



One only) from Citibank, N.A. (acting through its branch, namely Citibank N.A. New Delhi branch, presently situated at 1st Floor, DLF Capitol Point, Baba Kharkar Singh Marg, Connaught Place, New Delhi, 110001), in favor of the Manager to the Offer ("Bank Guarantee"). The Bank Guarantee is valid upto October 23, 2018. The Manager to the Offer has been authorised to realize the value of the aforesaid Bank Guarantee in terms of the SEBI (SAST) Regulations. The Acquirer undertakes that in case the Offer process is not completed within the validity of the Bank Guarantee, then the Bank Guarantee will be further extended at least upto the 30th day from the date of completion of payment of the shares validly tendered in the Open Offer. The bank issuing the Bank Guarantee is neither an associate company nor a group company of the Acquirer, the PAC or the Target Company.

3. The source of funds is the cash invested by the Acquirer in stable and liquid assets.
4. Dhruv A & Co., chartered accountants have, vide their certificate dated April 19, 2018, certified that the Acquirer has adequate financial resources through verifiable means to fulfill its payment obligations under this Offer.
5. The Manager to the Offer has entered into an agreement dated April 19, 2018 with the Acquirer and the Escrow Bank (the "Escrow Agreement") pursuant to which the Acquirer has solely authorized the Manager to the Open Offer to realize the value of the Escrow Account – Cash and to operate the special escrow account which shall be opened as per the provisions of the SEBI (SAST) Regulations.
6. The amount deposited in Escrow Account – Cash, along with the Bank Guarantee are in excess of a sum total of (i) 25% of INR 5,000,000,000 (Indian Rupees Five Billion) out of the Maximum Open Offer Consideration; and (ii) 10% of the balance of the Maximum Open Offer Consideration, as required under Regulation 17(1) of the SEBI (SAST) Regulations.
7. The Manager to the Open Offer is satisfied that firm arrangements have been put in place by the Acquirer and the PAC to fulfill their obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.

#### VI. STATUTORY AND OTHER APPROVALS

1. To the best of the knowledge of the Acquirer and the PAC, there are no statutory or other approvals required to complete the acquisition under the India SAPA and the Offer as on the date of this DPS, except as set out below in subsequent paragraphs and in this part. If, however, any statutory or other approval becomes applicable prior to completion of such acquisition, the Offer would also be subject to such other statutory or other approval(s) being obtained.
  - a) Competition Commission of India (or any appellate authority) in respect of the purchase of the Equity Shares under the India SAPA and purchase of the Offer Shares, having either (A) declined jurisdiction; (B) granted approval; or (C) been deemed to have granted approval through the expiration of time periods available for their investigation; and
  - b) Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India having provided its approval for the purchase of the Equity Shares under the India SAPA and purchase of the Offer Shares, as per the extant Consolidated Foreign Direct Investment Policy Circular of 2017 (as amended from time to time).
2. The necessary filings in relation to the above will be made shortly.
3. Non-resident Indians ("NRIs") and Overseas Corporate Bodies ("OCBs") holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to the Open Offer and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept the Open Offer. Further, if holders of Equity Shares who are not persons resident in India (including NRIs, OCBs and foreign portfolio investors) had required any approval from the Reserve Bank of India ("RBI") or any other regulatory body in respect of the Equity Shares held by them in the Target Company, they will be required to submit such previous approvals that they would have obtained for acquiring and holding the Equity Shares of the Target Company to tender Equity Shares held by them pursuant to the Open Offer, along with the Form of Acceptance-cum-Acknowledgement and other documents required to be tendered to accept the Open Offer as mentioned in the letter of offer ("Letter of Offer"). In the event such approvals and supporting documents are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in the Open Offer.
4. The Offer is also subject to the satisfaction of the conditions stipulated under the India SAPA and disclosed herein above in paragraph 5.6 of Part I (Details of Offer) (all of which are considered to be outside the reasonable control of the Acquirer and the PAC).
5. The Acquirer does not require any approvals from financial institutions or banks for this Offer.
6. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Offer.
7. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer and/or the PAC to diligently pursue such approval, grant an extension of time for the purpose of completion of this Open Offer subject to such terms and conditions as may be specified by SEBI, including payment of interest at such rate as may be prescribed by SEBI from time to time in accordance with Regulation 18(11) of the SEBI (SAST) Regulations.
8. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approvals, whether relating to the acquisition under the India SAPA or the acquisition of the Offer Shares, specified in this DPS, or those which become applicable prior to completion of the Offer, are not received, or if any of the conditions set out in paragraph

