters' shareholding	92,46,883	40.84
Non-promoters' shareholding		
Institutional Shareholders	69,56,101	30.73
Private Corporate Bodies	19,22,174	8.49
NRIs/OCBs	1,41,585	0.62
Indian Public	43,31,977	19.13
Others	42,236	0.19
Total non-promoter shareholding	1,33,94,073	59.16
Total	2,26,40,956	100.00

3.4.2 As UBHL does not hold any shares in the Target Company, provisions of Chapter II of the Regulations are not applicable.

3.4.3 As on the date of PA, the Board of Directors of UBHL is as follows:

Name of Director	Experience	Qualifications	Date of Appointment	Address
Dr. Vijay Mallya Chairman	Dr. Mallya is a well known industrialist and an Honourable Member of Parliament (Council of States). He took over the reins of United Breweries Group at the young age of 28 and has been instrumental in growing it into a multinational business conglomerate. Dr. Mallya is the Chairman of the United Breweries Group and several other public companies in India and abroad. Dr. Mallya has won wide recognition from distinguished institutions.	Ph.d in Business Administration	17.10.1983	6, Bulkley Avenue, Sausalito California 94965, U. S. A.
Mr. Shrikant G Ruparel	Mr. S.G. Ruparel joined Kolhapur Sugar Mills in 1968 and held the position of Managing Director between 1971 and 1991. He was also on the Board of State Bank of India for 18 years. Held Chairmanship of various Companies and Councils including Indo US Joint Business Council, Indo France Joint Business Council and Indo Swedish Joint Business School. Mr. Ruparel is also in the Advisory Board of Stanford Research Institute and hold important position in various other Educational Centers.	M.A. M.Sc (London)	21.12.1991	Ruparel House, 38, Ridge Road Mumbai 400 006
Mr. Mani Narayanaswami	As an Officer of Indian Administrative Service (IAS) he has served in several assignments under the Government of Karnataka and the Government of India - including Finance Secretary (Karnataka), Textile Commissioner, Chief Controller of Imports and Exports (Textiles) in the Ministry of Commerce. After his voluntary retirement in 1984, he joined United Breweries Inc. in New York (1984 to 1988) and then became President, Corporate Affairs, United Breweries Group (1989 to 1993).	M.A., MBA (Harvard University) IAS	23.05.1994	22, I Main Road, J a y a m a h a l Extension Bangalore 560 046

Name of Director	Experience	Qualifications	Date of Appointment	Address
Mr. N. Srinivasan	Mr Srinivasan has over forty years of professional experience in the field of Finance, Accounts and Audit. Served as Senior Partner of Fraser & Ross, Deloitte Haskins & Sells. Director of the Company since August 1997.	B.Com, C.A.	25.08.1997	T 18/1, 6 th Avenue , Besant Nagar Chennai 600 090
Mr. P. A. Murali	Mr. Murali has held various important positions in the Group and presently Executive Vice President - Finance of United Breweries Limited	B.Com, A.C.A	30.09.2002	Flat No.310, Block B-3, Sobha Opal, 39th Cross, 4 th "T" Block, Jayanagar, Bangalore 560 041
Mr. A Harish Bhat	Mr. Harish Bhat has over 27 years of experience in finance, accounts, banking and taxation and has held various important positions in Listed Companies, MNC and in the United Breweries Group. He is presently Executive Vice President - Finance & Accounts with the spirits business of the Group.	B.Com, A.C.A	30.09.2002	No.28, 4 th Main, Shankarnagar Mahalakshmi Layout Bangalore 560 096
Mr. R. N. Pillai Managing Director	Mr Pillai has held various important positions in the Group and is presently Assistant Vice President - Corporate Finance of McDowell.	B.Sc (Hons.) A.C.A	18.03.2004	No.17, I Main, I Block Koramangala Bangalore 560 034

None of these directors are on the board of SWC

3.4.4 The financial information of UBHL is given below, in compliance with the provisions of Clause 4.1.9 of the standard letter of offer format as prescribed by SEBI:

(Rs lakhs)

Profit and Loss Statement	FY05 9months	FY04	FY03	FY02
Income from operations	2,25	5,85	27,01	1,87,75
Other income	32,91	59,14	22,06	11,41
Total Income	35,16	64,99	49,07	1,99,16
Total Expenditure	16,16	48,12	1,61,90	1,97,50
Profit/(Loss) before Depreciation, Interest and Taxes	19,00	16,87	(1,12,83)	1,66
Depreciation	1,56	1,40	98	4,67
Interest	28,02	46,03	46,67	38,12
Profit/(Loss) Before Tax	(10,58)	(30,56)	(1,60,48)	(41,13)
Provision for Tax	-	-	-	27
Profit/(Loss) After Tax	(10,58)	(30,56)	(1,60,48)	(41,40)

(Rs lakhs)

Balance Sheet Statement	FY059 9months	FY04	FY03	FY02
Sources of Funds				
Paid-up Equity Share Capital	22,64	22,64	22,91	22,91
Reserves and surplus (excluding revaluation reserves)	(58,88)	(48,30)	(17,73)	1,42,74
Networth	(36,24)	(25,66)	5,18	1,65,65
Secured Loans	373,06	3,18,30	2,50,54	2,23,44
Unsecured Loans	15,25	21,01	56,94	50,85
Other Liabilities (Revaluation Reserve)	1,66,07	1,66,08	2,05,15	2,06,47
Deferred Tax Liability	-	-	-	-
Total	5,18,14	4,79,73	5,17,81	6,46,41
Uses of Funds				
Net fixed Assets	1,91,94	1,93,52	2,31,09	2,22,52
Investments	2,62,60	2,63,21	2,59,66	3,08,38
Net Current Assets	63,60	23,00	24,35	1,10,79
Total Miscellaneous Expenditure Not Written-Off & Profit & Loss a/c			2,71	4,72
Total	5,18,14	4,79,73	5,17,81	6,46,41
Other Financial Data				
Dividend per Share (%)	-	-	-	-
Earnings per Share (Rs)	(4.67)	(13.50)	(70.88)	(14.96)
Return on Networth (%)	Negative	Negative	Negative	Negative
Book Value per Share (Rs)	(16.01)	(11.35)	1.09	71.08

Un-audited results for 9 months of FY05 - limited review by Vishnu Ram & Co. vide report dated January 31, 2005

Significant Accounting Policies for the year ended March 31, 2004

1. Fixed Assets

- i. Fixed Assets are stated at cost as adjusted by the revaluation of Land at Bangalore in August 2001 at the market value by approved valuers less depreciation, where applicable. All costs relating to the acquisition and installation of fixed assets are capitalised and include borrowing cost relating to borrowed funds attributable to the acquisition of qualifying assets for the period up to the date of commencement of production/acquisition.

Expenditure incurred in enhancing the economic useful life of a fixed asset is capitalised.

- ii. Fixed assets acquired under hire purchase/instalment credit schemes are capitalised at cost while the annual finance charges are recognised in the Profit & Loss Account. Fixed assets taken on financial lease prior to March 31, 2001, not being new leases, are not capitalised.

2. Investments

Investments being long term in nature, are stated at cost/below cost. Diminution in the value of investment, if considered permanent, is provided for.

3. Income from Services

Income from services namely, royalty, technical assistance fee etc are accounted for on accrual basis in terms of the respective agreements. Fixed annual fee for management services from other companies are accrued as per agreements.

4. Dividend

Dividend income is accounted as and when declared by the respective companies.

5. Depreciation

Depreciation has been provided at the rates prescribed under Schedule XIV of the Act, under written down value method.

6. Retirement Benefits

- i. Contributions to Pension and Superannuation Funds are made over to separate trust funds.
- ii. Liability towards gratuity payable in future to employees is ascertained on actuarial basis as at the year-end and funded into a gratuity fund maintained by Life Insurance Corporation of India.
- iii. Leave encashment benefit to employees is determined on actuarial basis and provided for.

7. Taxes on Income

Current tax, if applicable, is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not determined on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

8. Contingent Liabilities

All known liabilities wherever material are provided for and liabilities, which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of Notes to the Accounts.

9. Cash-flow statement

The cash-flow statement is prepared as per the indirect method prescribed under Accounting Standard "AS 3" issued by the Institute of Chartered Accountants of India.

