

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a registered Equity Shareholder of **Bayer CropScience Limited** (the "Company") as on the Record Date in accordance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended. If you require any clarifications about the action to be taken, you should consult your stockbroker or investment consultant or the Manager to the Buyback Offer (Ambit Capital Private Limited) or to the Registrar to the Buyback Offer (TSR Darashaw Ltd.). Please refer to the section on 'Definitions' for the definition of the capitalized terms used herein.

Bayer CropScience Limited

Registered Office: Bayer House, Central Avenue, Hiranandani Estate, Thane (West) – 400 607, Maharashtra

(Tel: +91 22 2531 1234; Fax: +91 22 2545 5063; Email: ir_bcsl@bayer.com)

Contact Person: Mr. Rajiv Wani, Head- Law, Patents & Compliance & Company Secretary
(Tel: +91 22 2531 1234; Fax: +91 22 2545 5063; Email: ir_bcsl@bayer.com)



CASH OFFER TO BUYBACK NOT EXCEEDING 10,20,408 (TEN LAKHS TWENTY THOUSAND FOUR HUNDRED AND EIGHT ONLY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE ₹ 10 EACH, REPRESENTING 2.89% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, FROM ALL THE EXISTING SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE I.E. AUGUST 8, 2017, ON A PROPORTIONATE BASIS, THROUGH THE "TENDER OFFER" ROUTE AT A PRICE OF ₹ 4,900 (RUPEES FOUR THOUSAND NINE HUNDRED ONLY) PER EQUITY SHARE FOR AN AGGREGATE AMOUNT OF ₹ 499,99,99,200 (RUPEES FOUR HUNDRED NINETY NINE CRORES NINETY NINE LAKHS NINETY NINE THOUSAND AND TWO HUNDRED ONLY)

- 1) The Buyback is in accordance with Article 23 of the Articles of Association of the Company and subject to the provisions of Section 68 and all other applicable provisions, if any, of the Companies Act, 2013 and in compliance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 including any amendments, statutory modifications or re-enactments thereof, for the time being in force and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to Securities and Exchange Board of India, BSE Limited, Reserve Bank of India etc.
- 2) The Buyback Offer Size is 24.36% of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2017 and is within the statutory limits of 25% of the fully paid-up equity share capital and free reserves as per the last audited accounts of the Company.
- 3) This Letter of Offer is sent to the Equity Shareholder(s) / Beneficial Owner(s) of Equity Shares of the Company as on the Record Date i.e. Tuesday, August 8, 2017.
- 4) The procedure for tender and settlement is set out in paragraph 20 of this Letter of Offer. The Form of Acceptance-cum-Acknowledgement ("**Tender Form**") is enclosed together with this Letter of Offer.
- 5) For mode of payment of consideration to the Equity Shareholders, please refer to paragraph 20.23 of Letter of Offer.
- 6) A copy of the Public Announcement and this Letter of Offer (including Tender Form) is available on the website of Securities and Exchange Board of India - <http://www.sebi.gov.in>.
- 7) Equity Shareholders are advised to refer to paragraph 17 (Details of Statutory Approvals) and paragraph 21 (Note on Taxation) before tendering their Equity Shares in the Buyback.

BUYBACK OPENS ON: MONDAY, SEPTEMBER 04, 2017

BUYBACK CLOSES ON: FRIDAY, SEPTEMBER 15, 2017

LAST DATE OF RECEIPT OF COMPLETED TENDER FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR TO THE BUYBACK OFFER: TUESDAY, SEPTEMBER 19, 2017

All future correspondence in relation to the Buyback, if any, should be addressed to Manager to the Buyback Offer or Registrar to the Buyback Offer at the respective addresses mentioned below:

MANAGER TO THE BUYBACK OFFER



Ambit Capital Private Limited

Ambit House, 449, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013

Tel: +91 22 39821819; Fax: +91 22 39823020

Email: bayerbuyback2017@ambit.co

SEBI Registration No.: INM000012379

Website: www.ambit.co

Contact Person: Mr. Praveen Kumar Sangal

REGISTRAR TO THE BUYBACK OFFER



TSR Darashaw Ltd

6-10 Haji Moosa Patrawala Ind. Estate,
20, Dr. E. Moses Road, Near Famous Studio,
Mahalaxmi, Mumbai – 400011

Tel: +91 22 66568484; Fax: +91 22 66568494;

Email: Bayerbuyback2017@tsrdarashaw.com

SEBI Registration No.: INR000004009

Contact Person: Ms Mary George

TABLE OF CONTENTS

1	SCHEDULE OF THE ACTIVITIES OF THE OFFER.....	3
2	DEFINITIONS.....	4
3	DISCLAIMER CLAUSE	6
4	TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING.....	7
5	DETAILS OF PUBLIC ANNOUNCEMENT.....	10
6	DETAILS OF THE BUYBACK	10
7	AUTHORITY FOR THE BUYBACK.....	11
8	NECESSITY OF THE BUYBACK.....	11
9	MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUYBACK ON THE COMPANY.....	12
10	BASIS OF CALCULATING BUYBACK PRICE	15
11	SOURCES OF FUNDS FOR THE BUYBACK	15
12	DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN.....	15
13	CAPITAL STRUCTURE AND SHAREHOLDING PATTERN	16
14	BRIEF INFORMATION ABOUT THE COMPANY.....	17
15	FINANCIAL INFORMATION ABOUT THE COMPANY.....	20
16	STOCK MARKET DATA.....	21
17	DETAILS OF STATUTORY APPROVALS.....	22
18	DETAILS OF THE COLLECTION CENTRES.....	23
19	PROCESS AND METHODOLOGY FOR THE BUYBACK.....	24
20	PROCEDURE FOR TENDER OFFER AND SETTLEMENT	27
21	NOTE ON TAXATION	34
22	DECLARATION BY THE BOARD OF DIRECTORS.....	37
23	AUDITORS CERTIFICATE	38
24	DOCUMENTS FOR INSPECTION.....	41
25	COMPLIANCE OFFICER	42
26	DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS / BENEFICIAL OWNERS	42
27	INVESTOR SERVICE CENTRE.....	42
28	MANAGER TO THE BUYBACK OFFER.....	42
29	DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE OFFER DOCUMENT	43

1 SCHEDULE OF THE ACTIVITIES OF THE OFFER

Activity	Date	Day
Date of Board Meeting approving the proposal of the Buyback Offer	June 06, 2017	Tuesday
Date of declaration of results of postal ballot for special resolution by the Equity Shareholders of the Company, approving the Buyback Offer	July 21, 2017	Friday
Date of Public Announcement for the Buyback Offer	July 25, 2017	Tuesday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	August 08, 2017	Tuesday
Date of Opening of the Buyback Offer	September 04, 2017	Monday
Date of Closing of the Buyback Offer	September 15, 2017	Friday
Last date of receipt of completed Tender Forms and other specified documents including physical share certificates by the Registrar to the Buyback Offer	September 19, 2017	Tuesday
Last date of verification by Registrar to the Buyback Offer	September 25, 2017	Monday
Last date of providing Acceptance to the Stock Exchange by the Registrar to the Buyback Offer	September 25, 2017	Monday
Last date of settlement of bids on the Stock Exchange	September 26, 2017	Tuesday
Last date of dispatch of share certificate(s) by RTA / return of un-accepted demat shares by Stock Exchange to Selling Member/ Eligible Shareholders	September 26, 2017	Tuesday
Last date of extinguishment of Equity Shares	October 03, 2017	Tuesday

Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates.

2 DEFINITIONS

Acceptance	Acceptance of Equity Shares, tendered by Eligible Shareholder(s) in the Buyback Offer
Additional Shares / Additional Equity Shares	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Equity Shareholder upto the Eligible Equity Shares
AOP	Association of Persons
Bayer / Company	Bayer CropScience Limited
BSE / Designated Stock Exchange	BSE Limited
Board Meeting	Meeting of the Board of Directors held on June 06, 2017 approving the proposal for the Buyback Offer
Board of Directors	Board of directors of the Company
BOI	Body of Individuals
Buyback Committee	Buyback Committee comprising of Mr. Richard van der Merwe, Vice Chairman and Managing Director & Chief Executive Officer, Mr. Ulrich Stefer, Executive Director & Chief Financial Officer, Mr. Rajiv Wani, Head – Law, Patents and Compliance and Company Secretary and Mrs. Manorama Chivukula, Country Group Finance Head – South Asia, constituted and authorized for the purposes of the Buyback Offer vide resolution dated June 06, 2017 of the Board of Directors
Buyback Entitlement	The number of Equity Shares that an Equity Shareholder is entitled to tender in the Buyback Offer, based on the number of Equity Shares held by that Equity Shareholder on the Record Date and the ratio of Buyback applicable in the category to which such Equity Shareholder belongs
Buyback Offer / Buyback / Offer	Offer by Bayer CropScience Limited to buyback not exceeding 10,20,408 fully paid-up equity shares of face value ₹ 10 each from all the existing shareholders / beneficial owners of Equity Shares of the Company, on a proportionate basis, through the Tender Offer route at a price of ₹ 4,900 per equity share
Buyback Regulations	Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 as amended from time to time
CDSL	Central Depository Services (India) Limited
Closing Date	Friday, September 15, 2017
Companies Act	The Companies Act, 2013, as amended
Depositories	Collectively, National Securities Depository Limited and Central Depository Services (India) Limited
DIN	Director Identification Number
DTAA	Double Taxation Avoidance Agreement
DIS	Delivery Instruction Slip
DP	Depository Participant
Eligible Equity Shares	Eligible Equity Shares means the lower of: 1. Total number of Equity Shares held by an Equity Shareholder as on the Record Date; or 2. Total number of Equity Shares tendered by an Eligible Shareholder
Equity Shares / Shares	Fully paid-up equity shares of face value of ₹ 10 each of the Company
Equity Shareholder / Shareholder	Holders of the Equity Shares of the Company
Eligible Shareholder(s)	Person(s) eligible to participate in the Buyback Offer and would mean all equity shareholders / beneficial owner(s) of Equity Shares of the Company as on Record Date i.e. August 8, 2017
Escrow Agent	Deutsche Bank AG, Mumbai Branch
Escrow Agreement	The escrow agreement dated July 31, 2017 entered into between the Company, Deutsche Bank and Ambit
Escrow Account	The escrow account opened with Deutsche Bank AG, Mumbai Branch in terms of the Escrow Agreement
FEMA	Foreign Exchange Management Act, 1999, as amended

FII(s)	Foreign Institutional Investor(s)
FPI(s)	Foreign Portfolio Investor(s)
Form / Tender Form	Form of Acceptance-cum-Acknowledgement
FY	Financial Year
HUF	Hindu Undivided Family
Income Tax Act	Income-tax Act, 1961, as amended
Letter of Offer / Offer Document	This Letter of Offer
Ltd.	Limited
Manager / Manager to the Buyback Offer / Ambit	Ambit Capital Private Limited
Non-Resident Shareholders	Includes Non-Resident persons and bodies corporate, Non-Resident Indians (NRI), FII(s) and erstwhile OCBs
NRI	Non Resident Indian being citizens of India or persons of Indian origin (as defined under section 115C of the Income Tax Act)
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
Offer Period / Tendering Period	Period of ten working days from the date of opening of the Buyback Offer till its closure (both days inclusive)
Offer Price / Buyback Offer Price	Price at which Equity Shares will be bought back from the Equity Shareholders i.e. ₹ 4,900 (Rupees Four Thousand Nine Hundred only) per Equity Share, payable in cash
Offer Size / Buyback Offer Size	Maximum number of Equity Shares proposed to be bought back (i.e. 10,20,408 Equity Shares of face value of ₹ 10 each) multiplied by the Buyback Offer Price (i.e. ₹ 4,900 per Equity Share) aggregating to ₹ 499,99,99,200 (Rupees Four Hundred Ninety Nine Crores Ninety Nine Lakhs Ninety Nine Thousand and Two Hundred Only)
Opening Date	Monday, September 04, 2017
Persons in Control	Promoters, Promoter Group, the Directors of the Promoter and Persons Acting in concert, including such persons as have been disclosed under the filings made by the Company from time to time under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Public Announcement / PA	Announcement of the Buyback dated July 25, 2017, which was published on July 25, 2017
PAN	Permanent Account Number
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the entitlement and the names of the Equity Shareholders, to whom this Letter of Offer will be sent and who are eligible to participate in the Buyback Offer in accordance with Buyback Regulations. This date shall be August 8, 2017
Registrar to the Buyback Offer	TSR Darashaw Limited
SEBI	Securities and Exchange Board of India
Seller Member / Seller Broker	A Stock broker (who is a member of the BSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buyback
Small Shareholder	An Equity Shareholder, who holds Equity Shares of market value not more than two lacs rupees, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date i.e. August 8, 2017
Tender Offer	Method of buyback as defined in Regulation 2(1)(o) of the Buyback Regulations
TRS	Transaction Registration Slip

3 DISCLAIMER CLAUSE

As required, a copy of this Letter of Offer has been submitted to Securities and Exchange Board of India (SEBI). It is to be distinctly understood that submission of the Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI, does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in the Offer Document. The Manager to the Buyback Offer, M/s. Ambit Capital Private Limited has certified that the disclosures made in the Offer Document are generally adequate and are in conformity with the provisions of Companies Act and Buyback Regulations. This requirement is to facilitate investors to take an informed decision for tendering their Equity Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the Offer Document, the Manager to the Buyback Offer is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback Offer, M/s. Ambit Capital Private Limited has furnished to SEBI a due diligence certificate dated August 1, 2017 in accordance with Buyback Regulations which reads as follows:

“We have examined various documents and materials contained in the annexure to this letter, as part of the due-diligence carried out by us in connection with the finalization of the Public Announcement and the Draft Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- *The Public Announcement and the Draft Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback Offer;*
- *All the legal requirements connected with the said Buyback Offer including Buyback Regulations, have been duly complied with;*
- *The disclosures in the Public Announcement and the Draft Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the company to make a well informed decision in respect of the captioned Buyback Offer;*
- *Funds used for Buyback shall be as per the provisions of the Companies Act, 2013, as amended.”*

The filing of Offer Document with SEBI, does not, however, absolve the Company from any liabilities under the provisions of the Companies Act as amended or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

The promoters of the Company / Directors declare and confirm that no information / material likely to have a bearing on the decision of investors has been suppressed / withheld and / or incorporated in the manner that would amount to mis-statement / misrepresentation and in the event of it transpiring at any point of time that any information / material has been suppressed / withheld and / or amounts to a mis-statement / misrepresentation, the promoters of the Company / Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buyback Regulations.

