

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 Corporate Finance Private Limited) or to the Registrar to the Buyback Offer (TSR Darashaw Pvt. Ltd.). Please refer to the section on 'Definitions' for the definition of the capitalized terms used herein.

Bayer CropScience Limited

Registered Office: Olympia, First Floor, Central Avenue,
Hiranandani Gardens, Powai, Mumbai - 400 076

Corporate Office: Kolshet Road, Thane - 400 607

(Tel: (+91) (022) 25311234, Fax: (+91) (022) 25455063, Email: investor.relations@bayer.com)

Contact Person: Mr. Rajiv Wani,

Vice President – Law, Patents and Compliance & Company Secretary,

(Tel: (+91) (022) 25311689; Fax: (+91) (022) 25455063; Email: investor.relations@bayer.com)



CASH OFFER TO BUYBACK NOT EXCEEDING 28,79,746 FULLY PAID-UP EQUITY SHARES OF FACE VALUE ₹ 10 EACH, REPRESENTING 7.29% 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. OCTOBER 8, 2013, ON A PROPORTIONATE BASIS, THROUGH THE "TENDER OFFER" ROUTE AT A PRICE OF ₹ 1,580 PER EQUITY SHARE (RUPEES ONE THOUSAND FIVE HUNDRED AND EIGHTY ONLY) FOR AN AGGREGATE AMOUNT OF ₹ 454,99,98,680 (RUPEES FOUR HUNDRED FIFTY FOUR CRORES NINETY NINE LACS NINETY EIGHT THOUSAND SIX HUNDRED AND EIGHTY ONLY)

- 1) The Buyback is in accordance with the provisions contained in the Article 9A of the Articles of Association of the Company, Sections 77A, 77AA, 77B and all other applicable provisions, if any, of the Companies Act, 1956, Regulation 4(1)(a) and other applicable provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 as amended from time to time 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 23.6% 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, 2013 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, October 8, 2013.
- 4) The procedure for acceptance is set out in paragraph 20 on page 32 of this Letter of Offer. The Form of Acceptance-cum-Acknowledgement is enclosed together with this Letter of Offer.
- 5) For mode of payment of consideration to the Equity Shareholders, please refer to paragraph 20.21 on page 38 of Letter of Offer.
- 6) A copy of the Public Announcement and this Letter of Offer (including Form of Acceptance-cum-Acknowledgement) 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: WEDNESDAY, NOVEMBER 06, 2013

BUYBACK CLOSING ON (LAST DATE OF RECEIPT OF COMPLETED APPLICATION FORMS): WEDNESDAY, NOVEMBER 20, 2013

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 Corporate Finance Private Limited

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

Tel: (+91) (022) 39821819; Fax: (+91) (022) 39823020

Email: bayerbuyback@ambitpte.com

SEBI Registration No.: INM000010585

Contact Person: Praveen Kumar Sangal (Tel: (022) 39821911) /
Kashyap Choksi (Tel: (022) 39821915)

Website: www.ambitholdings.com

REGISTRAR TO THE BUYBACK OFFER



TSR Darashaw Pvt. Ltd

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

Tel : (+91) (022) 66568484; Fax : (+91) (022) 66568494;

Email: Bayerbuyback2013@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 | 7 |
| 4 | TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING..... | 8 |
| 5 | DETAILS OF PUBLIC ANNOUNCEMENT | 11 |
| 6 | DETAILS OF THE BUYBACK | 11 |
| 7 | AUTHORITY FOR THE BUYBACK..... | 12 |
| 8 | NECESSITY OF THE BUYBACK..... | 13 |
| 9 | MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUYBACK ON THE COMPANY | 14 |
| 10 | BASIS OF CALCULATING BUYBACK PRICE..... | 17 |
| 11 | SOURCES OF FUNDS FOR THE BUYBACK | 17 |
| 12 | DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT TO BE DEPOSITED THEREIN | 17 |
| 13 | CAPITAL STRUCTURE AND SHAREHOLDING PATTERN | 18 |
| 14 | BRIEF INFORMATION ABOUT THE COMPANY | 19 |
| 15 | FINANCIAL INFORMATION ABOUT THE COMPANY..... | 24 |
| 16 | STOCK MARKET DATA..... | 25 |
| 17 | DETAILS OF STATUTORY APPROVALS | 27 |
| 18 | DETAILS OF THE COLLECTION CENTRES | 27 |
| 19 | PROCESS AND METHODOLOGY FOR THE BUYBACK..... | 28 |
| 20 | PROCEDURE FOR TENDER OFFER AND SETTLEMENT | 32 |
| 21 | NOTE ON TAXATION | 39 |
| 22 | DECLARATION BY THE BOARD OF DIRECTORS..... | 46 |
| 23 | AUDITORS CERTIFICATE..... | 46 |
| 24 | DOCUMENTS FOR INSPECTION..... | 49 |
| 25 | COMPLIANCE OFFICER | 50 |
| 26 | DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS / BENEFICIAL OWNERS | 50 |
| 27 | INVESTOR SERVICE CENTRES | 50 |
| 28 | MANAGER TO THE BUYBACK OFFER..... | 51 |
| 29 | DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE OFFER DOCUMENT | 51 |
| 30 | TENDER FORM FOR DEMAT SHAREHOLDERS | |
| 31 | TENDER FORM FOR PHYSICAL SHAREHOLDERS | |

1 SCHEDULE OF THE ACTIVITIES OF THE OFFER

| Activity | Date | Day |
|--|--------------------|------------|
| Date of Board Meeting approving the proposal of the Buyback | July 22, 2013 | Monday |
| Date of Equity Shareholders Meeting approving the Buyback | September 16, 2013 | Monday |
| Date of Public Announcement for the Buyback | September 18, 2013 | Wednesday |
| Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders | October 8, 2013 | Tuesday |
| Date of Opening of the Buyback Offer | November 6, 2013 | Wednesday |
| Date of Closing of the Buyback Offer | November 20, 2013 | Wednesday |
| Last date of verification | November 29, 2013 | Friday |
| Last date of intimation regarding acceptance / non- acceptance of tendered Equity Shares | November 29, 2013 | Friday |
| Last date of dispatch of consideration / share certificate(s) / demat instruction(s) | November 29, 2013 | Friday |
| Last date of extinguishment of Equity Shares | December 5, 2013 | Thursday |

2 DEFINITIONS

| | |
|--|--|
| Acceptance | Acceptance of Equity Shares, tendered by Eligible Persons in the Buyback Offer |
| Additional Shares / Additional Equity Shares | Additional Equity Shares tendered by an Eligible Person 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 / Stock Exchange | BSE Limited |
| Board Meeting | Meeting of the Board of Directors held on July 22, 2013 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. Stephan Gerlich, Vice Chairman and Managing Director; Dr. Thomas Hoffmann, Whole-time Director; Mr. Rajiv Wani, Vice President – Law, Patents and Compliance & Company Secretary and Mrs. Manorama Chivukula, Vice President – Finance, constituted and authorized for the purposes of the Buyback Offer vide resolution dated July 22, 2013 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 28,79,746 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 ₹ 1,580 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 | Wednesday, November 20, 2013 |
| Companies Act | The Companies Act, 1956, as amended |
| Company Depository Account | A depository account named “Bayer CropScience Limited” opened by the Company with Deutsche Bank AG, Mumbai Branch |
| Depositories | Collectively, National Securities Depository Limited and Central Depository Services (India) Limited |
| DIN | Director Identification Number |
| DTAA | Double Taxation Avoidance Agreement |
| 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 Person |
| Equity Shares / Shares | Fully paid-up equity shares of face value ₹ 10 each of the Company |
| Equity Shareholder / Shareholder | Holders of the Equity Shares of the Company |
| Eligible Person(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. October 8, 2013 |
| Escrow Agent | Deutsche Bank AG, Mumbai Branch |
| Escrow Agreement | The escrow agreement dated September 12, 2013 entered into between the Company, Deutsche Bank AG and Ambit |
| Escrow Account | The escrow account opened with Deutsche Bank AG, Mumbai Branch in terms of the Escrow Agreement |
| FCNR | Foreign currency non resident account |
| FDI | Foreign Direct Investment |
| FEMA | Foreign Exchange Management Act, 1999, as amended |
| FII(s) | Foreign Institutional 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 dated October 23, 2013 |
| LTCG | Long-term Capital Gains |
| Ltd. | Limited |
| Manager / Manager to the Buyback Offer / Ambit | Ambit Corporate Finance Private Limited |
| NECS | National Electronic Clearing Service |
| NEFT | National Electronic Funds Transfer |
| NOC | No Objection Certificate |
| Non-Resident Shareholders | Includes Non-Resident persons and bodies corporate, Non-Resident Indians (NRI), FII(s) and erstwhile OCBs |
| NRE | Non-residents external |
| 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. ₹ 1,580 (Rupees One Thousand Five Hundred and Eighty only) per Equity Share, payable in cash |
| Offer Size / Buyback Offer Size | Maximum number of Equity Shares proposed to be bought back (i.e. 28,79,746 Equity Shares of face value of ₹ 10 each) multiplied by the Buyback Offer Price (i.e. ₹ 1,580 per Equity Share) aggregating to ₹ 454,99,98,680 (Rupees Four Hundred Fifty Four Crores Ninety Nine Lacs Ninety Eight Thousand Six Hundred and Eighty only) |
| Opening Date | Wednesday, November 06, 2013 |
| 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 September 18, 2013, which was published on September 18, 2013 |

| | |
|--------------------------------|---|
| 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 and Tender Form will be sent and who are eligible to participate in the Buyback Offer in accordance with Buyback Regulations. This date shall be October 8, 2013 |
| RTGS | Real Time Gross Settlement |
| Registrar to the Buyback Offer | TSR Darashaw Private Limited |
| SEBI | Securities and Exchange Board of India |
| STCG | Short-term Capital Gains |
| 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. October 8, 2013 |
| Tender Offer | Method of buyback as defined in Regulation 2(1)(o) of the Buyback Regulations |

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 Corporate Finance 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 Corporate Finance Private Limited has furnished to SEBI a due diligence Certificate dated September 25, 2013 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, 1956 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, 1956, as amended or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

Promoters / 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 / mis-representation, the promoters / directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buyback Regulations.

Promoters / 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 July 22, 2013. The extracts of the minutes of the Board Meeting held at Mumbai are as follows:

“RESOLVED THAT pursuant to the provisions of Article 9A of the Articles of Association of the Company and the provisions of Sections 77A, 77AA, 77B and all other applicable provisions, if any, of the Companies Act, 1956 (the **“Companies Act”**) and in compliance with Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 (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 2,879,746 equity shares (representing 7.29% of the total number of shares in the paid up share capital of the Company) at a price of Rs. 1,580 per equity share (Rupees One Thousand Five Hundred and Eighty only) (**“Buyback Offer Price”**) payable in cash for an aggregate amount of Rs. 4,549,998,680 (Rupees Four Billion Five Hundred Forty Nine Million, Nine Hundred Ninety Eight Thousand Six Hundred and Eighty only) (**“Buyback Offer Size”**) being 23.6%, which is within 25% 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, 2013 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 implement the Buyback from its current surplus and/or cash balances and/ or internal accruals of the Company 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 for Buyback be sought and the Buyback Committee be and is hereby authorized to finalize the Notice for the Postal Ballot, the accompanying Explanatory Statement, calendar of events and carry out all incidental activities in connection with the obtaining approval of shareholders by a Special Resolution through Postal Ballot.

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) 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, Vice President – 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. Stephan Gerlich, Vice Chairman and Managing Director and Dr. Thomas Hoffmann, Whole-time Director 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 as if the Company was being wound up under the provisions of the Companies Act, 1956 (including prospective and contingent liabilities).

RESOLVED FURTHER THAT the Board hereby confirms:

- a) All the equity shares for Buyback are fully paid-up.
- b) That the Company has noted that 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) That the Company, as per provisions of Section 77A(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.
- d) That 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.
- e) That there are no defaults subsisting in the repayment of Deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
- f) that funds borrowed from Banks and Financial Institutions will not be used for the Buyback
- g) that the aggregate amount of the Buyback i.e. Rs. 4,549,998,680 (Rupees Four Billion Five Hundred Forty Nine Million, Nine Hundred Ninety Eight Thousand Six Hundred and Eighty only) does not exceed 25% of the total paid-up capital and free reserves of the Company as on March 31, 2013;

- h) that the maximum number of shares proposed to be purchased under the Buyback i.e. 2,879,746 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, 2013;
- i) That the debt equity ratio of the Company after the Buyback will be well within the limit of 2:1 as prescribed under the Companies Act, 1956.

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 / 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 Board of Directors and the company shall be liable for penalty in terms of the provisions of the Companies Act, 1956 and the SEBI (Buy Back of Securities) Regulations, 1998.

RESOLVED FURTHER THAT the appointment of Ambit Corporate Finance Private Limited as Manager to the Buyback be confirmed and approved in terms of their Offer Letter dated June 24, 2013.

RESOLVED FURTHER THAT a Committee (Buyback of Shares) ("**Buyback Committee**") comprising Mr. Stephan Gerlich, Vice Chairman and Managing Director; Dr. Thomas Hoffmann, Whole-time Director; Mr. Rajiv Wani, Vice President – Law Patents and Compliance and Company Secretary; and Mrs. Manorama Chivukula, Vice President – Finance be and is 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) entering into escrow arrangements as required in terms of the Buyback Regulations;
- b) 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;
- c) the appointment and finalization of the bankers, escrow agents, registrars, lawyers, depository participants, advertising agencies and other advisors/ consultants/ intermediaries/ agencies, as may be required, for the implementation of the Buyback;
- d) filing of 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;
- e) 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;
- f) extinguishment of share certificates and filing of certificates of extinguishment required to be filed in connection with the Buyback on behalf of the Company and/or the Board;
- g) sign, execute and deliver such documents as may be necessary or desirable in connection with or incidental to the Buyback; 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 two members;

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 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 September 18, 2013 was made in the following newspapers, in accordance with Regulation 8(1) of the Buyback Regulations, within two working days from the date of announcement of the results of resolution approved through the postal ballot approving the Buyback, on September 16, 2013:

| 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 Economic Times (English - All Editions) and the Financial Express (Gujarati – Ahmedabad Edition), on September 18, 2013.

