Detailed Public Statement in terms of Regulation 15(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, to the Public Shareholders of

MERCK LIMITED

Reg. Office: Godrej One, 8th floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai - 400 079, India; Tel: +91 22 6210 9000; Fax: +91 22 6210 9999

Open offer for acquisition of up to 4,315,840 (Four Million Three Hundred Fifteen Thousand Eight Hundred Forty) fully paid up equity shares of face value of INR 10 (Indian Rupees Ten) each ("Offer Shares") of Merck Limited ("Target Company") from the Public Shareholders *(as defined below)* of the Target Company by Procter & Gamble Overseas India B.V. ("Acquirer"), together with The Procter & Gamble Company ("PAC" or "P&G Co."), in its capacity as a person acting in concert with the Acquirer ("Open Offer" or "Offer").

This detailed public statement ("**DPS**") is being issued by ICICI Securities Limited, the manager to the Offer (the "**Manager**"), on behalf of the Acquirer and the PAC, in compliance with Regulations 13(4), 14 and 15(2) and other applicable regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**"), pursuant to the public announcement ("**Public Announcement**" or "**PA**") filed on April 19, 2018 with the BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**") (collectively referred to as the "**Stock Exchanges**"), and sent to the Target Company at its registered office and to the Securities and Exchange Board of India ("**SEBI**") in terms of Regulations 3(1) and 4 of the SEBI (SAST) Regulations on April 19, 2018.

For the purposes of this DPS:

"**Equity Shares**" shall mean the fully paid-up equity shares having a face value of INR 10 (Indian Rupees Ten only) each of the Target Company carrying voting rights and including any security which entitles the holder thereof to exercise voting rights.

"**Merck Group**" shall mean Merck KGaA and any direct or indirect subsidiary of Merck KGaA.

"**Public Shareholders**" shall mean all the public shareholders of the Target Company, and for the avoidance of doubt, excluding the members of the promoter and promoter group of the Target Company, the Acquirer, the PAC, the parties to the sale and purchase agreement dated April 19, 2018 entered into amongst the Acquirer, the Sellers (*as defined below*) and Merck KGaA (the "**India SAPA**", the details of which are set out in Part II (*Background to the Offer*) of this DPS), and any persons acting or deemed to be acting in concert with any of them.

"**P&G Group**" shall mean P&G Co. and any direct or indirect subsidiary of P&G Co.

"**Seller Parent Company**" shall mean Merck KGaA.

"**Sellers**" shall mean Emedia Export Company MBH, Merck Internationale Beteiligungen GmbH, Chemitra GmbH, collectively.

I. ACQUIRER, TARGET COMPANY AND OFFER

1. Details of the Acquirer

1.1 The Acquirer, a private limited liability company, was incorporated on August 9, 2000 under the laws of Netherlands (Company Registration number: KvK 34138743). Its registered office is situated at Watermanweg 100, 3067 GG Rotterdam, the Netherlands. The Acquirer changed its name on February 16, 2005 from Dyno Nobel B.V. to Delicius Holding B.V. and changed its name again on March 31, 2006 from Delicius Holding B.V. to Procter & Gamble Overseas India B.V.

1.2 The principal activity of the Acquirer is to acquire and hold interests in any form whatsoever, in any other Dutch or foreign commercial, industrial or financial entities, to provide direct or indirect financing and/or financial services, as well as administrative assistance to its subsidiaries or companies in which it itself or its parent company has a direct or indirect interest, even not substantial, or any company being a direct or indirect shareholder of the Acquirer or any company belonging to the same group as the Acquirer.

1.3 The Acquirer is ultimately held and controlled by P&G Co. and belongs to the P&G Group.

1.4 The Acquirer is not listed on any stock exchange in India or abroad.

1.5 The Acquirer does not have any authorized share capital in compliance with the applicable Dutch law. The paid-up share capital of the Acquirer as on the date of this DPS is EUR 35,042.90 comprising of 342,432 A-shares of EUR 0.10 each and 7,997 B- shares of EUR 0.10 each. The shareholding pattern of the Acquirer as on the date of this DPS is as under:

Shareholder	No. of Shares Held	%
Procter & Gamble Canada Holding B.V.	342,432 A-shares	97.72%
Rosemount LLC	7,997 B-shares	2.28%
Total	342,432 A-shares and 7,997 B-shares	**100.00%**

1.6 Other than the transaction detailed in Part II (*Background to the Offer*) below, which has triggered this Offer, pursuant to which the Acquirer shall acquire Equity Shares in the Target Company, as on the date of this DPS, the Acquirer, its directors, and its key managerial employees do not hold any ownership/ interest/relationship/ shares in the Target Company.

1.7 The Acquirer, as of the date of the DPS, has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") as amended or under any other regulations made under the SEBI Act.