The promoters of the Company / Directors also declare and confirm that funds borrowed from Banks and Financial Institutions will not be used for the Buyback.

Disclaimer for U.S. Persons

The information contained in this Letter of Offer is exclusively intended for persons who are not U.S. Persons, as such term is defined in Regulation S of the U.S. Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

Disclaimer for Persons in other foreign countries

This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

4 TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on June 06, 2017. The extracts of the Board resolution are as follows:

“RESOLVED THAT pursuant to the provisions of Article 23 of the Articles of Association of the Company and the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the **“Companies Act”**), the Companies (Share Capital and Debentures) Rules, 2014 (the **“Share Capital Rules”**) to the extent applicable, and in compliance with Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended (the **“Buyback Regulations”**), including any amendments, statutory modifications or re-enactments, for the time being in force and, subject to the approval of members by postal ballot and further, subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the **“Board”**, which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby approves the buyback by the Company of its fully paid-up equity shares of Rs 10/- each not exceeding 1,020,408 equity shares (representing 2.89 % of the total number of shares in the paid up share capital of the Company) at a price of Rs. 4,900 per equity share (Rupees Four Thousand Nine Hundred only) (**“Buyback Offer Price”**) payable in cash for an aggregate amount of Rs. 499,99,99,200 (Rupees Four Hundred Ninety Nine Crores Ninety Nine Lakhs Ninety Nine Thousand and Two Hundred only) (**“Buyback Offer Size”**) which is approximately 24.36% of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the Financial Year ended March 31, 2017 from the shareholders of the Company on a proportionate basis through the **“Tender offer”** route as prescribed under the Buyback Regulations (**“Buyback”**);

RESOLVED FURTHER THAT the Company, to the extent legally permissible, implement the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and BSE notice no. 20170202-34 dated February 2, 2017 in terms of Regulation 9(3A) of the Buyback Regulations and the Company shall approach the stock exchange(s), as may be required, for facilitating the same.

RESOLVED FURTHER THAT as required under regulation 6 of the Buyback Regulations, the Company may buyback equity shares from the existing shareholders as on record date, on a proportionate basis, provided that fifteen percent of the number of equity shares which the Company proposes to buyback or number of equity shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders as defined in the Buyback Regulations.

RESOLVED FURTHER THAT the proposed Buyback be implemented from the existing shareholders as on record date in a manner the Board may consider appropriate, from out of its free reserves, and/or share premium account and/or cash balances and/ or internal accruals and/or such other sources or by such mechanisms as may be permitted by law and on such terms and conditions as the board may decide from time to time in the absolute discretion of the Board as it may deem fit.

RESOLVED FURTHER THAT the approval of the shareholders by Postal Ballot be sought and the Buyback Committee be and is hereby authorized to finalize the Notice for the Postal Ballot, the accompanying Explanatory Statement and carry out all incidental activities in connection with the obtaining approval of shareholders by a Special Resolution.

RESOLVED FURTHER THAT the Company shall not buyback the locked-in shares or other specified securities and non-transferable shares or other specified securities till the pendency of the lock-in or till the shares or other specified securities become transferable.

RESOLVED FURTHER THAT the Buyback from non-resident shareholders, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) and shareholders of foreign nationality, if any, etc. shall be subject to such approvals if, and to the extent necessary or required including approvals from the Reserve Bank of India under the applicable Foreign Exchange Management Act, 1999 and the rules, regulations framed there under, if any.

RESOLVED FURTHER THAT Mr. Rajiv Wani, Head – Law Patents and Compliance and Company Secretary be and is hereby appointed as the Compliance Officer for the Buyback.

RESOLVED FURTHER THAT the draft of the Declaration of Solvency prepared in the prescribed form, placed before the meeting be and is hereby approved and Mr. Richard van der Merwe, Vice Chairman and Managing Director & Chief Executive Officer and Mr. Ulrich Stefer, Executive Director & Chief Financial officer be and are hereby authorized to sign the same, for and on behalf of the Board and file the same with the Registrar of Companies and the Securities and Exchange Board of India.

RESOLVED FURTHER THAT the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

- a) that immediately following the date of this Board Meeting and the date on which the results of the Postal Ballot will be declared, there will be no grounds on which the Company could be found unable to pay its debts;
- b) that as regards the Company's prospects for the year immediately following the date of this Board Meeting as well as for the year immediately following the date on which the results of the Postal Ballot will be declared approving the Buyback, and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board Meeting or within a period of one year from the date on which the results of the Postal Ballot will be declared, as the case may be;
- c) that in forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company was being wound up under the provisions of the Companies Act.

RESOLVED FURTHER THAT the Board hereby confirms that:

- a) All the equity shares for Buyback are fully paid-up;
- b) The Company shall not issue and allot any equity shares including by way of bonus or convert any outstanding ESOPs/outstanding instruments into Equity Shares, till the date of closure of this Buyback;
- c) The Company shall not raise further capital for a period of one year from the closure of the Buyback, except in discharge of subsisting obligations;
- d) The Company, as per provisions of Section 68(8) of the Companies Act, shall not make further issue of the same kind of shares or other specified securities within a period of six months after the completion of the Buyback except by way of bonus shares or equity shares issued to discharge subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares;
- e) The Company shall not buyback its shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- f) There are no defaults subsisting in the repayment of Deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of term loans or interest payable thereon to any financial institutions or banks.
- g) The Company shall not utilize any money borrowed from Banks and Financial Institutions for the purpose of buying back its equity shares;
- h) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date;
- i) The aggregate amount of the Buyback i.e. Rs. 499,99,99,200 (Rupees Four Hundred Ninety Nine Crores Ninety Nine Lakhs Ninety Nine Thousand and Two Hundred only) does not exceed 25% of the total paid-up equity capital and free reserves of the Company as on March 31, 2017;
- j) The maximum number of shares proposed to be purchased under the Buyback i.e. 10,20,408 equity shares, does not exceed 25% of the total number of shares in the paid-up equity capital as per the audited balance sheet as on March 31, 2017;
- k) The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves after the Buyback.

RESOLVED FURTHER THAT a Committee (Buyback of Shares) ("**Buyback Committee**") comprising of Mr. Richard van der Merwe, Vice Chairman and Managing Director & Chief Executive Officer; Mr. Ulrich Stefer, Executive Director & Chief Financial Officer; Mr. Rajiv Wani, Head – Law, Patents and Compliance and

Company Secretary; and Mrs. Manorama Chivukula, Country Group Head – Finance be and are hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper, as the Buyback Committee may consider to be in the best interests of the shareholders, including but not limited to:

- a) Finalise the terms of the Buyback like record date, entitlement ratio, timeframe for completion of Buyback;
- b) make changes or amendment if any in the draft of notice for the Postal Ballot to be sent to the shareholders;
- c) make any further or subsequent alterations, additions, omissions, variations, amendments or corrections to the notice prior to its circulation, as it, in its absolute discretion deems fit and the making of such alterations, additions, omissions, variations, amendments or corrections will be deemed to have been approved by the Board;
- d) entering into escrow arrangements as required in terms of the Buyback Regulations;
- e) opening, operation and closure of all necessary accounts including bank accounts, depository accounts (including escrow account) for the purpose of payment and authorising persons to operate the said accounts;
- f) the appointment and finalization of the merchant banker, escrow agents, brokers, registrars, lawyers, depository participants, scrutinizer, advertising agencies and other advisors/ consultants/ intermediaries/ agencies, as may be required, for the implementation of the Buyback;
- g) preparing, executing and filing of various documents as may be necessary or desirable in connection with or incidental to the Buyback including the public announcement, the Draft letter of offer / Letter of Offer with the Securities and Exchange Board of India, the stock exchanges and other appropriate authorities;
- h) making all applications to the appropriate authorities for their requisite approvals including approvals as may be required from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder;
- i) dealing with stock exchanges (including their clearing corporations), where the equity shares of the Company are listed, and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and BSE notice no. 20170202-34 dated February 2, 2017 in terms of Regulation 9(3A) of the Buyback Regulations.
- j) obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law;
- k) extinguishment of dematerialized shares and physical destruction of share certificates in respect of the equity shares bought back by the Company and filing of certificates of extinguishment required to be filed in connection with the Buyback on behalf of the Company and/or the Board;
- l) do all such acts, matters and things incidental and in connection with the buyback and sign, execute and deliver such documents as may be necessary or desirable and execution of documents under the Common Seal of the Company as may be required;

RESOLVED FURTHER THAT the Buyback Committee be and is hereby authorised to delegate all or any of the authorities conferred on it to any Director(s) / Officer(s) / Authorised Representative(s) of the Company.

RESOLVED FURTHER THAT the quorum for any meeting of the Buyback Committee for implementing the Buyback shall be any two members and Buyback Committee may regulate its own proceedings and meet as often as required, to discharge its functions;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Buyback Committee be and is hereby authorised to give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buyback;

RESOLVED FURTHER THAT Mr. Richard van der Merwe, Vice Chairman & Managing Director & Chief Executive Officer; Mr. Ulrich Stefer, Executive Director & Chief Financial Officer, and Mr. Rajiv Wani, Head – Law, Patents & Compliance and Company Secretary be and are hereby severally authorised to file necessary e-form with the Registrar of Companies, Maharashtra, Mumbai and to do all such acts, deeds and things as may be necessary to give effect to the above resolution.”

RESOLVED FURTHER THAT the appointment of Ambit Capital Private Limited as Manager to the Buyback be confirmed and approved in terms of their engagement letter dated June 6, 2017.

RESOLVED FURTHER THAT no information / material likely to have a bearing on the decision of investors has been suppressed / withheld and / or incorporated in the manner that would amount to mis-statement / mis-representation and in the event of it transpiring at any point of time that any information / material has been suppressed / withheld and / or amounts to a mis-statement / mis-representation, the Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buyback Regulations.

RESOLVED FURTHER THAT any of the Directors or the Company Secretary of the Company be and are hereby severally authorized to send the necessary intimations to the stock exchange(s) in relation to this resolution, as may be required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on any shareholder to offer and/or any obligation on the Company or the Board or the Buyback Committee to buyback any shares, and/or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such buyback, if so permissible by law.”

5 DETAILS OF PUBLIC ANNOUNCEMENT

The Public Announcement dated July 25, 2017 was made in the following newspapers, in accordance with Regulation 8(1) of the Buyback Regulations, within two working days from the date of passing the special resolution by the Equity Shareholders of the Company approving the Buyback through postal ballot, the result of which was declared on July 21, 2017:

Publication	Language	Editions
The Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Loksatta	Marathi	Mumbai Edition

For compliance with the requirements of Buyback Regulations, the Company will publish further notices or corrigenda in the above 3 newspapers in the editions as mentioned above – i.e. The Financial Express, Jansatta and Loksatta.

In addition to the publications mentioned above, wherein the Public Announcement was published to comply with the statutory requirements under the Buyback Regulations, the Public Announcement was also published in the Financial Express (Gujarati – Ahmedabad Edition), on July 25, 2017.

The Public Announcement is available on the SEBI website at www.sebi.gov.in

6 DETAILS OF THE BUYBACK

Bayer CropScience Limited has announced the Buyback of not exceeding 10,20,408 (Ten Lakhs Twenty Thousand Four Hundred and Eight Only) Equity Shares from all the existing Shareholders / beneficial owners of Equity Shares, on a proportionate basis, through the Tender Offer route at a price of ₹ 4,900 (Rupees Four Thousand Nine Hundred only) per Equity Share payable in cash for an aggregate amount of ₹ 499,99,99,200 (Rupees Four Hundred Ninety Nine Crores Ninety Nine Lakhs Ninety Nine Thousand and Two Hundred Only). The maximum number of Equity Shares proposed to be bought back represents 2.89% of the total number of equity shares in the issued, subscribed and paid-up equity share capital of the Company.

The Buyback is in accordance with Article 23 of the Articles of Association of the Company, Sections 68 and all other applicable provisions, if any, of the Companies Act and Regulation 4(1)(a) and other applicable provisions of the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI and the Stock Exchange where the Equity Shares of the Company are listed.

The Company will adopt the Tender Offer route for the purpose of Buyback. The Buyback shall be implemented by the Company using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, BSE notice no. 20170202-34 dated February 2, 2017 and BSE notice no. 20170210-16 dated February 10, 2017 and following the procedure prescribed in the Companies Act and the Buyback Regulations, and as may be determined by the Board (including committee

authorized by the Board to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

The Buyback Offer Size is 24.36% of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2017 and is within the statutory limit of 25% of the fully paid-up equity share capital and free reserves as per the last audited accounts of the Company. The Buyback Offer Size does not include any expenses incurred or to be incurred for the Buyback like SEBI filing fees, advisors fees, brokerage, securities transaction tax, Public Announcement publication expenses, printing & dispatch expenses and other incidental & related expenses.

The aggregate shareholding of the companies / entities forming part of the Promoter Group and Persons in Control as on the date of the Public Announcement (i.e. July 25, 2017) is as follows:

Sr. No.	Name	Equity Shares held	% of the total paid up equity capital
1	Bayer AG	36,76,380	10.40
2	Bayer SAS	68,10,399	19.26
3	Bayer CropScience AG	55,09,593	15.58
4	Bayer Vapi Private Ltd.	82,48,312	23.33
	Total	2,42,44,684	68.58

In terms of the Buyback Regulations, under the Tender Offer route, the promoters of the Company have the option to participate in the Buyback. In this regard, the promoter entities mentioned above have expressed their intention, vide their individual letters dated June 06, 2017 to participate in the Buyback and offer upto an aggregate maximum of 1,70,16,780 Equity Shares or such lower number of Equity Shares as required in compliance with the Buyback Regulations / terms of the Buyback. For details in regard to the intention of the promoters of the Company to participate in the Buyback and the maximum number of Equity Shares to be tendered, kindly refer to paragraph 9.5 of this Letter of Offer.

Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders upto their entitlement, the aggregate shareholding of the Persons in Control, post Buyback will increase to 68.85% of the post Buyback equity share capital of the Company. Post Buyback, the non-promoter shareholding of the Company will not fall below the minimum level required as per the listing conditions.

7 AUTHORITY FOR THE BUYBACK

The Buyback is in accordance with Article 23 of the Articles of Association of the Company, Sections 68 and all other applicable provisions, if any, of the Companies Act and Regulation 4(1)(a) and other applicable provisions of the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI and the Stock Exchange etc.

On June 06, 2017, the Board of Directors passed a resolution to buyback equity shares of the Company and sought approval of its Shareholders, as a special resolution, through the postal ballot notice dated June 06, 2017. The results of the postal ballot were announced on July 21, 2017, which is the date when the special resolution is deemed to have been passed by the Shareholders. Further, the Buyback Committee has also, at its meetings held on July 10, 2017, July 21, 2017, August 01, 2017 and August 21, 2017 passed various resolutions relating to the Buyback.

8 NECESSITY OF THE BUYBACK

Share buyback is the acquisition by a company of its own equity shares. The objective is to return surplus cash to the members holding Equity Shares of the Company. The Board at its meeting held on June 06, 2017, considered the increase in accumulated free reserves as well as the cash liquidity reflected in the audited accounts for the financial year ending March 31, 2017 and considering these, the Board decided to allocate a sum of ₹ 499,99,99,200 (Rupees Four Hundred Ninety Nine Crores Ninety Nine Lakhs Ninety Nine Thousand and Two Hundred Only) for distributing to the Equity Shareholders through the Buyback.

After considering several factors and benefits to the Equity Shareholders, the Board decided to recommend Buyback of not exceeding 10,20,408 (Ten Lakhs Twenty Thousand Four Hundred and Eight only) Equity Shares (representing 2.89% of the total number of Equity Shares in the paid-up equity share capital of the Company) at a price of ₹ 4,900 (Rupees Four Thousand Nine Hundred only) per equity share for an aggregate

consideration of ₹ 499,99,99,200 (Rupees Four Hundred Ninety Nine Crores Ninety Nine Lakhs Ninety Nine Thousand and Two Hundred only). Buyback is an efficient form of distributing surplus cash to the members holding Equity Shares of the Company, inter-alia, for the following reasons:

- i. The Buyback will help the Company to distribute surplus cash to its Equity Shareholders broadly in proportion to their shareholding, thereby, enhancing the overall return to members;
- ii. The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of 15% of the outlay to Small Shareholders. The Company believes that this reservation of 15% for Small Shareholders would benefit a large number of public Shareholders, who would get classified as "Small Shareholder";
- iii. The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in Shareholders' value;
- iv. The Buyback gives an option to the Equity Shareholders, who can choose to participate and get cash in lieu of Equity Shares accepted under the Buyback Offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback Offer, without additional investment; and
- v. The Buyback Offer price ₹ 4,900 (Rupees Four Thousand Nine Hundred only) per Equity Share represents a premium of 17.81% over the volume weighted average price of the Equity Shares on BSE for 3 months preceding the date of intimation to the BSE for the Board Meeting to consider the proposal of the Buyback and 9.55% over the volume weighted average price of the Equity Shares on BSE for 2 weeks preceding the date of intimation to the BSE for the Board Meeting to consider the proposal of the Buyback.

9 MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUYBACK ON THE COMPANY

- 9.1 The Buyback is not likely to cause any material impact on the profitability / earnings of the Company except a reduction in the investment income, which the Company could have otherwise earned on the amount distributed towards Buyback. Assuming there is full response to the Buyback, the funds deployed by the Company towards the Buyback would be ₹ 499,99,99,200 (Rupees Four Hundred Ninety Nine Crores Ninety Nine Lakhs Ninety Nine Thousand and Two Hundred only). This shall impact the investment income earned by the Company, on account of reduced amount of funds available for investments.
- 9.2 The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.
- 9.3 The promoters of the Company have expressed their intention, vide their individual letters dated June 06, 2017 to participate in the Buyback and offer upto an aggregate maximum of 1,70,16,780 Equity Shares or such lower number of Equity Shares as required in compliance with the Buyback Regulations / terms of the Buyback.
- 9.4 The Buyback of Equity Shares will not result in a change in control or otherwise affect the existing management structure of the Company.
- 9.5 As per the information provided by the promoters vide their individual letters dated June 06, 2017 details of the date and price of acquisition of the equity shares that promoters intend to tender are set-out below:

(i) Bayer AG:

Sr. No.	Date of Acquisition / Disposal	No. of Equity Shares Acquired / (Sold)	Cost of Acquisition (₹ mn)
1	January 6, 1959	450 [^]	0.23
		2,250*	-
2	September 3, 1964	62,500@	6.25
3	September 30, 1964	83,660@	8.37
4	September 20, 1967	19,600@	1.96
5	June 28, 1968	4,335@	0.43
6	December 12, 1972	34,469@	-
7	August 12, 1977	2,06,814@	-

Sr. No.	Date of Acquisition / Disposal	No. of Equity Shares Acquired / (Sold)	Cost of Acquisition (₹ mn)
8	August 18, 1987	4,13,628@	-
9	December 1, 2003	82,72,560#	-
10	September 25, 2012	(19,00,000)&	(3.96)
11	November 29, 2013	(643,402)**	(1.34)
12	April 17, 2014	(18,84,163)&	(3.93)
13	October 26, 2015	(168,615)**	(0.35)
Total Current Holding		3,676,380	7.66

Average Cost = ₹ 2.08 per share (Note 1)

^ Face Value of ₹ 500

* Sub-divided in 2,250 equity shares of ₹ 100 each

@ Face Value of ₹ 100

Sub-divided from Face Value of ₹ 100 to ₹ 10

& Inter-se transfer of equity shares

** Extinguished pursuant to the Buyback Offer

Note 1: Bayer AG follows a "pooling system" of accounting for its investments. Accordingly, the cost of disposal and current holding has been calculated based on this method.

(ii) Bayer SAS:

Sr. No.	Date of Acquisition	No. of Equity Shares	Cost of Acquisition (Euros mn)	Remarks
1	January 4, 2010	79,22,666	3.93	Acquisition pursuant to the merger of Bayer CropScience S.A. with Bayer SAS under French Commercial Law. Consequently, shares held by Bayer CropScience S.A. transferred to Bayer SAS (Note 1)
2	November 29, 2013	(799,909)	(0.40)	Extinguished pursuant to the Buyback Offer
3	October 26, 2015	(312,358)	(0.15)	Extinguished pursuant to the Buyback Offer
Total Current Holding		68,10,399	3.38	

Average Cost = Euros 0.50 or ₹ 36.26 per share (Note 2 and 3)

Note 1: On December 31, 2003, these 79,22,666 equity shares were acquired by Bayer CropScience S.A. pursuant to Scheme of Amalgamation (the "Scheme") between erstwhile Aventis CropScience India Limited and the Company. Pursuant to the said Scheme, 5 equity shares of the Company were issued in consideration of 3 equity shares held in erstwhile Aventis CropScience India Limited. The total cost of 79,22,666 equity shares as recorded in the books of Bayer SAS as well as in the books of Bayer CropScience S.A. is Euros 3.93 million indicating an average price of Euros 0.50 per equity share.

Note 2: Bayer SAS follows a "pooling system" of accounting for its investments. Accordingly, the cost of current holding has been calculated based on this method.

Note 3: 1 Euro = ₹ 72.5178 as on June 6, 2017; Source: www.rbi.org.in

(iii) Bayer CropScience AG:

Sr. No.	Date of Acquisition / Disposal	No. of Equity Shares Acquired / (Sold)	Cost of Acquisition (Euros mn)	Remarks
1	December 31, 2003	35,44,360	6.78	These equity shares were issued pursuant to the Scheme of Amalgamation between erstwhile Aventis CropScience India Limited & the Company. Pursuant to the said Scheme, 5 equity shares of the Company were issued in consideration of 3 equity shares held in erstwhile Aventis CropScience India Limited.

Sr. No.	Date of Acquisition / Disposal	No. of Equity Shares Acquired / (Sold)	Cost of Acquisition (Euros mn)	Remarks
2	January 1, 2007	76,92,226	1.86	Acquisition pursuant to the merger of Bayer CropScience GmbH with Bayer CropScience AG under Business Transformation Act, Germany. Consequently, shares held by Bayer CropScience GmbH transferred to Bayer CropScience AG (Note 1)
3	September 25, 2012	(40,82,948)	(3.14)	Inter-se transfer of equity shares
4	November 29, 2013	(7,22,263)	(0.56)	Extinguished pursuant to the Buyback Offer
5	April 28, 2014	(3,46,784)	(0.27)	Inter-se transfer of equity shares
6	October 26, 2015	(266,832)	(0.21)	Extinguished pursuant to the Buyback Offer
7	March 15, 2016	(308,166)	(0.24)	Inter-se transfer of equity shares
Total Current Holding		55,09,593	4.24	

Average Cost = Euros 0.77 or ₹ 55.84 per share (Note 2 & 3)

Note 1: On December 31, 2003, these 76,92,226 equity shares were acquired by Bayer CropScience GmbH pursuant to Scheme of Amalgamation (the "Scheme") between erstwhile Aventis CropScience India Limited and the Company. Pursuant to the said Scheme, 5 equity shares of the Company were issued in consideration of 3 equity shares held in erstwhile Aventis CropScience India Limited. The total cost of 76,92,226 equity shares as recorded in the books of Bayer CropScience GmbH as well as in the books of Bayer CropScience AG is Euros 1.86 million.

Note 2: Bayer CropScience AG follows a "pooling system" of accounting for its investments. Accordingly, the cost of disposal and current holding has been calculated based on this method.

Note 3: 1 Euro = ₹ 72.5178 as on June 6, 2017; Source: www.rbi.org.in

(iv) Bayer Vapi Private Ltd.:

Sr. No.	Date of Acquisition	No. of Equity Shares acquired	Cost of Acquisition per share (₹)
1	September 25, 2012	10,20,408	1,005.86
Total		10,20,408	1,005.86

- 9.6 Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders upto their entitlement, the aggregate shareholding of the Promoter Group / Persons in Control, post Buyback will increase to 68.85% from 68.58% pre Buyback, and the aggregate shareholding of the public in the Company shall decrease to 31.15% post Buyback from 31.42% pre Buyback.
- 9.7 Consequent to the Buyback and based on the number of Equity Shares bought back from the Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, their shareholding would undergo a change.
- 9.8 The debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 prescribed by the Companies Act, even if the response to the Buyback is to the extent of 100% (full acceptance).
- 9.9 The Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback.
- 9.10 The Company shall not raise further capital for a period of one year from the closure of Buyback except in discharge of its subsisting obligations.
- 9.11 Salient financial parameters consequent to the Buyback based on the latest audited results as on March 31, 2017 are as under:

Parameters	Pre-Buyback	Post-Buyback**
Networth [^] (₹ Lacs)	205,669	155,669
Return on Networth [^]	14.15%	18.69%
Earnings Per Equity Share(Basic & Diluted) (₹)	82.31	84.76

Parameters	Pre-Buyback	Post-Buyback**
Book Value per Share (₹)^	581.74	453.40
P/E based on Earnings Per Equity Share *	57.33	55.68
Total Debt / Equity Ratio^	-	-

Notes:

- i. Pre and Post Buyback calculations are based on financial numbers as on March 31, 2017
- ii. ^ Including capital redemption reserve and excludes revaluation reserves (FY 17: ₹ 414 Lacs, FY16: ₹ 414 Lacs, FY15: ₹288 Lacs) & Misc. expenditures to the extent not written off
- iii. * P/E ratio based on the closing market price as on July 25, 2017, the date of publication of Public Announcement i.e. ₹ 4,718.90. (BSE)
- iv. **The Post Buyback numbers are calculated by reducing the net worth by the proposed buyback amount (assuming full acceptance). For calculation of Post Buyback numbers as disclosed above, the impact of reduction in other income / investment income due to non- availability of the funds proposed to be used for buyback has not been factored in

10 BASIS OF CALCULATING BUYBACK PRICE

- 10.1 The Buyback Offer price of ₹ 4,900 per Share has been arrived at after considering various factors such as the volume weighted average prices of the Equity Shares on BSE (where the Equity Shares are listed), the net-worth of the Company and the impact of the Buyback on the key financial ratios of the Company.
- 10.2 The Buyback Offer price represents a premium of 17.81% over the volume weighted average price of the Equity Shares on BSE for 3 months preceding the date of intimation to the BSE for the Board Meeting to consider the proposal of the Buyback and 9.55% over the volume weighted average price of the Equity Shares on BSE for 2 weeks preceding the date of intimation to the BSE for the Board Meeting to consider the proposal of the Buyback.
- 10.3 For trends in the market price of the Equity Shares, please refer to paragraph 16 of this Letter of Offer.
- 10.4 The closing market price of the Equity Shares as on the date of intimation to the BSE for the Board Meeting for considering the Buyback, was ₹ 4,559.25 on BSE.
- 10.5 The Buyback Offer price offers a premium of 742.3% over the, pre Buyback, Company's book value per share of ₹ 581.74 as at March 31, 2017.
- 10.6 The earning per share of the Company pre-Buyback as on March 31, 2017 was ₹ 82.31 which will increase to ₹ 84.76 post Buyback assuming full acceptance of the Buyback and subject to note iv under paragraph 9.11.
- 10.7 The Return of Net-worth of the Company pre Buyback as on March 31, 2017 was 14.15% which will increase to 18.69% post Buyback assuming full acceptance of the Buyback and subject to note iv under paragraph 9.11.