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 28,79,746 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 ₹ 1,580 per Equity Share (Rupees One Thousand Five Hundred and Eighty only) payable in cash for an aggregate amount of ₹ 454,99,98,680 (Rupees Four Hundred Fifty Four Crores Ninety Nine Lacs Ninety Eight Thousand Six Hundred and Eighty only). The maximum number of Equity Shares proposed to be bought back represents 7.29% 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 the provisions of Article 9A of the Articles of Association of the Company, Sections 77A, 77AA, 77B 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 Offer Size is 23.6% 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, 2013 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, 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. September 18, 2013) is as follows:

| Sr. No. | Name | Equity Shares held | % of the total paid up equity capital |
|--------------|---|--------------------|---------------------------------------|
| 1 | Bayer AG | 63,72,560 | 16.13 |
| 2 | Bayer SAS | 79,22,666 | 20.06 |
| 3 | Bayer CropScience AG | 71,53,638 | 18.11 |
| 4 | Bayer Vapi Pvt. Ltd. (earlier known as Bilag Industries Pvt. Ltd.) | 59,82,948 | 15.15 |
| 5 | Bayer MaterialScience Pvt. Ltd. | 6,54,850 | 1.66 |
| Total | | 2,80,86,662 | 71.11 |

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 July 29, 2013 and July 30, 2013, as follows, to participate in the Buyback and offer upto an aggregate maximum of 2,80,86,662 Equity Shares or such lower number of Equity Shares as required in compliance with the Buyback Regulations / terms of the Buyback:

| Sr. No. | Name | Equity Shares held on August 2, 2013 | Equity Shares intended to be offered in the Buyback |
|--------------|---|--------------------------------------|---|
| 1 | Bayer AG | 63,72,560 | 63,72,560 |
| 2 | Bayer SAS | 79,22,666 | 79,22,666 |
| 3 | Bayer CropScience AG | 71,53,638 | 71,53,638 |
| 4 | Bayer Vapi Pvt. Ltd. (earlier known as Bilag Industries Pvt. Ltd.) | 59,82,948 | 59,82,948 |
| 5 | Bayer MaterialScience Pvt. Ltd. | 6,54,850 | 6,54,850 |
| Total | | 2,80,86,662 | 2,80,86,662 |

Each promoter entity intends to offer upto their respective shareholding as on the Record Date, or such lower number of equity shares as required in compliance with the Buyback Regulations / terms of the Buyback.

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 be 2,63,11,849 Equity Shares representing 71.85% of the post Buyback equity share capital of the Company, i.e. an increase of 0.74% from their present holding of 71.11% of the pre 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 / agreement.

7 AUTHORITY FOR THE BUYBACK

The Buyback is in accordance with the provisions of Article 9A of the Articles of Association of the Company, Sections 77A, 77AA, 77B and all other applicable provisions, if any, of the Companies Act and Regulation 4(1)(a) and other applicable provisions contained in 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, Stock Exchange etc.

The Board of Directors on July 22, 2013 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 August 2, 2013, the results of which were announced on September 16, 2013. Further, the Buyback Committee has, at its meetings held on July 26, 2013, August 2, 2013, September 10, 2013, September 16, 2013, September 20, 2013 and September 25, 2013, also approved various resolutions relating to the Buyback.

8 NECESSITY OF THE BUYBACK

A share buyback is the acquisition by a company of its own shares. The objective of the Buyback is to return surplus cash to the Equity Shareholders of the Company. The Buyback through Tender Offer route gives an option to all the Equity Shareholders, including the promoter shareholders, to receive the surplus cash by participating in the Buyback.

Subsequent to sale of its land and buildings situated at Kolshet Road, Thane, the Company deliberated options for distribution of surplus cash to the Equity Shareholders. The Board of Directors at its meeting held on July 22, 2013, considered the increase in accumulated free reserves as well as the liquidity reflected in the audited accounts for the financial year ending March 31, 2013 and considering these, the Board of Directors decided to allocate a sum of ₹ 454,99,98,680 (Rupees Four Hundred Fifty Four Crores Ninety Nine Lacs Ninety Eight Thousand Six Hundred and Eighty only) for distributing to the shareholders through the Buyback.

After considering several factors and benefits to the Equity Shareholders, the Board of Directors decided to recommend Buyback of not exceeding 28,79,746 equity shares (representing 7.29% of the total number of equity shares in the paid-up equity share capital of the Company) at a price of ₹ 1,580 per equity share aggregating ₹ 454,99,98,680. Buyback is a more efficient form of distributing surplus cash to the Equity Shareholders compared to other alternatives including special dividend, inter-alia, for the following reasons:

- i. The Buyback will help the Company to distribute surplus cash to its shareholders broadly in proportion to their shareholding;
- 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 (Please see paragraph 19.4 of this Letter of Offer). 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 the financial ratios like return on equity and earnings per share, by reduction in the equity base, thereby leading to long term increase in equity 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 to be accepted under the Buyback Offer or they may choose to not participate and enjoy a resultant increase in their percentage shareholding, post the Buyback Offer, without additional investment;
- v. Since the Buyback Offer proceeds will be taxed as capital gains, the Buyback Offer would enable the Company to distribute the entire amount so allocated to the Equity Shareholders in a more efficient manner as compared to dividend distribution which would involve payment of dividend distribution tax and thereby resulting in lower amount being distributed to the Equity Shareholders;
- vi. The Buyback Offer price of ₹ 1,580 per Equity Share represents a premium of 18.3% over the average closing prices 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 3.9% over the average closing prices 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 ₹ 454,99,98,680. 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 Promoter Group / Persons in Control have expressed their intention, vide their individual letters dated July 29, 2013 and July 30, 2013, to participate in the Buyback and offer upto an aggregate maximum of 2,80,86,662 Equity Shares or such lower number of Equity Shares as required in compliance with the Buyback Regulations / terms of the Buyback. Each promoter entity intends to offer upto their respective shareholding as on the Record Date, or such lower number of Equity Shares as required in compliance with the Buyback Regulations / terms of the Buyback. The Buyback of Equity Shares will not result in a change in control or otherwise affect the existing management structure of the Company.
- 9.4 As per the information provided by the promoters vide their individual letters dated July 29, 2013 and July 30, 2013, 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 ^{@ α} | - |
| 7 | August 12, 1977 | 2,06,814 ^{@α} | - |
| 8 | August 18, 1987 | 4,13,628 ^{@α} | - |
| 9 | December 1, 2003 | 82,72,560 [#] | - |
| 10 | September 25, 2012 | (19,00,000) | (3.96) |
| Total Current Holding | | 63,72,560 | 13.28 |
| Average Cost = ₹ 2.08 per Share (Note 1) | | | |

[^] Face value of ₹ 500

^α Bonus shares

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

[#] Sub-divided from Face value of ₹ 100 to ₹ 10

[@] Face value of ₹ 100

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) |
| Total Current Holding | | 79,22,666 | 3.93 | |
| Average Cost = Euros 0.50 or ₹ 39.06 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 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 = ₹ 78.1135 as on July 22, 2013; 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 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. |
| 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) | |
| Total Current Holding | | 71,53,638 | 5.50 | |
| Average Cost = Euros 0.77 or ₹ 60.15 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 = ₹ 78.1135 as on July 22, 2013; Source: www.rbi.org.in

(iv) Bayer Vapi Pvt. Ltd. (earlier known as Bilag Industries Pvt. Ltd.):

| Sr. No. | Date of acquisition | No. of equity shares acquired | Cost of acquisition per Share (₹) |
|--------------|---------------------|-------------------------------|-----------------------------------|
| 1 | September 25, 2012 | 59,82,948 | 1,005.86 |
| Total | | 59,82,948 | 1,005.86 |

(v) Bayer MaterialScience Pvt. Ltd.:

| Sr. No. | Date of acquisition | No. of equity shares acquired | Cost of acquisition per Share (₹) |
|--------------|---------------------|-------------------------------|-----------------------------------|
| 1 | June 19, 2001 | 6,54,850 [^] | 60.32 |
| Total | | 6,54,850 | 60.32 |

[^] 65,485 equity shares acquired were of face value of ₹ 100 and on December 1, 2003, the equity shares were split from face value of ₹ 100 each to ₹ 10 each.

- 9.5 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 71.85% from 71.11% pre Buyback, and the aggregate shareholding of the public in the Company shall reduce to 28.15% post Buyback from 28.89% pre Buyback.
- 9.6 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.
- 9.7 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).
- 9.8 Salient financial parameters consequent to the Buyback based on the latest audited results as on March 31, 2013 are as under:

| Parameters | Pre-Buyback* | Post-Buyback* |
|---|--------------|---------------|
| Networth [^] (₹ Lacs) | 193,126 | 147,626 |
| Return on Networth [^] | 60.15% | 78.69% |
| Earnings Per Equity Share after exceptional items (net of tax) (₹) | 294.11 | 317.23 |
| Earnings per Equity Share before exceptional items (net of tax) (Basic & Diluted) (₹) | 66.79 | 72.05 |
| Book Value per Share (₹) [^] | 488.95 | 403.14 |
| P/E based on Earnings Per Equity Share after exceptional items ** | 5.27 | 4.89 |
| P/E based on Earnings per Equity Share before exceptional items ** | 23.22 | 21.52 |
| Total Debt / Equity Ratio [^] | NA | NA |

Notes:

- i. [^]Excluding revaluation reserves and miscellaneous expenditure to the extent not written off and includes exceptional items (net of tax) of ₹ 89,784 lacs
- ii. Pre and Post-Buyback calculations are based on financial numbers as on March 31, 2013
- iii. ** P/E ratio based on the market price as on September 18, 2013 i.e. ₹ 1,550.80 (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 ₹ 1,580 per Share has been arrived at after considering various factors such as the average closing prices of the Equity Shares on BSE (where the Equity Shares are listed), the net-worth of the Company, the impact of the Buyback on the earnings per Equity Share, other financial ratios of the Company and other relevant considerations.
- 10.2 The Buyback Offer price represents a premium of 18.3% over the average closing prices 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 3.9% over the average closing prices 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 16.1 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 ₹ 1,656.55 on BSE.
- 10.5 The Buyback Offer price offers a premium of 223.14% over the Company's book value per share of ₹ 488.95 as at March 31, 2013.
- 10.6 The earning per share of the Company pre-Buyback as on March 31, 2013 was ₹ 294.11 which will increase to ₹ 317.23 post Buyback based on the assumption mentioned in notes to table on salient financial parameters in paragraph 9.8 of this Letter of Offer.
- 10.7 The Return of Net-worth of the Company pre Buyback as on March 31, 2013 was 60.15% which will increase to 78.69% post Buyback based on the assumption mentioned in notes to table on salient financial parameters in paragraph 9.8 of this Letter of Offer.

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 28,79,746 Equity Shares at a price of ₹ 1,580 per Equity Share would be ₹ 454,99,98,680 (Rupees Four Hundred Fifty Four Crores Ninety Nine Lacs Ninety Eight Thousand Six Hundred and Eighty 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 TO BE DEPOSITED THEREIN

- 12.1 In accordance with Regulation 10 of the Buyback Regulations, an escrow agreement has been entered into amongst the Company, Ambit Corporate Finance Private Limited and Escrow Agent having its branch at 222 Kodak House, Fort, Mumbai 400 001 on September 12, 2013.
- 12.2 In accordance with the Escrow Agreement, the Company has opened an escrow account in the name and style "**Escrow Account - Bayer CropScience Limited Buyback Offer**" bearing account number 0649988000 with the Escrow Agent. The Company has deposited cash of ₹ 60,50,00,000 (Rupees Sixty Crores Fifty Lacs only) in the Escrow Account. This amount of cash

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 Corporate Finance Private Limited has been empowered to operate the Escrow Account in accordance with the Buyback Regulations.

- 12.3 M/s Haribhakti & Co., Chartered Accountants (Firm Registration number 103523W), located at 701, Leela Business Park, Andheri Kurla Road, Andheri (E), Mumbai – 400 059, signing through their Partner Mr. Sumant Sakhardande (Membership Number: 034828) have certified, vide their certificate dated September 17, 2013, that the Company has adequate funds for the purposes of buyback of 28,79,746 Equity Shares at ₹ 1,580 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 | 39,498,747 | 3,949.87 |

- 13.2 During the 3 years preceding the date of the Public Announcement, the Company has not bought back any equity shares under any buyback programme.
- 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 October 8, 2013 (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") | 2,80,86,662 | 71.11 | 2,63,11,849 | 71.85 |
| Foreign Investors (including Non Resident Indians FII and Foreign Mutual Funds) | 29,00,097 | 7.34 | | |
| Financial Institutions / Banks & Mutual Funds promoted by Banks / Institutions & Insurance Cos | 43,25,390 | 10.95 | 1,03,07,152 | 28.15 |
| Others (Public, Public Bodies Corporate etc.) | 41,86,598 | 10.60 | | |
| Total | 3,94,98,747 | 100.00 | 3,66,19,001 | 100.00 |

Assuming full acceptance of Equity Shares in the Buyback in the ratio of their entitlement

- 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 | 36,619,001 | 3,661.90 |

- 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 71.85% 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 from a period of six months preceding the date of the Board Meeting at which the Buyback was approved till the date of the postal ballot notice.
- 13.8 Other than the transactions mentioned herein below, 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:

| Date of Acquisition / Sale | Name of the Buyer | Name of the Seller | No. of Equity Shares | Purchase / Sale price per Equity Share (in ₹)* |
|-----------------------------------|----------------------------|---------------------------|-----------------------------|---|
| September 25, 2012 | Bayer Vapi Private Limited | Bayer AG | 19,00,000 | 1,002.85 |
| September 25, 2012 | Bayer Vapi Private Limited | Bayer CropScience AG | 40,82,948 | 1,002.85 |

* Excluding brokerage

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. By virtue of Section 43A(2) of the Companies Act, 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 Thane plant. In 2001, Bayer CropScience AG acquired Aventis CropScience India Limited as part of global acquisition of cropsience 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 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 cropsience 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 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).