The contingent liabilities as on the last audited balance sheet date (March 31, 2004) for UBHL are as below:

	As at March 31, 2004 (Rs lakhs)
a. Estimated amount of Contracts remaining to be executed on capital account not provided for	43
b. Guarantees given by the Company	
i) On behalf of subsidiaries	25,35
ii) On behalf of others	90,80
c. i) Pursuant to a petition for a claim against the company, filed by Mysore Sales Intl. Limited (MSIL) in connection with the demand for commission. The same was dismissed by the High Court of Karnataka in April '02. MSIL has filed an appeal before the Division Bench of the High Court of Karnataka and the matter is pending. The company has been advised by Counsel that the claim of MSIL is not sustainable in law	51,70
ii) Amount of disputed sales tax penalty and interest thereon which has been stayed by the Karnataka Appellate Tribunal and the matter is pending.	10,07
iii) Income tax demand under appeal with the Appellate Tribunal.	1,38
In regard to the matters in c (i), (ii) and (iii) above, no provision is considered necessary, based on legal opinion	
d. Claims against the Company not acknowledged as debt	2,15
e. Suit amount of Rs25,12 lakhs is payable in case of any delays or defaults in payments of the settlement amount of Rs9,69 lakhs, along with interest as may be applicable.	
f. Rebate of Rs64 lakhs granted by the Bangalore Water Supply and Sewerage Board in earlier years, out of which Rs44 lakhs allowed in earlier years has been recalled from the Company and the same is under litigation.	

3.4.5 Status of Corporate Governance & Pending Litigation

The Board of Directors comprises a Non - Executive Chairman (Promoter), a Managing Director and five Non-Executive Directors of whom three are independent as defined by Clause 49 of the Listing Agreement.

The board of directors of UBHL has constituted the following committees:

- Audit Committee:** Comprising of 3 Independent Directors. The powers of the Audit Committee are as mentioned in Clause 49 (II) (d) of the Listing Agreement and Section 292A of the Companies Act, 1956.
- Remuneration / Compensation Committee:** Comprising of 3 Non Executive Independent Directors to formulate and recommend to the Board, from time to time a compensation structure for Wholtime Members of the Board.
- Investors/Shareholders Grievance Committee:** Comprising of 3 Non-Executive Independent Directors and the Managing Director to monitor redressal of grievances and other matters specified for Investors/Shareholders Grievances Committee under the Listing Agreement.

The Statutory Auditors of UBHL vide their letter dated July 28, 2004 have certified that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the listing agreement with the stock exchanges of which the shares of UBHL are listed.

The following are the list of material litigation by and against the UBHL:

Against UBHL

Criminal Cases

- Criminal appeal before High Court, Karnataka challenging order under section 205 Companies Act, 1956.
- One matter under section 138 of the Negotiable Instruments Act, 1881

Civil Cases

- Appeal filed before the High Court of Karnataka challenging the order of the Company Court dismissing the claims that breweries & distilleries owe amounts @ 0.5% for exports and 5% on local sales of beer/ liquor effected through dealers other than Mysore Sales International Ltd between 1989 and 1997 in the Company Petition. Appeal not admitted and pending final hearing.

Income Tax Related

4. The Income Tax Department has preferred appeals in the High Court, Karnataka and Kerala, against UBHL on the decision of the Income Tax Appellate Tribunal (ITAT) with respect to allowance of various amounts like bad debts, business expenditure, guarantee commission, sales promotion expenditure, corporate management expenses, non competition fee etc. There are also certain issues relating to clarifications on questions of law like inclusion of capital gains for the purposes of Sec155JA, treatment of bottles as plant etc. There are in all 33 such cases pertaining to the Assessment Years 1989 - 90 to 1995 - 96, involving a total amount of Rs35,61.6 lakhs. All these matters are pending.

The Income Tax Department has preferred appeals in the High Court, Karnataka, against the decisions of the ITAT, which were in favour of UBHL. These include allowance / disallowance of various expenses like export subsidy, guarantee commission to chairman and directors etc. There are 14 such cases involving in total an amount of Rs1,35.9 lakhs. They pertain to the Assessment Years 1981-82 to 1985-86. All these matters are pending. Certain matters pertaining to clarification on the question of law are also pending.

The Income Tax Department has preferred appeals against UBHL in the ITAT challenging the decision of the Assessing Officer on various issues mainly pertaining to allowance of aircraft expenditure, upfront lease fees, bottle deposit from dealers, advance excise duty, corporate management division charges, export pass fee, conveyance expense etc. They pertain to the Assessment Years 1990 - 1991, 1992 - 1993, 1997-1998, 1998-1999, 1999-2000. There are 8 such cases involving in total an amount of Rs6,55.07 lakhs. All these matters are pending. Out of these 8 appeals, 3 pertaining to Assessment Years 1990-91, 1991-92 and 1992-93 involving an assessment of Rs61.66 lakhs have been decided in favour of UBHL.

3 appeals against the orders of the Commissioner of Income Tax (CIT) relating to corporate marketing charges, guarantee commission, higher depreciation on ETP etc. involving an amount of Rs1,58.19 lakhs is filed against UBHL. These appeals have been filed by the Income Tax Department against the decision of the CIT and pending before the ITAT. 1 matter is pending before the High Court, Kerala.

Labour Related

5. Writ Petition filed before High Court of Karnataka challenging the Order of the Labour Court holding that the employee had resigned voluntarily and that he had not been unlawfully terminated.

Securities Related

6. SEBI vide its Order dated February 19, 2002 held that Dr. Vijay Mallya had, through entities acting in concert with him, acquired equity shares of Herbertsons Limited in violation of the provisions of the Listing Agreement with the Stock Exchanges as also the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1994. SEBI order set aside by the Securities Appellate Tribunal; however adjudication proceedings were not interfered with. Notice to 20 parties, including UBHL, issued by the Adjudicating & Enquiry Officer. Orders are pending.

Miscellaneous

7. Suit filed before City Civil Court at Mayo Hall, Bangalore for declaration and injunction with regard to exercise of a put option exercised and UBHL is involved in view of extending a Corporate Guarantee for this purpose to UBL. Process to start after suit is numbered.

By UBHL

Criminal Matters

1. Appeal against order under the Negotiable Instruments Act, 1881

Civil Cases*Money Recovery*

2. Company Petition filed before High Court, Kolkata for winding up in view of failure to repay an ICD of Rs1.25 crore with interest. Winding -up ordered.

Securities Related

3. Appeal before Supreme Court of India from the orders of Securities Appellate Tribunal in the appeal filed by K.R. Chhabria and M.D. Chhabria.

Miscellaneous

4. Suit filed for declaration that the agreement for acquisition of WIE Engineering Limited is vitiated by misrepresentation and consequential injunction restraining the substitution of personal guarantees to banks pursuant to the agreement. Defendants Examination in progress.
5. Writ of Certiorari before High Court, Chennai calling for the records comprised in the proceedings of Collector of Chennai dated 7.8.2001 in J3/74603/2000 and quash the same. Status Quo ordered and matters are pending enquiry.

3.4.6 Mr P Subramani, Senior Vice President - Legal & Company Secretary, UBHL is the Compliance Officer. The correspondence address is as below:
 United Breweries (Holdings) Limited
 "UB Anchorage" - 5th Floor
 100/1, Richmond Road
 Bangalore - 560 025, India
 Tel: +91 80 2227 9126, Fax: +91 80 2227 4890

3.4.7 Except for a Scheme of Arrangement / demerger whereby the business of the UBHL was bifurcated between brewing and real estate and investment business in July 2002, there were no other merger, de-merger or spin off involving UBHL during the last three years.

3.5 Zelinka

3.5.1 Zelinka is a company incorporated on March 10, 2005 in Cyprus under the Companies Law of Cyprus. The objects of Zelinka include carrying on the business of manufacturers and dealers in any kind of goods and materials. The registered office of Zelinka is located at Julia House, 3, Themistocles Dervis Street, CY - 1066 Nicosia, Cyprus, Tel.: +357 22 555000: Fax : +357 22 555001. Zelinka is a subsidiary of McDowell and the shares of Zelinka are not listed on any stock exchange. The issued and paid- up share capital of Zelinka constitutes 10,000 ordinary shares of C£ (Cyprus Pounds) 1 each.

3.5.2 As Zelinka does not hold any shares in the Target Company, provisions of Chapter II of the Regulations are not applicable.