1.8 The Acquirer's key financial information based on its financial statements as of and for the financial years ended June 30, 2015, June 30, 2016, and June 30, 2017 and its interim financial statements as of and for six months ended December 31, 2017, are as follows:

(In units)

Particulars	As at and for financial year ended June 30, 2015		As at and for financial year ended June 30, 2016		As at and for financial year ended June 30, 2017		As at and for six months period ended December 31, 2017	
	(In USD)	(In INR)	(In USD)	(In INR)	(In USD)	(In INR)	(In USD)	(In INR)
Total revenue	94,843	6,229,421	89,892	5,904,232	156,431,162	10,274,617,724	12,284,217	806,844,570
Net Income/ (Loss)	(26,516,510)	(1,741,641,500)	(22,910,139)	(1,504,770,003)	114,912,442	7,547,610,068	(10,734,342)	(705,046,611)
Earnings per share	(1,326)	(87,082)	(1,146)	(75,239)	328	21,538	(31)	(2,012)
Networth/ Shareholder Funds	627,324,501	41,203,551,483	658,149,398	43,228,173,870	1,158,180,016	76,070,884,905	1,147,445,674	75,365,838,288

Note 1: Since the financial statements of the Acquirer are prepared in United States Dollars ("USD"), the functional currency of the Acquirer, they have been converted into INR for purpose of convenience of translation. INR to USD conversion has been assumed at a rate of 1 USD = INR 65.6814 as on April 18, 2018, the date preceding the PA date (Source: RBI reference rate).

Note 2: The financial information mentioned above is based on the unaudited standalone financial statements of the Acquirer for the relevant periods.

Note 3: The financial statements of the Acquirer are prepared under Dutch GAAP and comply with the Law of The Netherlands.

Note 4: Total revenue is calculated as the sum of dividend income, interest income and changes in the value of financial fixed assets (in accordance with Dutch GAAP).

Note 5: Net Income / (Loss) is the profit after taxation (in accordance with Dutch GAAP).

Note 6: Earnings per share is calculated as the Net Income/(Loss) divided by the number of outstanding equity shares.

Note 7: Net worth / Shareholder Funds is calculated as sum of called-up share capital, share premium, non-distributable reserve and retained earnings (in accordance with Dutch GAAP).

2. Details of the PAC

2.1 P&G Co., a publicly held corporation, was incorporated on May 5, 1905 under the laws of the State of Ohio, United States of America (Company Registration number: 20677). Its registered address is 4400 Easton Commons Way Suite 125, Columbus, Ohio 43219, USA.There has been no change in the name of the PAC since its incorporation.

2.2 The principal activity of the PAC is to produce, manufacture, buy, sell, and generally deal in a variety of fast moving consumer goods products, such as soaps, detergents, cleaning preparations, perfumes, cosmetics, personal care products, and consumer health care products.

2.3 The PAC is the ultimate parent company of the P&G Group and the Acquirer is ultimately controlled by the PAC.

2.4 The common stock shares of the PAC are listed on the New York Stock Exchange (NYSE) and NYSE Euronext-Paris. As such, ownership of the PAC changes frequently. Shareholding of beneficial owners holding 5% or more of the stock of the PAC as of December 31, 2017 according to filings with the Securities & Exchange Commission of the United States ("**SEC**") are:

S No.	Name of the shareholder	No. of Shares	% Shareholding
1.	The Vanguard Group	185,434,627	7.3%
2.	Blackrock, Inc.	136,352,872	6.3%

2.5 The authorised share capital of the PAC comprises of 10,800,000,000 (Ten Billion Eight Hundred Million) equity shares without par value (consisting of 600,000,000 (Six Hundred Million) Class A Preferred Stock, 200,000,000 (Two Hundred Million) Class B Preferred Stock and 10,000,000,000 (Ten Billion) Common Stock). The total number of issued and outstanding shares of the PAC as on December 31, 2017 comprised of 4,009,243,894 (Four Billion Nine Million Two Hundred Forty Three Thousand Eight Hundred Ninety Four) shares of Common Stock (which includes 1,488,240,188 (One Billion Four Hundred Eighty Eight Million Two Hundred Forty Thousand One Hundred Eighty Eight) treasury shares i.e. shares owned by P&G Co. or one of its subsidiaries), and 95,134,516 (Ninety Five Million One Hundred Thirty Four Thousand Five Hundred Sixteen) shares of Class A Preferred Stock.

2.6 Other than the transaction detailed in Part II (*Background to the Offer*) below, which has triggered this Offer, pursuant to which the Acquirer shall acquire Equity Shares in the Target Company, as on the date of this DPS, the PAC, its directors, and its key managerial employees do not hold any ownership/ interest/relationship/shares in the Target Company.