- 14.4 The Company has its manufacturing sites at Ankleshwar and Himatnagar in the State of Gujarat. The Company has entered into a business transfer agreement on September 13, 2013 with Deccan Fine Chemicals (India) Private Limited to sell, convey, assign and transfer the chemical manufacturing facility at Ankleshwar as a going concern on a slump sale basis, subject to fulfilment of conditions precedent and receipt of necessary approvals. Further, in the same facility at Ankleshwar, the Company has been carrying out manufacturing activities of Poly-isocyanate products on a job work basis for Bayer MaterialScience Private Limited, a promoter group company. The Company has signed an asset transfer agreement with Bayer MaterialScience Private Limited on September 30, 2013, to sell and transfer all the assets related to the Poly-isocyanate Unit, located within the facility at Ankleshwar, subject to receipt of such approvals and permissions as may be required for such transfer of the said assets.
- 14.5 The registered office of the Company is situated at Olympia, First Floor, Central Avenue, Hiranandani Gardens, Powai, Mumbai - 400 076 and the corporate office is situated at Kolshet Road, Thane - 400 607.
- 14.6 The Equity Shares were listed on BSE around March 1965. The Equity Shares were allowed to be traded in trade category of National Stock Exchange Limited on January 8, 2010.
- 14.7 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 Shares | Cumulative Equity Share Capital | |
|---|-----------------------------|--------------------------------------|---------------------------------|---------------|
| | | | No. of Equity Shares | ₹ |
| January 6, 1959 | 800 | 0.0% | 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 | 0.3% | 125,070 | 12,507,000 |
| September 30, 1964 | 83,660 | 0.2% | 208,730 | 20,873,000 |
| February 10, 1965 | 56,270 | 0.1% | 265,000 | 26,500,000 |
| September 20, 1967 | 25,463 | 0.1% | 290,463 | 29,046,300 |
| November 8, 1967 | 5,202 | 0.0% | 295,665 | 29,566,500 |
| June 28, 1968 | 4,335 | 0.0% | 300,000 | 30,000,000 |
| December 12, 1972 | 60,000 | 0.2% | 360,000 | 36,000,000 |
| June 25, 1975 | 25,525 | 0.1% | 385,525 | 38,552,500 |
| July 8, 1975 | 6,725 | 0.0% | 392,250 | 39,225,000 |
| June 15, 1977 | 392,250 | 1.0% | 784,500 | 78,450,000 |
| July 11, 1978 | 17,500 | 0.0% | 802,000 | 80,200,000 |
| September 18, 1978 | 9,000 | 0.0% | 811,000 | 81,100,000 |
| August 18, 1987 | 811,000 | 2.1% | 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 | 58.9% | 39,498,747 | 3,949,874,700 |

14.8 The Board of Directors of the Company as on the date of the Public Announcement was as under:

| Sr.No. | Name, Qualification, Occupation and Age | Date of Appointment / Re appointment | Designation | Other Directorships |
|--------|---|--------------------------------------|-------------|--|
| 1 | Dr. Vijay Mallya Qualification: Ph. D. in Business Administration Occupation: Industrialist Age: 57 years | December 20, 2003 | Chairman | <ol style="list-style-type: none"> 1. Four Seasons Wines Limited 2. The Gem Investment & Trading Co Pvt Ltd 3. Kamsco Industries Pvt Ltd 4. Kingfisher Airlines Limited 5. Mallya Pvt Ltd 6. Mangalore Chemicals and Fertilisers Limited 7. Motorsports Association of India 8. Pharma Trading Co Pvt Ltd 9. Royal Challengers Sports Private Limited 10. Sanofi India Limited 11. United Breweries (Holdings) Limited 12. United Breweries Limited 13. Kingfisher East Bengal Football Team Private Limited 14. United Racing and Bloodstock Breeders Limited 15. United Spirits Limited 16. VJM Investments Private Limited 17. Bouvet Ladubay SA, France 18. Connectics Pte Ltd., Singapore 19. Force India Formula One Team Limited, U.K. 20. Force India Formula One Limited, U.K. 21. Force India Brand Limited, U.K. 22. Imbali Holdings (Pty) Ltd., South Africa 23. Jenson & Nicholson (Singapore) Pte Ltd., Singapore 24. Kingfisher America Inc., USA 25. Kingfisher Beer Europe Limited, U.K. 26. Kingfisher International Airlines Inc., USA 27. Kingfisher Resorts Management SA (Pty) Ltd., South Africa. 28. Lake Kyle Holdings (Pty) Ltd., South Africa 29. Mabula Game Reserve (Pty) Ltd., South Africa 30. Mabula Investments (Pty) Ltd., South Africa 31. Marinscope Inc., USA 32. Mendocino Brewing Company, USA 33. Orange India Holdings S.A.R.L., Luxembourg 34. The Cape Milner SA (Pty) Ltd., South Africa 35. UB Emirates LLC, Dubai 36. UB Gulf FZE, Dubai |

| Sr.No. | Name, Qualification, Occupation and Age | Date of Appointment / Re appointment | Designation | Other Directorships |
|--------|---|--------------------------------------|------------------------------------|--|
| | | | | 37. UBICS Inc., USA 38. United Breweries of America Inc., USA 39. United Breweries & Distilleries (Pacific) Pte Ltd. Singapore 40. United National Breweries (SA)(Pty) Ltd., South Africa 41. United Wineries of America Inc., USA 42. Vantage Investments Pte Ltd., Singapore 43. VJM Resorts Holdings SA (Pty) Ltd., South Africa 44. VJM Resorts Investments SA (Pty) Ltd, South Africa 45. Whyte and Mackay Limited, Scotland, U.K. 46. Wotan Pte Ltd., Singapore |
| 2 | Mr. Stephan Gerlich Qualification: Wirtschaftsassistent - MBA equivalent Occupation: Company Executive Age: 55 years | July 1, 2003 | Vice Chairman & Managing Director | 1. Bayer MaterialScience Private Limited 2. Bayer Zydus Pharma Private Limited 3. Magma HDI General Insurance Company Limited 4. The Indo German Chamber of Commerce 5. United Breweries Limited |
| 3 | Mr. Sharad M. Kulkarni Qualification: Fellow of the Institute of Engineers India Occupation: Business Advisor and Management Consultant Age: 74 years | April 1, 2006 | Non-Executive Independent Director | 1. Camlin Fine Sciences Limited 2. HCC Real Estate Limited 3. Hindustan Construction Company Limited 4. JM Financial Trustee Company Private Limited 5. KEC International Limited 6. Lavasa Corporation Limited 7. Navin Fluorine International Limited 8. RPG Enterprises Limited 9. Raychem-RPG Private Limited 10. Styrolution ABS (India) Limited |
| 4 | Mr. A.K.R. Nedungadi Qualification: Chartered Accountant and Cost Accountant Occupation: Service Age: 55 years | December 20, 2003 | Non-Executive Independent Director | 1. Idea Streamz Consultants Private Limited 2. Kingfisher Airlines Limited 3. Sanofi India Limited 4. United Breweries Limited 5. Force India Brand Limited, U.K. 6. Force India Formula One Limited, U.K. 7. Force India Formula One Team Limited, U.K. 8. Orange India Holdings S.A.R.L. 9. Wotan Pte. Limited, Singapore |
| 5 | Mr. Vimal Bhandari Qualification: B.Com and Chartered Accountant Occupation: Service Age: 55 years | July 1, 2008 | Non-Executive Independent Director | 1. Bharat Forge Limited 2. DCM Shriram Consolidated Limited 3. Indostar Asset Advisory Private Limited 4. Indostar Capital Finance Private Limited 5. ING Investment Management (India) |

| Sr.No. | Name, Qualification, Occupation and Age | Date of Appointment / Re appointment | Designation | Other Directorships |
|--------|---|---|------------------------|---|
| | | | | Private Limited 6. JK Tyre & Industries Limited 7. Kalpataru Power Transmission Limited 8. MIRC Electronics Limited 9. Piramal Glass Limited 10. The Ratnakar Bank Limited |
| 6 | Mr. Peter Mueller Qualification: High School / Grammar School Diploma , Commercial Apprenticeship Occupation: Company Executive Age: 53 years | August 1, 2011 | Non-Executive Director | 1. Bayer Nordic SE, Finland 2. Bayer Pensionkasse, Germany 3. Pallas Versicherung AG, Germany 4. Bayer Pension Trust e.V., Germany 5. Bayer Innovation GmbH, Germany 6. Bayer CropScience AG |
| 7 | Mr. Tobias Marchand Qualification: High School / Grammar School Diploma , Commercial Apprenticeship Occupation: Company Executive Age: 50 years | August 1, 2011 | Non-Executive Director | 1. Bayer (South East Asia) Pte Limited, Singapore 2. Bayer CropScience Limited, Korea 3. Bayer CropScience Pty Ltd, Australia |
| 8 | Mr. Kaikobad B. Mistry Qualification: Fellow Member of The Institute of Chartered Accountants in England & Wales and Associate Member of The Institute of Chartered Accountants in India. Occupation: Company Executive Age: 53 years | Appointed as Whole-time Director w.e.f. July 1, 2008. Designation changed to Non-Executive Director w.e.f. February 1, 2013 | Non-Executive Director | 1. Bayer CropScience (Thailand) Co. Ltd. |
| 9 | Dr. Thomas Hoffmann Qualification: German Degree in Business Administration (Diplm. Kaufmann), similar to MBA, Doctorate (Dr. rer. Pol.) Occupation: Company Executive Age: 42 years | April 2, 2013 | Whole-time Director | 1. Bayer Sheets India Private Limited |

- 14.9 The details of changes in the Board of Directors during the last 3 years from the date of the Public Announcement are as under:

| Name | Appointment / Resignation | Effective Date | Reasons |
|------------------------|---------------------------|------------------|---|
| Mr. Bernd Naaf | Resignation | July 31, 2011 | Resignation |
| Mr. Johannes Dietsch | Resignation | July 31, 2011 | Resignation |
| Mr. Peter Mueller | Appointment | August 1, 2011 | Appointed in casual vacancy of Mr. Johannes Dietsch |
| Mr. Tobias Marchand | Appointment | August 1, 2011 | Appointed in casual vacancy of Mr. Bernd Naaf |
| Mr. Kaikobad B. Mistry | Change in designation | February 1, 2013 | Change in designation from Executive Director to Non-Executive Director |
| Dr. Thomas Hoffmann | Appointment | April 2, 2013 | Appointed as CFO for the Country Group South Asia |

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, 2013 | Year ended March 31, 2012 | Year ended March 31, 2011 [#] |
|---|------------------------------|------------------------------|---|
| Revenue from Operations (Net) | 272,525 | 227,227 | 213,730 |
| Other Income | 6,890 | 4,528 | 2,047 |
| Total Income | 279,415 | 231,755 | 215,777 |
| Total Expense (excluding Interest, Depreciation, Tax and Exceptional Items) | 236,540 | 201,962 | 191,422 |
| Interest Expense | 368 | 172 | 834 |
| Depreciation and Amortisation Expense | 3,661 | 3,396 | 3,269 |
| Exceptional Items : Expense / (Income) (Refer Note Below) | (117,474) | 5,791 | 378 |
| Profit Before Tax | 156,320 | 20,434 | 19,874 |
| Tax Expense (including Deferred Tax) | 40,153 | 6,535 | 6,720 |
| Profit After Tax | 116,167 | 13,899 | 13,154 |
| Paid-up Equity Share Capital | 3,950 | 3,950 | 3,950 |
| Reserve & Surplus excluding revaluation reserves & Misc. expenditures to the extent not written off | 189,176 | 75,319 | 63,348 |
| Net worth excluding revaluation reserves & Misc. expenditures to the extent not written off | 193,126 | 79,269 | 67,298 |
| Total Debt | | | |
| • Secured Loans excld. Working Cap | Nil | Nil | Nil |
| • Unsecured Loans excld. Working Cap | Nil | Nil | Nil |
| • Working Capital Loans | Nil | Nil | 10,850 |
| Total Loan Funds | Nil | Nil | 10,850 |

The figures for the year ended March 31, 2011 are based on Revised Schedule VI under the Companies Act, 1956.

Note:

The Exceptional item for the year ended March 31, 2013 represents profit of ₹ 119,060 lacs arising from sale of Land & Buildings and Demolition & Remediation Expenditure of ₹ 1,586 lacs

The Exceptional item for the year ended March 31, 2012 and March 31, 2011 represents Demolition & Remediation Expenditure

| Key Ratios | Year ended March 31, 2013 | Year ended March 31, 2012 | Year ended March 31, 2011 |
|---|------------------------------|------------------------------|------------------------------|
| Earnings Per Equity Share after exceptional items (net of tax) (Basic & Diluted) (₹) | 294.11 | 35.19 | 33.30 |
| Earnings per Equity Share before exceptional items (net of tax) (Basic & Diluted) (₹) | 66.79 | 45.09 | 33.95 |
| Book Value per Equity Share | 488.95 | 200.70 | 170.38 |
| Return on Net Worth excluding revaluation reserves (%) | 60.15% | 17.53% | 19.55% |
| Debt / Equity Ratio | n.a | n.a | 0.16 |

The key ratios have been computed as below:

| Ratios | Basis |
|--|--|
| Earnings Per Equity Share after exceptional items (₹) | Net Profit after exceptional item net of tax attributable to equity shareholders / Weighted average number of Equity Shares outstanding during the year |
| Earnings per Equity Share before exceptional items (₹) | 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 + Free 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 / 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

15.2 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 77A (2)(c), (d), 77B(1) and 77B(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 March 1, 2013 to September 17, 2013 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 (₹)# | Total Volume traded in the period (Shares) |
|--------------------------------|--------------|-----------------|---|-----------------|----------------|---|--------------------------|---|
| Preceding 3 years | | | | | | | | |
| Financial Year 2010-11 | 1,173.00 | 2-Sep-10 | 2,18,342 | 635.15 | 5-Apr-10 | 5,133 | 879.94 | 76,04,577 |
| Financial Year 2011-12 | 999.00 | 1-Apr-11 | 38,519 | 673.05 | 23-Dec-11 | 2,228 | 828.12 | 24,12,399 |
| Financial Year 2012-13 | 1,341.80 | 3-Dec-12 | 13,835 | 749.00 | 4-May-12 | 2,122 | 1,008.14 | 76,91,532 |
| Preceding 6 months | | | | | | | | |
| March 1, 2013 – March 31, 2013 | 1,225.00 | 28-Mar-13 | 6,056 | 1,069.95 | 21-Mar-13 | 4,356 | 1,116.84 | 43,669 |
| April 1, 2013 – April 30, 2013 | 1,210.00 | 1-Apr-13 | 473 | 1,065.05 | 10-Apr-13 | 3,262 | 1,124.12 | 23,921 |
| May 1, 2013 – May 31, 2013 | 1,433.00 | 31-May-13 | 8,590 | 1,141.20 | 3-May-13 | 319 | 1,260.67 | 1,30,279 |
| June 1, 2013 – June 30, 2013 | 1,492.80 | 3-Jun-13 | 9,416 | 1,301.10 | 14-Jun-13 | 1,227 | 1,387.93 | 78,567 |
| July 1, 2013 – July 31, 2013 | 1,775.00 | 22-Jul-13 | 6,190 | 1,400.00 | 1-Jul-13 | 42,783 | 1,547.32 | 2,20,214 |
| Aug. 1, 2013 – Aug. 31, 2013 | 1,575.00 | 14-Aug-13 | 873 | 1,420.05 | 6-Aug-13 | 5,173 | 1,510.50 | 59,589 |
| Sep. 1, 2013 – Sep. 17, 2013 | 1,596.40 | 10-Sep-13 | 989 | 1,498.00 | 16-Sep-13 | 4,186 | 1,533.13 | 26,997 |

(Source: www.bseindia.com)