3.5.3 The board of directors of Zelinka is as follows:

Name of Director	Experience	Qualifications	Date of Appointment	Address
Aravindakshan Variath	Mr. Aravindakshan Variath has over 20 years experience in general finance, banking, sales and marketing	B.Com and Chartered Accountant	18.03.2005	123-5B Dal AL Muteena, Salah Ud-Din Road, Office 307, Raqqal Al Bateen, UAE
Christina Charalambous	Ms Christina Charalambous is an executive secretary with an experience of 15 years.	Secretarial studies	18.03.2005	4, Ayias Elenis, Office 501, 1060, Nicosia, Cyprus
Demetris Eliades	Mr D Eliades has an experience of 26 years as a practicing lawyer. Main fields: Company Law, Commercial Law, Civil Law. He was member of parliament of the Republic of Cyprus from 1985 to 2001. Chairman of the Parliamentary Committee on the Environment, Member of the Executive Committee of the Commonwealth Parliamentary Association. Member of the board of Directors of several companies. He is presently member of the Board of Directors of HELLENIC BANK LTD. Member of the European Association of Legislation since 1988.	Law School, University of Athens	18.03.2005	4 Ayias Elenis Street, Office 501, CY-1060, Cyprus
Gul Mohammed Khan Lodhi	Mr.Gul Mohammad Khan Lodhi has wide experience of over 24 years in Accounting, taxation, Finance and administrative fields	B.Sc and Fellow of the Association of Chartered Association of Certified Accountant (FCCA)	18.03.2005	P O Box 26640, N145LB London, United Kingdom
Stelios Yiordamlis	Mr Stelios Yiordamlis is a practicing Lawyer for more than 28 years. Main fields: Company Law, Civil Law, Commercial Law.	Law School, University of Athens	18.03.2005	4 Ayias Elenis Street, Office 501, CY-1060, Cyprus

None of these directors are on the board of SWC

3.5.4 Since Zelinka has been incorporated in March 2005, no financial statements have been compiled till date.

3.6 Details of companies promoted by Acquirers & the PACs in last 3 years

The following companies became subsidiaries of McDowell / Phipson during the years FY02, FY03 and FY04

Companies which became subsidiaries of McDowell:

1. McDowell India Spirits Limited
Date of Incorporation: March 1, 2004
The objects of the company include carrying on the business inter alia of manufacture and marketing of liquor products
2. Phipson Distillery Limited
Details mentioned above in para 3.2
3. Asian Opportunities & Investments Limited
Date of Incorporation: July 29, 1999

The objects of the company include carrying on the business inter alia in food stuffs and beverages and all sorts of alcoholic and non-alcoholic products.
4. McDowell Nepal Limited
Date of Incorporation: December 8, 1978
The objects of the company include production and sale of Liquor

Companies which became subsidiaries of Phipson:

1. United Spirits Limited
Details mentioned above in para 3.3
2. Triumph Distillers & Vintners Private Limited
Date of Incorporation: July 02, 2002

The objects of the company include carrying on the business inter alia of all alcoholic and non-alcoholic beverages.

United Spirits Limited and Triumph Distilleries & Vintners Private Limited are also ultimate subsidiaries of McDowell

The following table provides details with regard to the above mentioned companies as on March 31, 2004:

Rs lakhs

Name	McDowell Nepal Limited (Company incorporated in Nepal)	Asian Opportunities and Investments Limited (Company incorporated in the Republic of Mauritius)	Triumph Distillers & Vintners Pvt. Ltd.	McDowell India Spirits Limited
Equity Capital	51.32	22,02.43	10.00	5.00
Reserves and surplus (excluding revaluation reserves)	8,84.51	0.79	1,74.80	-
Total Income	19,76.68	18,77.88	71,73.91	-
Profit after Tax	3,34.34	31.18	2,25.65	-
Earning per share	40.72	0.62	2,25.65	-
Net Asset Value	9,35.06	22,03.22	1,84.80	5.00

3.7 Disclosure in terms of Regulation 16(ix)

Pursuant to the Purchase Agreement as envisaged between the Acquirers and the Promoter Group of SWC, the Acquirers would have control over the Target Company. The Acquirers do not intend to dispose of or otherwise encumber any assets of the Target Company in the succeeding two years, except to the extent that may be required (i) in the ordinary course of business of the Target Company and/or (ii) for the purposes of restructuring, rationalising and/or streamlining various operations, assets, liabilities, investments, businesses or otherwise of the Target Company. Further, the Acquirers undertake not to sell, dispose off or otherwise encumber any substantial assets of SWC, except with the prior approval of shareholders of SWC.

Notwithstanding the above, it will be the responsibility of the board of directors of SWC to make appropriate decisions in these matters, in accordance with the requirements of the business of SWC and in line with opportunities or changes in the economic scenario from time to time. Such approvals and decisions will be governed by the provisions of the relevant regulations or any other applicable laws at the relevant time.

3.8 Future plans/strategies of the Acquirers and the PACs with regard to the Target Company

The Acquirers and the PACs intend to review from time to time SWC's business affairs and financial position. Based on such evaluation and review, as well as general economic and industry conditions existing at the time, the Acquirers and the PACs may consider from time to time, various alternative courses of action. Such actions may include the acquisition of additional equity shares through open market purchases, privately negotiated transactions, tender offers, exchange offers or in any other manner; alternatively, such actions may involve the sale of all or a portion of the Shares in the open market, in privately negotiated transactions, or otherwise, subject to the provisions of the applicable law at the relevant time.

All owners of Shares, registered or unregistered, except the Acquirers, PACs and the Promoter Group of SWC, are eligible to participate in the Offer anytime before closure of the Offer.

4. BACKGROUND OF SWC

4.1 Shaw Wallace & Company Limited is a public limited company incorporated on January 15, 1946 under the Indian Companies Act, 1913, having its registered office at Wallace House, 4, Bankshall Street, Kolkata - 700 001, India; Tel No. +91 33 2220 0088; Fax No. +91 33 2220 9910

4.2 SWC is a manufacturer and marketer of beverage alcohol, beer, gelatines and agrochemicals through itself and its affiliates. As per the information available in the annual report of SWC for the period ended March 31, 2004, SWC has the following manufacturing facilities:

Andhra Winery & Distilleries
Malkajgiri, Hyderabad, Andhra Pradesh

4.3 As per the information provided by the Target Company, as on March 31, 2004, the total issued and paid-up equity share capital of the Target Company consists of 48,006,075 fully paid-up equity shares of the face value of Rs10 each, aggregating to approximately Rs48.01 crore. Further, there are no partly paid-up shares in SWC. Further, there are no outstanding convertible instruments. The shares of SWC are listed on BSE and CSE. **The closing price of SWC on BSE as on April 15, 2005 (last available market price) was Rs.225.05 (Source:www.bseindia.com).** The following table provides capital build-up of SWC since inception:

Year	Particulars	Total Shares	
1946-47	Incorporated with a capital of	1,00,000	1,00,000
1965	Issued shares for consideration other than cash	6,50,000	7,50,000
1966	Issued Bonus (1:3)	2,50,000	10,00,000
1975	Issued Bonus (1:1)	10,00,000	20,00,000
1975	Issued Bonus (1:1)	20,00,000	40,00,000
1981	Issued Bonus (1:2)	20,00,000	60,00,000
1988	Issued Bonus (1:1)	60,00,000	1,20,00,000
1992	Issued Bonus (1:1)	1,20,00,000	2,40,00,000
1994	Issued Bonus (1:1)	2,40,00,000	4,80,00,000
1999	Allotted on merger in terms of BIFR Order	5,000	4,80,05,000
2002	Allotted on merger in terms of BIFR Order	1,075	4,80,06,075

Note:

Out of the above, bonus shares aggregating to 4,29,900 shares in respect of bonus issue of 1992 (1:1) and 1994 (1:1) have been allotted on 23.05.2000. Subsequent approval of the board of SWC, accorded to the transfer of 1,43,300 shares, kept in abeyance pending litigation.

The shareholding pattern of SWC as on February 18, 2005 is as below:

Shareholder	No. of shares	% holding
Promoters' shareholding		
Promoter Group entities	2,61,80,655	54.53
Persons Acting in Concert	3,900	0.01
Total Promoters' shareholding	2,61,84,555	54.54
Non-promoters' shareholding		
Institutional Shareholders	1,29,07,333	26.89
Private Corporate Bodies	16,28,820	3.40
NRIs/OCBs	1,59,019	0.33
Indian Public	71,26,348	14.84
Total non-promoter shareholding	2,18,21,520	45.46
Total	4,80,06,075	100.00

4.4 The equity shares of the Target Company are listed on BSE and CSE. As per the information provided by the Target Company, the Target Company, has complied with the provisions of the Listing Agreement. Further, no punitive action has ever been initiated against SWC by any of the stock exchanges where its shares are listed.

4.5 As per the information provided by the Target Company, in-principle approvals are awaited from CSE for listing of 4,35,975 equity shares and from BSE for 4,29,900 equity shares. Further, there are no convertible instruments outstanding and there are no outstanding partly paid-up equity shares of SWC.

