

- **Eligibility Criteria**

Query: Eligibility Criteria (clause 3.3.1, Page 12) under Pre-qualification Process: The 'Minimum Total Net worth Criteria' covers net worth of the Bidding Company "and its Affiliates". However, the other 'Minimum Asset' under management criteria, does not provide for the words "and its Affiliates", and we request inclusion of the same. This will ensure that bidder seeking pre-qualification whether be it on net worth or on asset under management, are able to club Affiliates for qualifying, and hence providing the same level playing field for both, which currently is not the case.

**Response: Bidding Company or Bidding Consortium (being financial investors), as the case may be, submitting their EOI on the basis of "total asset under management" criteria can qualify on the basis of the "total asset under management" of their Affiliates (being financial investors), subject to complying with all the terms and conditions of EOI. Process letter has been amended accordingly to reflect the same. Further, in relation to the evaluation of the "total asset under management", a certificate of "asset under management" along with a detailed computation as at March 31, 2013 or for the financial year ended not earlier than December 31, 2012 from a recognised accounting firm of international repute should be submitted. This should be supported by the audited financial statements on whose basis the computation of "asset under management" has been done. Please refer to the revised process letter.**

Query: Eligibility as an Affiliate: Both Co 1 and Co 2 are controlled and owned fully by the same Parent entity through different entities in the middle. We would like to confirm that this structure meets the definition criterion of an "Affiliate" as specified in the Process Letter in your opinion as well. We are using Co. 2 as an Affiliate in order to meet the Net Worth eligibility criterion.

**Response: This would qualify as affiliate through common control under the definition of Affiliate in the Process Letter.**

○ **Document Requirement for the bid**

Query: Power of Attorney (Page 27): Under the Process Letter, a POA is required to be given to an Indian national who is employed with the Bidding Company. If, the Bidding Company, is a foreign domiciled and registered company, none of its directors or employees are an Indian national. Further, to give a POA to Indian national would on certain decisions would bring certain tax related issues. We have therefore provided a board resolution (in a similar format as POA) which will authorize one of the Director of the Bidding Company (Foreign citizens) and an Indian National, (Director of Indian entity) to between them do all acts similar to that required from a POA. If this is acceptable

**Response: Board Resolution in favour of an Indian National (whether sole authority or jointly with Director of the bidder) is also acceptable. The draft of the board resolution is provided in the revised process letter. Please refer to the revised process letter. The extract of the resolution should be issued by a Director and consularized (or apostilled in case of Hague convention country).**

Query: Format of Confidentiality Agreement: Changes suggested in the Confidentiality Agreement.

**Response: Suggested changes are not acceptable. However, please refer to the Process Letter for other changes introduced in the draft of the Confidentiality Agreement.**

Query: Format of Letter of Commitment from Affiliate: Is any deviation permitted

Response: No changes in the prescribed format is acceptable

Query: For the documents for which a format is not provided (eg. Section 2a, 4a, 4c, 5a, 5c referred on Page 20),

**Response: documents/information for which no format is prescribed can be submitted in any appropriate format on the letter head of the relevant bidder/entity.**

Query: Section 3a (Page 20) - Refers to Consideration for Pre-qualification. Kindly clarify what information is expected to be mentioned by the Bidding company in this section.

**Response: Please refer to the revised Section 3a. Consideration for Pre-qualification refers to the documents in support of the eligibility criteria**

Query: No template has been specified for the document to be submitted as part of the Expression of Interest that contains the Indicative Business Value. Can we use our own template for this purpose and would you have any guidelines on what may or may not be included in this document?

**Response: Indicative business value may be provided on Company's Letter head. Please refer to the revised Process Letter for the format in which the indicative business value is required to be submitted.**

○ **Transaction contours**

Query: Final Deal Structure to Exclude Employees and Any Liabilities like Govt. Dues: As per the Process Letter a "Division" shall mean (i) any of the manufacturing facilities and related offices of the Company located at Morena, Ratlam, Guna, Kota and

Haldia, and (ii) the Brands of the Company. As we submit our Expression of Interest for the manufacturing facilities of interest to us, we would like to clarify that as part of the final deal structure, we can get the assets only and would not be liable to compulsorily takeover:

- Any employees who are currently or in the past have been part of the teams working at these facilities, or

**Response: These would be further detailed in the Final Selection Notice/second stage after approval from the Monitoring Committee**

- Any liabilities like dues payable to the government, trade creditors etc.,

**Response: For the purpose of the EOI please assume that no residual current asset or current liability will be transferred along with each of the Division. These would be further detailed in the Final Selection Notice/second stage after approval from the Monitoring Committee**

Query: Further please confirm are there any outstanding obligation, under any laws, to which the owner of these assets must comply or any benefits which have been availed subject to any performance obligations which are yet to be fulfilled and/or any open/outstanding encumbrances (other than those to the “lenders”) and litigation to which these assets are subject to.