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 March 1, 2013 to September 17, 2013 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 (₹)# | Total Volume traded in the period (Shares) |
|--------------------------------|--------------|-----------------|---|-----------------|----------------|---|--------------------------|---|
| Preceding 3 years | | | | | | | | |
| Financial Year 2010-11 | 1,250.00 | 23-Aug-10 | 1,93,070 | 635.55 | 13-Apr-10 | 1,693 | 880.06 | 97,25,185 |
| Financial Year 2011-12 | 1,042.00 | 1-Apr-11 | 60,132 | 653.50 | 30-Dec-11 | 17,945 | 828.97 | 42,11,046 |
| Financial Year 2012-13 | 1,340.30 | 3-Dec-12 | 49,379 | 745.05 | 7-May-12 | 1,587 | 1,009.12 | 40,11,827 |
| Preceding 6 months | | | | | | | | |
| March 1, 2013 – March 31, 2013 | 1,237.00 | 28-Mar-13 | 32,726 | 1,040.00 | 1-Mar-13 | 2,849 | 1,118.23 | 2,03,078 |
| April 1, 2013 – April 30, 2013 | 1,229.85 | 1-Apr-13 | 5,192 | 1,065.05 | 10-Apr-13 | 12,964 | 1,124.61 | 1,27,250 |
| May 1, 2013 – May 31, 2013 | 1,433.45 | 31-May-13 | 47,595 | 1,140.05 | 2-May-13 | 29,841 | 1,262.16 | 7,44,529 |
| June 1, 2013 – June 30, 2013 | 1,495.00 | 3-Jun-13 | 27,964 | 1,313.10 | 14-Jun-13 | 5,657 | 1,391.92 | 2,34,441 |
| July 1, 2013 – July 31, 2013 | 1,789.00 | 19-Jul-13 | 1,09,746 | 1,406.65 | 1-Jul-13 | 12,850 | 1,547.88 | 6,81,469 |
| Aug. 1, 2013 – Aug. 31, 2013 | 1,579.00 | 16-Aug-13 | 28,166 | 1,404.10 | 6-Aug-13 | 8,699 | 1,513.75 | 2,75,549 |
| Sep. 1, 2013 – Sep. 17, 2013 | 1,580.00 | 6-Sep-13 | 1,79,532 | 1,476.00 | 5-Sep-13 | 31,535 | 1,536.24 | 3,51,591 |

(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

16.2 The closing market price of the Equity Shares of the Company on BSE as on July 19, 2013, i.e. the trading day before July 22, 2013, being the date of Board Meeting approving the proposal of the Buyback was ₹ 1,732.85 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 Non-Resident Shareholders (excluding OCBs) permitted under the automatic route prescribed under applicable FEMA Regulations, read with the consolidated Foreign Direct Investment policy issued by the Government of India, are not required to obtain approvals from RBI.

17.3 Erstwhile OCB are required to obtain specific prior approval from RBI for tendering Equity Shares in the Buyback Offer. The Company shall not accept Equity Shares from OCB Shareholders in respect of whom such RBI approval is required and copies of such approvals are not submitted.

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 Persons who wish to tender their Equity Shares in the Buyback Offer can 'hand deliver' the Tender Form 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. (November 06, 2013 to November 20, 2013) 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 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 PRIVATE 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: Bayerbuyback2013@tsrdarashaw.com | Hand Delivery & Registered Post |
| 2 | Bangalore | TSR DARASHAW PRIVATE 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: tsrdlbgang@tsrdarashaw.com | Hand Delivery |
| 3 | Kolkata | TSR DARASHAW PRIVATE 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 |

| Sr. No. | City | Address of Collection Centre | Contact Person | Contact details | Mode of delivery |
|---------|-----------|---|--------------------------|--|------------------|
| 4 | New Delhi | TSR DARASHAW PRIVATE 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 PRIVATE 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 Fax: +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 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 CropScience Limited – Buyback**”, to the Registrar to the Buyback Offer at their below office, so that the same are received before the close of business hours on the Buyback Closing Date:

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

The Tender Form 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 28,79,746 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 ₹ 1,580 (Rupees One Thousand Five Hundred and Eighty only) per Equity Share, payable in cash for an aggregate amount of ₹ 454,99,98,680 (Rupees Four Hundred Fifty Four Crores Ninety Nine Lacs Ninety Eight Thousand Six Hundred and Eighty only). The maximum number of Equity Shares proposed to be bought back represents 7.29% of the total paid-up equity share capital of the Company. The Buyback is in accordance with the provisions of Article 9A of the Articles of Association of the Company, Sections 77A, 77AA, 77B, Regulation 4(1)(a) and other applicable provisions contained in 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, BSE, RBI etc. The Buyback Offer Size is 23.6% 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, 2013.
- 19.2 The aggregate shareholding of the Promoter Group / Persons in Control is 2,80,86,662 Equity Shares, which represents 71.11% 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 July 29, 2013 and July 30, 2013, to participate in the Buyback and offer upto an aggregate maximum of

2,80,86,662 Equity Shares or such lower number of Equity Shares as required in compliance with the Buyback Regulations / terms of the Buyback. Each promoter entity intends to offer upto their respective shareholding as on the Record Date, 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 2,63,11,849 Equity Shares, representing 71.85% of the post Buyback equity share capital of the Company i.e. an increase of 0.74% from their present holding of 71.11% 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 September 25, 2013 announced October 8, 2013 as 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 Record Date, the closing price on BSE was ₹ 1,537.15 per Equity Share, accordingly all Shareholders holding not more than 130 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 15,025 Small Shareholders with aggregate shareholding of 7,62,292 Shares, as on Record Date, which constitutes 1.93% of the outstanding paid up equity capital of the Company and 26.47% 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 higher of:
 - i. Fifteen percent of the number of Equity Shares which the Company proposes to buyback i.e. 15% of 28,79,746 Equity Shares which works out to 4,31,962 Equity Shares; or
 - ii. The number of Equity Shares entitled as per their shareholding as on Record Date [i.e. $(28,79,746 / 3,94,98,747) \times 7,62,292$] which works out to 55,577 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) Based on the above and in accordance with Regulation 6 of the Buyback Regulations, 4,31,962 Equity Shares will be reserved for Small Shareholders. Accordingly, General Category shall consist of 24,47,784 Equity Shares.

- g) Based on the above entitlements, the ratio of Buyback for both categories is decided as below:

| Category | Ratio of Buyback |
|-------------------|---|
| Reserved Category | 17 Equity Shares for 30 fully paid-up Equity Shares held on the Record Date |
| General Category | 6 Equity Shares for 95 fully paid-up Equity Shares held on the Record Date |

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 1 Equity Share 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) above, 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) above, 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) above, shall be reduced by one.
- d) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.6 (c) above, 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) above, 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) above, 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 19.6 and 19.7 above, 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) above 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 19.8 (a) above:

- 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 the Shares accepted under the Buyback Offer from each Shareholder, in accordance with paragraph 19.4, 19.6, 19.7 and 19.8 above, 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.**

19.10 **For the avoidance of doubt, it is clarified that the 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 in accordance with paragraph 19.4, 19.6, 19.7, 19.8 and 19.9 above.**

20 PROCEDURE FOR TENDER OFFER AND SETTLEMENT

20.1 The Buyback is open to all Eligible Person(s).

20.2 The Company proposes to effect the Buyback through Tender Offer route, on a proportionate basis. This Letter of Offer and Tender Form, outlining the terms of the Buyback Offer as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed to 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.

20.3 The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court 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 the 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 The Buyback Offer shall be open for the period as shown in the proposed timeline. Equity Shareholders who propose to tender their Shares in the Buyback Offer must ensure that their Tender Form(s), along with the requisite documents, reach the collection centres before 5:00 PM on the Closing Date. Equity Shareholders must also ensure that the credit of dematerialised Equity Shares in the Company Depository Account must take place before 5:00 PM on the Closing Date.

20.6 The tender in the Buyback Offer should be unconditional, on the enclosed Tender Form and sent along with other documents duly filled and signed by all the Equity Shareholder(s). The process of acceptance shall be as disclosed in paragraph 19.

20.7 Shareholders may submit the Tender Form duly signed (by all shareholders in case the Equity Shares are in joint names) at the specified Collection Centres along with the share certificate(s) / copy of DP instruction slip and other relevant documents as specified in this Letter of Offer.

20.8 Each Equity Shareholder should submit only one Tender Form irrespective of the number of folios he/she holds. Multiple applications tendered by any Equity Shareholder shall be liable to be

rejected. Also, multiple tenders from the same depository account or same registered folio shall also be liable to be rejected.

- 20.9 Shareholders to whom the Offer is made, are free to tender Shares to the extent of their Buyback Entitlement, in whole or in part or in excess of their Buyback Entitlement subject to a maximum of their full holding, as on the Record Date. Acceptance of any Shares tendered in excess of the Buyback Entitlement of the Shareholder, shall be in terms of procedure outlined in paragraph 19.
- 20.10 Equity Shareholders who have accepted the Buyback Offer by tendering their Equity Shares and requisite documents in terms of the Public Announcement and this Letter of Offer are not entitled to withdraw such tenders either during the Tendering Period or thereafter.
- 20.11 **Procedure to be followed by Equity Shareholders holding Equity Shares in the dematerialised form**

The Company has opened a depository account named “**Bayer CropScience Limited**” with Deutsche Bank AG, Mumbai Branch in NSDL. The beneficial owners are required to execute an off-market trade by submitting delivery instructions for debiting his/her beneficiary account with their concerned depository participant. The date of execution entered in the delivery instruction should be within the Tendering Period and before the date of mailing / submission of the Tender Form to the Registrar to the Buyback Offer. The beneficial owner may note that the Delivery Instructions to be made to their Depository Participant should be in the “Off-market trade” mode, and as per the details provided below:

| | |
|----------------------------|---------------------------|
| NSDL Client ID | 10112157 |
| DP Name | Deutsche Bank AG |
| DP ID | IN300167 |
| Client Account name | Bayer CropScience Limited |
| Client Code | BAYCSLTD |
| Depository | NSDL |

Beneficial owners having their beneficiary accounts with CDSL have to use inter-depository delivery instruction slip for the purposes of crediting their Equity Shares in favour of the special depository account with NSDL.

Please note that the Company Depository Account will stop accepting credits from 5:00 PM on the Closing Date and beneficial owners should execute the off-market trade well in time to ensure credit of their tendered Shares to the aforementioned account before this time limit.

Shareholders must ensure that the Tender Form, along with the requisite documents given below, reach the collection centres before 5:00 PM on the Closing Date:

- Duly signed Tender Form. The Tender Form must be signed by all Shareholders, in case the Shares are held in joint names, in the same order in which they hold the Equity Shares.
- If the signature(s) of the Equity Shareholders provided in the Tender Form / plain paper application (unless attested by a Notary Public or a Special Executive Magistrate under his/her official seal) differs from the specimen signature(s) recorded with the Company / Depositories or are not in the same order, such applications are liable to be rejected under this Buyback Offer.
- A photocopy of the delivery instructions or counterfoil of the delivery instructions duly acknowledged by their DP in favour of the Company Depository Account.
- Where the Tender Form is signed under power of attorney or by an authorized signatory(ies) on behalf of a company / body corporate, a copy of the power of attorney/signing authority along with the specimen signatures duly certified by a notary / gazetted officer should be

enclosed with the Tender Form along with the specimen signature of authorized signatory(ies). In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions) should also be enclosed.

- In case one or more of the joint holders is deceased, the Tender Form must be signed by all surviving holder(s) and submitted along with a certified true copy of the death certificate(s) of the deceased. If the sole shareholder is deceased, the Tender Form must be signed by the legal representatives of the deceased and submitted along with the certified true copy of probate / letters of administration / succession certificate and all other relevant documentation, while tendering their Equity Shares for the Buyback.
- No objection certificate from any lender, if the Equity Shares in respect of which the Tender Form is sent, are under any charge, lien or encumbrance.

In case of any lacunae and / or defect, incomplete information, late receipt or modifications in the documents / Tender Form submitted, the Tender Form is liable to be rejected.

The Tender Forms and other documents should be submitted at the designated collection centres so as to reach before close of business hours on Closing Date. Please refer to paragraph 18 for details of the collection centres.

In case of non receipt of the aforesaid documents, but receipt of the Equity Shares in the Company Depository Account, the Buyback Offer shall be deemed to have been rejected. The Tender Form of demat shares not credited in favor of the Company Depository Account, on or before the Buyback Closing Date will be rejected.

The Company shall accept / return the tendered dematerialised Equity Shares from the Eligible Persons in the following manner:

- a) In case all the Equity Shares tendered for the Buyback Offer are accepted by the Company, the consideration will be paid to the concerned Equity Shareholder for all the Equity Shares tendered and accepted.
- b) Equity Shares, to the extent tendered but not accepted, will be credited back to the beneficial owners' depository account with the respective DPs from which the dematerialised Equity Shares were tendered. The Equity Shares which are not accepted shall be transferred not later than November 29, 2013. It will be the responsibility of the Equity Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective DPs when transferred by the DP where the Company Depository Account is opened. Equity Shareholders holding Equity Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit, if any, in their DP account.

In the event, that any Equity Shares have to be returned to the shareholders and if the returned Equity Shares are not credited to the shareholder's beneficiary account for any reason whatsoever, the said Equity Shares will be rematerialized and a single certificate for the unaccepted shares will be issued and sent to the Equity Shareholder at the address recorded against the demat account with the DP. In the event, the share certificates are returned undelivered then they will be kept with the Company in trust for the concerned Equity Shareholder until the Company receives specific directions from the Equity Shareholder with regard to these Equity Shares.

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

Shareholders must ensure that the Tender Form, along with the requisite documents given below, reach the collection centres before 5:00 PM on the Closing Date:

- Duly signed Tender Form. The Tender Form must be signed by all Shareholders, in case the Shares are held in joint names, in the same order in which they hold the Equity Shares.

- If the signature(s) of the Equity Shareholders provided in the Tender Form / plain paper application (unless attested by a Notary Public or a Special Executive Magistrate under his/her official seal) differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order, such applications are liable to be rejected under this Buyback Offer.
- The original share certificate(s)
- A copy of PAN card(s) of all holders
- Where the Tender Form is signed under power of attorney or by an authorized signatory(ies) on behalf of a company / body corporate, a copy of the power of attorney/signing authority along with the specimen signatures duly certified by a notary / gazetted officer should be enclosed with the Tender Form along with the specimen signature of authorized signatory(ies). In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions) should also be enclosed.
- In case one or more of the joint holders is deceased, the Tender Form must be signed by all surviving holder(s) and submitted along with a certified true copy of the death certificate(s) of the deceased. If the sole shareholder is deceased, the Tender Form must be signed by the legal representatives of the deceased and submitted along with the certified true copy of probate / letters of administration / succession certificate and all other relevant documentation, while tendering their Equity Shares for the Buyback.
- No objection certificate from any lender, if the Equity Shares in respect of which the Tender Form is sent, are under any charge, lien or encumbrance.

In case of any lacunae (including missing share certificate) and / or defect, incomplete information, late receipt or modifications in the documents / Tender Form submitted, the Tender Form is liable to be rejected. Tenders received after 5:00 PM on the Closing Date are liable to be rejected.

The Tender Forms and other documents should be submitted at the designated collection centres so as to reach before close of business hours on Closing Date. Please refer to paragraph 18 for details of the collection centres.