11 SOURCES OF FUNDS FOR THE BUYBACK

- 11.1 Assuming full acceptance, the funds that would be employed by the Company for the purpose of the Buyback of 10,20,408 Equity Shares at a price of ₹ 4,900 per Equity Share would be ₹ 499,99,99,200 (Rupees Four Hundred Ninety Nine Crores Ninety Nine Lakhs Ninety Nine Thousand and Two Hundred only)
- 11.2 The funds for the Buyback will be sourced from cash balances available with the Company and/or liquidation of financial instruments held by the Company. These funds have been generated through internal accruals. The Company does not intend to raise additional debt for the explicit purposes of the Buyback. Accordingly, borrowed funds will not be used for the Buyback. However, if required, the Company may borrow funds in the ordinary course of its business.

12 DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

- 12.1 In accordance with Regulation 10 of the Buyback Regulations, an escrow agreement has been entered into amongst the Company, Ambit Capital Private Limited and the Escrow Agent having its branch at Hazarimal Marg, Fort, Mumbai 400 001 on July 31, 2017.
- 12.2 In accordance with the Escrow Agreement, the Company has opened an escrow account in the name and style "Bayer CropScience Limited Buyback Offer Escrow Account" bearing account number 0110726000 with the Escrow Agent. The Company has deposited cash of ₹ 65,00,00,000 (Rupees Sixty Five Crores only) in the Escrow Account. This amount of cash to be deposited is equal to the

amount required to be deposited in terms of the Buyback Regulations. In terms of the Escrow Agreement, the cash as well as any fixed deposit created therefrom will constitute the escrow amount and would form part of the Escrow Account. Ambit Capital Private Limited has been empowered to operate the Escrow Account in accordance with the Buyback Regulations.

- 12.3 Milind Joshi & Associates, Chartered Accountants (Firm Registration number 119315W), located at 201, 2nd Floor, Ishan Co Op Hsg Soc Ltd, Ram Maruti Road, Opp P.N.Gadgil Jewellers, Thane (W) 400602, signing through their Partner Gajanan Pote (Membership Number: 106115) have certified, vide their certificate dated July 24, 2017, that the Company has adequate funds for the purposes of buyback of 10,20,408 Equity Shares at ₹ 4,900 each.
- 12.4 The Manager to the Buyback Offer has satisfied itself about the ability of the Company to implement the Buyback Offer in accordance with the Buyback Regulations.

13 CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 13.1 The capital structure of the Company, as on the date of the Public Announcement, is as follows:

Particulars	No. of shares	Amount (₹ Lacs)
Authorised Equity Shares	46,300,000	4,630.00
Issued Subscribed and Paid-up Equity Shares	35,354,001	3,535.40

- 13.2 Except for the below mentioned buyback programme, the Company has not bought back any equity shares under any buyback programme, during the 3 years preceding the date of the Public Announcement:

No. of equity shares bought back	Buyback price (₹)	Offer Opening date	Offer Closing date
12,65,000	4,000	September 29, 2015	October 13, 2015

- 13.3 As on the date of the Public Announcement, there are no outstanding preference shares, partly paid-up equity shares or outstanding convertible instruments or calls in arrears.
- 13.4 The shareholding pattern of the Company pre-Buyback, taken as on August 08, 2017 (the Record Date), as well as the post Buyback shareholding, is as shown below:

Particulars	Pre Buyback		Post Buyback#	
	No. of Equity Shares	% of the existing equity share capital	No. of Equity Shares	% of post buyback equity share capital
Promoters and persons acting in concert, (collectively "the Promoters")	24,244,684	68.58	23,639,666	68.85
Foreign Investors (including Non Resident Indians FII's and Foreign Mutual Funds)	2,808,982	7.94		
Financial Institutions / Banks & Mutual Funds promoted by Banks / Institutions	4,285,190	12.12	10,693,927	31.15
Others (Public, Public Bodies Corporate etc.)	4,015,145	11.36		
Total	35,354,001	100	34,333,593	100

Assuming full acceptance of Equity Shares in the Buyback in the ratio of their entitlement. The shareholding, post completion of the Buyback, may differ depending upon the actual number of Equity Shares bought back in the Buyback from each category.

- 13.5 Assuming 100% response to the Buyback Offer, the issued, subscribed and paid-up equity share capital of the Company after the completion of the Buyback Offer would be as follows:

Particulars	No. of Shares	Amount (₹ Lacs)
Issued, Subscribed and Paid-up Equity Shares	34,333,593	3,433.36

- 13.6 Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders upto their entitlement, the aggregate shareholding of the Promoter Group / Persons in Control, post Buyback will increase to 68.85% of the post Buyback equity share capital of the Company.
- 13.7 No Equity Shares have been purchased / sold / transferred by any member of the Promoter Group including the Directors of the Companies forming part of the Promoter Group as well as the Persons in Control of the Company during the period of twelve months preceding the date of the Public Announcement.

14 BRIEF INFORMATION ABOUT THE COMPANY

- 14.1 Bayer CropScience Limited was incorporated on September 9, 1958 as Bayer-Agrochem Private Limited under the Companies Act, 1956. By virtue of Section 43A(2) of the Companies Act, 1956, Bayer-Agrochem Private Limited became a deemed public company, the word "Private" was deleted from the name by the Registrar of Companies, Maharashtra, Bombay and consequently the name was changed to Bayer-Agrochem Limited. Further, the name was changed to Bayer (India) Limited on May 21, 1963.
- 14.2 In 1969, the Company commenced manufacturing operations at the Thane plant. In 2001, Bayer CropScience AG acquired Aventis CropScience India Limited as part of the global acquisition of the cropscience business of Aventis CropScience Holding SA. Post acquisition, the name of Aventis CropScience India Limited was changed to Bayer CropScience India Limited. Bayer CropScience India Limited was merged with the Company in 2003, pursuant to a scheme of amalgamation sanctioned by the High Court of Bombay. Consequent to the merger, the name of the Company was changed from Bayer (India) Limited to Bayer CropScience Limited on April 5, 2004.
- 14.3 Consequent to the global acquisition of the cropscience business from Aventis, the Company has focussed primarily on the Agri Care business and all other non-Agri Care businesses in erstwhile Bayer (India) Limited were transferred / divested / hived off over a period of time. The current Agri Care business of the Company primarily includes manufacture, sale and distribution of insecticides, fungicides, weedicides and various other agrochemical products. Within Agri Care business the main activity is crop protection which is focused in four areas: Insecticides, Fungicides, Herbicides and Seed Growth and some of the key products are Confidor, Fame, Regent, Admire, Jump, Antracol, Sectin, Folicur and Nativo. The Environmental Science activity, within the Agri Care business, deals in non-crop pest management and Industrial Vegetation Management (IVM). The Company also distributes high quality hybrid seeds for field crops such as Arize (Hybrid rice), Surpass (BT Cotton), Proagro (Cereals and Oil seeds). The Company has its manufacturing site at Himatnagar in the State of Gujarat.
- 14.4 The Registered Office of the Company is situated at Bayer House, Central Avenue, Hiranandani Estate, Thane (West) – 400 607, Maharashtra.
- 14.5 The Equity Shares were listed on BSE on April 9, 1965. The Equity Shares were allowed to be traded in trade category of National Stock Exchange Limited on January 8, 2010.
- 14.6 Details of the changes in share capital of the Company since incorporation is as follows:

Date of the Board resolution authorising allotment	No. of Equity Shares Issued	% of Total Outstanding Equity Capital	Cumulative Equity Share Capital	
			No. of Equity Shares	₹
January 6, 1959	800	0.1%	800	400,000
800 equity shares of face value of ₹ 500 per share were sub-divided into 4,000 Equity Shares of face value ₹ 100 each in 1964				
September 3, 1964	121,070	3.4%	125,070	12,507,000
September 30, 1964	83,660	2.4%	208,730	20,873,000
February 10, 1965	56,270	1.6%	265,000	26,500,000
September 20, 1967	25,463	0.7%	290,463	29,046,300
November 8, 1967	5,202	0.1%	295,665	29,566,500
June 28, 1968	4,335	0.1%	300,000	30,000,000
December 12, 1972	60,000	1.7%	360,000	36,000,000

Date of the Board resolution authorising allotment	No. of Equity Shares Issued	% of Total Outstanding Equity Capital	Cumulative Equity Share Capital	
			No. of Equity Shares	₹
June 25, 1975	25,525	0.7%	385,525	38,552,500
July 8, 1975	6,725	0.2%	392,250	39,225,000
June 15, 1977	392,250	11.1%	784,500	78,450,000
July 11, 1978	17,500	0.5%	802,000	80,200,000
September 18, 1978	9,000	0.3%	811,000	81,100,000
August 18, 1987	811,000	22.9%	1,622,000	162,200,000
1,622,000 equity shares of face value of ₹ 100 per share were sub-divided into 16,220,000 Equity Shares of face value ₹ 10 each with effect from December 1, 2003				
December 31, 2003	23,278,747	65.8%	39,498,747	394,987,470
November 29, 2013	(2,879,746)	(8.1%)	36,619,001	366,190,010
October 26, 2015	(1,265,000)	(3.6%)	35,354,001	353,540,010

14.7 The Board of Directors of the Company as on the date of the Public Announcement:

Sr. No.	Name, Qualification, Occupation and Age	Date of Appointment / Re appointment	Designation	Other Directorships
1	Mr. Pankaj Patel Qualification: Masters Degree in Sciences of Pharmacy - Gujarat University Occupation: Service Age: 64 years	September 12, 2016	Chairman and Non-Executive Independent Director	1. Cadila Healthcare Limited 2. Nirma Limited 3. Torrent Power Limited 4. Gruh Finance Limited 5. Federation of India Chamber of Commerce and Industry 6. Zydus Hospitals and Healthcare Research Private Limited 7. Pripan Investment Private Ltd. 8. Cadmach Machinery Co. Private Ltd. 9. MabS Biotech Private Limited 10. Cadila Laboratories Private Limited 11. Western Ahmedabad Effluent Conveyance Co. Private Limited 12. Zydus Takeda Healthcare Private Limited 13. Zydus Hospitals (Vadodara) Private Limited 14. Zydus Hospitals (Rajkot) Private Limited 15. Bayer Zydus Pharma Private Limited 16. Zandra Infrastructure LLP – Designated Partner 17. Zydus Hospitals LLP – Designated Partner 18. Zandra Herbs and Plantations LLP – Designated Partner 19. Biochem Pharmaceutical Private Limited
2	Mr. Richard van der Merwe Qualification: Degree in International Finance	February 1, 2014	Vice Chairman and Managing Director and Chief	1. Bayer Zydus Pharma Private Limited - Director 2. Indo-German Chamber of Commerce – Member

Sr. No.	Name, Qualification, Occupation and Age	Date of Appointment / Re appointment	Designation	Other Directorships
	Administration & Chartered Accountant Occupation: Company Executive Age: 59 years		Executive Officer	
3	Mr. Sharad M. Kulkarni Qualification: Fellow of the Institute of Engineers India Occupation: Business Advisor and Management Consultant Age: 78 years	April 1, 2006	Non-Executive Independent Director	1. Camlin Fine Sciences Limited 2. KEC International Limited 3. Navin Fluorine International Limited 4. Hindustan Construction Co. Ltd. 5. J. M. Financial Trustee Company Private Limited 6. Raychem RPG Private Ltd.
4	Mr. A.K.R. Nedungadi Qualification: Chartered Accountant and Cost Accountant Occupation: Service Age: 60 years	December 20, 2003	Non-Executive Independent Director	1. Sanofi India Limited 2. United Breweries Limited 3. Wotan Pte. Limited, Singapore
5	Mr. Vimal Bhandari Qualification: B.Com and Chartered Accountant Occupation: Service Age: 59 years	July 1, 2008	Non-Executive Independent Director	1. Kalpataru Power Transmission Limited 2. DCM Shriram Limited 3. RBL Bank Limited 4. Piramal Glass Limited 5. Indostar Capital Finance Limited 6. JK Tyre & Industries Limited 7. Bharat Forge Limited 8. Indostar Asset Advisory Private Limited 9. HDFC Trustee Company Limited
6	Mr. Peter Mueller Qualification: High School / Grammar School Diploma, Commercial Apprenticeship Occupation: Service Age: 57 years	August 1, 2011	Non-Executive Non-Independent Director	1. Bayer Nordic SE 2. Bayer Pensionkasse 3. Pallas Versicherung AG 4. Bayer Pension Trust e.V. 5. Bayer CropScience AG 6. Bayer Pharma AG
7	Dr. Miriam Colling-Hendelkens Qualification: Ph.D. in Chemistry Occupation: Service Age: 45 years	June 06, 2017	Additional Director	Nil
8	Mr. Ulrich Stefer Qualification: Business Administration – University of Cologne Occupation: Company Executive Age: 48 years	April 01, 2016	Executive Director & Chief Financial Officer	Nil

14.8 The details of changes in the Board of Directors during the 3 years preceding the date of the Public Announcement are as under:

Name	Appointment / Resignation	Effective Date	Reasons
Mr. Tobias Marchand	Resignation	January 31, 2015	Resigned due to taking new responsibility as Senior Bayer Representative and BCS Country Head Australia/New Zealand
Dr. Regine Juergens	Appointment	September 15, 2015	Appointed as Non- Executive Non-Independent Director
Mr. Kaikobad Mistry	Resignation	March 15, 2016	Resigned due to personal reasons
Dr. Thomas Hoffmann	Resignation	March 31, 2016	Resigned due to taking new responsibility as Chief Financial Officer for Bayer in Greater China
Mr. Ulrich Stefer	Appointment	April 01, 2016	Appointed as Executive Director and Chief Financial Officer
Dr. Vijay Mallya	Resignation	June 30, 2016	Resigned due to personal reasons
Mr. Pankaj Patel	Appointment	September 12, 2016	Appointed as Independent Director
Dr. Regine Juergens	Resignation	June 06, 2017	Resigned due change in the role within Bayer Group
Dr. Miriam Colling-Hendelkens	Appointment	June 06, 2017	Appointed as an Additional Director

14.9 The Buyback will not result in any benefit to any Directors of the Company / Promoters / Person in Control of the Company / group companies except to the extent of their intention to participate in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to a reduction in the Equity Share capital post Buy Back.