4.6 The Board of Directors of SWC comprised of the following:

Name of Director	Experience	Qualifications	Date of Appointment	Address
Mrs V.M.Chhabria, Chairperson	Industrialist & Chairperson of Jumbo Group	—	22/4/02	P.O. Box No. 3426, Dubai, U.A.E.
Mr. R. A. Shah, Alternate Director to the Chairperson	Senior Partner of reputed Law Firm	B.A., LLM	27/09/02	M/s Crawford Bayley & Co., Solicitors & Advocates, Notary, State Bank Building, N G N Vaidya Marg, Mumbai 400 023
Ms. K. C. Wazir, Executive Director	Industrialist	B.Com	05/04/99	Hamilton House,8, J.N. Heredia Marg, Ballard Estate, Mumbai 400 038
Mr. Niranjana M. Thakur, Executive Director	Senior Professional with long experience in liquor business	B.Com	28/08/00	132A, Dr. Annie Besant Road, Worli, Mumbai 400 018
Ms. Kiran M. Chhabria, Director	Industrialist	B.S. in Management (USA)	30/10/04	P.O. Box No. 3426, Dubai, U.A.E.
Mr. Hasa Nand Nanani, Director	Professional Manager with long experience in Corporate Sector. Was also MD of Modi Xerox	B.E. (Honours) (B.I.T.S. Pilani)	25/04/03	Udyog Bhavan, 29, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 038
Mr. P.M. Nene, Director	Professional Manager with long experience in Corpo- rate Finance & Strategy	B.E. (Chemical) (B.I.T.S. Pilani), MBA	25/04/03	P.O. Box No. 2548, Dubai, U.A.E.

Name of Director	Experience	Qualifications	Date of Appointment	Address
Mr. C. K. Hazari, Director	Senior Finance Professional Former Joint MD of Escorts Ltd.	FCA	27/09/02	D-910, New Friends Colony, New Delhi 110 065
Mr. Suresh Dadlani, Director	Technocrat with long experience in Corporate Sector and currently MD of HDO	B.E., AMP (Harvard)	22/10/00	Dorr Oliver House, Chakala, Andheri (East) Mumbai 400 099
Mr. Sanjeev Jain, Director	Finance Professional with rich experience	ACA	16/02/05	207, Al Shraifi Building, Zabeel Road, Karama, Dubai, U.A.E.

Please note that all correspondence to the directors of SWC must be addressed to the registered office address of SWC, which is Wallace House, 4, Bankshall Street, Kolkata - 700 001, India; Tel No. +91 33 2220 0088; Fax No. +91 33 2220 9910

- 4.7 There has been no merger, de-merger or spin off during the last 3 years. However, pursuant to the consent obtained at annual general meeting and based on the valuation reports by independent Chartered Accountant firms, 2 manufacturing units of the Target Company had been sold to its subsidiaries during the aforesaid period. Since inception, the name of the Target Company has never been changed.
- 4.8 The financial details of SWC are as under, in compliance with the provisions of Clause 6.14 to the standard letter of offer format as prescribed by SEBI: (Rs. in lakhs)

Profit and Loss Statement	FY05 9months	FY04	FY03	FY02
Income from operations	99,62	1,03,90	1,47,01	1,63,79
Other income	10,83	20,71	28,43	36,61
Total Income	1,10,45	1,24,61	1,75,44	2,00,40
Total Expenditure	89,50	97,75	1,51,69	1,64,54
Profit before Depreciation, Interest and Taxes	20,95	28,92	26,33	35,86
Depreciation	1,06	2,06	2,57	2,74
Interest	5,74	2,93	5,93	16,03
Profit Before Tax	14,15	23,93	17,82	17,09
Exceptional / Non-Recurring Items / Prior Period Items	(4,54)	3,47	(1,08)	(13,36)
Provision for Contingencies	6,50	21,50	10,00	-
Provision for Tax	15,57	23,81	6,48	(1,26)
Profit After Tax	(12,46)	(17,91)	88	5,00

(Rs. in lakhs)

Balance Sheet Statement	FY05 9months	FY04	FY03	FY02
Sources of Funds				
Paid-up Equity Share Capital	48,01	48,01	48,01	48,01
Reserves and surplus (excluding revaluation reserves)	NA	(16,27)	1,64	6,38
Net worth	NA	31,74	49,65	54,39
Secured Loans	NA	12,01	31,37	41,21
Unsecured Loans	NA	1,17,66	77,10	98,37
Other Liabilities				
Deferred Tax Liability	NA	1,95	2,58	4,35
Total	NA	1,63,35	1,60,70	1,98,32

Balance Sheet Statement	FY05 9months	FY04	FY03	FY02
Uses of Funds				
Net fixed Assets	NA	13,00	17,10	28,17
Investments	NA	1,39,21	1,40,26	1,28,49
Net Current Assets	NA	11,13	3,34	41,66
Total Miscellaneous Expenditure Not Written-Off				
Total	NA	1,63,35	1,60,70	1,98,32
Other Financial Data				
Dividend per Share (%)	-	0%	0%	0%
Earnings per Share	-	3.73	0.06	1.04
Return on Net worth (%)	-	NA	1.8%	9.2%
Book Value per Share	-	6.61	10.34	11.33

Source: Annual Reports of SWC for the years ended March 31, 2003 and 2004; www.shawwallace.com

4.9 The equity shareholding in SWC before the Offer and after the Offer (assuming full acceptance of the Offer) is given in the table below:

Shareholders' Category	Shareholding / Voting Rights prior to the Offer		Shareholding / Voting Rights to be acquired in the Open Offer (Assuming full acceptances)		Shareholding / Voting Rights after the Acquisition and Offer (A+B)=(C)	
	(A)		(B)		(C)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
1. Promoter Group	2,61,84,555	54.5***	-	-	0**	0**
Total 1	2,61,84,555	54.5***	*	*	0	0
2. Acquirers / PACs	0	0	1,20,01,518	25.0***	3,81,86,073	75.0***
Total 2			1,20,01,518	25.0***	3,81,86,073	75.0***
3. Parties to Agreement other than (1)(a) and (2) above	-	-	-	-	-	-
Total 3			-	-	-	-
4. Public (other than parties to Agreement, Acquirers and PACs)						
a) FIs / MFs / FIs / Banks / SFIs	1,29,07,333	26.9				
b) Others	89,14,187	18.6				
Total 4 (a+b)	2,18,21,520	45.5	*	*	*	*
Grand Total (1+2+3+4)	4,80,06,075	100.0	-	-	4,80,06,075	100.0

Source: The above figures are based on the information as on February 18, 2005 available on the website of SWC, www.shawwallace.com.

Note :

- * Shares in the Offer will be acquired by the Acquirers from shareholders of SWC, who own the equity shares anytime before the Closure of the Offer, except the Acquirers and PACs.
- ** Pursuant to the Purchase Agreement, the Acquirers would acquire shares up to 54.54% from the Promoter Group of SWC.
- *** As advised by SEBI vide letter dated April 13, 2005, the Acquirers would acquire only such number of shares under the Purchase Agreement so as to maintain in the Target Company, the level of public shareholding to the extent of 25% pursuant to Regulation 21(2) of the Regulations.

- 4.10 As on the specified date, there were 10,665 shareholders in SWC.
- 4.11 As per the information provided by the Target Company, the trading of its shares has neither been suspended by any stock exchange nor has there been any instance of refusal to list its shares.
- 4.12 The following is the status of compliance with Chapter II of the Regulations by the Target Company with regard to itself, promoters and major shareholders within the time specified in the Regulations and delay if any with regard to the same.

A. By the Promoters/ Sellers/ Major Shareholders/ Acquirers

Sr. No.	Regulation/ Sub-Regulation	Due date of compliance as mentioned in the Regulation	Actual Date of Compliance	Delay, if any (in no. of days) (Col.4 - Col.3)	Remarks
1	2	3	4	5	6
1.	6(1)	20-04-1997	16-04-1997	None	
2.	6(3)	20-04-1997	16-04-1997	None	
3.	8(1)	21-04-1997	16-04-1997	None	
		21-04-1998	16-04-1998		
		21-04-1999	15-04-1999		
		21-04-2000	10-04-2000		
		21-04-2001	12-04-2001		
		21-04-2002	17-04-2002		
		21-04-2003	14-04-2003		
		21-04-2004	12-04-2004		
4.	8(2)	21-04-1997	16-04-1997	None	
		21-04-1998	16-04-1998		
		21-04-1999	15-04-1999		
		21-04-2000	10-04-2000		
		21-04-2001	12-04-2001		
		21-04-2002	17-04-2002		
		21-04-2003	14-04-2003		
		21-04-2004	12-04-2004		
5.	7(1)& (2)	18-07-2003	14-07-2003	None	
6.	7(1A) & (2)	21-10-2004	20-10-2004	None	

B. By the Target Company

Sr. No.	Regulation/ Sub-Regulation	Due date of compliance as mentioned in the Regulation	Actual Date of Compliance	Delay, if any (in no. of days) (Col.4 - Col.3)	Remarks
1	2	3	4	5	6
1.	6(2)	20-05-1997	26-08-1997	87 days	In terms of the SEBI Regularization Scheme, 2002 (extended till 31 st March 2003), revised disclosures have been filed under cover of letter dated 28 th March 2003 together with requisite fees of Rs. 10,000/-.
2.	6(4)	20-05-1997	26-08-1997	87 days	

Sr. No.	Regulation/ Sub-Regulation	Due date of compliance as mentioned in the Regulation	Actual Date of Compliance	Delay, if any (in no. of days) (Col.4 - Col.3)	Remarks
1	2	3	4	5	6
3.	7(3)	21-07-2003	16-07-2003	None	(Inter se transfer of 400800 equity shares amongst Promoters' Group Companies)
		02-11- 2004	26-10-2004	None.	(Acquisition of Shares exceeding 5% of capital by Platinum Asset Management)

As per the information provided by the Target Company, Table B of para 4.12 provides status of compliance with regard to changes in shareholding of promoters in Target Company.