**Response: For the purpose of the EOI please assume that no outstanding and recorded obligations shall be transferred. Further details, if any, would be provided in the next phase .**

Query: Non-Binding Nature of Indicative Business Value: The Process Letter states (Section 2.1.4) that “the indicative business value for each Division of interest submitted in the EOI will not form part of the Eligibility Criteria. The bid price submitted as part of

Final Proposal will form the basis for selection of Successful Bidder.” But Section 4.5.2 also states that “the said indicative business value would need to be paid out in full to the Company on closure of the transaction.” We would thus like to clarify that:

- The “Indicative Business Value” submitted as part of the Expression of Interest would be completely non-binding and shall not constitute an offer capable of acceptance or a commitment on our part to submit a definitive proposal at any time. For the avoidance of any doubt we want to ensure that the Expression of Interest shall not constitute any legally binding commitment on either party to consummate the transaction. Kindly confirm that this is acceptable to the Lenders.

**Response: Expression of Interest shall not constitute any legally binding commitment on either party to consummate the transaction**

- We also want to retain the right to revise these indicative figures basis the detailed information about the assets that will be shared with the Pre-Qualified Bidders in the Second Stage of the Bid Process as per the Process Letter and have the right to, at Bidder’s sole discretion and without giving reasons, withdraw from evaluation of the transaction at any stage. Kindly confirm that this is acceptable.

**Response: The indicative figures are non-binding. The binding proposals shall be required to be submitted by the pre-qualified bidders participating in the second stage.**

- Would we have the right to change the number (go higher or lower) and the exact specific Divisions that are of interest to us in the Second Stage vis-à-vis what we indicate in the

First Stage Expression of Interest? This could be necessary due to our improved understanding of the Divisions basis information shared in the Second Stage.

**Response: Please see the response above.**

○ **Subsequent Process**

○ Due Diligence Requirements:

- Bidder expects to conduct diligence typically associated with the sale/acquisition of such business including a review of historical financials and projections (including capital expenditures), sales and marketing information, supplier, customer and supply chain contracts and information, alliance arrangements and contracts, product development and other technology capabilities, food safety and regulatory compliance and capabilities, intellectual property and information, people resources, human resource records, plant facilities and operation (including energy costs), information technology and management systems, debt and property documents and other legal and tax documents, environmental, litigation, claims and legal/FCPA compliances. We would like to clarify and get an assurance that we would be allowed to perform these above mentioned reviews as part of the Second Stage (and have sufficient time to do so) before we submit the Final Proposal?

**Response: It is clarified that the proposed transaction envisages the sale of manufacturing facilities and related offices and/or the Brands. The transaction does not envisage the sale of shares of the Company. Hence, the details relevant to the sale of the same would be available for due-diligence.**

○ Final Selection Notice:

- As per definition given in the Process Letter, the “Final Selection Notice” is the notice to be issued to the Pre-Qualified Bidders, seeking their Final Proposals. Section 5 (as per the

amended version in the Addendum to the Process Letter) states that this Final Selection Notice shall be issued on 4th December, 2013. Is it correct to understand that:

- This Final Selection Notice shall be issued to all Pre-Qualified Bidders announced on 25th November, 2013?
- The Second Stage of this process will begin on 4th December, 2013 after which Pre-Qualified bidders will be allowed sufficient time to access more information about the Divisions of interest and perform the necessary due diligence?

**Response: Yes, Final Selection Notice will be issued to all Pre Qualified Bidders and Pre-Qualified bidders will be allowed sufficient time to access more information about the Divisions of interest and perform the necessary due diligence in the second stage.**

- Duration & Schedule of Second Stage:
  - The Process Letter states in Section 2 that the process to be followed for the second stage, i.e. Selection of Successful Bidder, shall be specified in writing (“Final Selection Notice”) to the Pre-Qualified Bidders after the completion of the first stage and before the commencement of the second stage. Would it be possible for you to kindly share the estimated duration and probable schedule of the Second Stage now in order to help us prepare and be ready in time to submit our Final Proposal? As you can understand we would need to prepare our advisers to visit the Company’s assets and also secure internal approvals board of directors, shareholders and other internal stakeholders and maybe secure clearances from competition law and anti-trust authorities as applicable. Being aware of Second Stage estimated duration and schedule would help us prepare now and act faster later.

**Response: It is currently being discussed and we shall communicate the same to all bidders, once internal**

**approvals are in place for the same.**

- Difference between Diverted and Non Diverted Land:
  - Among key parameters disclosed for the manufacturing facilities as part of Information Memorandum, there is a distinction between “diverted land” and “non-diverted land”. Could you kindly elaborate on the difference between the two types of land?

**Response: As per the information available, diverted and non-diverted Land are used with reference to Industrial, Residential and Agricultural land. Pre-qualified bidders shall be allowed to undertake their due-diligence in the second stage**