5.6 of Part I (Details of the Offer) above, all of which are outside the reasonable control of the Acquirer and the PAC, are not satisfied in accordance with the India SAPA, the Acquirer and the PAC shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer and the PAC (through the Manager) shall, within 2 (two) Working Days (as defined in SEBI (SAST) Regulations) of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

#### VII. TENTATIVE SCHEDULE OF ACTIVITY

| No. | Activity  | Schedule (Day and Date)  |
|-----|---|--------------------------|
| 1.  | PA  | Thursday, April 19, 2018 |
| 2.  | Publication of this DPS   | Thursday, April 26, 2018 |
| 3.  | Filing of the draft letter of offer with SEBI   | Monday, May 7, 2018      |
| 4.  | Last date for public announcement for competing offer(s)  | Monday, May 21, 2018     |
| 5.  | Last date for receipt of SEBI observations on the draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer) | Monday, May 28, 2018     |
| 6.  | Identified Date <sup>#</sup>  | Wednesday, May 30, 2018  |
| 7.  | Last date by which the Letter of Offer is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date                        | Wednesday, June 6, 2018  |
| 8.  | Last date for upward revision of the Offer Price / Offer Size   | Friday, June 8, 2018     |
| 9.  | Date by which the committee of the independent directors of the Target Company shall give its recommendation to the shareholders of the Target Company for this Offer             | Monday, June 11, 2018    |
| 10. | Date of publication of Offer opening public announcement in the newspapers in which this DPS has been published   | Tuesday, June 12, 2018   |
| 11. | Date of commencement of the tendering period  | Wednesday, June 13, 2018 |
| 12. | Date of closure of the tendering period ("Offer Closing Date")  | Tuesday, June 26, 2018   |
| 13. | Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the shareholders of the Target Company              | Tuesday, July 10, 2018   |
| 14. | Last date for filing the report with SEBI   | Tuesday, July 17, 2018   |
| 15. | Last date for publication of post-Offer public announcement in the newspapers in which this DPS has been published  | Tuesday, July 17, 2018   |

<sup>#</sup> The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer would be posted. It is clarified that subject to paragraph 3 of Part VI (Statutory and Other Approvals) above, all the Public Shareholders (registered or unregistered) of the Target Company are eligible to participate in this Offer at any time on or prior to the Offer Closing Date.

#### VIII. PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON-RECEIPT OF LETTER OF OFFER


1. For the purpose of the Offer, Link Intime India Private Limited ("Registrar to the Offer" / "Registrar") has opened a special escrow depository account in the name and style of "LIPL Merck Open Offer Escrow Demat Account" ("Open Offer Escrow Demat Account") with Ventura Securities Limited as the depository participant in National Securities Depository Limited. The depository participant identification number is IN303116 and the client identification number is 12645304.
2. Subject to paragraph 3 of Part VI (Statutory and Other Approvals) above, all Public Shareholders, whether holding Equity Shares in dematerialized form or physical form, registered or unregistered, are eligible to participate in this Offer at any time during the tendering period for this Offer.
3. The Acquirer and the PAC being non-resident entities not having control over the Target Company as on the date of the PA, are not permitted to acquire the Equity Shares of the Target Company on the floor of the recognized stock exchanges in India as per the existing exchange control regulations in India. Therefore, in accordance with paragraph 3(c) of the SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, and as amended by SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, the Open Offer will follow the existing "tender offer method" as prescribed by SEBI.
4. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer (subject to paragraph 3 of Part VI (Statutory and Other Approvals) above and provided that they are not parties to the India SAPA, or actual or deemed persons acting in concert with such parties) by submitting an application on plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in the PA, this DPS and the Letter of Offer to be issued. Alternatively, such holders of Equity Shares may also apply on the form of acceptance-cum-acknowledgement in relation to this Offer annexed to the Letter of Offer, which may be obtained from the SEBI website (www.sebi.gov.in) or Registrar to

the Offer. Any such application must be sent to the Registrar to the Offer at the address mentioned below in Part IX (Other Information) so as to reach the Registrar to the Offer on or before 4:00 p.m. on the Offer Closing Date, together with:

- (i) In the case of registered shareholders holding Equity Shares in physical form, name, address, the number of Equity Shares held, the number of Equity Shares offered and the distinctive numbers and folio number, together with the original Equity Share certificate(s) and valid transfer deeds. Unregistered shareholders can send their application in writing to the Registrar, on plain paper, stating the name and address of the first holder, name(s) and address(es) of joint holder(s) (if any), the number of Equity Shares held, the number of Equity Shares offered and the distinctive numbers and folio number, together with the original Equity Share certificate(s), valid share transfer deeds and the original contract note(s) issued by the broker through whom they acquired their Equity Shares and/or such other documents as may be specified; or
  - (ii) In the case of Equity Shares held in dematerialized form, the Depository Participant ("DP") name and the DP identity and beneficiary account number, together with a photocopy or counterfoil of the delivery instruction slip in "off-market" mode duly acknowledged by the DP for transferring the Equity Shares in favour of the Open Offer Escrow Demat Account. Any shareholders tendering Equity Shares in dematerialized form should ensure that the Equity Shares are credited in the favour of the Open Offer Escrow Demat Account during the tendering period of this Offer. Any form of acceptance in respect of dematerialized Equity Shares not credited to the Open Offer Escrow Demat Account on or before the Offer Closing Date is liable to be rejected; or
  - (iii) Shareholders having their beneficiary account with Central Depository Services Limited must use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Open Offer Escrow Demat Account.
5. As on the date of this DPS, no Equity Shares of the Target Company are under lock-in. The Equity Shares to be acquired under the Open Offer must be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.

#### IX. OTHER INFORMATION

1. The Acquirer and the PAC and their respective directors accept full responsibility for the information contained in the PA, and this DPS (other than such information as has been obtained from public sources or provided or relating to and confirmed by the Target Company and/or the Sellers) and shall be jointly and severally responsible for the fulfillment of obligations under the SEBI (SAST) Regulations in respect of this Offer.
2. The information pertaining to the Target Company and/or the Seller contained in the PA or the DPS or the Letter of Offer or any other advertisement/publication made in connection with the Open Offer has been compiled from information published or provided by the Target Company or the Sellers, as the case may be, or publicly available sources which has not been independently verified by the Acquirer or the PAC. The Acquirer and the PAC do not accept any responsibility with respect to any misstatement by the Target Company and/or the Sellers in relation to such information.
3. In this DPS, all references to "Rupees" or "INR" are references to the Indian National Rupee(s) ("INR"). Certain financial details contained in the DPS are denominated in USD or EURO ("EUR"). The INR equivalent quoted in each case for USD is calculated based on the RBI reference rate of 65.6814 INR per USD as on April 18, 2018, the date preceding the PA date (Source: RBI website - <http://www.rbi.org.in>). The INR equivalent quoted in each case for EUR is calculated based on the RBI reference rate of 81.3004 INR per EUR as on April 18, 2018, the date preceding the PA date.
4. This DPS, and the PA shall also be available on SEBI's website (<http://www.sebi.gov.in>).

| Issued on behalf of the Acquirer and PAC by the Manager                             |  |
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|  | <b>ICICI SECURITIES LIMITED</b><br>ICICI Centre, H. T. Parekh Marg,<br>Churchgate, Mumbai - 400 020<br>Tel: +91 22 2288 2460 Fax: +91 22 2282 6580<br>Email: <a href="mailto:project.winhorpe@icicisecurities.com">project.winhorpe@icicisecurities.com</a><br>Contact Person: Mr. Vishal Kanjani<br>SEBI Registration Number: INM00011179 |

| Registrar to the Offer  |   |
|---|---|
|  | <b>LINK INTIME INDIA PRIVATE LIMITED</b><br>C-101, 1st Floor, 247 Park, L.B.S. Marg,<br>Vikhroli (West), Mumbai 400 083<br>Telephone: +91 22 4918 6200 Fax: +91 22 4918 6195<br>Email: <a href="mailto:merck.offer@linkintime.co.in">merck.offer@linkintime.co.in</a><br>Contact Person: Mr. Sumeet Deshpande<br>SEBI Registration Number: INR000004058 |

Place: Mumbai, India  
Date: April 25, 2018

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