4.13 Status of Corporate Governance & Pending Litigation

As per the information provided by the Target Company, provisions of Clause 49 of the Listing Agreement with the stock exchanges dealing with Corporate Governance have been complied with. Certificate of Compliance on Corporate Governance received from the Statutory Auditors had been published in the Annual Report for the year ended March 31, 2004 and compliance certificates on quarterly basis have been filed with the stock exchanges within the stipulated time limits.

The following are the disputed statutory dues as on March 31, 2004:

Name of the Statute	Natu.re of Dues	Amount (Rs lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	5.34	1994-95	Commissioner of Central Excise
	Excise Duty	246	1991 to 95	Settlement Commission
Andhra Pradesh Excise Act, 1968	Excise Duty	0.44	1986	Commissioner of Excise
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	14.57	1989-90 to 1994-95	Appellate Tribunal
Bihar Finance Act, 1981	Sales Tax (incl Interest)	42.68	1984-85 to 1985-86	High Court
Bihar Finance Act, 1981	Sales Tax (incl Interest)	2.09	1985-86	Appellate Tribunal
Bombay Sales Tax Act, 1959	Sales Tax	15.43	1999-00	Commissioner of Sales Tax
Central Sales Tax, 1956 Andhra Pradesh	Sales Tax	33.45	1986-87 to 1995-96	Appellate Tribunal
Central Sales Tax, 1956 (Bombay)	Interest on Sales Tax	1.35	1999-00	Deputy Commissioner of Sales Tax
Central Sales Tax, 1956 (Assam)	Sales Tax	0.23	1994-95	Deputy Commissioner of Sales Tax
Central Sales Tax, 1956 (T.N.)	Sales Tax	4.31	1988-89 to 1995-96	Deputy Commissioner of Sales Tax
Central Sales Tax, 1956 (Delhi)	Sales Tax	24.8	1996-97	Appellate Tribunal
Kerala General Sales Tax Act, 1963	Sales Tax (incl Interest)	1,89.71	1987-88, 1995-96, 1998-99	Appellate Tribunal

Name of the Statute	Natu.re of Dues	Amount (Rs lakhs)	Period to which the amount relates	Forum where dispute is pending
Orissa Sales Tax Act, 1947	Sales Tax	1.02 2.33	1997-98 and 1999-00 2000-01	Appellate Tribunal High Court
West Bengal Sales Tax Act, 1994	Sales Tax	21.74	1997-98	Appellate Tribunal
Income Tax Act, 1961	Income Tax	4,41.06	1993-94	Calcutta High Court
Income Tax Act, 1961	Income Tax (Penalty)	5,61.70	1993-94 and 1997-98	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	75,66.83	1994-95	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	81,51.38	1996-97	Calcutta High Court / Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2,48,95.35	1995-96, 1997-98 to 1999-00	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	TDS Demand	68.54	1993-94 to 1997-98	Calcutta High Court / Income Tax Appellate Tribunal / Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax (including penalty)	0.96 19,86.70	1995-96 Various years	Appellate Authority

In addition to the above, there are large numbers of other pending litigation for claims against the Target Company. These claims have been contested by SWC. However, liabilities up to March 31, 2004 on account of litigation, which are contingent in nature, have been duly provided in the Accounts for the year ended March 31, 2004. The shareholders of the Target Company, who are desirous of obtaining further information about the aforesaid pending litigations, may send their written request to SWC at its registered office.

4.14 Mr. N. Mehra, VP - Legal & Secretarial, SWC, is the compliance officer. The correspondence address is as below:

Mr. N Mehra
Shaw Wallace & Company Limited
132A, Dr. Annie Besant Road
Worli, Mumbai - 400 018, India
Tel: +91 22 2495 9100, Fax: +91 22 2495 9138

5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 Justification of Offer Price

5.1.1 The Equity Shares of SWC are listed on BSE and CSE. The Public Announcement by the Acquirers, pursuant to Regulation 10 and 12 and other applicable provisions of Chapter III of, and in compliance with, the Regulations was made on February 23, 2005 read with the Corrigendum Announcement published on March 22, 2005 and the revised Public Announcement published on April 16, 2005. The annualised trading turnover during the preceding six calendar months ended January 2005 on BSE and CSE is detailed in the table below.

Name(s) of stock exchange(s)	Total number of shares traded during six calendar months ended January 2005	Annualised trading turnover (in terms % of total listed shares)
BSE	6,705,483	28.19%
CSE	10,950	0.05%

Source: www.bseindia.com, CSE.

As the annualised trading turnover (by number of shares) on BSE is more than 5% of the total number of listed equity shares of SWC, the equity shares of SWC are deemed to be frequently traded in terms of the Regulations, with BSE being the exchange where the equity shares are most frequently traded. However, as per the Regulations, the Shares are deemed to be infrequently traded on CSE.

5.1.2 The Offer Price of Rs260 per Share is justified in terms of Regulation 20(11) of the Regulations, as it is more than the highest of the following:

a	Bid Price	Not Applicable
b	Highest price paid by the Acquirers / PACs for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the 26-week period prior to the date of the Public Announcement	Not Applicable
c	Highest price paid by the Acquirers / PACs for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the 26-week period prior to the date of the Revised Public Announcement	Rs325.00 including a non-compete fee of Rs65.00
d	The average price calculated as per Regulations 20(4)(c) during the 26-week period prior to the date of the Public Announcement on BSE, where it is most frequently traded	Rs134.77
e	The average price calculated as per Regulations 20(4)(c) during the 2-week period prior to the date of the Public Announcement on BSE, where it is most frequently traded	Rs203.86

The details of the price and volume data on the BSE are as under:

26-week Weekly High / Low

CLOSING PRICE AT BSE					
Week Number	Week Ending	High (Rs)	Low (Rs)	Average (Rs)	Volume (Number of Shares)
1	Aug 31, 04	104.95	90.95	97.45	365,369
2	Sep 07, 04	130.55	114.55	122.55	459,009
3	Sep 14, 04	124.05	110.40	117.23	125,698
4	Sep 21, 04	110.10	104.30	107.20	65,521
5	Sep 28, 04	105.55	99.55	102.55	110,801

Week Number	Week Ending	High (Rs)	Low (Rs)	Average (Rs)	Volume (Number of Shares)
6	Oct 05, 04	99.60	93.55	96.58	24,872
7	Oct 12, 04	100.85	96.30	98.58	81,154
8	Oct 19, 04	102.40	97.55	99.98	597,641
9	Oct 26, 04	101.85	97.00	99.43	19,176
10	Nov 02, 04	102.20	99.20	100.70	36,525
11	Nov 09, 04	115.20	104.55	109.88	148,110
12	Nov 16, 04	122.45	116.65	119.55	117,864
13	Nov 23, 04	142.15	125.05	133.60	664,764
14	Nov 30, 04	146.55	139.60	143.08	628,415
15	Dec 07, 04	166.35	153.55	159.95	832,002
16	Dec 14, 04	171.35	161.95	166.65	293,915
17	Dec 21, 04	173.80	159.15	166.48	563,895
18	Dec 28, 04	170.45	155.65	163.05	313,142
19	Jan 04, 05	156.05	150.40	153.23	106,347
20	Jan 11, 05	157.80	143.15	150.48	205,161
21	Jan 18, 05	150.30	136.45	143.38	398,737
22	Jan 25, 05	145.20	138.30	141.75	222,840
23	Feb 01, 05	142.50	136.90	139.70	113,567
24	Feb 08, 05	168.75	149.45	159.10	1,712,744
25	Feb 15, 05	204.15	185.30	194.73	3,200,023
26	Feb 22, 05	231.05	202.35	216.70	3,849,564