The Company shall accept / return the tendered physical Equity Shares from the Eligible Persons in the following manner:

- a) In case all the Equity Shares tendered for the Buyback Offer are accepted by the Company, the consideration will be paid to the concerned Equity Shareholder for all the Equity Shares tendered and accepted.
- b) In respect of Equity Shares, to the extent tendered but not accepted, the Company will issue a new single share certificate 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 November 29, 2013.

20.13 **Additional requirements in respect of tenders by Non-resident shareholders**

- a) While tendering their Equity Shares under the Buyback Offer, all Non-Resident Equity Shareholders should provide relevant confirmations/ declarations vide the duly filled-in and signed (by all shareholders in case the Equity Shares are held in joint names) Tender Forms. In the event relevant confirmations / declarations are not provided in the Tender Forms or there is ambiguity in the information provided, the Company reserves the right to reject such Tender Forms.
- b) FII shareholders should also enclose a copy of their SEBI registration certificate.

- c) Erstwhile OCBs are required to obtain specific prior approval from RBI for tendering Equity Shares in the Buyback Offer. OCBs are required to obtain and enclose RBI approval for tendering Shares in the Buyback Offer. The Company shall not accept Equity Shares from OCBs in respect of whom such RBI approval is required and copies of such approvals are not submitted.
- d) Where non-resident shareholder is tax resident of a country which has entered into a DTAA with India, it may be possible for the non-resident shareholder to avail the beneficial provisions, if any, under the DTAA. If the non-resident shareholder opts to avail the beneficial provisions as per DTAA, a tax residency certificate of such person from the tax authorities of the country of which such person is the tax resident and prescribed Form 10F, along with all the other prescribed information, as also a copy of the self-certified declaration for non-existence of a permanent establishment should be submitted along with the Tender Form.
- e) If the non-resident shareholder requires the Company not to deduct tax, or to deduct tax at a lower rate, or on a lower amount, for any reason, they would need to obtain a certificate from the Income-tax authorities, either under section 195(3) or under section 197 of the Income Tax Act, and submit the same to Company while submitting the Tender Form. In absence of such certificate from the Income-tax authorities, the Company shall deduct tax on gross consideration at the prescribed rate of tax.
- f) It is recommended that the Non-Resident shareholders submit a copy of the PAN card along with the Tender Form as PAN verification is necessary for the Company to deduct taxes at the appropriate rate as well as to avoid queries regarding availability of tax credit on the TRACES website. In the absence of PAN, a different rate may be applicable as per the provisions of the Indian tax laws.
- g) Non-Resident Shareholders who have acquired Equity Shares of the Company under the approval route of the RBI and erstwhile OCBs are required to submit copies of earlier RBI approvals along with their respective Tender Forms.
- h) In case the Equity Shares are held on repatriation basis, the Non-Resident Shareholders should enclose documents in support of the same. Such documents could include:
- a copy of the permission received by them from RBI at the time of the original acquisition of Shares
 - a letter from the Shareholder's authorized dealer/bank confirming that at the time of acquiring the said Equity Shares, payment for the same was made by the Non-Resident shareholder from the appropriate account as specified by RBI in its approval.
 - Any other document which evidences repatriability of sale proceeds in respect of the tendered Shares.
- In case the Non-Resident shareholder is not in a position to produce supporting documents towards enabling repatriation, the Shares would be deemed to have been acquired on non-repatriation basis and in that case the Shareholder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Shares accepted under the Offer i.e. by way of credit to a non-repatriation bank account or issuance of Rupee demand draft.
- i) If any of the above stated documents, as applicable, are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback Offer are liable to be rejected.

20.14 The Company will make the payment of consideration to all Shareholders validly participating in the Buyback Offer in Indian National Rupees. It is mandatory for the Shareholders to indicate, in the Tender Form, the bank account where the consideration would be payable. For Shareholders

tendering Shares in dematerialised mode, unless specified in the Tender Form, the bank account details, which is linked to the demat account from where the Shares are tendered, will be obtained from the beneficiary position download to be provided by the Depositories will be considered for payment of consideration. By participating in the Buyback Offer, demat Equity Shareholders are deemed to have provided consent to the Company, the Registrar to the Buyback Offer and the Manager to the Buyback Offer to obtain details of their bank accounts linked to the respective demat accounts, from the Depositories. As regards the Shareholders holding Shares in physical form, the bank details indicated in the Tender Form will be used for payment of consideration under the Buyback Offer.

- 20.15 Equity Shareholders who have made an investment in the Company under the FDI route shall have an option to receive the payment consideration in foreign currency in their respective foreign bank account(s). If any such Shareholder opts to receive the payment consideration in foreign currency, then the Shareholder would be deemed to have provided consent to the Company to convert the Indian National Rupee consideration into equivalent foreign currency, at the exchange rate prevailing at the time of payment. The actual currency conversion rate shall be decided by the Company at its sole discretion, and remittance costs will be borne by the Shareholder seeking foreign remittance. Shareholders opting for this option will be required to furnish all such documents, undertakings etc as may be required by the RBI authorised dealer handling the remittance.
- 20.16 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 the credit of the Equity Shares to the Company Depository Account is completed on or before the close of business hours on the Closing Date, failing which such a Tender Form will be rejected. Once the dematerialisation process is complete the Shareholder is required to follow the tendering process outlined in paragraph 20.11.
- 20.17 Non-receipt of this Letter of Offer by, or accidental omission to dispatch this Letter of Offer to any Eligible Person, shall not invalidate the Buyback Offer in any way. Shareholders not receiving this Letter of Offer, if they so desire, may also apply on the Tender Form downloaded from SEBI website (www.sebi.gov.in) or obtain a duplicate copy of the same by writing to the Registrar to the Buyback Offer. Please note that the Company shall accept Equity Shares validly tendered for the Buyback Offer on the basis of their holding and entitlement as appearing in the records of the Company as on the Record Date.
- 20.18 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.
- 20.19 The instructions and authorizations contained in the Tender Form constitute an integral part of the terms of this Buyback Offer.
- 20.20 In case of non-receipt of this Letter of Offer / Tender Form:
- a) In case the Equity Shares are in dematerialised form: An Equity Shareholder may send an application in writing on plain paper signed by all Equity Shareholders stating name, address, number of Equity Shares held as on the Record Date, Client ID number, DP Name/ID, beneficiary account number, number of Equity Shares tendered for the Buyback, bank account particulars for payment of Buyback consideration, enclosing a photocopy of the delivery instruction in "Off-market" duly acknowledged by the DP, in favour of the depository account (along with the necessary documents mentioned in paragraph 20.11 and 20.13). The Tender Form along with necessary documents should reach the collection centres before

5:00 PM on the Closing Date. Equity Shareholders must also ensure that credit of dematerialised Shares in the Company Depository Account takes place before 5:00 PM on the Closing Date.

- b) In case the Equity Shares are in physical form: A registered Equity Shareholder may send an application in writing on a 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, bank account particulars for payment of consideration, enclosing the original share certificate(s), copy of Equity Shareholders' PAN card(s) and other necessary documents. Equity Shareholders must ensure that the Tender Form, along with the requisite documents (mentioned in paragraph 20.12 and 20.13), 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.

20.21 **Mode of Payment of Consideration to the Shareholders**

Shareholders, while tendering their Equity Shares in the Buyback Offer may indicate an option to receive the payment of Buyback Offer consideration through electronic form by indicating in the space provided in the Tender Form. The Company will pay the consideration to the Equity Shareholders in respect of the Equity Shares bought back within seven working days of Closing Date i.e. by November 29, 2013, in accordance with the Buyback Regulations.

- a) The payment of consideration for accepted tenders shall be made by the Company to the sole / first shareholder, the details of whom are recorded with the Company / DP as applicable. For Shareholders who have opted for electronic mode of transfer, payment shall be made electronically through Direct Credit / NEFT / RTGS / NECS (subject to availability of all information for crediting the funds) and other permissible modes.
- **Direct Credit:** Shareholders having bank accounts with the Escrow Agent (i.e Deutsche Bank AG in India), shall be eligible to receive payments through direct credit. Charges, if any, levied by the Bank for the same would be borne by the Company.
 - **National Electronic Fund Transfer ('NEFT'):** Payment shall be undertaken through NEFT wherever the Shareholder's bank has been assigned the Indian Financial System Code ('IFSC'), which can be linked to a MICR, if any, available to that particular bank branch. This mode of payment of consideration amount would be subject to IFSC registered by the Equity Shareholder in his / her demat account with the respective DP and availability of complete bank account details including the MICR code, bank account number and account type, bank name and branch address, as appearing on a cheque leaf.
 - **National Electronic Clearing System ('NECS'):** Shareholders having a bank account with the Bank branch enrolled under Core Banking System (CBS) are eligible to receive payment through NECS. This mode of payment of consideration amount would be subject to availability of complete bank account details including the MICR code, CBS bank account number and account type, bank name and branch address, as appearing on a cheque leaf.
 - **Real Time Gross Settlement ('RTGS'):** Shareholders having a bank account at any of the RBI mandated centres and whose Buyback consideration amount exceeds ₹ 2 Lacs are eligible to receive the payment through RTGS. Such eligible Shareholders are required to provide the bank account details including name of the beneficiary, bank

account number, bank name, branch address and IFSC code in the Tender Form. Charges, if any, levied by the Escrow Agent for the same would be borne by the Company. Charges, if any, levied by the Shareholder's bank receiving the credit would be borne by the Shareholder.

- b) For Equity Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected / not credited through Direct Credit / NECS / NEFT / RTGS, due to technical errors or incomplete / incorrect bank account details, payment of consideration shall be made through Demand drafts / Pay Order / similar physical instruments payable at par or payable at nearest branch. Such physical instruments will be dispatched through registered / speed post at the Equity Shareholder's sole risk to the address recorded with the Company / DP.
- c) Shareholders holding Equity Shares in dematerialised form are requested to ensure that any change in their bank details is registered against the account with their respective DP before tendering the Equity Shares for the Buyback. The Company / Registrar & Share Transfer Agent will not act on any direct request(s) received from Shareholders holding Equity Shares in dematerialised form for change / deletion of such bank details.
- d) In case of Shareholder holding Shares in physical form, if the bank account details are not provided, then the consideration through Demand drafts / Pay Order / similar physical instruments payable at par, or payable at nearest branch, will be dispatched in the name of the sole / first holder at her / his registered address (at their own risk). In the event that the amount payable to a Shareholder exceeds ₹ 1,500, the instrument for such payment shall be sent by registered post.
- e) In order to avail NECS, Shareholders holding Shares in physical form are requested to submit the enclosed NECS mandate form duly filled in and signed while submitting the Tender Form if the same has not been submitted earlier to the Company / Registrar & Share Transfer Agent or if there is a change in bank account details.
- f) All Equity Shareholders are requested to determine the tax implications of participating in the Buyback Offer and 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 including submitting any documents to the Company for the purpose of deduction of tax. Any change to Indian tax laws from time to time will be applicable.
- g) The Equity Shares lying to the credit of the Company Depository Account, after return of unaccepted / rejected Shares, will be extinguished in the manner specified in the Regulations.
- h) All documents sent by shareholders and all remittances to Equity Shareholders will be at their own risk. Equity Shareholders are advised to adequately safeguard their interests in this regard.

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 relating to treatment of income-tax in case of buyback of listed equity shares, which is provided only as a guidance.

21.1 CLASSIFICATION OF SHARES AND SHAREHOLDERS

21.1.1 Based on the provisions of the Income Tax Act, 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 Income Tax Act, shareholders can be classified under the following categories:

a. Resident shareholders being:

- Individuals, HUF, AOP and BOI
- Others

b. Non-resident shareholders being:

- NRIs
- FIIs
- Others:
 - Company
 - Other than Company

21.2 SHARES HELD AS INVESTMENT

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

21.2.2 Resident Shareholders

21.2.2.1 For Individuals, HUF, AOP and BOI:

- a. LTCG would be taxable at the lower of the following:
 - @ 20% (with indexation)
 - @ 10% (without indexation)
- b. STCG would be taxable at applicable slab rates
For computing capital gains, the benefit of basic exemption limit is allowable in case of resident individuals and HUF.

In addition to the above, surcharge @ 10% is leviable where the total income exceeds ₹ 1 crore. Further, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

21.2.2.2 In case of any other resident persons except those mentioned in 21.2.2.1 above,

- a. LTCG would be taxable at lower of following:
 - @ 20% (with indexation)
 - @ 10% (without indexation)
- b. STCG would be taxable @ 30%

In addition to the above, in the case of domestic companies, surcharge @ 10% is leviable where the total income exceeds ₹ 10 crores and @ 5% where the total income exceeds ₹ 1 crore. Further, in the case of assesses (other than domestic companies), surcharge @ 10% is leviable where the total income exceeds ₹ 1 crore. Also, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

21.2.3 **Non-resident shareholders**

21.2.3.1 **In case of FIIs:**

FIIs are taxable in accordance 115AD of the Income Tax Act, as under.

- a. LTCG would be taxable @ 10%
- b. STCG would be taxable @ 30%

It may further be noted that for FIIs, both - first proviso to section 48 of the Income Tax Act (providing for foreign exchange fluctuation benefit) and second proviso to section 48 of the Income Tax Act (providing for indexation benefit) would not apply.

21.2.3.2 **For NRIs:**

- a. LTCG would be taxable @ 10% (without indexation)
However, it is pertinent to note that for section 115E to apply, it is imperative that the Shares of the Company were acquired in convertible foreign exchange and such Shares were held for at least twelve months prior to the date of acceptance of the Shares tendered in the Buyback Offer.
- b. STCG would be taxable at slab rates

In addition to the above, surcharge @ 10% is leviable where the total income exceeds ₹ 1 crore. Further, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

Please note that in case of NRIs not covered within the ambit of the above, their taxation shall be as applicable for other Non-Resident Shareholders (i.e. paragraph 21.2.3.4 below).

21.2.3.3 **In case of Foreign Companies:**

- a. LTCG¹ would be taxable, depending on whether the transaction is in foreign currency:
 - i. Where transaction is in foreign currency, LTCG would be taxable @ 20% (without indexation) – however, benefit of foreign exchange fluctuation as per first proviso to section 48 of the Income Tax Act shall be available.
 - ii. Where transaction is not in foreign currency, then benefit of indexation would apply and tax would be calculated at lower of:
 - @ 20% (with indexation)
 - @ 10% (without indexation)
- b. STCG would be taxable @ 40%

In addition to the above, surcharge @ 5% is leviable where the total income exceeds ₹ 10 crores and @ 2% where the total income exceeds ₹ 1 crore. Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

¹ This has to be read in conjunction with paragraph 21.4 on Note on Taxation

21.2.3.4 In case of all other non-resident assesses, except those mentioned in paragraph 21.2.3.1, 21.2.3.2 and 21.2.3.3 above:

- a. LTCG² would be taxable, depending on whether the transaction is in foreign currency:
- i. Where the Shares are purchased in foreign currency, LTCG would be taxable @ 20% (without indexation) – however, benefit of foreign exchange fluctuation as per first proviso to section 48 of the Income Tax Act shall be available in such a case.
 - ii. Where the Shares are not purchased in foreign currency, then benefit of indexation would apply in case of LTCG and tax would be calculated at lower of:
 - @ 20% (with indexation)
 - @ 10% (without indexation)
- b. STCG would be taxable as per the slab rates or maximum marginal rate as applicable

In addition to the above, surcharge @ 10% is leviable where the total income exceeds ₹ 1 crore. Further, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

21.3 SHARES HELD AS STOCK-IN-TRADE

21.3.1 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 Income Tax Act would not apply.