2.7 The PAC, as of the date of the DPS, has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

2.8 The PAC's key financial information is below. This is based on (i) its audited consolidated financial statements as of and for the financial years ended June 30, 2015, June 30, 2016, and June 30, 2017 audited by Deloitte & Touche LLP, the statutory auditors of the PAC, and (ii) its unaudited consolidated financial statements as of and for six months ended December 31, 2017 as filed in the PAC's quarterly reports on Form 10-Q with the SEC. Regulation S-X of the United States Code of Federal Regulations Title 17 (Commodity and Securities Exchanges) requires interim financial statements included in quarterly reports on Form 10-Q to be reviewed by an independent public accountant prior to filing with the SEC, using professional standards and procedures for conducting such reviews as established by the Public Company Accounting Oversight Board (United States).

(In millions except for Earnings per Share)

Particulars	As at and for financial year ended June 30, 2015*		As at and for financial year ended June 30, 2016*		As at and for financial year ended June 30, 2017*		As at and for six months period ended December 31, 2017***	
	(In USD)	(In INR)	(In USD)	(In INR)	(In USD)	(In INR)	(In USD)	(In INR)
Total revenue[1]	70,749	4,646,893	65,299	4,288,930	65,058	4,273,101	34,048	2,236,320
Net Income[2]	7,036	462,134	10,508	690,180	15,326	1,006,633	5,348	351,264
Earnings per share**	2.44	160.26	3.69	242.36	5.59	367.16	2.00	131.36
Networth/ Shareholder Funds[3]	63,050	4,141,212	57,983	3,808,405	55,778	3,663,577	54,721	3,594,152

Note: Since the financial statements of the PAC are prepared in USD, the functional currency of the PAC, they have been converted into INR for purpose of convenience of translation. INR to USD conversion has been assumed at a rate of 1 USD = INR 65.6814 as on April 18, 2018, the date preceding the PA date (Source: RBI reference rate).

Notes:

[1] – Total revenue represents Net Sales as reported in the Consolidated Statement of Earnings

[2] – Net Income reflects Net Income Attributable to the PAC on the Consolidated Statement of Earnings

[3] – Net worth/Shareholder Funds reflects Total Shareholders' Equity on the Consolidated Balance Sheet

**Figures as last reported (Source: Form 10-K filed by the PAC with the SEC on August 7, 2017).*

*** The figures represent the diluted net earnings per common share, which are calculated by dividing net earnings attributable to the PAC by the weighted average number of common shares outstanding plus the dilutive effect of stock options and other stock-based awards and the assumed conversion of preferred stock.*

****Figures as last reported (Source: Form 10-Q filed by the PAC with the SEC on January 23, 2018).*

3. Details of the Sellers

3.1 The details of the Sellers have been set out hereunder:

Name of Seller	Changes in name in the past	Nature of Entity	Registered office	Part of Promoter Group of Target Company	Name of Group	Listed on stock exchange in India or abroad	Shares/Voting Rights held in Target Company before the acquisition under India SAPA (*as defined above*)	
							Number of shares	% of shares
Emedia Export Company MBH	N/A	Private Limited Liability Company under German law	Mainzer Str. 41, 64579 Gernsheim, Germany (registered with the commercial register of the local court of Darmstadt under HRB 1130)	Yes	Merck Group	N/A	3,534,559	21.29
Merck Internationale Beteiligungen GmbH	1. Merck Vierte Vermögensverwaltungs GmbH 2. Merck Internationale Beteiligung GmbH	Private Limited Liability Company under German law	Frankfurter Str. 250, 64293 Darmstadt, Germany (registered with the commercial register of the local court of Darmstadt under HRB 8239)	Yes	Merck Group	N/A	3,091,224	18.62
Chemitra GmbH	N/A	Private Limited Liability Company under German law	Frankfurter Str. 250, 64293 Darmstadt, Germany (registered with the commercial register of the local court of Darmstadt under HRB 1256)	Yes	Merck Group	N/A	1,973,441	11.89

3.2 None of the Sellers have been prohibited by the SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any other regulations made under the SEBI Act.

4. Details of the Target Company

4.1 The Target Company is a public limited company incorporated in Maharashtra, India. The Target Company was incorporated on April 26, 1967, as a private limited company under the name 'E. Merck (India) Private Limited' in Mumbai, Maharashtra. On June 30, 1981, the Target Company was converted into a public limited company and its name was changed to 'E. Merck (India) Limited'. Subsequently, on March 27, 2002, the name was further changed to 'Merck Limited'.

4.2 The Target Company has its registered office at Godrej One, 8th Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai, Maharashtra – 400079, Tel: +91 22 6210 9000 and Fax: +91 22 6210 9999. The Corporate Identity Number (CIN) of the Target Company is L99999MH1967PLC013726.