15 FINANCIAL INFORMATION ABOUT THE COMPANY

15.1 The salient financial information of the Company, as extracted from the audited results for the last three financial years is detailed below:

(₹ in Lacs unless stated otherwise)

Key Financials	Year ended March 31, 2017*	Year ended March 31, 2016*	Year ended March 31, 2016 [^]	Year ended March 31, 2015 [^]
	Ind AS	Ind AS	IGAAP	IGAAP
Revenue from Operations	294,844	288,941	374,290	372,331
Other Income	7,010	8,173	7,574	8,790
Total Income	301,854	297,114	381,864	381,121
Total Expense (excluding Interest, Depreciation, Tax and Exceptional Items)	253,486	245,485	332,368	320,781
Interest Expense	686	999	733	461
Depreciation and Amortisation Expense	2,888	2,468	2,470	2,526
Profit Before Tax	44,794	48,162	46,293	57,353
Tax Expense (including Deferred Tax)	15,694	16,652	16,202	19,049
Profit After Tax	29,100	31,510	30,091	38,304
Paid-up Equity Share Capital	3,535	3,535	3,535	3,662
Reserve & Surplus [§]	202,134	180,405	172,051	199,629
Net worth [§]	205,669	183,940	175,586	203,291
Total Debt (excluding working capital loans)	-	-	-	-

Notes:

* Figures for the year ended March 31, 2017 & March 31, 2016 are in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS)

[^] Figures for the year ended March 31, 2016 & March 31, 2015 are in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (IGAAP)

[§] Including capital redemption reserve and excludes revaluation reserves (FY17: ₹ 414 Lacs, FY16: ₹ 414 Lacs, FY15: ₹288 Lacs) & Misc. expenditures to the extent not written off

Key Ratios	Year ended	Year ended	Year ended	Year ended
	March 31, 2017	March 31, 2016	March 31, 2016	March 31, 2015
	Ind AS	Ind AS	IGAAP	IGAAP
Earnings per Equity Share (Basic & Diluted) (₹)	82.31	87.34	83.41	104.59
Book Value per Equity Share (₹)	581.74	520.28	496.66	555.15
Return on Net Worth excluding revaluation reserves (%)	14.15%	17.13%	17.14%	18.84%
Debt / Equity Ratio	-	-	-	-

The key ratios have been computed as below:

Ratios	Basis
Earnings per Equity Share (₹)	Net Profit before exceptional item net of tax attributable to equity Shareholders / Weighted average number of Equity Shares outstanding during the year
Book Value per Equity Share (₹)	(Paid up Equity Share Capital + Reserves and Surplus) / No. of Equity Shares at the end of the year
Return on Net Worth excluding revaluation reserves (%)	Net Profit after tax attributable to equity Shareholders / Net Worth excluding revaluation reserves
Debt / Equity Ratio	Total Debt (excluding working capital loans) / Net Worth excluding revaluation reserves

The computation of the above ratios is based on the annual audited accounts of the Company and any discrepancy with the derived ratios from the table "Key Financials" is due to rounding off

The Company shall comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever and if applicable. The Company hereby declares that it has complied with Section 68(2)(c), 68(2)(d), 70(1) and 70(2) of the Companies Act.

16 STOCK MARKET DATA

16.1 The Company's Equity Shares are listed on the BSE. The high, low and average market prices in preceding three financial years (April to March period) and the monthly high, low and average market prices for the six months preceding the date of Public Announcement from January 1, 2017 to July 25, 2017 and the corresponding volumes on BSE is as follows:

Period	High~ (₹)	Date of High	Number of Shares traded on that date	Low@ (₹)	Date of Low	Number of Shares traded on that date	Average Price # (₹)	Number of Shares traded in the period
Preceding 3 years								
Financial Year 2014-15	3,713	19-Jan-15	2,841	1,401	06-May-14	1,158	2,464	3,867,840
Financial Year 2015-16	4,234	16-Apr-15	34,241	3,115	12-Feb-16	1,206	3,633	524,873
Financial Year 2016-17	4,627	03-Oct-16	475	3,620	05-Apr-16	348	4,024	790,029
Preceding 6 months								
Jan 1, 2017 – Jan 31, 2017	4,275	03-Jan-17	191	4,050	25-Jan-17	1,620	4,121	68,816
Feb 1, 2017 – Feb 28, 2017	4,290	07-Feb-17	1,115	3,830	23-Feb-17	5,136	4,064	75,781
Mar 1, 2017 – Mar 31, 2017	3,950	08-Mar-17	632	3,744	28-Mar-17	977	3,825	208,320
Apr 1, 2017 – Apr 30, 2017	4,738	26-Apr-17	3,487	3,739	18-Apr-17	10,506	4,054	261,388
May 1, 2017 – May 31, 2017	4,960	17-May-17	6,248	4,100	25-May-17	1,545	4,579	42,217
Jun 1, 2017 – Jun 30, 2017	5,050	02-Jun-17	9,223	4,507	01-Jun-17	357	4,667	28,831
Jul 1, 2017 – Jul 25, 2017	4,745	25-Jul-17	400	4,601	17-Jul-17	806	4,631	8,044

(Source: www.bseindia.com)

~ High is the highest price recorded for the equity share of the Company during the said period
 @ Low is the lowest price recorded for the equity share of the Company during the said period
 # Average Price is the arithmetical average of closing prices during the said period

16.2 The Company's Equity Shares are also permitted for trading on National Stock Exchange of India Limited (the "NSE"). The Company has not entered into any listing agreement with the NSE. For information purposes, the high, low and average market prices in preceding three financial years (April to March period) and the monthly high, low and average market prices for the six months preceding the date of Public Announcement from January 1, 2017 to July 25, 2017 and the corresponding volumes on NSE is as follows:

Period	High~ (₹)	Date of High	Number of Shares traded on that date	Low @ (₹)	Date of Low	Number of Shares traded on that date	Average Price # (₹)	Number of Shares traded in the period
Preceding 3 years								
Financial Year 2014-15	3,710	19-Jan-15	14,985	1,399	06-May-14	74,512	2,465	4,917,723
Financial Year 2015-16	4,236	15-Apr-15	128,739	3,110	12-Feb-16	16,687	3,639	4,408,485
Financial Year 2016-17	4,595	29-Sep-16	18,994	3,605	05-Apr-16	6,963	4,029	3,407,430
Preceding 6 months								
Jan 1, 2017 - Jan 31, 2017	4,295	02-Jan-17	2,944	4,040	23-Jan-17	10,867	4,125	184,774
Feb 1, 2017 - Feb 28, 2017	4,300	06-Feb-17	4,199	3,815	27-Feb-17	8,898	4,069	273,873
Mar 1, 2017 - Mar 31, 2017	3,955	08-Mar-17	7,880	3,738	28-Mar-17	66,415	3,828	468,667
Apr 1, 2017 - Apr 30, 2017	4,743	26-Apr-17	135,083	3,732	18-Apr-17	32,512	4,048	652,308
May 1, 2017 - May 31, 2017	4,959	17-May-17	32,473	4,094	25-May-17	26,820	4,582	369,680
Jun 1, 2017 - Jun 30, 2017	5,070	02-Jun-17	66,613	4,500	01-Jun-17	6,124	4,667	275,406
Jul 1, 2017 - Jul 25, 2017	4,799	10-Jul-17	4,189	4,597	21-Jul-17	11,458	4,632	7,308

(Source: www.nseindia.com)

~ High is the highest price recorded for the equity share of the Company during the said period

@ Low is the lowest price recorded for the equity share of the Company during the said period

Average Price is the arithmetical average of closing prices during the said period

16.3 The closing market price of the Equity Shares of the Company on BSE as on June 05, 2017, i.e. the trading day before the date of the Board Meeting was ₹ 4,859.05 per Equity Share.

17 DETAILS OF STATUTORY APPROVALS

17.1 The Buyback Offer is subject to approval, if any required, under the provisions of the Companies Act, FEMA, the Buyback Regulations and/or such other applicable rules and regulations in force for the time being.

17.2 The Buyback Offer from Non-Resident Indian Shareholders will be subject to approval, if any of the appropriate authorities, under the applicable law and regulations. The Eligible Shareholders will solely be responsible for obtaining all such statutory consent and approvals including but without limitation the approval from RBI as may be required by them to sell their Equity Shares to the Company pursuant to the Buyback and shall submit, to the Registrar to the Buyback Offer, a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them and to sell their Equity Shares to the Company.

17.3 Non-Resident Shareholders (excluding OCBs) permitted under general permission under the consolidated Foreign Direct Investment policy issued by the Government of India read with applicable FEMA Regulations, are not required to obtain approvals from RBI.

17.4 As of date, there is no other statutory or regulatory approval required to implement the Buyback Offer, other than that indicated above. If any statutory or regulatory approval becomes applicable

subsequently, the Buyback Offer will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buyback Offer, if any, shall be intimated to the BSE.

18 DETAILS OF THE COLLECTION CENTRES

Eligible Shareholder(s) who wish to tender their Equity Shares in the Buyback Offer can 'hand deliver' the Tender Form and TRS generated by the Exchange Bidding System along with all the relevant documents at any of the below mentioned collection centres of the Registrar to the Buyback Offer in accordance with the procedure as set out in this Letter of Offer. All centres mentioned herein below would be open during the period of the Buyback Offer i.e. (Monday, September 04, 2017 to Friday, September 15, 2017) on all working days (except Saturdays, Sundays and Bank Holidays) during business hours as shown below. Equity Shareholders are advised to ensure that the Tender Form and other documents including TRS are complete in all respects; otherwise the same are liable to be rejected.

Sr. No.	City	Address of Collection Centre	Contact Person	Contact details	Mode of delivery
1	Mumbai	TSR DARASHAW LIMITED 6-10, Haji Moosa Patrawala Industrial Estate, Nr. Famous Studio, 20, Dr. E. Moses Road, Mahalaxmi Mumbai - 400011	Ms. Mary George	Tel: +91-22-6656 8484 Fax: +91-22-6656 8494 Email: Bayerbuyback2017@tsrdarashaw.com	Hand Delivery & Registered Post
2	Bangalore	TSR DARASHAW LIMITED 503 Barton Centre, 5th Floor, 84, Mahatma Gandhi Road, Bangalore - 560001	Mr. Jaymohan K.	Tel: +91-80-2532 0321 Fax: +91-80-2558 0019 Email: tsrdlbg@tsrdarashaw.com	Hand Delivery
3	Kolkata	TSR DARASHAW LIMITED Tata Centre, 1st Floor, 43, Jawaharlal Nehru Road, Kolkata - 700071	Mr. Rijit Mukherjee	Tel: +91-33-2288 3087 Fax: +91-33-2288 3062 Email: tsrdlcal@tsrdarashaw.com	Hand Delivery
4	New Delhi	TSR DARASHAW LIMITED Plot No 2/42, Sant Vihar, Ansari Road Daryaganj, New Delhi - 110002	Mr. Shyamalendu Shome	Tel: +91-11-2327 1805 Fax: +91-11-2327 1802 Email: tsrdldel@tsrdarashaw.com	Hand Delivery
5	Ahmedabad	TSR DARASHAW LIMITED c/o Shah Consultancy Services Ltd. 3, Sumatinath Complex, Pritam Nagar Akhada Road, Ellisbridge, Ahmedabad - 380006	Mr. Suresh Shah	Tel: +91-79-2657 6038 Email: shahconsultancy8154@gmail.com	Hand Delivery

Working Hours: Monday to Friday 10.00 AM to 4.30 PM; On Buyback Closing Date the collection centres will be open till 5:00 PM; Holidays: Saturdays, Sundays and Bank Holidays

Equity Shareholders who cannot hand deliver the Tender Form, TRS and other documents at any of the collection centres referred above, may send the same by registered post / speed post, at their own risk, by superscribing the envelope as "**Bayer Buyback Offer 2017**", to the Registrar to the Buyback Offer at their below office, so that the same are received within 2 (two) working days from the Closing Date i.e. Tuesday, September 19, 2017 (by 5:00 PM).

TSR Darashaw Limited,
6-10 Haji Moosa Patrawala Ind. Estate,
20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi,
Mumbai – 400011
Tel: +91 22 66568484

The TRS and other relevant documents should not be sent to the Company or to the Manager to the Buyback Offer.