21.3.2 Resident Shareholders:

21.3.2.1 For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.

21.3.2.2 For persons other than individuals, HUF, AOP, BOI 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, in the case of domestic companies, surcharge @ 10% is leviable where the total income exceeds ₹ 10 crores and @ 5% where the total income exceeds ₹ 1 crore. In all other cases, surcharge @ 10% is leviable where the total income exceeds ₹ 1 crore. Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

21.3.3 Non-Resident Shareholders:

21.3.3.1 For non-residents, taxability of profits as business income would be subject to beneficial provisions of applicable DTAA.

21.3.3.2 Where DTAA provisions are not applicable:

- For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates
- For foreign companies, profits would be taxed in India @ 40%
- or other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%

In addition to the above, in the case of foreign companies, surcharge @ 5% is leviable where the total income exceeds ₹ 10 crores and @ 2% where the total income exceeds ₹ 1 crore. In all other cases, surcharge @ 10% is leviable where the total income exceeds ₹ 1 crore. Education

² This has to be read in conjunction with paragraph 21.4 on Note on Taxation

Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

21.4 **NOTE**

21.4.1 The second proviso to section 112 of the Income Tax Act provides for beneficial tax rate on LTCG of 10%, without giving indexation benefit (as per second proviso to section 48 of the Act).

21.4.2 In the case of Non-Resident Shareholders [referred to in paragraph 21.2.3.3(a)(i) and 21.2.3.4(a)(i) above] (other than NRIs covered under the provisions of section 115E of the Income Tax Act and FIIs), the first proviso to section 48 (providing for foreign exchange fluctuation benefit) would apply, where Shares are purchased in foreign currency.

21.4.3 In this regard, it is pertinent to note that there are conflicting views on the applicability of the second proviso to section 112 (providing for a beneficial rate of 10% when indexation is not applied) to non-residents in case where the first proviso to section 48 (providing for foreign exchange fluctuation benefit) is applicable. We understand that the matter is presently sub-judice.

Key Favorable judgments – tax rate of 10% on LTCG is applicable in case of non-residents

- Cairn UK Holdings Ltd, In re [2013] WP No 6752/2012 dated 7 October 2013 (Delhi High Court)
- Compagnie Financiere Hamom vs DIT [2009] 310 ITR 1 (AAR)
- Chicago Pneumatic Tool Company [2008] ITA No 1641/Mum/2007 (Mumbai Tribunal)
- Mcleod Russel India Limited [2008] 299 ITR 79 (AAR)
- Timken France SAS [2007] 294 ITR 513 (AAR)

Unfavorable judgment(s) – tax rate of 10% on LTCG is not applicable in case of non-residents

- BASF Aktiengesellschaft vs DDIT [2006] 12 SOT 451 (Mumbai Tribunal)

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 Income Tax Act, the Company shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Buyback.

21.5.2 **In case of FIIs**

21.5.2.1 As per the provisions of Section 196D(2) of the Income Tax Act, no deduction of tax at source is required to be made by the Company, from income by way of capital gains arising from transfer of listed securities payable to a FII as defined in section 115AD of the Income Tax Act.

21.5.2.2 For this purpose, the FII should provide the information as requested in the Tender Form, stating the following:

- It's residential status
- It does not have a permanent establishment in India
- The amount received by it as a part of the Buyback constitutes capital gains and does not constitute business income for it
- Similar gains, if any, have been assessed as capital gains by the income-tax authorities in India in the past.

21.5.2.3 In absence of certification to the effect that the income of the FII from sale of Shares is in the nature of capital gains, the Company shall deduct tax at the prescribed rate (including applicable surcharge and education cess) under the Income Tax Act, on the gross consideration payable.

21.5.3 In case of Non-Resident Shareholders, including NRIs

21.5.3.1 As per the provisions of section 195(1) of the Income Tax Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at the prescribed rate (including applicable surcharge and education cess).

21.5.3.2 The consideration payable under the Buyback Offer would be chargeable to tax as capital gains or business profits, as the case may be.

In order to determine the tax implications of Buyback Offer, it is advised to consult your tax advisors for the applicable tax provisions including the treatment that may be given by your respective assessing officers in your case, and the appropriate course of action that you should take including submitting any documents to the Company for the purpose of deduction of tax.

The Company shall deduct tax at the prescribed rates (including applicable surcharge and education cess) for each category of Shareholder, on the gross consideration payable to such non-resident shareholders, based on the information submitted along with the Tender Form.

21.5.3.3 In case of any ambiguity, incomplete or conflicting information or information not being provided to the Company by the Non-Resident Shareholder, the tax shall be deducted at the maximum rate prescribed for such non-resident shareholder.

21.5.3.4 If the Non-Resident Shareholder requires the Company not to deduct tax, or to deduct tax at a lower rate, or on a lower amount, for any reason, they would need to obtain a certificate from the Income-tax authorities, either under section 195(3) or under section 197 of the Income Tax Act, and submit the same to Company while submitting the Tender Form. In absence of such certificate from the Income-tax authorities, the Company shall deduct tax on gross consideration at the prescribed rate of tax.

21.5.3.5 Where Non-Resident Shareholder is tax resident of a country which has entered into a DTAA with India, it may be possible for the Non-Resident Shareholder to avail the beneficial provisions, if any, under the DTAA. If the Non-Resident Shareholder opts to avail the beneficial provisions as per DTAA, a tax residency certificate of such person from the tax authorities of the country of which such person is the tax resident and prescribed Form 10F, along with all the other prescribed information, should be submitted along with the Tender Form. In absence of such certificate, the Company shall deduct the tax as per paragraph 21.5.3.1 to 21.5.3.4 above.

21.5.3.6 In case of a NRI, where it is claimed that he is governed by the provisions of section 115E of the Income Tax Act, he should submit the relevant information as requested in the Tender Form, along with documents in support thereof and to the satisfaction of the Company. In case the information and documents are not submitted or the Company is not satisfied regarding the same, then the rate of tax would be that as applicable to any other non-residents.

These can either be documents proving that the Shares were purchased by the Shareholders either from foreign remittances or from funds lying in the NRE account or FCNR account and that these Shares have been declared as such in the return of income filed by the shareholders.

21.5.4 Other Information

21.5.4.1 For the purpose of determining as to whether the capital gains are short-term or long-term in nature:

- As per the provisions of the Income Tax Act, where a capital asset (being equity shares of the Company being bought back in the instant case) 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.

- Similarly, where a capital asset is 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.
- The Company will rely on the information provided by the Equity Shareholder as to whether the capital asset being equity shares of the Company constitute short-term or long-term capital asset for the Shareholder, for the purpose of deduction of taxes at source.
- Where the information provided by the Equity Shareholder is ambiguous, incomplete or conflicting or the information is not available with the Company regarding the same, the capital gain shall be assumed to be short-term in nature.

21.5.4.2 If the Company becomes liable to pay interest for delay in release of Buyback consideration to Non-Resident Shareholders, such Shareholders will be required to submit a certificate for deduction of tax at Nil/ lower rate from the Income-tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Company before remitting the interest, failing which the Company will arrange to deduct tax at the applicable rate as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act, on the interest payment.

21.5.4.3 If the Company becomes liable to pay interest for delay in release of Buyback consideration to resident shareholder, tax will be deducted on the interest component exceeding Rs 5,000/- at the applicable rates. If the resident Shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such Shareholders will be required to submit a certificate for deduction of tax at Nil/ lower rate from the Income-tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Company.

21.5.4.4 Non-Resident Shareholders (including FIIs) are required to submit their PAN for income-tax purposes. In case of Non-Residents (including FIIs), if PAN is not submitted or is invalid or does not belong to the Shareholder, Company will deduct tax @ 20% (twenty percent) or at the rate in force or at the rate specified in the relevant provisions of the Income Tax Act, whichever is higher, in accordance with provisions of section 206AA of the Income Tax Act.

21.5.4.5 The Company shall issue a certificate in the prescribed form to the Shareholders (resident and non-resident) who have been paid the consideration after deduction of taxes on the same certifying the amount of tax deducted and other prescribed particulars.

21.5.4.6 For the purpose of computing the tax deduction at source, Shareholders who wish to tender their Shares must submit the information as required along with the Tender Form.

21.5.4.7 The tax deducted under this Offer is not the final liability of the Shareholders or in no way discharge the obligation of Shareholders to disclose the amount received in pursuant to this Buyback Offer.

21.5.4.8 If for any reasons, the income-tax department raises a vicarious liability on the Company and seeks to recover the tax on the transaction (which is actually tax liability of the Shareholder) from the Company, the Shareholder agrees to indemnify the Company for the same.

21.5.4.9 **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, redemption of debentures or Preference Shares or repayment of term loans to any financial institutions or banks under the provisions of Companies Act read with the corresponding provisions under Companies Act, 2013, if applicable.
- 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 as if the Company were being wound up under the provisions of the Companies Act (including prospective and contingent liabilities).

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 October 23, 2013. .

For and on behalf of the Board of Directors of Company

Sd/-
Stephan Gerlich
Vice Chairman & Managing Director

Sd/-
Dr. Thomas Hoffmann
Whole-time Director

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 22, 2013 received from Price Waterhouse, Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

Quote

To,
The Board of Directors
Bayer CropScience Limited
Kolshet Road
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

1. This report is issued in accordance with our agreement dated July 19, 2013.
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 in connection with the proposed buy back by the Company of its equity shares in pursuance of the provisions of Section 77A and 77B of the Companies Act, 1956 of India (the "Act") and 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.

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 results of the postal ballot for buyback will be declared.

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 77A of the Act; 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 on which the results of the postal ballot will be declared.
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 for the buy-back is within the permissible limit computed in accordance with the provisions of Section 77A of the Act;
 - iii) Examined that the ratio of the debt owned 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 of the Company as at and for the year ended March 31, 2013 (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;
 - 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 Special Purpose Audit Reports and Certificates.

7. 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 20, 2013. Our audit of these financial statements was conducted in accordance with the generally accepted auditing standards in India 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

8. As a result of our performance of aforementioned procedures, we report that:
- i) The amount of capital payment of Rs. 45,500 Lacs for the shares in question, as stated in the certified extract of the minutes of the Board of Directors' meeting held on July 22, 2013, is within the permissible capital payment of Rs. 48,282 Lacs as calculated based on the Audited Financial Statements as at March 31, 2013 in Annexure I and initialled by us for identification purposes only, which, in our opinion, is properly determined in accordance with Section 77A of the Act; and
 - ii) The Board of Directors in their meeting held on July 22, 2013 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 on which the results of the postal ballot for buyback will be declared.

Restrictions on Use

9. 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.
10. 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) Explanatory statement to be included in the postal ballot notice to be circularised to the shareholders;
 - ii) 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 and (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;
 - iii) The draft letter of offer to be filed with Securities and Exchange Board of India and Stock Exchanges; and
 - iv) 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 postal ballot notice 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 22, 2013

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, 2013 (39,498,747 equity shares of Rs. 10 each fully paid-up) | 3,950 |
| Free reserves as at March 31, 2013: | |
| Securities Premium | - |
| General Reserve | 26,036 |
| Statement of Profit and Loss | 163,140 |
| Total | 193,126 |
| Maximum amount permissible for buy-back i.e. 25% of the total paid-up capital and free reserves | 48,282 |

For and on behalf of Bayer CropScience Limited

Dr. Thomas Hoffmann
Whole-time Director
Unquote

24 DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by shareholders of Bayer CropScience Limited at the Corporate Office of the Company at Kolshet Road, Thane - 400 607, 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, 2011, March 31, 2012 and March 31, 2013;
- iii. Copy of the resolution passed by the Board of Directors at the meeting held on July 22, 2013 approving proposal for Buyback;
- iv. Copy of the postal ballot notice to the Equity Shareholders dated August 2, 2013, along with Explanatory Statement;
- v. Copy of Certificate dated July 22, 2013 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;
- vi. Copy of special resolution passed by the Equity Shareholders of the Company by Postal Ballot, the results of which were announced on September 16, 2013;

- vii. Copy of Declaration of solvency and an affidavit verifying the same as per Form 4A of the Companies (Central Governments) General Rules and Forms, 1956;
- viii. Copy of Escrow Agreement dated September 12, 2013 between Bayer CropScience Limited, Deutsche Bank AG, Mumbai Branch and Ambit Corporate Finance Private Limited, confirming that ₹ 60,50,00,000 (Rupees Sixty Crores Fifty Lacs only) is kept in escrow account and a lien has been marked on the amount in favour of the Manager to the Buyback Offer and a certificate dated September 16, 2013 from Deutsche Bank AG, Mumbai Branch confirming the balance to the credit of Escrow Account;
- ix. Copy of the certificate from M/s. Haribhakti & Co., Chartered Accountant dated September 17, 2013 certifying that the Company has adequate funds for the purposes of buyback of 28,79,746 Equity Shares at the price of ₹ 1,580 per Equity Share;
- x. Copy of Public Announcement published in the newspapers on September 18, 2013 regarding Buyback of Equity Shares;
- xi. Opinion dated September 25, 2013 and amended on October 18, 2013 obtained by the Company on taxation;
- xii. Copy of SEBI observation letter no. CFD/DCR2/BB/26866/2013 dated October 22, 2013.