Source: Bloomberg

2-week Daily High / Low

INTRA-DAY PRICE AT BSE					
Day Number	Date Ending	High (Rs)	Low (Rs)	Average (Rs)	Volume (Number of Shares)
1	Feb 09, 05	185.60	172.00	185.60	619,348
2	Feb 10, 05	204.15	191.00	204.15	1,491,912
3	Feb 11, 05	219.80	186.20	195.35	600,627
4	Feb 14, 05	209.00	185.25	186.80	339,434
5	Feb 15, 05	194.00	184.00	185.30	148,702
6	Feb 16, 05	203.80	185.30	202.35	904,203
7	Feb 17, 05	219.00	199.90	205.90	522,558
8	Feb 18, 05	220.00	203.00	210.10	597,785
9	Feb 21, 05	231.10	215.00	230.90	948,866
10	Feb 22, 05	242.00	227.05	231.05	876,152

Source: Bloomberg

5.1.3 The shares of the Target Company are infrequently traded on CSE within the meaning of explanation (i) to Regulation 20(5) of the Regulations. The financial parameters based on the nine months un-audited financials for the period ended December 31, 2004 for SWC (certified by statutory auditors) are:

- (a) Return on Average Net-worth of -58.84%
- (b) Book Value per share of Rs3.60
- (c) Earnings per Share (EPS) of Rs-3.00 and
- (d) P/E multiple: Not Applicable (as EPS negative) and Industry P/E multiple of 27.5

(Source: Annual Report of SWC 2004, www.shawwallace.com; Bloomberg)

In the opinion of the Manager to the Offer, the Acquirers and the PACs, the Offer Price is justified as per Regulation 20(4) and Regulation 20(5) of the Regulations.

5.1.4 If the Acquirers acquire Shares after the date of Public Announcement 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 received under the Offer. In this case the Acquirers have agreed to pay Rs260 per share for the purpose of acquisition as mentioned above. Consequently the offer price has been revised upwards from Rs250 per share to Rs260 per share. Additionally, under the Purchase Agreement, the Promoter Group of SWC has agreed upon a 5-year world-wide non-compete undertaking with the Acquirers subsequent to its divestment of its holdings in SWC for a consideration of Rs65 per Share. The payment of Rs65 per Share is not more than 25% of the Offer Price of Rs260 per Share and in terms of Regulation 20(8) of the Regulations. Hence in terms of regulation 20(7) and 20(8) of the Regulations the Offer Price is Rs260 per share.

5.2 Financial Arrangement for the Offer

5.2.1 The total fund requirement for implementation of the Offer at Rs260 per share is around Rs312.04 crore assuming that full acceptance for the Offer is received.

5.2.2 The Acquirers have made firm financial arrangements to implement the Offer and meet their obligations in full under the Offer. The Offer obligation shall be met from the internal accruals and borrowings from a domestic fund.

5.2.3 Vishnu Ram & Co, Chartered Accountants, Membership No. 22715, 652/H, 80 Feet Road, II Stage, Rajajinagar (Near Navrang Theatre), Bangalore - 560 010; Tel: +91 80 2332 3545; Fax: +91 80 2313 0507, vide its letter dated March 21, 2005 has certified that McDowell, Phipson and United Spirits have made adequate arrangements to meet the financial obligations under this Offer.

5.2.4 The Manager to the Offer confirms that it is satisfied about the ability of the Acquirers to implement the Offer in accordance with the Regulations as firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

5.3 In accordance with Regulation 28 of the Regulations, McDowell has created a lien in favour of ICICI Securities against a fixed deposit amounting Rs3.20 crore standing in the name of McDowell with Bangalore branch of

ICICI Bank Limited. This fixed deposit receipt is duly discharged in favour of ICICI Securities. Further, a share escrow has been created by McDowell in favour of ICICI Securities of Rs74.88 crore, being more than 150% of the amount required as per the Regulations, viz., 25% for the first Rs100 crore and 10% thereafter. The said shares, owned by McDowell, are free from any lien / encumbrances and they carry full voting rights.

The details of the share escrow as on February 22, 2005 are as under:

Name	Quantity	Face Value	Paid-Up Value	Last Traded Price	Market Value (Rs lakhs)
United Breweries Limited	953,000	10	10	421.00	401,213,000
UBHL	2,490,505	10	10	96.50	240,333,733
Mangalore Chemicals & Fertilizers Limited	7,026,828	10	10	14.75	103,645,713
UB Engineering Limited	326,620	10	10	11.26	3,677,741
Total					748,870,187

ICICI Securities has been authorised to realise the value of the share escrow. In case, there is a deficit on realisation of value of the securities, ICICI Securities shall make good the deficit, if any.

6. TERMS AND CONDITIONS OF THE OFFER

- 6.1 The Offer to the shareholders of SWC to acquire up to 12,001,518 fully paid-up equity shares representing 25% of the paid-up equity share capital of SWC at Rs260 per Share is being made pursuant to Regulation 10 and 12 read with other applicable provisions of Chapter III of, and in compliance with, the Regulations.
- 6.2 SWC has furnished the registrar of members as on the Specified Date. The Letter of Offer together with the Form of Acceptance-cum-Acknowledgement and Form of Withdrawal will be mailed to the shareholders of SWC whose names appear on the Register of Members of SWC and beneficial owners of the shares of SWC, whose names appear as beneficiaries on the records of the respective Depositories, at the close of the Business Hours on March 4, 2005 (the Specified Date), except to the Acquirers, PACs and the Promoter Group in SWC. Accidental omission to dispatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.
- 6.3 Equity shares of SWC that are subject matter of litigation or are held in abeyance due to pending court cases, wherein the shareholder(s) of SWC may be precluded from transferring the shares during pendency of the said litigation are liable to be rejected in case directions / orders releasing these shares are not received together with the shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.
- 6.4 The shares will be acquired by the Acquirers, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.
- 6.5 The Offer is not conditional on any minimum level of acceptance i.e. the Acquirers will acquire all the Shares that are tendered in terms of the Offer up to 12,001,518 Shares, subject to the conditions specified in the Public Announcement published on February 23, 2005 read with the Corrigendum Announcement published on March 22, 2005 and the Revised Public Announcement published on April 16, 2005 and this Letter of Offer (in paragraphs 6.1 to 6.4) and Form of Acceptance-cum-Acknowledgement.
- 6.6 If there is any further upward revision of the Offer price by the Acquirers till the last date for revision viz. April 27, 2005 or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the Public Announcement published on February 23, 2005 read with the Corrigendum Announcement published on March 22, 2005 and the Revised Public Announcement published on April 16, 2005 had appeared. Such revised Offer Price would be payable for all the shares tendered anytime during the Offer and accepted under the Offer.
- 6.7 Shareholders who wish to tender their Shares should submit documents in accordance with the procedure specified in Section 7 of this Letter of Offer and the Form of Acceptance-cum-Acknowledgement.
- 6.8 Shareholders who hold shares in physical form and who wish to tender their Shares will be required to send the Form of Acceptance-cum-Acknowledgement, original share certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer - Karvy Computershare Pvt Ltd., either by hand delivery to the collection centres during business hours (Mondays to Fridays between 10.00 a.m. and 4.00 p.m., Saturdays between 10.00 a.m. and 1.00 p.m.) or by registered post at Karvy Computershare Pvt Ltd, 46, Avenue 4, Street No1, Banjara Hills, Hyderabad 500 034 so that the same are received on or before the close of the Offer i.e. May 7, 2005 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance-cum-Acknowledgement.

- 6.9 The Registrar to the Offer has opened a special depository account with ICICI Bank, as the Depository Participant, in National Securities Depository Limited styled “ESCROW A/C SWC OPEN OFFER”.

The details of the special depository account are as under:

DP Name	ICICI Bank
Depository Identification Number (DP ID)	IN 301348
Client Identification Number (Beneficiary Client ID)	20007500

- 6.10 Beneficial owners (holders of shares in dematerialised form) who wish to tender their shares will be required to send their Form of Acceptance-cum-Acknowledgement along with 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 Depository Participant (“DP”). The delivery instruction slip in favour of “**ESCROW A/C SWC OPEN OFFER**” should be sent to the Registrar to the Offer: Karvy Computershare Pvt Ltd., either by hand delivery during business hours (Mondays to Fridays between 10.00 a.m. and 4.00 p.m.; Saturdays between 10.00 a.m. and 1.00 p.m.) or by registered post so as to reach on or before the closure of Offer i.e. May 7, 2005 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance-cum-Acknowledgement. **Beneficial owners should ensure to credit their shares in favour of the special depository account before the closure of the Offer.**

Shareholders having their beneficiary account in CDSL will have to use inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with NSDL, as mentioned in para 7.9 above.

6.11 Locked-in Shares

As per the publicly available information, there are no locked-in shares. However, no discrimination would be made with regard to locked-in shares.