19 PROCESS AND METHODOLOGY FOR THE BUYBACK

- 19.1 The Company proposes to buyback not exceeding 10,20,408 (Ten Lakhs Twenty Thousand Four Hundred and Eight Only) Equity Shares from all the existing Shareholders / beneficial owners of Equity Shares of the Company, on a proportionate basis, through the Tender Offer route at a price of ₹ 4,900 (Rupees Four Thousand Nine Hundred only) per Equity Share, payable in cash for an aggregate amount of ₹ 499,99,99,200 (Rupees Four Hundred Ninety Nine Crores Ninety Nine Lakhs Ninety Nine Thousand and Two Hundred Only). The maximum number of Equity Shares proposed to be bought back represents 2.89% of the total paid-up equity share capital of the Company. The Buyback is in accordance with Article 23 of the Articles of Association of the Company and subject to the provisions of Section 68 and all other applicable provisions, if any, of the Companies Act and in compliance with Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI, BSE, RBI etc. The Buyback Offer Size is 24.36% of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2017.
- 19.2 The aggregate shareholding of the Promoter Group / Persons in Control is 2,42,44,684 Equity Shares, which represents 68.58% of the existing Equity Share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer route, the promoters of a company have the option to participate in the buyback. In this regard, the promoter entities as listed in paragraph 6 of this Letter of Offer have expressed their intention, vide their individual letters dated June 06, 2017 to participate in the Buyback and offer upto an aggregate maximum of 1,70,16,780 Equity Shares or such lower number of Equity Shares as required in compliance with the Buyback Regulations / terms of the Buyback.
- 19.3 Assuming response to the Buyback Offer is to the extent of 100% from all the Shareholders upto their entitlement (full acceptance), post Buyback the aggregate shareholding of the Promoter Group will be 23,639,666 Equity Shares, representing 68.85% of the post Buyback equity share capital of the Company i.e. an increase of 0.27% from their present holding of 68.58% of the pre Buyback equity share capital of the Company.
- 19.4 **Record Date, ratio of Buyback and entitlement of each Shareholder**
- a) The Buyback Committee in its meeting held on July 21, 2017 announced Tuesday, August 08, 2017 as the Record Date for the purpose of determining the entitlement and the names of the Shareholders, who are eligible to participate in the Buyback Offer.
 - b) The Equity Shares proposed to be bought back by the Company shall be divided in two categories:
 - Reserved category for Small Shareholders (“Reserved Category”); and
 - General category for all Shareholders other than Small Shareholders (“General Category”)
 - c) As defined in the Buyback Regulations, a “Small Shareholder” is a Shareholder who holds Equity Shares having market value, on the basis of closing price on BSE as on Record Date, of not more than ₹ 2,00,000 (Rupees Two Lacs). As on the Record Date, the closing price on BSE was ₹ 4,440.10 per Equity Share, accordingly all Shareholders holding not more than 45 Equity Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buyback Offer.
 - d) Based on the above definition, there are 33,637 Small Shareholders with aggregate shareholding of 5,97,181 Shares, as on the Record Date, which constitutes 1.69% of the outstanding paid up equity share capital of the Company and 58.52% of the number of Equity Shares which are proposed to be bought back as part of this Buyback Offer.
 - e) In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be 153,061 Equity Shares which is higher of:

- i. Fifteen percent of the number of Equity Shares which the Company proposes to buyback i.e. 15% of 10,20,408 Equity Shares which works out to 153,061 Equity Shares; or
- ii. The number of Equity Shares entitled as per their shareholding as on Record Date [i.e.(5,97,181/3,53,54,001)X10,20,408] which works out to 17,236 Equity Shares.

All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since the Promoters Group also intends to offer Equity Shares held by them in the Buyback.

- f) Accordingly, General Category shall consist of 8,67,347 Equity Shares.
- g) Based on the above, the entitlement ratio of Buyback for both categories is decided as below:

Category	Entitlement Ratio of Buyback*
Reserved Category	10 Equity Shares out of every 39 fully paid-up Equity Shares held on the Record Date
General Category	14 Equity Shares out of every 561 fully paid-up Equity Shares held on the Record Date

*The above ratio of Buyback is approximate and providing indicative Buyback Entitlement. Any computation of entitled Equity Shares using the above ratio of Buy-back may provide a slightly different number due to rounding-off. The actual Buyback Entitlement for Reserved Category for Small Shareholders is 25.6306 % and General category for all other Eligible Shareholders is 2.4955 %.

19.5 Fractional Entitlements

If the entitlement under Buyback, after applying the abovementioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 Equity Share) then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback Offer, for both categories of Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold 3 or less Equity Shares as on Record Date, will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender additional Equity Shares as part of the Buyback Offer and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for additional Equity Shares.

19.6 Basis of Acceptance of Equity Shares validly tendered in the Reserved Category

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by the Small Shareholders in the Reserved Category in the following order of priority:

- a) Full acceptance of Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.6 (a), in case, there are any Shares left to be bought back in the Reserved Category, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered Additional Shares, shall be given preference and one Equity Share each from the Additional Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.
- c) Post the acceptance as described in paragraph 19.6 (a) and (b), in case, there are any validly tendered unaccepted Shares in the Reserved Category ("**Reserved Category Additional Shares**") and Shares left to be bought back in Reserved Category, the Reserved Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the Reserved Category Additional Shares by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with paragraph 19.6 (b), shall be reduced by one.

- d) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.6 (c), will be made as follows:
- For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.7 Basis of Acceptance of Equity Shares validly tendered in the General Category

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by Shareholders (other than Small Shareholders) in the General Category in the following order of priority:

- a) Full Acceptance of Shares from Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.7 (a), in case, there are any validly tendered unaccepted Shares in the General Category ("**General Category Additional Shares**") and Shares left to be bought back in General Category, the General Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the General Category Additional Shares by the Shareholder divided by the total General Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in General Category.
- c) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.7 (b), will be made as follows:
- For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.8 Basis of Acceptance of Equity Shares between the two categories

- a) After acceptances of tenders, as mentioned in paragraph 19.6 and 19.7, in case, there are any Shares left to be bought back in one category ("**Partially Filled Category**") and there are additional unaccepted validly tendered Shares ("**Further Additional Shares**") in the second category ("**Over Tendered Category**"), then the Further Additional Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e. valid acceptances per Shareholder shall be equal to Further Additional Shares validly tendered by the Shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Shares left to be bought back in the Partially Filled Category.
- b) If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has received a Tender Form with zero Buyback Entitlement and who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Share before acceptance in paragraph 19.8(a) out of the Shares left to be bought back in the Partially Filled Category provided no acceptance could take place from such Shareholder in accordance with paragraph 19.6.
- c) **Adjustment for fraction results in case of proportionate acceptance, as defined in paragraph 19.7(c):**
- For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or

- equal to 0.50, then the fraction would be rounded off to the next higher integer.
- For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.9 For avoidance of doubt, it is clarified that, in accordance with the clauses above:

- **Shares accepted under the Buyback from each Eligible Shareholder, shall be lower of the following:**
 - the number of Shares tendered by the respective Shareholder and
 - the number of Shares held by the respective Shareholder, as on the Record Date.
- **Shares tendered by any Shareholder over and above the number of Shares held by such Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.**

20 PROCEDURE FOR TENDER OFFER AND SETTLEMENT

- 20.1 The Buyback is open to all Equity Shareholders / beneficial owners of the Company holding Equity Shares either in physical and/or electronic form on the Record Date.
- 20.2 The Company proposes to effect the Buyback through Tender Offer route, on a proportionate basis. This Letter of Offer, outlining the terms of the Buyback Offer as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed/dispatched to the Equity Shareholders of the Company whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date. The Eligible Shareholder(s) which have registered their email ids with the Depositories / the Company, shall be dispatched the Letter of Offer through electronic means. The Eligible Shareholder(s) who have not registered their email ids with the Depositories / the Company, shall be dispatched the Letter of Offer through physical mode by registered post / speed post. The Eligible Shareholder may obtain a physical copy of the Letter of Offer by sending a request in writing to the Company at the address or email id mentioned at the cover page. In case of non-receipt of Letter of Offer and the Tender Form, the procedure as stated in paragraph 20.20 may be followed.
- 20.3 The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court/ any other competent authority for transfer / disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.
- 20.4 The Company shall comply with Regulation 19(5) of the Buyback Regulations which states that the Company shall not buyback locked-in Equity Shares and non-transferrable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferrable.
- 20.5 Eligible Shareholder(s) will have to transfer the Equity Shares from the same demat account, in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Shareholder(s) are required to tender the applications separately from each demat account, to the special account of The Clearing Corporation of India Limited ("Clearing Corporation"). In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar to the Buyback Offer and such tendered Equity Shares may be accepted subject to appropriate verification and validation by the Registrar to the Buyback Offer.
- 20.6 Shareholders' participation in Buyback will be voluntary. The Company expresses no opinion as to whether Eligible Shareholders should participate in the Buyback and, accordingly, Eligible Shareholders are advised to consult their own advisors to consider participation in the Buyback. Shareholders can choose to participate, in part or in full, and get cash in lieu of the Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Shareholders may also accept a part of their Buyback Entitlement. Shareholders also have the option of tendering additional Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any. Acceptance of any Shares tendered in excess of the Buyback Entitlement by the Shareholder, shall be in terms of procedure outlined in section 19 of this Letter of Offer.

20.7 The maximum tender under the Buyback by any Shareholder cannot exceed the number of Equity Shares held by the Shareholder as on the Record Date.

20.8 The Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, BSE notice no. 20170202-34 dated February 2, 2017 and BSE notice no. 20170210-16 dated February 10, 2017 and following the procedure prescribed in the Companies Act and the Buyback Regulations, and as may be determined by the Board (including committee authorized by the Board to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

20.9 For implementation of the Buyback, the Company has appointed Ambit Capital Private Limited as the registered broker to the Company (the "**Company's Broker**") through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

Ambit Capital Private Limited

Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

Tel: + 91 22 3043 3000; Fax: + 91 22 3043 3100; Contact Person: Mr. Sameer Parkar

20.10 The Company will request BSE Limited to provide the separate Acquisition Window to facilitate placing of sell orders by Shareholders who wish to tender Equity Shares in the Buyback. BSE Limited would be the Designated Stock Exchange for this Buyback Offer. The details of the platform will be specified by BSE from time to time.

20.11 All Eligible Shareholder(s) may place orders in the Acquisition Window, through their respective stock brokers ("**Seller Member(s)**").

20.12 Eligible Shareholder(s) can approach any BSE registered stock broker and can make a bid by using quick unique client code ("UCC") facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with the SEBI regulations. In case Eligible Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Eligible Shareholder may approach Company's Broker viz. Ambit Capital Private Limited, to bid by using quick UCC facility. The Eligible Shareholder(s) approaching BSE registered stock broker (with whom he does not have an account) may have to submit following details:

In case of Eligible Shareholder being an individual

If Eligible Shareholder is registered with KYC Registration Agency ("KRA"): Forms required:

- Central Know Your Client (CKYC) form including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Eligible Shareholder is not registered with KRA: Forms required:

- CKYC form including FATCA, IPV, OSV if applicable
- KRA form
- KYC form Documents required (all documents self-attested):
 - PAN card copy
 - Address proof
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

In case Eligible Shareholder is HUF:

If Eligible Shareholder is registered with KYC Registration Agency ("KRA"): Forms required:

- Central Know Your Client (CKYC) form of KARTA including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Eligible Shareholder is not registered with KRA: Forms required:

- CKYC form of KARTA including FATCA, IPV, OSV if applicable
- KRA form
- Know Your Client (KYC) form Documents required (all documents self-attested):
 - PAN card copy of HUF & KARTA
 - Address proof of HUF & KARTA
 - HUF declaration
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

In case of Eligible Shareholder other than Individual and HUF:

If Eligible Shareholder is KRA registered: Form required

- Know Your Client (KYC) form Documents required (all documents certified true copy)
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of Directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements

If Eligible Shareholder is not KRA registered: Forms required:

- KRA form
- Know Your Client (KYC) form Documents required (all documents certified true copy):
 - PAN card copy of company/ firm/trust
 - Address proof of company/ firm/trust
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of Directors/authorised signatories /partners/trustees
- PAN card copies & address proof of Directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution/partnership declaration
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements
- MOA/Partnership deed /trust deed

Additionally, registered Equity Shareholders holding Equity Shares in physical form must also provide the documents mentioned in Paragraph 20.19.1.

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

20.13 During the Tendering Period, the order for selling the Shares will be placed in the Acquisition Window by Eligible Shareholder(s) through their respective Seller Members during normal trading hours of the secondary market.

20.14 Seller Members can enter orders for demat Shares as well as physical Shares.

- 20.15 Modification / cancellation of orders and multiple bids from a single Shareholder will be allowed during the Tendering Period of the Buyback offer. Multiple bids made by single Shareholder for selling the Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.
- 20.16 The cumulative quantity tendered shall be made available on BSE Limited's website – www.bseindia.com throughout the trading session and will be updated at specific intervals during the Tendering Period.
- 20.17 All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- 20.18 Procedure to be followed by Equity Shareholders holding Equity Shares in the dematerialised form**
- 20.18.1 Eligible Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Seller Member by indicating to their Seller Member the details of Equity Shares they intend to tender under the Buyback.
- 20.18.2 The Seller Member would be required to place an order/bid on behalf of the Eligible Shareholder(s) who wish to tender their Equity Shares in the Buyback using the acquisition window of the BSE. It is mandatory to transfer the tendered Equity Shares into the account of Clearing Corporation by the Eligible Shareholder through the early pay-in mechanism of the Depositories prior to placing the order/bid on the Designated Stock Exchange platform by the Selling Member. This shall be validated at the time of order/bid entry. For further details, Eligible Shareholder(s) may refer to the circulars issued by BSE/Clearing Corporation.
- 20.18.3 The details of the settlement number under which the Equity Shares are to be transferred in the account of Clearing Corporation for the Buyback will be provided in a separate circular to be issued by BSE / Clearing Corporation.
- 20.18.4 For Custodian Participant orders for demat Shares, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- 20.18.5 Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ('TRS') generated by the exchange bidding system to the Shareholder. TRS will contain the details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.
- 20.18.6 Eligible Shareholder(s) who have tendered their Equity Shares in the Buyback may 'hand deliver' the Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares, along with the TRS generated by the exchange bidding system at any of the collection centres (mentioned in section 18 of this Letter of Offer) of the Registrar to the Buyback Offer. TRS will be generated by the respective Seller Members. Equity Shareholders who cannot hand deliver the Tender Form and other documents at any of the collection centres, may send the same by registered post / speed post, at their own risk, by superscribing the envelope as "Bayer Buyback Offer 2017", to the Registrar to the Buyback Offer at their office mentioned on the cover page of this Letter of Offer, so that the same are received within 2 (two) working days from the Closing Date i.e. Tuesday, September 19, 2017 (by 5:00 PM).
- 20.18.7 All Eligible Shareholder(s) shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):
- a) Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;
 - b) Duly attested death certificate and succession certificate / legal heirship certificate, in case any Eligible Shareholder has expired; and
 - c) In case of companies, the necessary certified corporate authorizations (including board and / or general meeting resolutions).