25 COMPLIANCE OFFICER

Mr. Rajiv Wani, Vice President – Law, Patents and Compliance & Company Secretary,
Bayer CropScience Limited
Kolshet Road, Thane – 400 607
Tel: (+91) (022) 25311689; Fax: (+91) (022) 25455063; Email: investor.relations@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 for redressal.
- If the Company makes any default in complying with the provisions of Section 77A of the Companies Act or any rules made there-under, or any regulation or under clause (f) of sub-section (2) of Section 77A 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 CENTRES

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 5:00 PM at the following address:

TSR Darashaw Pvt. Ltd
6-10 Haji Moosa Patrawala Ind. Estate,
20, Dr. E. Moses Road,
Near Famous Studio,

Mahalaxmi, Mumbai – 400011
Tel: (+91) (022) 66568484; Fax: (+91) (022) 66568494;
Email: Bayerbuyback2013@tsrdarashaw.com;
Contact Person: Ms. Mary George

28 MANAGER TO THE BUYBACK OFFER



Ambit Corporate Finance Private Limited

Ambit House, 449, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013
Tel: (+91) (022) 39821819; Fax: (+91) (022) 39823020
Email: bayerbuyback@ambitpte.com
SEBI Registration No.: INM000010585
Contact Person: Praveen Kumar Sangal (Tel: (022) 39821911) /
Kashyap Choksi (Tel: (022) 39821915)
Website: www.ambitholdings.com

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 October 23, 2013

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

Sd/-
Stephan Gerlich
Vice Chairman & Managing
Director

Sd/-
Dr. Thomas Hoffmann
Whole-time Director

Sd/-
Rajiv Wani
Vice President – Law, Patents and
Compliance & Company Secretary

Date: October 23, 2013
Place: Mumbai

Enclosure:

1. Form of Acceptance-cum-Acknowledgement
2. NECS Mandate Form for Equity Shareholders holding Equity Shares in physical form

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN DEMATERIALIZED FORM)**

| | |
|--|--|
| BUYBACK OPENS ON | |
| BUYBACK CLOSES ON | |
| For Registrar / Collection Centre Use | |
| | |

Date : _____

To,
Board of Directors
Bayer CropScience Limited
C/o TSR Darashaw Pvt. Ltd.
6-10 Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road,
Near Famous Studio, Mahalaxmi, Mumbai – 400011

India Tax Residency Status : Please tick appropriate box

Route of Investment (For NR Shareholders only)

Dear Sirs,

Status: Please tick appropriate box

Individual Foreign Institutional Investors Insurance Company

Foreign Company Non Resident Indian / OCB Foreign National

Body Corporate Bank / Financial Institution Others (specify)

Resident in India Non-Resident in India

Portfolio Investment Scheme Foreign Direct Investment

Sub: Letter of Offer to Buyback not exceeding 28,79,746 Equity Shares of Bayer CropScience Limited (the "Company") at a price of ₹ 1,580 (Rupees One Thousand Five Hundred and Eighty only) per Equity Share ("Buyback Offer Price"), payable in cash

- I / We (having read and understood the Letter of Offer) hereby tender / offer my / our Equity Shares in response to the Buyback Offer on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback Offer to extinguish the Equity Shares through off - market transfer.
- I / We hereby affirm that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback Offer and that I / we am / are legally entitled to tender the Equity Shares for Buyback Offer.
- I / We agree that the Company will pay the Buyback Offer Price only after due verification of the validity of the documents and that the consideration may be paid to the first named Shareholder.
- I / We agree to receive, at my own risk, the invalid / unaccepted Equity Shares under the Buyback Offer in the demat a/c from where I / we have tendered the Equity Shares in the Buyback Offer. In case if for any reason the Shares cannot be credited to the above demat account, I / we agree to receive a single share certificate for the unaccepted Shares in physical form .
- I / We undertake to return to the Company any Buyback Offer consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback Offer in accordance with the Companies Act and the Buyback Regulations.
- I / We hereby give our consent to the Company / Registrar to the Buyback Offer / Manager to the Buyback Offer to obtain my / our bank account details from the Depositories for the purpose of crediting the consideration for the Equity Shares accepted in the Buyback Offer.
- Details of Equity Shares held and tendered / offered for Buyback Offer:

| | In Figures | In Words |
|--|------------|----------|
| Number of Equity Shares held as on Record Date | | |
| Number of Equity Shares entitled for Buyback (Buyback Entitlement) | | |
| Number of Equity Shares offered for Buyback | | |

Note: An Equity Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Equity Shareholder up to the Buyback Entitlement of such Equity Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Equity Shareholder over and above the Buyback Entitlement of such Equity Shareholder shall be accepted in accordance with Paragraph 19.6, 19.7, 19.8, 19.9 and 19.10 of the Letter of Offer. Equity Shares tendered by any Equity Shareholder over and above the number of Equity Shares held by such Equity Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

- Details of Account with Depository Participant (DP):

| | |
|--|---|
| Name of the Depository (tick whichever is applicable) | <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL |
| Name of the Depository Participant | |
| DP ID No. | |
| Client ID with the DP | |

- I / We hereby declare that we have instructed the above-mentioned DP, with whom, I / We hold an account to transfer the number of Equity Shares offered by me / us for Buyback Offer and as mentioned under serial number 10 above to Bayer CropScience Limited (NSDL Client Id No. 10112157) held with Deutsche Bank AG (DP ID No. IN300167). **A copy of delivery instruction issued to the DP, duly endorsed by the DP is enclosed.**

- Details of other Documents (Please tick as appropriate, if applicable) enclosed:

| | |
|---|---|
| <input type="checkbox"/> Power of Attorney | <input type="checkbox"/> Previous RBI approvals for acquiring the Equity Shares of Bayer CropScience Limited hereby tendered in the Buyback Offer |
| <input type="checkbox"/> Death Certificate | <input type="checkbox"/> Corporate authorisation |
| <input type="checkbox"/> Succession Certificate | <input type="checkbox"/> Others (please specify): _____ |
| <input type="checkbox"/> Permanent Account Number (PAN Card) (required for Non-Resident Shareholders) | |

- Tax Certification (NRIs / OCBs / FIIs / Other Non-Resident Equity Shareholders only)

NRI, OCB or an FII or a non-resident Equity Shareholder should certify whether the Equity Shares held by them are held on investment / capital account or on trade account. Please refer to the Letter of Offer regarding withholding tax. Equity Shareholders are also 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 including submitting any documents to the Company for the purpose of deduction of tax.

I / We certify that the Equity Shares referred to in serial number 10 of this Form of Acceptance-cum-Acknowledgment are held:

on Investment / Capital account on trade account / to be taxed as Business Profits

I / We certify that the Equity Shares referred to in serial number 10 of this Form of Acceptance-cum-Acknowledgment were acquired by me in:

in convertible foreign exchange other than convertible foreign exchange

I / We certify that the tax deduction on the Equity Shares referred to in serial number 10 of this Form of Acceptance-cum-Acknowledgment is to be deducted on account of:

Short Term Capital Gains Long Term Capital Gains Business Profits

I / We certify that we have a Permanent Account Number (PAN) obtained from the Indian Revenue authorities which is _____ and have enclosed a copy of the PAN card.

Order from Income-tax authorities enclosed specifying (if applicable):

Non deduction of tax at source Deduction at lower rate – _____ please mention rate specified in order

I / We have enclosed the following (if applicable):

Evidence of eligibility for claiming any double tax treaty benefit

Tax Residency Certificate Form 10F Any others, please specify - _____

Declaration for no-permanent establishment of non-resident in India

Applicable only for FII Equity Shareholders:

The FII hereby undertakes that: (a) it has a valid tax residency certificate; (b) it is registered with the Securities and Exchange Board of India ("SEBI") as a Foreign Institutional Investor ("FII") SEBI Registration No. _____ (c) it does not have a permanent establishment in India; and (d) the amount received by it as a part of the Buyback Offer constitutes capital gains and does not constitute business income for it and that similar gains (if any) have been taxed as capital gains by the tax authorities in India in the past. (Note: Please enclose a certificate of tax residency from the appropriate authority of the relevant country and all such other relevant documents.)

The FII hereby also undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the FII in relation to the consideration paid by the Company to the FII in the Buyback Offer.

Applicable only for non-residents other than FIIs:

The Equity Shareholder hereby undertakes that the Double Taxation Avoidance Agreement between India and _____ (please insert the applicable jurisdiction) is applicable to it. (Note: Please enclose a certificate of tax residency from the appropriate authority of the relevant country and all such other relevant documents.)

The Equity Shareholder hereby also undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the Equity Shareholder in relation to the consideration paid by the Company to such Equity Shareholder in the Buyback Offer.

- Details of Bank Account of the Sole / First Equity Shareholder to be incorporated in the consideration warrant (to be mandatorily filled):

| | | INDICATE CHANGES, IF ANY |
|--|--|--------------------------|
| Name of the Bank | | |
| Branch & Address of the Branch | | |
| City & Pincode | | |
| Account type & Number | | |
| MICR No. (9 Digit code No. appearing on the MICR band of the Cheque supplied by your Bank) | | |
| IFSC code (for RTGS/NEFT) | | |
| SWIFT code | | |

Mode of Payment (Please Tick) Electronic Remittance Physical Instrument

Tear along this line

Acknowledgement Slip: Bayer CropScience Limited – Buyback Offer
(to be filled by the Equity Shareholder) (subject to verification)

Folio No./DP ID-Client ID

Received from Mr./Ms./M/s. _____

Form of Acceptance-cum-Acknowledgement along with:

No. of Equity Shares offered for Buyback (In Figures) _____ (In Words) _____

Please quote Client ID No. & DP ID No. for all future correspondence

STAMP OF COLLECTION CENTRE

16. Equity Share holders Details:

| | First / Sole Holder | Joint Holder 1 | Joint Holder 2 | Joint Holder 3 |
|--|---------------------|----------------|----------------|----------------|
| Full Name(s) of the Holder | | | | |
| Signature(s)* | | | | |
| PAN | | | | |
| Address of the Sole / First Equity Shareholder | | | | |
| Telephone No. / Email ID | | | | |

*Corporate must affix rubber stamp

Applicable for all Non-Resident Shareholders:

Under FEMA, Form FC-TRS has to be filed within 60 days from the date of remittance of the payment consideration and in order to facilitate the filing of FC-TRS, the Company would file the same on behalf of Non-Resident Shareholders and any other Regulatory Reportings, wherever required. By agreeing to participate in the Buyback, Non-Resident Shareholders holding Equity Shares in the Company hereby, give an irrevocable mandate to the Company as given below. This Letter of Mandate may be used by the Company to file FC-TRS with Authorised Dealer Bank as per Regulatory requirements.

Letter of Mandate:

I / We hereby authorise the Company to execute and perform all or any of the acts, deeds, matters and things, as may be necessary, desirable or appropriate for and in relation to the sale and transfer of the Equity Shares tendered and accepted under the Buyback Offer, fully and effectively in favour of the Company, in terms of the Buyback Regulations, including the power to make, sign, execute, deliver, acknowledge and perform all applications to file, Regulatory Reportings and any such information demanded from time to time by any regulatory or statutory authorities in India including FEMA Regulations of Reserve Bank of India, that may be necessary or proper to be made, signed, sealed, executed, delivered, acknowledged and performed on my / our behalf and for such or any of the purposes of these powers. Further, I / We hereby declare that:

- I / We, was / were holding the Equity Shares as per under FEMA / FEMA Regulations on repatriation non repatriation basis
- I / We bought / hold Equity Shares within the sectoral limits under FDI Policy PIS Purchased shares with approval from RBI during approval regime under FEMA / FEMA

(Please tick the appropriate applicable box above)

| | First/Sole Holder | Joint Holder 1 | Joint Holder 2 | Joint Holder 3 |
|---------------|-------------------|----------------|----------------|----------------|
| Signature(s)* | | | | |

*Corporate must affix rubber stamp

INSTRUCTIONS

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form. All capitalised terms not defined herein will have same meaning as defined in Letter of Offer.

- This Offer will open on Opening Date and close on Closing Date.
- For the purpose of Buyback Offer, the Company has opened a Depository account with a Depository Participant (DP) as detailed below:

| | |
|----------------------------|---------------------------|
| NSDL Client ID | 10112157 |
| DP Name | Deutsche Bank AG |
| DP ID | IN300167 |
| Client Account name | Bayer CropScience Limited |
| Client Code | BAYCSLTD |
| Depository | NSDL |

Beneficial owners having their beneficiary accounts with CDSL have to use inter-depository delivery instruction slip for the purposes of crediting their Equity Shares in favour of the special depository account with NSDL.

- Equity Shareholders of the Company who wish to tender their Equity Shares in response to the Buyback Offer should deliver the following documents so as to reach before the close of business hours at the respective Collection Centers (as mentioned in the Letter of Offer) on or before Closing Date by 5 PM. Equity Shareholders residing at locations where there are no collection centres should send their response to the Registrar to the Buyback Offer:
 - The relevant Tender Form duly signed (by all Equity Shareholders in case the shares are in joint names) in the same order in which they hold the shares.

Tear along this line

Note: All future correspondence in connection with this Buyback, if any, should be addressed to Registrar to the Buyback Offer at the following address quoting your Client ID and DP ID:

Investor Service Centre, Bayer CropScience Limited – Buyback Offer
TSR Darashaw Pvt. 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: Bayerbuyback2013@tsrdarashaw.com
 Contact Person: Ms Mary George

- Copy of delivery instruction issued by Equity Shareholders to their DP for transferring the Equity Shares tendered for Buyback, to the Company's DP account with Deutsche Bank AG. **Copy of the delivery instruction should be duly endorsed by the DP of the Equity Shareholder**, to whom the original delivery instruction should be handed over.
- In the delivery instruction please use the "For Off-Market Trades (Receiver Details)" box. Fill in "Deutsche Bank AG" against DP Name, "IN300167" against the DP ID and "10112157" against Client ID. The date of execution entered in the delivery instruction should be within the Tendering Period and before the date of mailing / submission of the Tender Form to the Registrar to the Buyback Offer.
 - In case of non-receipt of the aforesaid documents, but receipt of shares in the designated depository account, the offer shall be deemed to be rejected.
 - The Shareholders 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.
 - In case of non-receipt of the Letter of Offer, Equity Shareholders may send their application in plain paper in terms of the procedure disclosed in paragraph 20.20 of the Letter of Offer.
 - Equity Shareholders should also provide all relevant documents in addition to the above documents. Such may include (but not limited to):
 - Duly attested Power of Attorney, if any person other than the Equity Shareholder has signed the relevant Tender Form.
 - Duly attested death certificate / succession certificate in case any Equity Shareholder has expired.
 - Necessary corporate authorization, such as Board Resolutions, etc. in case of companies.
 - Previous RBI approval for holding the Equity Shares of Bayer CropScience Limited hereby tendered in the Buyback Offer.
 - Equity Shareholders to whom the Offer is made are free to tender shares to the extent of their Buyback Entitlement in whole or in part or in excess of their Buyback Entitlement.
 - It is mandatory for Equity Shareholders to indicate the bank account details to which the consideration would be payable at the appropriate place in Tender Form.
 - All documents sent by Equity Shareholders will be at their own risk. Equity Shareholders of the Company are advised to safeguard adequately their interests in this regard.
 - Non Resident Shareholders are requested to submit documents as mentioned in paragraph 20.13 of the Letter of Offer.
 - Note: An Equity Shareholder should tender only one Tender Form, irrespective of the number of folios he holds. Multiple applications tendered by any Equity Shareholder shall be liable to be rejected. Also, multiple tenders from the same depository account or same registered folio shall also be liable to be rejected.**