4.3 The Target Company is engaged predominantly in pharmaceuticals and chemicals segments.

4.4 The Equity Shares of the Target Company are listed on the BSE (Scrip ID: MERCK, Scrip Code: 500126) and the NSE (Symbol: MERCK) and are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations. The ISIN of the Target Company is INE199A01012.

4.5 The board of directors of the Target Company, as of the date of this DPS, is comprised as under:

Name of Director	Designation
Mr. Suresh N. Talwar	Chairman & Independent Director
Mr. H.C.H Bhabha	Independent Director
Mr. Krishnan Narayanaswamy	CFO and Executive Director (Finance)
Mr. Milind Thatte	Managing Director
Ms. Rani Ajit Jadhav	Independent Director
Ms. Zoe Tang (aka Mei Lin Tang)	Nominee Director, Merck KGaA

4.6 As of the date of this DPS, the authorized share capital of the Target Company is INR 180,000,000 (Indian Rupees One Hundred Eighty Million) divided into 18,000,000 (Eighteen Million) Equity Shares of face value of INR 10 (Indian Rupees Ten only) each.

4.7 The subscribed and fully paid-up equity share capital of the Target Company is INR 165,993,820 (Indian Rupees One Hundred Sixty Five Million Nine Hundred Ninety Three Thousand Eight Hundred Twenty) comprising 16,599,382 (Sixteen Million Five Hundred Ninety Nine Thousand Three Hundred Eighty Two) fully paid-up Equity Shares of INR 10 (Indian Rupees Ten only) each.

4.8 The Target Company does not have partly paid-up equity shares.

4.9 Brief audited consolidated financials of the Target Company as of and for the financial years ended December 31, 2015, December 31, 2016, and December 31, 2017, are as follows:

(in millions in INR)

Particulars	From audited financials for year ended and as of December 31, 2015 (Indian GAAP)	From audited financials for year ended and as of December 31, 2016 (Ind-AS)	From audited financials for year ended and as of December 31, 2017 (Ind-AS)
Total Revenue[(1)]	9,628.1	10,541.8	11,604.2
Net Income[(2)]	535.6	791.3	939.1
Earnings Per Share[(3)]	32.3	47.7	56.6
Networth/ Shareholder Funds	5,915.5	6,638.2	7,332.6

(Source: Target Company Filings)

Notes:

[(1)] – Total Revenue is the sum of Revenue from Operations and Other Income for the respective financial years

[(2)] – Net Income is the Profit after Tax for the respective financial years

[(3)] – Basic and Diluted Earnings Per Share for the respective financial years

5. Details of the Offer

5.1 This Offer is a mandatory offer made in compliance with Regulations 3(1), 4 and other applicable regulations of the SEBI (SAST) Regulations pursuant to the execution of the India SAPA amongst the Acquirer, the Sellers and the Seller Parent Company (details of which are mentioned in Part II (*Background to the Offer*) of this DPS) for acquisition by the Acquirer of more than 25% Equity Shares of the Target Company along with change in control of the Target Company.

5.2 This Offer is being made by the Acquirer and the PAC to all the Public Shareholders, to acquire up to 4,315,840 Equity Shares representing 26% of the paid up equity share capital of the Target Company as on the 10th Working Day (as defined under SEBI (SAST) Regulations) after closure of the tendering period ("**Offer Size**"), at an offer price of INR 1,500.36 (Indian Rupees One Thousand Five Hundred and Thirty Six Paise only) per Equity Share ("**Offer Price**") aggregating to a total consideration of INR 6,475,313,702.40 (Indian Rupees Six Thousand Four Hundred and Seventy Five Million Three Hundred Thirteen Thousand Seven Hundred and Two, and Forty Paise only) ("**Maximum Open Offer Consideration**"). As of the date of this DPS, there are no outstanding convertible securities, depository receipts, warrants or instruments, issued by the Target Company, convertible into Equity Shares of the Target Company. The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations. If the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the Offer Size, the Acquirer shall accept the Equity Shares received from the Public Shareholders on a proportionate basis in consultation with the Manager.

5.3 As of the date of this DPS, the total voting equity share capital of the Target Company ("**Voting Share Capital**") is as follows:

Particulars	Number of shares	% of Voting Share Capital
Fully paid up Equity Shares as of the PA date	16,599,382	100.00
Partly paid up Equity Shares as of the PA date	Nil	Nil
Voting Share Capital	**16,599,382**	**100.00**

5.4 To the best of the knowledge of the Acquirer and the PAC, there are no other statutory or other approvals required to complete the acquisition under the India SAPA (details of which are set out in Part II (*Background to the Offer*) below) or of the Offer Shares as on the date of this DPS, except as set out in Part VI (*Statutory and Other Approvals*) below. If, however, any statutory or other approval becomes applicable prior to the completion of the Offer, the Offer would be subject to such statutory or other approval(s) being obtained.