20.18.8 In case of non-receipt of the completed Tender Form and other documents, but receipt of Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Shareholders.

20.18.9 The Eligible Shareholder(s) will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated buyback as decided by the Company. Further, Eligible Shareholders will have to ensure that they keep the savings bank account attached with the DP account active and updated to receive consideration for Equity Shares accepted in the Buyback Offer.

20.19 Procedure to be followed by Registered Equity Shareholders holding Equity Shares in the Physical form

20.19.1 Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Seller Member along with the complete set of documents for verification procedures to be carried out including the:

- a) The Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares
- b) Original share certificates
- c) Valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company
- d) Self-attested copy of all Shareholder's PAN Card
- e) Any other relevant documents such as (but not limited to):
 - i. Duly attested Power of Attorney if any person other than the Equity Shareholder has signed the relevant Tender Form
 - ii. Notarized copy of death certificate / succession certificate or probated will, if the original Shareholder has deceased
 - iii. Necessary corporate authorisations, such as Board Resolutions etc., in case of companies
- f) In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.

20.19.2 Seller Member should place bids on the Acquisition Window with relevant details as mentioned on the physical share certificate(s). Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ('**TRS**') generated by the Exchange Bidding System to the Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.

20.19.3 After placement of bid, as mentioned in Paragraph 20.19.2, the Seller Member / Shareholder must ensure delivery of Tender Form, TRS, original share certificate(s), valid share transfer form(s) & other documents (as mentioned in Paragraph 20.19.1) either by registered post or courier or hand delivery to the Registrar and Transfer Agent ('**RTA**') (at the address mentioned on the cover page or the collection centres of the RTA mentioned in section 18 of this Letter of Offer) within 2 (two) working days from the Closing Date i.e. Tuesday, September 19, 2017 (by 5:00 PM). The envelope should be superscribed as "Bayer Buyback Offer 2017". One copy of the TRS will be retained by RTA and it will provide acknowledgement of the same to the Seller Member / Shareholder.

20.19.4 Shareholders holding physical shares should note that physical Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. RTA will verify such bids based on the documents submitted on a daily basis and till such time the BSE shall display such bids as 'unconfirmed physical bids'. Once, RTA confirms the bids it will be treated as 'Confirmed Bids'.

20.19.5 In case any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed

well in time so that they can participate in the Buyback Offer before Closing Date.

20.20 In case of non-receipt of this Letter of Offer and the Tender Form:

- a) **In case the Equity Shares are in dematerialised form:** An Eligible Shareholder may participate in the Offer by downloading the Tender Form from the website of the Company i.e. www.bayer.in or by providing their application in writing on plain paper, signed by all Equity Shareholders, stating name & address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ID, beneficiary account number and number of Equity Shares tendered for the Buyback.
- b) **In case the Equity Shares are in physical form:** An Eligible Shareholder may participate in the Offer by downloading the Tender Form from the website of the Company i.e. www.bayer.in or by providing their application in writing on plain paper signed by all Equity Shareholders stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback Offer and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Equity Shareholders' PAN card(s) including joint holders and executed share transfer form in favour of the Company. The transfer form SH-4 can be downloaded from the Company's website www.bayer.in. Equity Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in paragraph 20.19.1), reach the collection centres before 5:00 PM on the Closing Date. If the signature(s) of the Equity Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Buyback Offer.

Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Seller Member (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member or broker in the electronic platform to be made available by BSE before the Closing Date.

The Company shall accept Equity Shares validly tendered by the Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Shareholder(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buyback Offer, before participating in the Buyback.

20.21 Non-receipt of this Letter of Offer by, or accidental omission to dispatch this Letter of Offer to any Eligible Shareholder(s), shall not invalidate the Buyback Offer in any way.

20.22 The acceptance of the Buyback Offer made by the Company is entirely at the discretion of the Equity Shareholders of the Company. The Company does not accept any responsibility for the decision of any Equity Shareholder to either participate or to not participate in the Buyback Offer. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Equity Shareholders are advised to adequately safeguard their interest in this regard.

20.23 Method of Settlement

Upon finalization of the basis of acceptance as per Buyback Regulations:

20.23.1 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.

20.23.2 The Company will transfer the consideration pertaining to the Buyback to the Clearing Corporation's bank account through the Company's Brokers as per the secondary market mechanism, as per the prescribed schedule. For demat Equity Shares accepted under the Buyback, the Clearing Corporation will make direct funds pay-out to the respective Eligible Shareholder(s). If bank account details of any Eligible Shareholder holding Equity Shares in dematerialized form are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or relevant Bank, due to any reasons, then the amount payable to the Eligible Shareholder(s) will be transferred to the concerned Seller Members' for onward transfer to the such Eligible Shareholder holding Equity Shares in dematerialized form.

- 20.23.3 In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and the Clearing Corporation from time to time.
- 20.23.4 For the Eligible Shareholder(s) holding Equity Shares in physical form, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account.
- 20.23.5 The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company ("Demat Escrow Account") provided it is indicated by the Company's Brokers or it will be transferred by the Company's Broker to the Company Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchange.
- 20.23.6 Excess demat Shares or unaccepted demat Shares, if any, tendered by the Eligible Shareholder(s) would be transferred by the Clearing Corporation directly to the respective Eligible Shareholder's DP account, as part of the exchange payout process, not later than Tuesday, September 26, 2017. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to the Eligible Shareholder. In case of Custodian Participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective Custodian Participant. The Seller Members / Custodian Participants would return these unaccepted Shares to their respective clients on whose behalf the bids have been placed.
- 20.23.7 Physical Shares, to the extent tendered but not accepted, will be returned back to the Eligible Shareholders directly by RTA. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback by Shareholders holding Equity Shares in the physical form. The Company will issue a new single share certificate for all the unaccepted physical shares and return the same to the sole/first Shareholder (in case of joint Shareholders). Share certificates in respect of unaccepted / rejected Shares and other documents, if any, will be sent by Registered Post / Speed Post at the Shareholders' sole risk to the sole/first Shareholder (in case of joint Shareholders), at the address recorded with the Company, not later than Tuesday, September 26, 2017
- 20.23.8 The Seller Member would issue contract note for the Equity Shares accepted under the Buyback. The Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- 20.24 Shareholders who intend to participate in the Buyback should consult their respective Seller Members for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the selling Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders.
- 20.25 The Equity Shares lying to the credit of the Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

20.26 **Rejection Criteria**

The Equity Shares tendered by Shareholders are liable to be rejected on the following grounds amongst others:

For Shareholders holding Equity Shares in dematerialised form:

- a. The Shareholder is not an Eligible Shareholder of the Company as of the Record Date;

- b. If there is mismatch in the name (s) of holders/ order of the names in demat account from where shares are tendered and in the demat account as of Record Date;
- c. Shares tendered over and above the holding as on the Record Date.

For Shareholders holding shares in physical form:

- a. If the original share certificate(s) is/ are not enclosed or any other company's equity share certificate(s) are enclosed with the Tender Form instead of the Equity Share Certificate(s) of the Company;
- b. If the transmission of Equity Shares is not completed and the Equity Shares are not in the name of the Eligible Shareholders;
- c. If the Eligible Shareholders has bid the Equity Shares but the Registrar to the Buyback Offer does not receive the Equity Share Certificate(s)/ does not receive the Equity Share Certificate(s) within 2 (two) working days from the Closing Date i.e. Tuesday, September 19, 2017 (by 5:00 PM);
- d. In case the signature in the Tender Form and Form SH-4 does not match as per the specimen signatures recorded with Company/ Registrar of the Company;
- e. In case the transfer form –SH4 is not witnessed;
- f. Shares tendered over and above the holding as on the Record Date.

21 NOTE ON TAXATION

Disclosures in this paragraph are based on expert opinion sought by the Company.

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE ASSESSING OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE.

Given below is a broad summarization of the applicable sections of the Income-tax Act, 1961 (ITA) relating to treatment of income-tax in case of buyback of listed equity shares on the stock exchange, which is provided only as a guidance.

21.1 CLASSIFICATION OF SHARES AND SHAREHOLDERS

21.1.1 Based on the provisions of the ITA, shares can be classified under the following two categories:

- a. Shares held as investment (Income from transfer taxable under the head 'Capital Gains')
- b. Shares held as stock-in-trade (Income from transfer taxable under the head 'Profits and Gains from Business or Profession')

21.1.2 Based on the provisions of the ITA, shareholders can be classified under the following categories:

a. Resident Shareholders being:

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI)
- Others

b. Non Resident Shareholders being:

- Non Resident Indians (NRIs)
- Foreign Institutional Investors (FIIs)
- Others:
 - Company
 - Other than Company

21.2 SHARES HELD AS INVESTMENT

21.2.1 For non-residents, taxability of capital gains would be subject to beneficial provisions of applicable DTAA.

21.2.2 The taxability as per the provisions of the ITA is discussed below.

21.2.2.1 Nature of capital gains as per the provisions of the ITA

As per the provisions of the ITA, for the purpose of determining as to whether the capital gains are short-term or long-term in nature:

- a. Where a capital asset, being listed equity shares of the Company being bought back, is held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short-term capital asset, and the gains arising therefrom shall be taxable as short-term capital gains (STCG).
- b. Similarly, where listed equity shares are held for a period of more than 12 months prior to the date of transfer, the same shall be treated as a long-term capital asset, and the gains arising therefrom shall be taxable as long-term capital gains (LTCG).

21.2.2.2 Capital gains on buyback of shares are governed by the provisions of section 46A of the ITA. As per the provisions of section 46A, buyback of shares held as investment, would attract capital gains in the hands of shareholders as per the provisions of section 48 of the ITA.

21.2.2.3 The provisions under section 115QA of the ITA relating to tax on buyback of shares do not apply for shares listed on a Recognised Stock Exchange and hence exemption under section 10(34A) of the ITA is not applicable in the instant case.

Buyback of shares listed on a recognized stock exchange

21.2.3 Where transaction for transfer of equity shares listed on a Recognised Stock Exchange (ie buyback) is undertaken and such transaction is chargeable to Securities Transaction Tax (STT), the taxability is as under (for all categories of shareholders):

- a. LTCG arising from such transactions would be exempt under section 10(38) of the ITA. However, as per the amendment to section 10(38) of the ITA by the Finance Act, 2017, such exemption under section 10(38) of the ITA shall not be available, if the acquisition of such shares, other than acquisitions as notified by the Central Government, has been entered into on or after 1 October 2004, and such transaction has not been charged to STT.

Subsequently, the Central Board of Direct Taxes (CBDT) has issued notification no 43/2017 dated 5 June 2017 which provides the following negative list of transactions where the aforesaid exemption under section 10(38) of the ITA shall not be available:

- Acquisition of existing listed equity shares which are not frequently traded on a Recognised Stock Exchange by way of preferential issue (excluding certain exceptions as specified in the notification¹);
- Acquisition of existing listed equity shares otherwise than through a Recognised Stock Exchange (excluding certain exceptions as provided in the notification²); and
- Acquisition of unlisted equity shares during the period between the delisting and the day immediately preceding the re-listing of such shares on the Recognised Stock Exchange

Thus, in all other cases (ie other than those specified above), exemption under section 10(38) of the ITA would be available if the relevant conditions are fulfilled.

Where exemption is not available under section 10(38) of the ITA, such LTCG shall be subject to tax under section 112 of the ITA @ 20% with indexation benefit or @ 10% without indexation

¹ Where the transaction falls in the exceptions specified in the notification, exemption under section 10(38) of the Act would continue to be available

² Where the transaction falls in the exceptions specified in the notification, exemption under section 10(38) of the Act would continue to be available

benefit.

In addition to the above LTCG tax, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as mentioned in para 21.4.

- b. STCG arising from such transaction would be subject to tax @ 15% under section 111A of the ITA.

Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG.

In addition to the above STCG tax, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as mentioned in para 21.4.

- 21.2.4 Further, the provisions of minimum alternate tax on the book profits as provided under section 115JB of the ITA and alternate minimum tax as provided under 115JC of the ITA also need to be considered by resident shareholders.

21.3 **SHARES HELD AS STOCK-IN-TRADE**

- 21.3.1 Gains arising from the transfer of shares may be treated either as 'capital gains' or as 'business income' depending upon whether such shares were held as a capital asset or stock-in-trade. The issue of characterisation of income arising from transfer of shares has been a subject matter of litigation with the tax authorities.

- 21.3.2 The CBDT in order to reduce litigation has issued Circular no 6 of 2016 dated 29 February 2016 which states that if the taxpayer opts to treat the shares as stock-in-trade, the income arising from transfer of such shares would be treated as its business income. Further, if such shares are held for a period of more than 12 months and if the taxpayer desires to treat the income arising from the transfer thereof as 'capital gains', the same shall not be challenged by the tax officer. However, a stand once taken by the taxpayer shall remain applicable in the subsequent assessment years also and the taxpayer shall not be permitted adopt a contrary stand in the subsequent assessment years.

- 21.3.3 Accordingly, if the shares are held as stock-in-trade by any of the Shareholders of the Company, then the gains would be characterized as business income. In such a case, the provisions of section 46A of the ITA would not apply.

21.3.4 **Resident Shareholders**

- (a) For individuals, HUF, AOP, BOI and co-operative societies, profits would be taxable at slab rates.
- (b) For domestic companies having turnover or gross receipts not exceeding ₹ 50 crore in the financial year 2015-16, profits would be taxable @ 25%.
- (c) For persons other than stated in (a) and (b) above, profits would be taxable @ 30%.

No benefit of indexation by virtue of period of holding would be available in any case.

In addition to the above, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as mentioned in para 21.4.

21.3.5 **Non-Resident Shareholders**

- 21.3.5.1 For Non-Residents, taxability of profits as business income would be subject to beneficial provisions of applicable DTAA.

- 21.3.5.2 Where DTAA provisions are not applicable:

- For non-resident individuals, HUF, AOP, BOI and co-operative societies, profits would be taxable at slab rates

- For foreign companies, profits would be taxed in India @ 40%
- For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%

No benefit of indexation by virtue of period of holding would be available in any case.