6.12 Eligibility for Accepting the Offer

The present Offer is being made to all the shareholders of SWC, except the Acquirers and PACs whose names appear as on the Specified Date (i.e. March 4, 2005) and also to those persons, except the Acquirers and the PACs and the Promoter Group of SWC, who own the shares at any time prior to the closure of the Offer but are not registered shareholders.

6.13 Marketable Lot

The marketable lot for the shares of SWC is 1 (one) share as the shares of SWC can be traded on the secondary market only in dematerialised form.

6.14 Statutory Approvals and Conditions of the Offer

The Offer is subject to the following statutory and regulatory approvals and clearances required to acquire Shares tendered pursuant to the Offer: Approval of RBI under FEMA, if required, for acquiring Shares tendered and accepted under the Offer by non-resident shareholders of SWC. As on date there are no other statutory approvals required, other than those indicated above.

The Acquirers will make the application for requisite approval to the RBI, if any, on closure of the Offer for acquisition of the Shares tendered and accepted under the Offer.

To the best of the knowledge of the Acquirers, as on the date of the public announcement, there are no other statutory approvals required to implement the Offer, other than those indicated above. If any other statutory approvals become applicable, the Offer would be subject to such statutory approvals. The Acquirers will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused in terms of Regulation 27 of the Regulations.

In case of delay in receipt of statutory approvals, SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the shareholders of SWC, subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the Regulations. Further, if the delay occurs on account of wilful default by the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the Regulations will also become applicable.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 7.1 Shareholders of SWC who wish to avail of this Offer should forward the undermentioned documents by hand delivery or registered post to the Registrar at their Office - Karvy Computershare Pvt Ltd. who are acting as the Registrar to the Offer (the “Registrar to the Offer”), either by hand delivery during business hours (Mondays

to Fridays between 10.00 a.m. and 4.00 p.m.; Saturdays between 10.00 a.m. and 1.00 p.m.) or by registered post so that the same are received on or before the closure of the Offer, i.e. by May 7, 2005. **Shareholders are advised to ensure that the Form of Acceptance-cum-Acknowledgement and other documents are complete in all respects otherwise the same is liable to be rejected. In the case of dematerialised shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account, before the closure of the Offer. The Form of Acceptance-cum-Acknowledgement of such dematerialised shares not credited in favour of the special depository account before the closure of the Offer is liable to be rejected.**

Physical shares tendered under the Offer and subsequently withdrawn by the shareholders will be returned to the shareholders by registered post.

7.2 Registered shareholders (holders of shares in physical form) should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates
- Original share certificate(s)
- Valid share transfer deed(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with SWC and duly witnessed at the appropriate place(s)

7.3 Beneficial owners (holders of shares in dematerialised form) should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of shares, as per the records of the DP.
- 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 DP

The details of the special depository account are as follows:

Name of the Depository Participant	Depository Identification No. (DP ID)	Client Identification No. (Beneficial Client ID)
ICICI Bank	IN301348	20007500

7.4 Unregistered shareholders should enclose:

- Form of Acceptance-cum-Acknowledgement or an application on plain paper, duly completed and signed in accordance with the instructions contained therein
- Original share certificate(s)
- Copy of the original contract note issued by the broker through whom the shares were acquired
- Proof of lodgement of shares for transfer and acknowledgement thereof by SWC or its registrar and share transfer agent (if the share certificates have already been lodged for transfer)
- Valid share transfer deed(s) duly signed by a registered holder and an additional valid transfer deed duly signed by the unregistered shareholder as the transferor

No indemnity is required from the unregistered owners.

7.5 Owners of shares who have tendered their shares for transfer should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein
- Copy of the letter sent to SWC for transfer of shares
- Valid share transfer deed(s) including valid transfer deed duly signed by the unregistered shareholder as the transferor

7.6 Shareholders who have sent their physical shares for dematerialisation may participate in the Offer by submitting the Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialisation request form duly acknowledged by the Depository Participant. Shareholders who have sent their physical shares for dematerialisation need to ensure that the process of getting shares dematerialised is completed well in time so that the credit in the special depository account should be received on or before the closure of the Offer, i.e. by May 7, 2005, else the application would be rejected.

7.7 Valid share transfer deed/ form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with SWC and duly witnessed at the appropriate place.

- 7.8 **The share certificate(s), share transfer deed(s) and the Form of Acceptance-cum-Acknowledgement should be sent only to the Registrar to the Offer and not to the Manager to the Offer or the Acquirers or the PACs or the Target Company.**
- 7.9 In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer on a plain paper stating acceptance of the Offer with name, address, number of shares held, distinctive numbers, folio numbers, number of shares offered, along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer, i.e. May 7, 2005 or in case of beneficial owners they may send their application in writing to the Registrar to the Offer on a plain paper stating acceptance of the Offer with name, address, number of shares held, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction slip in "Off-market" mode or counterfoil of the delivery instructions slip in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer, i.e. May 7, 2005.
- 7.10 Alternatively, the Letter of Offer and Form of Acceptance-cum-Acknowledgement will be available on SEBI's website: www.sebi.gov.in, from the date of opening of the Offer. The eligible persons can download the Form of Acceptance-cum-Acknowledgement from the SEBI's website and apply in the same.
- 7.11 While tendering the Shares under the Offer, NRIs/ OCBs/ foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the shares of SWC. In case the previous RBI approvals are not submitted, the Acquirers reserves the right to reject such Shares tendered.
- 7.12 **As per the provisions of Section 196D(2) of the Income Tax Act, 1961 ("the Income Tax Act), no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD payable to a Foreign Institutional Investor ("FI") as defined in section 115AD of the Income Tax Act. However, while tendering their shares under the Offer, NRIs, OCBs and other non-resident shareholders will be required to submit a No Objection Certificate (NOC) or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from Income Tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirers before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders on the entire consideration amount payable to such shareholders.**
- a) **If any of the above stated documents (as applicable) are not enclosed along with the Form of Acceptance-cum-Acknowledgement, the Shares tendered under the Offer are liable to be rejected.**
- b) **As per section 10(36) of the Income-tax Act, 1961, any income arising from the transfer of a long-term capital asset, being an equity share for which the transactions of purchase and sale of such share are entered into on a recognised stock exchange, is exempt from tax. However, gains on transfer of shares tendered under the Offer would not be eligible for the exemption under section 10(36), as the transfer would not be effected through a recognised stock exchange. As such, gains on transfer of the shares offered pursuant to this letter of offer would be liable to tax as per the normal provisions of the Income-tax Act, 1961. This position has been intimated to the Acquirers and the PACs by the tax advisers of the Acquirers and the PACs. However, the Acquirers and the PACs, by this letter of offer, are not providing any tax advice to the shareholders and the shareholders are requested to seek their own advice on such matters.**
- 7.13 The Form of Acceptance-cum-Acknowledgement along with the share certificate(s), signed transfer deed and other documents should be submitted at any of the collection centres below in accordance with the procedure as set out in the Letter of Offer. All the centres mentioned hereinbelow would be open on all working days as follows :
- Business Hours: Mondays to Fridays 10.00 a.m. to 4.00 p.m; Saturdays 10.00 a.m. to 1.00 p.m. The centres will be closed on Sundays and any other public holidays.

City	Contact Person	Address	Tel. No.	Fax No.
Ahmedabad	Edward	Karvy Computershare Pvt Ltd. 201-203 "Shail" Opp. Madhusudhan House, Behind Girish Cold drinks, Off C. G. Road Ahmedabad 380 006	(79) 2642 0422 / 2640 0527 / 2640 0528	(79) 2656 5551
Bangalore	S Nandakishore	Karvy Computershare Pvt Ltd. T K N Complex No.51/2, Vanivilas Road, Opp. National College, Basavanagudi, Bangalore 560 004	(80) 2662 1184 / 2662 1192	(80) 2662 1169