5.5 Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Offer.

5.6 In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approvals in Part VI (*Statutory and Other Approvals*) or those which become applicable prior to completion of the Offer are not received, or the conditions precedent under India SAPA as set out below, all of which are outside the reasonable control of the Acquirer and the PAC, are not satisfied by July 1, 2019 ("**Long Stop Date**"), the Acquirer and the PAC shall have the right to withdraw the Offer:

a) closing/completion of the Global Transaction (*as defined below*);

b) the Competition Commission of India (or any appellate authority) in respect of the purchase of the Equity Shares under the India SAPA and purchase of the Offer Shares, having either (A) declined jurisdiction; (B) granted approval; or (C) been deemed to have granted approval through the expiration of time periods available for their investigation; and

c) the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India having provided its approval for the purchase of the Equity Shares under the India SAPA and purchase of the Offer Shares, as per the extant Consolidated Foreign Direct Investment Policy Circular of 2017 (as amended from time to time).

In the event of such a withdrawal of the Offer, the Acquirer and the PAC (through the Manager) shall, within 2 (two) Working Days (as defined under the SEBI (SAST) Regulations) of such withdrawal, make an announcement of such withdrawal stating the grounds and reasons for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

5.7 The Offer is not conditional on any minimum level of acceptance by the Public Shareholders in terms of Regulation 19 of the SEBI (SAST) Regulations.

5.8 The Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

5.9 The Offer Shares will be acquired by the Acquirer fully paid-up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Offer Shares on the foregoing basis.

5.10 In terms of Regulation 25(2) of the SEBI (SAST) Regulations, as of the date of this DPS, the Acquirer and the PAC have no intention to restructure or alienate, whether by way of sale, lease, encumbrance or otherwise, any material assets of the Target Company or of entities controlled by the Target Company during the period of two years following the completion of the Offer except:

(i) as divestment by the Target Company of its non-consumer health business (being the business exclusively constituting the performance materials, life sciences and biopharma segments as reported in its ERP systems) (the "**BPL Business**"); or

(ii) as provided in the India SAPA; or

(iii) in the ordinary course of business; or

(iv) to the extent required for the purpose of restructuring and/or rationalization of the business, assets, investments, liabilities or otherwise of the Target Company; or

(v) on account of regulatory approvals or conditions, or compliance with any law that is binding on or applicable to the operations of the Target Company; or

(vi) as has already been disclosed by the Target Company in the public domain.

5.11 Other than the above, if the Target Company is required to alienate any material asset of the Target Company, within a period of 2 (two) years from completion of the Offer, the Target Company shall seek the approval of its shareholders as per the proviso to Regulation 25(2) of SEBI (SAST) Regulations.

5.12 As per Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI LODR Regulations**") read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, and subsequent amendments thereto (the "**SCRR**"), the Target Company is required to maintain minimum public shareholding, as determined in accordance with the SCRR, on a continuous basis for listing. Upon completion of the Offer and underlying transaction pursuant to the India SAPA, if public shareholding of the Target Company falls below the minimum level of public shareholding as required to be maintained by the Target Company as per the SCRR and the SEBI LODR Regulations, the Acquirer and the PAC undertake to take necessary steps to facilitate the compliance by the Target Company with the relevant provisions prescribed under the SCRR as per the requirements of Regulation 7(4) of the SEBI (SAST) Regulations and/or the SEBI LODR Regulations, within the time period stated therein, i.e., to bring down the non-public shareholding to 75% within 12 (twelve) months from the date of such fall in the public shareholding to below 25%, through permitted routes and any other such routes as may be approved by SEBI from time to time.

5.13 The Manager to the Offer shall not deal, on its own account, in the Equity Shares of the Target Company during the Offer period.

II. BACKGROUND TO THE OFFER

1. The Offer is being made by the Acquirer and the PAC to the Public Shareholders of the Target Company in accordance with Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations.

2. The Seller Parent Company is undertaking a sale globally of all or substantially all of the assets and liabilities of its Consumer Health Business ("**CH Business**") through one or more sale and purchase agreements ("**Global Transaction**"). The Target Company operates *inter alia* the CH Business in India.