In addition to the above, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as mentioned in para 21.4.

21.4 **RATE OF SURCHARGE AND CESS**

In addition to the basic tax rate, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as under:

- In case of foreign companies: Surcharge @ 5% on basic income-tax is leviable where the total income exceeds ₹ 10 crores and @ 2% where the total income exceeds ₹ 1 crore but is less than ₹ 10 crore.
- In case of domestic companies: Surcharge @ 12% on basic income-tax is leviable where the total income exceeds ₹ 10 crore and @ 7% where the total income exceeds ₹ 1 crore but is less than ₹ 10 crore.
- In case of individuals, HUF, AOP and BOI: Surcharge @ 15% on basic income-tax is leviable where the total income exceeds ₹ 1 crore and @ 10% where the total income exceeds ₹ 50 lac but is less than ₹ 1 crore.
- In case of Firms, Local Authority and Co-operative societies: Surcharge @ 12% on basic income-tax is leviable where the total income exceeds ₹ 1 crore.
- Education Cess @ 2% and Secondary and Higher Education Cess @ 1% on basic income-tax and surcharge is leviable in all cases.

21.5 **TAX DEDUCTION AT SOURCE**

21.5.1 **In case of Resident Shareholders**

21.5.1.1 In absence of any specific provision under the ITA, the Company shall not deduct tax on the consideration payable to resident shareholders pursuant to the said buyback.

21.5.2 **In the case of Non Resident Shareholders**

21.5.2.1 Since the buyback is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is on the non-resident shareholder. It is therefore recommended the non-resident shareholder may consult their custodians/ authorised dealers/ tax advisors to compute the capital gains (if any) on this transaction & immediately pay the applicable taxes in India.

21.6 **THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES.**

22 **DECLARATION BY THE BOARD OF DIRECTORS**

Declaration as required under clause (ix) and clause (x) of Part A of Schedule II to the Buyback Regulations:

- i. The Board of Directors of the Company confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.
- ii. The Board of Directors of the Company confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:
 - a. That immediately following the date of the Letter of Offer, there will be no grounds on

which the Company can be found unable to pay its debts;

- b. That as regards the Company's prospects for the year immediately following the date of the Letter of Offer that, having regard to their intentions with respect to the management of the Company's business during the said year and to the amount and character of the financial resources which will be available to the Company during the said year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date;
- c. In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act.

This declaration is made and issued by the Buyback Committee (under the authority of the Board of Directors) in terms of the resolution passed at the meeting held on August 21, 2017.

For and on behalf of the Board of Directors of Company

Sd/-
Richard van der Merwe
Vice Chairman & Managing Director and Chief
Executive Officer

Sd/-
Ulrich Stefer
Executive Director & Chief Financial Officer

23 AUDITORS CERTIFICATE

Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment and the opinion formed by directors regarding insolvency:

The text of the Report dated July 21, 2017 received from Price Waterhouse, Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

"The Board of Directors
Bayer CropScience Limited
Central Avenue, Hiranandani Estate
Thane – 400 607

Auditors' Report on Buy Back of Shares pursuant to the requirement of Schedule II to Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended and the Companies Act, 2013 and the rules thereunder

1. This report is issued in accordance with our agreement dated June 5, 2017.
2. We have been engaged by Bayer CropScience Limited (the "Company") to perform a reasonable assurance engagement on determination of the amount of permissible capital payment as detailed in the accompanying Annexure I in connection with the proposed buy back by the Company of its equity shares in pursuance of Section 68 and Section 70 of the Companies Act, 2013 (the "Act") and The Companies (Share Capital and Debentures) Rules, 2014 and the regulations as specified in the 'Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998' and amendments thereto (the "Regulations") and on the opinions expressed by the Board of Directors of the Company, as required under the Regulations. We have initialled the Annexure I for identification purposes only.

Board of Directors Responsibility

3. The Board of Directors of the Company is responsible for the following:
 - i) The amount of capital payment for the buy-back is properly determined; and
 - ii) It has made a full inquiry into the affairs and prospects of the Company and has formed the opinion that the Company will not be rendered insolvent within a period of one year from the date on which the result of shareholders resolution passed by way of postal ballot / e-voting approving the buyback is declared; and

- iii) A declaration is signed by at least two directors of the Company, that the Board of Directors has made a full enquiry into the affairs and prospects of the Company and has formed the opinion that the Company will not be rendered insolvent within a period of one year from the date of the Board Meeting and from the date on which the results of the shareholders resolution passed by way of postal ballot / e-voting approving the buyback is declared and in forming the opinion, it has taken into account the liabilities as if the Company were being wound up under the provisions of the Act.

Auditor's Responsibility

4. Pursuant to the requirement of the Regulations, it is our responsibility to obtain reasonable assurance on the following "Reporting Criteria":
 - i. whether the amount of capital payment for the buy-back is within the permissible limit computed in accordance with the provisions of Section 68 of the Act, based on the Audited Financial Statements as at and for the year ended March 31, 2017 (the "Audited Financial Statements"); and
 - ii. whether the Board of Directors has formed the opinion, as specified in Clause (x) of Schedule II to the Regulations, on reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from date of the board meeting dated June 6, 2017 ("Board Meeting") and from the date on which the results of the shareholders' resolution passed by way of postal ballot / e-voting approving the buyback is declared dated July 21, 2017.
5. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the Reporting Criteria. Within the scope of our work, we performed the following procedures:
 - i) Examined authorisation for buy back from the Articles of Association of the Company;
 - ii) Examined that the amount of capital payment as detailed in Annexure I for the buy-back is within the permissible limit computed in accordance with the provisions of Section 68 of the Act;
 - iii) Examined that the ratio of the debt owed by the Company, if any, is not more than twice the capital and its free reserves after such buy-back;
 - iv) Examined that all the shares for buy-back are fully paid-up;
 - v) Inquired into the state of affairs of the Company with reference to the Audited Financial Statements which has been prepared by the Management of the Company; and examined budgets and projections prepared by the Management;
 - vi) Examined minutes of the meetings of the Board of Directors and results of postal ballot where special resolution for the purposes of buy-back was approved by shareholders;
 - vii) Examined Directors' declarations for the purpose of buy-back and solvency of the Company; and
 - viii) Obtained appropriate representations from the Management of the Company.
6. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
8. The financial statements referred to in paragraph 5 (v) above, have been audited by us on which we issued an unmodified audit opinion vide our report dated May 24, 2017. Our audit of these financial statements was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material

misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

Opinion

9. As a result of our performance of aforementioned procedures, we report that:
- i. The amount of capital payment of Rs. 50,000 Lakhs for the shares in question, as stated in the accompanying certified extract of the minutes of the Board of Directors' meeting held on June 6, 2017, which we have initialled for identification, is within the permissible capital payment of Rs. 51,314 Lakhs, as calculated in Annexure I, based on the Audited Financial Statements, which, in our opinion, is properly determined in accordance with Section 68 of the Act; and
 - ii. The Board of Directors in their meeting held on June 6, 2017 has formed the opinion, as specified in Clause (x) of Schedule II to the Regulations, on reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from date of the Board Meeting for the buyback and from the date on which the results of the shareholders' resolution passed by way of postal ballot / e-voting approving the buyback is declared.

Restrictions on Use

10. Our work was performed solely to assist you in meeting your responsibilities with reference to the Regulations. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of the Company.
11. This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Regulations solely to enable the Board of Directors of the Company to include in:
- i) Public Announcement to be made to the shareholders of the Company, which will be filed with (a) the Registrar of Companies as required by the Regulations (b) the National Securities Depository Limited and the Central Depository Services (India) Limited for the purpose of extinguishment of equity shares (c) the authorised dealer as approved by the Board of Directors or committee of the Board of Directors thereof, for the purpose of capital payment and (d) Securities and Exchange Board of India and the BSE Limited;
 - ii) The draft letter of offer to be filed with Securities and Exchange Board of India and the BSE Limited; and
 - iii) The letter of offer to be given to the shareholders

and should not be used for any other purpose. Price Waterhouse does not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report, or Public Announcement or the draft letter of offer or letter of offer which includes our report, is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Uday Shah
Partner
Membership Number: 046061

Place: Mumbai
Date: July 21, 2017

Annexure I- Statement of Permissible Capital Payment for Buyback of Equity Shares:

Particulars	Rs. in Lacs
Issued, Subscribed and Paid-up share capital as at March 31, 2017 (35,354,001 equity shares of Rs. 10 each fully paid-up)	3,535
Free reserves as at March 31, 2017:	
- General Reserve	35,778
- Statement of Profit and Loss	165,943
Total	205,256
Maximum amount permissible for buy-back i.e. 25% of the total paid-up capital and free reserves	51,314

Note: Calculation in respect of Permissible Capital Payment for Buyback of Equity Shares is done on the basis of audited financial statements of the Company for the year ended March 31, 2017 which is not more than six months old from the proposed date of offer document.

For and on behalf of Bayer CropScience Limited

Ulrich Stefer
Executive Director & Chief Financial Officer"

24 DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by Shareholders of Bayer CropScience Limited at the Registered Office of the Company at Bayer House, Central Avenue, Hiranandani Estate, Thane (West) – 400 607, Maharashtra, from 10.30 AM to 1.00 PM on any day, except Saturdays, Sundays and public holidays, during the Tendering Period:

- i. Copy of the Certificate of Incorporation and the Memorandum and Articles of Association of Bayer CropScience Limited;
- ii. Copy of the annual reports of Bayer CropScience Limited for the years ended March 31, 2015, March 31, 2016 and March 31, 2017;
- iii. Copy of the resolution passed by the Board of Directors at the meeting held on June 06, 2017 approving proposal for Buyback;
- iv. Copy of the postal ballot notice to the Equity Shareholders dated June 06, 2017, along with Explanatory Statement;
- v. Copy of special resolution passed by the Equity Shareholders of the Company by Postal Ballot, the results of which were announced on July 21, 2017;
- vi. Copy of Certificate dated July 21, 2017 received from M/s. Price Waterhouse, the Statutory Auditors of the Company, in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations;
- vii. Copy of Declaration of solvency and an affidavit in form SH-9 as prescribed under section 68(6) of the Companies Act;
- viii. Copy of Escrow Agreement dated July 31, 2017 between Bayer CropScience Limited, Deutsche Bank AG, Mumbai Branch and Ambit Capital Private Limited;
- ix. Copy of the certificate dated August 08, 2017 from Deutsche Bank AG, Mumbai Branch confirming that ₹ 65,00,00,000 (Rupees Sixty Five Crores only) is kept in the Escrow Account;
- x. Copy of the certificate from M/s. Milind Joshi & Associates, Chartered Accountant dated July 24, 2017 certifying that the Company has adequate funds for the purposes of buyback of 10,20,408 Equity Shares at the price of ₹ 4,900 per Equity Share;
- xi. Copy of Public Announcement published in the newspapers on July 25, 2017 regarding Buyback of Equity Shares;
- xii. Opinion dated July 27, 2017 obtained by the Company on taxation;
- xiii. Copy of SEBI observation letter no. CFD/DCR/OW/2017/19590 dated August 18, 2017;

25 COMPLIANCE OFFICER

Mr. Rajiv Wani, Head– Law, Patents and Compliance & Company Secretary,
Bayer CropScience Limited
Bayer House, Central Avenue, Hiranandani Estate, Thane (West) – 400 607, Maharashtra
Tel: +91 22 2531 1234; Fax: +91 22 2545 5063; Email: ir_bcs1@bayer.com

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10:00 AM and 5:00 PM on all working days except Saturday, Sunday and Public holidays

26 DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS / BENEFICIAL OWNERS

- In case of any grievances relating to the Buyback (i.e. non-receipt of the Buyback consideration, Share certificate, demat credit, etc.) the investor can approach the Compliance Officer and/or Manager to the Buyback and/or Registrar to the Buyback Offer for redressal.
- If the Company makes any default in complying with the provisions of Section 68 of the Companies Act or any rules made there-under, or any regulation or under clause (f) of sub-section (2) of Section 68 of the Companies Act, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act.
- The address of the concerned office of the Registrar of Companies is as follows:
Registrar of Companies, Maharashtra, Mumbai
100, Everest, Marine Drive, Mumbai – 400 002

27 INVESTOR SERVICE CENTRE

In case of any query, the Shareholders may contact the Registrar & Transfer Agent on any day except Saturday, Sunday and Public holidays between 10:00 AM and 4:30 PM at the following address:

TSR Darashaw Ltd
6-10 Haji Moosa Patrawala Ind. Estate,
20, Dr. E. Moses Road,
Near Famous Studio,
Mahalaxmi, Mumbai – 400011
Tel: +91 22 66568484; Fax: +91 22 66568494;
Email: Bayerbuyback2017@tsrdarashaw.com;
Contact Person: Ms. Mary George

28 MANAGER TO THE BUYBACK OFFER



Ambit Capital Private Limited
Ambit House, 449, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013
Tel: +91 22 39821819; Fax: +91 22 39823020
Email: bayerbuyback2017@ambit.co
SEBI Registration No.: INM000012379
CIN:U74140MH1997PTC107598
Contact Person: Mr. Praveen Kumar Sangal
Website: www.ambit.co

29 DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE OFFER DOCUMENT

As per Regulation 19(1)(a) of the Buyback Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Letter of Offer. The Letter of Offer is issued under the authority of the Board of Directors by the Buyback Committee through Resolution passed by the Buyback Committee meeting held on August 21, 2017.

For and on behalf of the Board of Directors of
Bayer CropScience Limited

Richard van der Merwe
*Vice Chairman & Managing Director
and Chief Executive Officer*

Ulrich Stefer
*Executive Director & Chief Financial
Officer*

Rajiv Wani
*Head – Law, Patents and Compliance
& Company Secretary*

Date: August 21, 2017
Place: Thane

Enclosure:

1. Form of Acceptance-cum-Acknowledgement