City	Contact Person	Address	Tel. No.	Fax No.
Chennai	Gunasekhar	Karvy Computershare Pvt Ltd. G-1, Swathi Court, 22,Vijay Raghava Road, T. Nagar, Chennai 600 017	(44) 2815 3445 / 2815 1034 / 2815 3658	(44) 2815 3181
Hyderabad	Murali Krishna/ A. Anitha (Ms)	Karvy Computershare Pvt Ltd. 46, Avenue 4, Street No1, Banjara Hills, Hyderabad 500 034	(40) 2343 1545 / 2331 2454	(40) 2343 1551
Kolkata	Sujit Kundu	Karvy Computershare Pvt Ltd. 49, Jatindas Road, Near Deshpriya Park, Kolkata 700 029	(33) 2464 4891 / 7231 / 2463 4788 / 89 / 2463 5432	(33) 2464 4866 / 2463 4787
Kolkata	Sanjay Mehta	Karvy Computershare Pvt Ltd. 19, R N Mukherjee Road, 2 nd floor, Dalhousie, Kolkata 700 001	(33) 3209 5949, 2243 7863 to 69	(33) 2243 7869
Mumbai	Vishakha Shringarapure	Karvy Computershare Pvt Ltd. Andheri Industrial Estate, Off Veera Desai Road, Andheri (W), Mumbai 400 053	(22) 2673 0799 / 153 / 292	(22) 2673 0152
Mumbai	Nutan Shirke	Karvy Computershare Pvt Ltd. 16/22, Bake House, Maharashtra Chamber of Commerce Lane, Kalaghoda, Fort, Mumbai - 400 023	(22) 5638 2666	(22) 5633 1135
New Delhi	Michael George	Karvy Computershare Pvt Ltd. 105-108, Arunachal Building, 19 Barakhamba Road, Connaught Place, New Delhi 110 001	(11) 2332 4401 / 2335 3835 / 981	(11) 2332 4621
Pune	Naresh / Gayathri Oak (Ms)	Karvy Computershare Pvt Ltd. Office No 6, 3rd floor, Rachna Trade Estate, Law College Road, SMDT Circle, CTS No.105, Erandwane, Pune 411 004	(20) 404 8790 (5 lines)	(20) 2545 6842
Rajkot	Amit Mehta	Karvy Computershare Pvt Ltd. 204, Star Chambers, Harihar Chowk, Dr. Rajendra Prasad Road, Rajkot 360 001	(281) 2239 403 / 4 / 2239 338 / 2294 316	N/A
Vadodara	Hiren Kaka	Karvy Computershare Pvt Ltd. 31-34, Payal Complex, Near Vadodara Stock Exchange, Opp. Vakal Seva Kendra, Sayajigunj, Vadodara 390 005	(265) 2225 168 / 169 / 2361 514	(265) 2363 207

- 7.14 Applicants who cannot hand deliver their documents at the collection centres referred to above, may send the same by Registered Post, at their own risk and cost, to the Registrar to the Offer at its address given below:

Karvy Computershare Pvt Limited
46, Avenue 4, Street No1, Banjara Hills, Hyderabad 500 034, India
Tel: +91 40 2343 1545 / 2331 2454, Fax: +91 40 2343 1551
Contact Person: Murali Krishna
E-mail: swc_offer@karvy.com

- 7.15 The payment of consideration will be made by the Acquirers in cash through crossed account payee cheque, demand draft or pay order sent by Registered Post for amounts exceeding Rs1,500 and UCP otherwise to those shareholders / unregistered owners, which would be dispatched to the shareholders / unregistered owners at their own risk, whose shares / share certificates and other documents are found in order and accepted by the Acquirers. In case of joint registered holders, cheques / demand drafts / pay orders will be drawn in the name of the sole / first named holder / unregistered owner and will be sent to him / her. **It is desirable that shareholders provide bank details in the Form of Acceptance-cum-Acknowledgement, so that the same can be incorporated in the cheque / demand draft / pay order.**
- 7.16 In case the Shares tendered in the Offer are more than the shares to be acquired under the Offer, the acquisition of Shares from each shareholder will be in accordance with Regulation 21(6) of the Regulations, on a proportionate basis.
- 7.17 Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by Registered Post at the shareholders' / unregistered owners' sole risk to the sole / first named shareholder / unregistered owner. Except that, in case the share certificates tendered have to be split, the Acquirers will arrange to split the share certificates and send the balance share certificates (for Shares not accepted in the Offer) by

Registered Post at the shareholders' / unregistered owners' sole risk to the sole / first named shareholder / unregistered owner. Unaccepted Shares held in dematerialised form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement or otherwise.

- 7.18 The Registrar to the Offer will hold in trust the Share(s) / share certificate(s), shares lying in credit of the special depository account, Form of Acceptance-cum-Acknowledgement and the transfer deed(s), if any, on behalf of the shareholders / unregistered owner(s) of SWC who have accepted the Offer, till the Acquirers and/or the PACs complete the Offer obligations in terms of the Regulations latest by May 20, 2005. Upon completion of the above, the Registrar to the Offer will debit the special depository account to the extent of Shares accepted by the Acquirers and give instruction to credit the beneficial account of the Acquirers.
- 7.19 The Acquirers and/or the PACs shall complete all procedures relating to the Offer latest by May 20, 2005. In case of delay in receipt of statutory approvals, SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the shareholders, subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the Regulations. Further, if the delay occurs on account of wilful default by the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the Regulations will also become applicable.
- 7.20 In terms of Regulation 22(5A) of the Regulations, shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the closure of the Offer, i.e. by May 3, 2005. The withdrawal option can be exercised by submitting the Form of Withdrawal as per the instructions below, so as to reach the Registrar to the Offer at 46, Avenue 4, Street No1, Banjara Hills, Hyderabad 500 034, India; Tel: +91 40 2343 1545 / 2331 2454, Fax: +91 40 2343 1551 either by hand delivery on all days (excluding Sundays and public holidays): Mondays to Fridays - 10.00 a.m. to 4.00 p.m.; Saturdays 10.00 a.m. to 1.00 p.m. or by Registered Post, on or before May 3, 2005.

The withdrawal option can be exercised by submitting the Form of Withdrawal along with the copy of acknowledgement slip issued at the time of submission of the Form of Acceptance cum Acknowledgement. In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:

- In case of physical shares: name, address, distinctive numbers, folio number, share certificate number, number of shares tendered, date of tendering the shares;
- In case of dematerialised shares: name, address, number of shares tendered, DP name, DP ID, date of tendering the shares, beneficiary account number and a photocopy of the delivery instructions in "off-market" mode or counterfoil of the delivery instruction in "off-market" mode, duly acknowledged by the DP, in favour of **"ESCROW A/C SWC OPEN OFFER"**.

8. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection at the office of the Manager to the Offer, ICICI Securities Limited, ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, from 10.30 a.m. to 1.00 p.m. on any working day, except Saturdays, Sundays and holidays, until the closure of the Offer:

- a) Certificate of Incorporation, Memorandum of Association and Articles of Association of McDowell, Phipson, United Spirits, UBHL and Zelinka.
- b) Certificate dated March 21, 2005 from M/s Vishnu Ram & Co., Chartered Accountants, certifying that the Acquirers have adequate resources to meet the financial obligations relating to the Offer
- c) Certificate of Incorporation, Memorandum of Association and Articles of Association of SWC
- d) Audited annual reports of McDowell, Phipson and UBHL for the financial years ended March 31, 2002, 2003 and 2004
- e) Un-audited results of McDowell, Phipson and UBHL for the nine months ended December 31, 2004
- f) Audited annual reports of SWC for the financial years ended March 31, 2002, 2003 and 2004
- g) Copy of Public Announcement published on February 23, 2005 and the Corrigendum Announcement published on March 22, 2005 and Revised Public Announcement published on April 16, 2005.
- h) Copy of the letter no. CFD/DCR/RC/TO/38392/05 from SEBI dated April 13, 2005 in terms of proviso to Regulation 18(2) of the Regulations
- i) Letter dated February 22, 2005 and dated March 21, 2005 from ICICI Bank confirming the amount placed in fixed deposit receipt, towards the proposed Offer, with a lien in favour of ICICI Securities Limited, Manager to the Offer

- j) Details of the approved securities, such as name, quantity, face value, paid up value, market price on the date of creation of the escrow
- k) Copy of agreement with Depository Participant for opening a special depository account for the purpose of the Offer
- l) Copy of Board Resolutions/letters from the Acquirers & PACs authorising the Offer
- m) Purchase Agreement dated March 21, 2005 between the Acquirers and Zelinka and the Promoter Group of SWC

9. DECLARATION BY THE ACQUIRERS AND THE PACS

The Acquirers, the PACs and the Boards of Directors of the Acquirers and PACs respectively accept full responsibility for the information contained in this Letter of Offer and Form of Acceptance-cum-Acknowledgement and Form of Withdrawal. The Acquirers including Persons Acting in Concert shall be jointly and severally responsible for ensuring compliance with the Regulations. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise. Mr. V. S. Venkataraman, Mr. A. Harish Bhat, Mr. S. N. Prasad and Mr. P. Subramani and Arvindakshan Variath have been severally authorised by the boards of directors of McDowell, Phipson, United Spirits, UBHL and Zelinka respectively to be the authorised signatories to the Letter of Offer.

For and on behalf of the Acquirers and the PACs

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Authorised Signatory	Authorised Signatory	Authorised Signatory	Authorised Signatory	Authorised Signatory
McDowell	Phipson	United Spirits	UBHL	Zelinka

Place: Bangalore

Date : April 16, 2005

Attached:

1. Form of Acceptance-cum-Acknowledgement
2. Form of Withdrawal
3. Share Transfer Deed (for physical shares)