3. The Acquirer, the Sellers and the Seller Parent Company have entered into the India SAPA, pursuant to which the Sellers have agreed, subject to the terms and conditions set out in the India SAPA, to collectively sell, and the Acquirer has agreed to purchase, for cash, 8,599,224 (Eight Million Five Hundred Ninety Nine Thousand Two Hundred Twenty Four) Equity Shares, representing 51.80% of the Voting Share Capital, for an aggregate purchase consideration of up to INR 12,898,836,000 (Indian Rupees Twelve Thousand Eight Hundred and Ninety Eight Million Eight Hundred Thirty Six Thousand only), calculated on the basis of per Equity Share value of up to INR 1,500 (Indian Rupees One Thousand Five Hundred only), payable in accordance with the India SAPA. The details of the Equity Shares being sold under the India SAPA by each of the Sellers are set out below:

Sellers	Number of Shares	Percentage of issued and paid up share capital of the Target Company
Emedia Export Company MBH	3,534,559	21.29
Merck Internationale Beteiligungen GmbH	3,091,224	18.62
Chemitra GmbH	1,973,441	11.89
Total	**8,599,224**	**51.80**

4. Further, per the India SAPA, if the requisite corporate authorisations of the Target Company, including shareholder approvals are obtained, it is intended that the BPL Business currently undertaken by the Target Company will be transferred on a going concern basis by way of a slump sale to an entity belonging to the Merck Group pursuant to a business transfer agreement.

5. Completion of the Offer and the underlying transaction as envisaged under the India SAPA is subject to satisfaction of certain conditions precedent (including receipt of certain statutory and regulatory approvals) as set out in the India SAPA.

6. The India SAPA also imposes certain obligations on the Sellers vis-à-vis the conduct of the business of the Target Company upto the completion of the transaction under the India SAPA including in relation to the amendment or modification of constitutional documents of the Target Company, reorganization (including through merger, consolidation or restructuring) of the Target Company, giving of any guarantees, and creating any encumbrance on the securities of the Target Company.

7. The India SAPA may be terminated by the parties thereto *inter alia* (i) if the conditions precedent are not satisfied or waived on the Long Stop Date; or (ii) automatically in the event the agreement for undertaking the Global Transaction terminates in accordance with its terms.

8. The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.

9. After completion of the transaction contemplated under the India SAPA and the proposed Offer, the Acquirer will acquire control over the Target Company and hence, be classified as the promoter of the Target Company. This acquisition will enable the P&G Group to expand its successful over-the-counter ("**OTC**") health care business by adding a fast-growing portfolio of differentiated, physician-supported, multi-region brands across a broad geographic footprint. It also provides the P&G Group with strong health care commercial capabilities, deep technical mastery and proven consumer health care leadership that will complement P&G Group's OTC capabilities and brands.

III. SHAREHOLDING AND ACQUISITION DETAILS

1. The current and proposed shareholding of the Acquirer and the PAC in the Target Company and the details of their acquisition are as follows:

Details	Acquirer		PAC	
	Number of Equity Shares/Voting Rights	%	Number of Equity Shares/Voting Rights	%
Shareholding as on the PA date	Nil	Nil	Nil	Nil
Shares acquired between the PA date and the DPS date	Nil	Nil	Nil	Nil
Shareholding as on the DPS date	Nil	Nil	Nil	Nil
Shareholding after completion of acquisitions under the India SAPA (based on Voting Share Capital)*	8,599,224	51.80	Nil	Nil
Post Offer shareholding (on diluted basis, as on 10th working day after closing of tendering period)**	12,915,064	77.80	Nil	Nil

** This is the sum of all the Equity Shares being sold by Sellers.*

*** Assuming full acceptance under the Open Offer.*

2. As on the date of the DPS, neither the Acquirer nor any of its directors, nor the PAC or any of its directors hold any Equity Shares of the Target Company.

IV. OFFER PRICE

1. The Equity Shares of the Target Company are listed on the Stock Exchanges.

2. The trading turnover in the Equity Shares based on the trading volumes during the 12 (twelve) months prior to the month of the PA on the Stock Exchanges is as given below:

Stock exchange	Total traded volumes during the 12 calendar months preceding date of the PA ("A")	Weighted average number of Equity Shares during the 12 calendar months preceding date of the PA ("B")	Trading turnover % (A/B)
BSE	1,122,892	16,599,382	6.76%
NSE	6,249,206	16,599,382	37.65%

(Source: www.bseindia.com, www.nseindia.com)

3. Based on the above, the Equity Shares are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, with NSE being the stock exchange where the maximum volume of trading in the shares of the Target Company has been recorded.

4. The Offer Price of INR 1,500.36 (Indian Rupees One Thousand Five Hundred and Thirty Six Paise only) per Equity Share is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, being the highest of the following parameters:

SL. No.	Details	Price per share in INR
A	The highest negotiated price per Equity Share of the Target Company for any acquisition under an agreement attracting the obligation to make a public announcement of an open offer i.e. the price per share under the India SAPA	INR 1,500*
B	The volume weighted average price paid or payable per Equity Share for acquisitions by the Acquirer or by any person acting in concert with him during the fifty two weeks immediately preceding the date of the PA	Not Applicable
C	The highest price per Equity Share paid or payable for any acquisition by the Acquirer or by any person acting in concert with him during the twenty six weeks immediately preceding the date of the PA	Not Applicable
D	The volume weighted average market price per Equity Share for a period of sixty trading days immediately preceding the date of the PA as traded on the Stock Exchanges during such period and such shares being frequently traded	INR 1,500.36

** Note: Further details in respect of the negotiated price have been set out in Part II: Background to the Offer.*

5. The Offer Price of INR 1,500.36 (Indian Rupees One Thousand Five Hundred and Thirty Six Paise only) represents the highest of the above parameters mentioned in the SEBI (SAST) Regulations.