COLLECTION CENTERS

| Sl. No. | City | Address of Collection Centre | Contact Person | Contact details | Mode of delivery |
|---------|-----------|--|-----------------------|--|---------------------------------|
| 1 | Mumbai | TSR DARASHAW PRIVATE 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: Bayerbuyback2013@tsrdarashaw.com | Hand Delivery & Registered Post |
| 2 | Bangalore | TSR DARASHAW PRIVATE 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: tsrdlbang@tsrdarashaw.com | Hand Delivery |
| 3 | Kolkata | TSR DARASHAW PRIVATE 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 PRIVATE 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 PRIVATE 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 Fax: +91-79-2657 6038 Email: shahconsultancy8154@gmail.com | Hand Delivery |

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

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM)**

| | |
|--|--|
| BUYBACK OPENS ON | |
| BUYBACK CLOSSES ON | |
| For Registrar / Collection Centre Use | |
| | |

Date : _____

To,
Board of Directors
Bayer CropScience Limited
c/o TSR Darashaw Pvt. Ltd.
6-10 Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road,
Near Famous Studio, Mahalaxmi, Mumbai – 400011

Status: Please tick appropriate box

- Individual Foreign Institutional Investors Insurance Company
- Foreign Company Non Resident Indian / OCB Foreign National
- Body Corporate Bank / Financial Institution Others (specify) _____
- Resident in India Non-Resident in India
- Portfolio Investment Scheme Foreign Direct Investment

India Tax Residency Status : Please tick appropriate box

Route of Investment (For NR Shareholders only)

Dear Sirs,

Sub: Letter of Offer to Buyback not exceeding 28,79,746 Equity Shares of Bayer CropScience Limited (the "Company") at a price of ₹ 1,580 (Rupees One Thousand Five Hundred and Eighty only) per Equity Share ("Buyback Offer Price"), payable in cash

- I / We (having read and understood the Letter of Offer) hereby tender / offer my / our Equity Shares in response to the Buyback Offer on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and as a consequence to extinguish the share certificates.
- I / We hereby affirm that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback Offer and that I / we am / are legally entitled to tender the Equity Shares for Buyback Offer.
- I / We agree that the Company is not obliged to accept any Equity Shares offered for Buyback where loss of share certificates has been notified to the Company.
- I / We agree that the Company will pay the Buyback Offer Price only after due verification of the validity of the documents and that the consideration may be paid to the first named Equity Shareholder.
- I / We undertake to return to the Company any Buyback Offer consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback Offer in accordance with the Companies Act and the Buyback Regulations.
- I / We authorize the Company 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.
- Details of Equity Shares held and tendered / offered for Buyback Offer:

| | In Figures | In Words |
|--|------------|----------|
| Number of Equity Shares held as on Record Date | | |
| Number of Equity Shares entitled for Buyback (Buyback Entitlement) | | |
| Number of Equity Shares offered for Buyback | | |

Note: An Equity Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Shares validly tendered by any Equity Shareholder up to the Buyback Entitlement of such Equity Shareholder shall be accepted to the full extent. The Shares tendered by any Equity Shareholder over and above the Buyback Entitlement of such Equity Shareholder shall be accepted in accordance with Paragraph 19.6, 19.7, 19.8, 19.9 and 19.10 of the Letter of Offer. Equity Shares tendered by any Equity Shareholder over and above the number of Equity Shares held by such Equity Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

- Details of Share Certificate(s) enclosed:

| Sr. No. | Folio No. | Share Certificate No. | Distinctive Nos. | | No. of Shares |
|--------------|-----------|-----------------------|------------------|----|---------------|
| | | | From | To | |
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| Total | | | | | |

In case the number of folios and share certificates enclosed exceed 4 nos., please attach a separate sheet giving details in the same format as above.

Total No. of share certificates submitted

Tear along this line

Acknowledgement Slip: Bayer CropScience Limited – Buyback Offer
(to be filled by the Equity Shareholder) (subject to verification)

Folio No.

Received from Mr./Ms./M/s. _____

Form of Acceptance-cum-Acknowledgement along with:

No. of Equity Shares offered for Buyback (In Figures) _____ (In Words) _____

Please quote Folio No. for all future correspondence

STAMP OF COLLECTION CENTRE

- Tax Certification (NRIs / OCBs / FIs / Other Non-Resident Equity Shareholders only)

NRI, OCB or an FI or a non-resident Equity Shareholder, should certify whether the Equity Shares held by them are held on investment / capital account or on trade account. Please refer to the Letter of Offer regarding withholding tax, Equity Shareholders are also 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 including submitting any documents to the Company for the purpose of deduction of tax.

I / We certify that the Equity Shares referred to in serial number 10 of this Form of Acceptance-cum-Acknowledgment are held:

on Investment / Capital account on trade account / to be taxed as Business Profits

I / We certify that the Equity Shares referred to in serial number 10 of this Form of Acceptance-cum-Acknowledgment were acquired by me in:

in convertible foreign exchange other than convertible foreign exchange

I / We certify that the tax deduction on the Equity Shares referred to in serial number 10 of this Form of Acceptance-cum-Acknowledgment is to be deducted on account of:

Short Term Capital Gains Long Term Capital Gains Business Profits

I / We certify that we have a Permanent Account Number (PAN) obtained from the Indian Revenue authorities which is _____ and have enclosed a copy of the PAN card.

Order from Income-tax authorities enclosed specifying (if applicable):

Non deduction of tax at source Deduction at lower rate _____ please mention rate specified in order

I / We have enclosed the following (if applicable):

Evidence of eligibility for claiming any double tax treaty benefit

Tax Residency Certificate

Form 10F

Any others, please specify - _____

Declaration for no-permanent establishment of non-resident in India

Applicable only for FI Equity Shareholders:

The FI hereby undertakes that: (a) it has a valid tax residency certificate; (b) it is registered with the Securities and Exchange Board of India ("SEBI") as a Foreign Institutional Investor ("FI") SEBI Registration No _____ (c) it does not have a permanent establishment in India; and (d) the amount received by it as a part of the Buyback Offer constitutes capital gains and does not constitute business income for it and that similar gains (if any) have been taxed as capital gains by the tax authorities in India in the past (Note: Please enclose a certificate of tax residency from the appropriate authority of the relevant country and all such other relevant documents)

The FI hereby also undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the FI in relation to the consideration paid by the Company to the FI in the Buyback Offer.

Applicable only for non-residents other than FIs:

The Equity Shareholder hereby undertakes that the Double Taxation Avoidance Agreement between India and _____ (please insert the applicable jurisdiction) is applicable to it (Note: Please enclose a certificate of tax residency from the appropriate authority of the relevant country and all such other relevant documents).

The Equity Shareholder hereby also undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the Equity Shareholder in relation to the consideration paid by the Company to such Equity Shareholder in the Buyback Offer.

- Details of other Documents (Please tick as appropriate, if applicable) enclosed:

Power of Attorney

Previous RBI approvals for acquiring the Equity Shares of Bayer CropScience Limited hereby tendered in the Buyback Offer

NECS Mandate Form

Corporate authorisation

Death Certificate

Succession Certificate

Permanent Account Number (PAN Card)

Others (please specify): _____

- Details of Bank Account of the Sole / First Equity Shareholder to be incorporated in the consideration warrant (to be mandatorily filled):

| | | INDICATE CHANGES, IF ANY |
|--|--|--------------------------|
| Name of the Bank | | |
| Branch & Address of the Branch | | |
| City & Pincode | | |
| Account type & Number | | |
| MICR No. (9 Digit code No. appearing on the MICR band of the Cheque supplied by your Bank) | | |
| IFSC code (for RTGS/NEFT) | | |
| SWIFT code | | |

Mode of Payment (Please Tick)

Electronic Remittance

Physical Instrument

15. In order to avail NECS, Equity Shareholders holding Shares in physical form are requested to submit the NECS mandate form duly filled in and signed while submitting the Form, if the same has not been submitted earlier to the Company / Registrar & Share Transfer Agents or if there is a change in Bank details.

16. Equity Shareholders Details:

| | First / Sole Holder | Joint Holder 1 | Joint Holder 2 | Joint Holder 3 |
|--|---------------------|----------------|----------------|----------------|
| Full Name(s) of the Holder | | | | |
| Signature(s)* | | | | |
| PAN | | | | |
| Address of the Sole / First Equity Shareholder | | | | |
| Telephone No. / Email ID | | | | |

*Corporate must affix rubber stamp

Applicable for all Non-Resident Shareholders:

Under FEMA, Form FC-TRS has to be filed within 60 days from the date of remittance of the payment consideration and in order to facilitate the filing of FC-TRS, the Company would file the same on behalf of Non-Resident Shareholders and any other Regulatory Reportings, wherever required. By agreeing to participate in the Buyback, Non-Resident Shareholders holding Equity Shares in the Company hereby, give an irrevocable mandate to the Company as given below. This Letter of Mandate may be used by the Company to file FC-TRS with Authorised Dealer Bank as per Regulatory requirements.

Letter of Mandate:

I / We hereby authorise the Company to execute and perform all or any of the acts, deeds, matters and things, as may be necessary, desirable or appropriate for and in relation to the sale and transfer of the Equity Shares tendered and accepted under the Buyback Offer, fully and effectively in favour of the Company, in terms of the Buyback Regulations, including the power to make, sign, execute, deliver, acknowledge and perform all applications to file, Regulatory Reportings and any such information demanded from time to time by any regulatory or statutory authorities in India including FEMA Regulations of Reserve Bank of India, that may be necessary or proper to be made, signed, sealed, executed, delivered, acknowledged and performed on my / our behalf and for such or any of the purposes of these powers. Further, I / We hereby declare that:

- i. I / We, was / were holding the Equity Shares as per under FERA / FEMA Regulations on repatriation non repatriation basis
- ii. I / We bought / hold shares within the sectoral limits under FDI Policy PIS Purchased shares with approval from RBI during approval regime under FERA / FEMA

(Please tick the appropriate applicable box above)

| | First / Sole Holder | Joint Holder 1 | Joint Holder 2 | Joint Holder 3 |
|---------------|---------------------|----------------|----------------|----------------|
| Signature(s)* | | | | |

*Corporate must affix rubber stamp

INSTRUCTIONS

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form. All capitalised terms not defined herein will have same meaning as defined in Letter of Offer.

- This Offer will open on Opening Date and close on Closing Date.
- Equity Shareholders who wish to tender their Equity Shares in response to this Buyback Offer should deliver the following documents so as to reach before the close of business hours of the respective Collection Centres (as mentioned in the Letter of Offer) on or before Closing Date by 5 PM. Equity Shareholders residing at locations where there are no collection centres should send their response to the Registrar to the Buyback Offer:
 - The relevant 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.
 - Original share certificates
 - Copy of the Permanent Account Number (PAN) Card
- Equity Shareholders should also provide all relevant documents in addition to the above documents. Such may include (but not limited to):
 - Duly attested Power of Attorney if any person other than the Equity Shareholder has signed the relevant Tender Form.
 - Duly attested death certificate / succession certificate in case any Equity Shareholder has expired.
 - Necessary corporate authorisations, such as Board Resolutions etc., in case of companies.
 - NECS Mandate form duly filled in and signed by the Sole / First Equity Shareholder for receipt of consideration through NECS if the same has not been submitted earlier to the Company / Registrar & Share Transfer Agent.

Tear along this line

Note: All future correspondence in connection with this Buyback, if any, should be addressed to Registrar to the Buyback Offer at the following address quoting your Folio No.

**Investor Service Centre, Bayer CropScience Limited – Buyback Offer
TSR Darashaw Pvt. 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: Bayerbuyback2013@tsrdarashaw.com;
Contact Person: Ms Mary George

- Equity Shareholders to whom the Buyback Offer is made are free to tender Equity Shares to the extent of their entitlement in whole or in part or in excess of their entitlement.
- In case of non-receipt of the Letter of Offer, Equity Shareholders may send their application in plain paper in terms of the procedure disclosed in paragraph 20.20 of the Letter of Offer.
- It is mandatory for Equity Shareholders to indicate the bank account details to which the consideration would be payable at the appropriate place in the Tender Form.
- All documents / remittances sent by or to Equity Shareholders will be at their own risk and Equity Shareholders are advised to adequately safeguard their interests in this regard.
- Non Resident Shareholders are requested to submit documents as mentioned in paragraph 20.13 of the Letter of Offer.
- Note: An Equity Shareholder should tender only one Tender Form, irrespective of the number of folios he holds. Multiple applications tendered by any Equity Shareholder shall be liable to be rejected. Also, multiple tenders from the same registered folio shall also be liable to be rejected.**

COLLECTION CENTERS

| Sl. No. | City | Address of Collection Centre | Contact Person | Contact details | Mode of delivery |
|---------|-----------|--|-----------------------|--|---------------------------------|
| 1 | Mumbai | TSR DARASHAW PRIVATE 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: Bayerbuyback2013@tsrdarashaw.com | Hand Delivery & Registered Post |
| 2 | Bangalore | TSR DARASHAW PRIVATE 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 PRIVATE 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: tsrdlcl@tsrdarashaw.com | Hand Delivery |
| 4 | New Delhi | TSR DARASHAW PRIVATE 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 PRIVATE 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 Fax: +91-79-2657 6038 Email: shahconsultancy8154@gmail.com | Hand Delivery |

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

FOR SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM

REF. FOLIO NO.

Name of the Shareholder : _____

Address of Shareholder : _____

To,
TSR DARASHAW PRIVATE LIMITED
6-10 Haji Moosa Patrawala Industrial Estate 20 Dr. E. Moses Road Mahalaxmi Mumbai 400
011.

UNIT: BAYER CROPSCIENCE LIMITED

PLEASE RETURN THIS
FORM DULY FILLED TO
THE REGISTRAR
ALONGWITH THE
BUYBACK
DOCUMENTS STATED
IN THE LETTER OF
OFFER

Dear Sirs,

RE: CASH PAYMENTS THROUGH NECS / NEFT / BANK MANDATE

I wish to receive my dividend / buyback consideration amount and other cash proceeds electronically and accordingly, I give below the details of my bank details, to which you may electronically credit the payment due to me against the reference folio number mentioned against point 1.

1. Ref. Folio No. :
2. Particulars of the Bank :
 - a. Name of the Bank
 - b. Branch Address :
 - c. 9 digit MICR Code No :

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
 - d. 11 digit IFSC :

| | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|
 - e. CBS A/c No. * :

| | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
 - f. Account Type (Please Tick) : Savings Current Cash Credit
 - g. Ledger Folio No. (if any): _____
of your bank account

I hereby declare that the particulars given above are correct and complete, I undertake to inform any subsequent changes in the above particulars from time to time. If the payment transaction is delayed or not effected at all for any reason(s), beyond the control of the Company, I would not hold the Company responsible.

E-mail id: _____ Telephone
No.: _____

Date : _____

Signature of the first holder

* Please attach a photocopy of your cheque featuring your new CBS Account Number