6. There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations.

7. The Offer Price is subject to revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer and the PAC at any time prior to 3 (three) Working Days (as defined in the SEBI (SAST) Regulations) before the commencement of the tendering period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and the PAC is required to (i) make corresponding increases to the amount kept in the escrow account, as set out in paragraph 5 of Part V *(Financial Arrangements)* of this DPS; (ii) make a public announcement in the newspapers where this DPS is published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the BSE, the NSE and the Target Company at its registered office of such revision.

V. FINANCIAL ARRANGEMENTS

1. The total funding requirement for the Offer, assuming full acceptance, i.e. for the acquisition of 4,315,840 (Four Million Three Hundred Fifteen Thousand Eight Hundred Forty) Equity Shares, at the Offer Price of INR 1,500.36 (Indian Rupees One Thousand Five Hundred and Thirty Six Paise only) per Equity Share is Maximum Open Offer Consideration, i.e. INR 6,475,313,702.40 (Indian Rupees Six Thousand Four Hundred and Seventy Five Million Three Hundred Thirteen Thousand Seven Hundred and Two, and Forty Paise only).

2. The Acquirer has adequate resources to meet the financial requirements of this Open Offer and by way of security for performance of its obligations under the SEBI (SAST) Regulations, the Acquirer has (i) created an escrow account named "P&G OIBV Escrow Account" (the "**Escrow Account – Cash**") with Citibank, N.A. (acting through its office at 11th Floor, First International Financial Centre, C-54 & 55, G Block, Bandra Kurla Complex, Bandra – East, Mumbai – 400 051) (the "**Escrow Bank**") and has deposited a sum of INR 64,753,138 (Indian Rupees Sixty Four Million Seven Hundred Fifty Three Thousand One Hundred and Thirty Eight only) in the said Escrow Account – Cash being in excess of 1% of the Maximum Open Offer Consideration. The Escrow Account – Cash is in compliance with the requirements of deposit of escrow amount as per Regulation 17 of the SEBI (SAST) Regulations; and (ii) furnished an unconditional, irrevocable, and on demand bank guarantee dated April 23, 2018 having bank guarantee number 5541605273 of an amount of INR 1,397,531,371 (Indian Rupees One Thousand Three Hundred Ninety Seven Million Five Hundred Thirty One Thousand Three Hundred and Seventy

Contd.

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

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

VI. STATUTORY AND OTHER APPROVALS

1. To the best of the knowledge of the Acquirer and the PAC, there are no statutory or other approvals required to complete the acquisition under the India SAPA and the Offer as on the date of this DPS, except as set out below in subsequent paragraphs and in this part. If, however, any statutory or other approval becomes applicable prior to completion of such acquisition, the Offer would also be subject to such other statutory or other approval(s) being obtained.

a) Competition Commission of India (or any appellate authority) in respect of the purchase of the Equity Shares under the India SAPA and purchase of the Offer Shares, having either (A) declined jurisdiction; (B) granted approval; or (C) been deemed to have granted approval through the expiration of time periods available for their investigation; and

b) Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India having provided its approval for the purchase of the Equity Shares under the India SAPA and purchase of the Offer Shares, as per the extant Consolidated Foreign Direct Investment Policy Circular of 2017 (as amended from time to time).

2. The necessary filings in relation to the above will be made shortly.
3. Non-resident Indians ("**NRIs**") and Overseas Corporate Bodies ("**OCBs**") holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to the Open Offer and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept the Open Offer. Further, if holders of Equity Shares who are not persons resident in India (including NRIs, OCBs and foreign portfolio investors) had required any approval from the Reserve Bank of India ("**RBI**") or any other regulatory body in respect of the Equity Shares held by them in the Target Company, they will be required to submit such previous approvals that they would have obtained for acquiring and holding the Equity Shares of the Target Company to tender Equity Shares held by them pursuant to the Open Offer, along with the Form of Acceptance-cum-Acknowledgement and other documents required to be tendered to accept the Open Offer as mentioned in the letter of offer ("**Letter of Offer**"). In the event such approvals and supporting documents are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in the Open Offer.
4. The Offer is also subject to the satisfaction of the conditions stipulated under the India SAPA and disclosed herein above in paragraph 5.6 of Part I (*Details of Offer*) (all of which are considered to be outside the reasonable control of the Acquirer and the PAC).
5. The Acquirer does not require any approvals from financial institutions or banks for this Offer.
6. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Offer.
7. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer and/or the PAC to diligently pursue such approval, grant an extension of time for the purpose of completion of this Open Offer subject to such terms and conditions as may be specified by SEBI, including payment of interest at such rate as may be prescribed by SEBI from time to time in accordance with Regulation 18(11) of the SEBI (SAST) Regulations.
8. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approvals, whether relating to the acquisition under the India SAPA or the acquisition of the Offer Shares, specified in this DPS, or those which become applicable prior to completion of the Offer, are not received, or if any of the conditions set out in paragraph 5.6 of Part I (*Details of the Offer*) above, all of which are outside the reasonable control of the Acquirer and the PAC, are not satisfied in accordance with the India SAPA, the Acquirer and the PAC shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer and the PAC (through the Manager) shall, within 2 (two) Working Days (as defined in SEBI (SAST) Regulations) of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

VII. TENTATIVE SCHEDULE OF ACTIVITY

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

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

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

1. For the purpose of the Offer, Link Intime India Private Limited ("**Registrar to the Offer**" / "**Registrar**") has opened a special escrow depository account in the name and style of "LIIPL Merck Open Offer Escrow Demat Account" ("**Open Offer Escrow Demat Account**") with Ventura Securities Limited as the depository participant in National Securities Depository Limited. The depository participant identification number is IN303116 and the client identification number is 12645304.
2. Subject to paragraph 3 of Part VI (*Statutory and Other Approvals*) above, all Public Shareholders, whether holding Equity Shares in dematerialized form or physical form, registered or unregistered, are eligible to participate in this Offer at any time during the tendering period for this Offer.
3. The Acquirer and the PAC being non-resident entities not having control over the Target Company as on the date of the PA, are not permitted to acquire the Equity Shares of the Target Company on the floor of the recognized stock exchanges in India as per the existing exchange control regulations in India. Therefore, in accordance with paragraph 3(c) of the SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, and as amended by SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, the Open Offer will follow the existing 'tender offer method' as prescribed by SEBI.
4. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer (subject to paragraph 3 of Part VI (*Statutory and Other Approvals*) above and provided that they are not parties to the India SAPA, or actual or deemed persons acting in concert with such parties) by submitting an application on plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in the PA, this DPS and the Letter of Offer to be issued. Alternatively, such holders of Equity Shares may also apply on the form of acceptance-cum-acknowledgement in relation to this Offer annexed to the Letter of Offer, which may be obtained from the SEBI website (www.sebi.gov.in) or Registrar to the Offer. Any such application must be sent to the Registrar to the Offer at the address mentioned below in Part IX (*Other Information)* so as to reach the Registrar to the Offer on or before 4:00 p.m. on the Offer Closing Date, together with:

(i) In the case of registered shareholders holding Equity Shares in physical form, name, address, the number of Equity Shares held, the number of Equity Shares offered and the distinctive numbers and folio number, together with the original Equity Share certificate(s) and valid transfer deeds. Unregistered shareholders can send their application in writing to the Registrar, on plain paper, stating the name and address of the first holder, name(s) and address(es) of joint holder(s) (if any), the number of Equity Shares held, the number of Equity Shares offered and the distinctive numbers and folio number, together with the original Equity Share certificate(s), valid share transfer deeds and the original contract note(s) issued by the broker through whom they acquired their Equity Shares and/or such other documents as may be specified; or

(ii) In the case of Equity Shares held in dematerialized form, the Depository Participant ("**DP**") name and the DP identity and beneficiary account number, together with a photocopy or counterfoil of the delivery instruction slip in "off-market" mode duly acknowledged by the DP for transferring the Equity Shares in favour of the Open Offer Escrow Demat Account. Any shareholders tendering Equity Shares in dematerialized form should ensure that the Equity Shares are credited in the favour of the Open Offer Escrow Demat Account during the tendering period of this Offer. Any form of acceptance in respect of dematerialized Equity Shares not credited to the Open Offer Escrow Demat Account on or before the Offer Closing Date is liable to be rejected; or

(iii) Shareholders having their beneficiary account with Central Depository Services Limited must use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Open Offer Escrow Demat Account.

5. As on the date of this DPS, no Equity Shares of the Target Company are under lock-in. The Equity Shares to be acquired under the Open Offer must be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.
6. **The detailed procedure for tendering the shares in the Offer will be available in the Letter of Offer.**

IX. OTHER INFORMATION

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

Issued on behalf of the Acquirer and PAC by the Manager

ICICI Securities

ICICI SECURITIES LIMITED
ICICI Centre, H.T.Parekh Marg,
Churchgate, Mumbai - 400 020
Tel:+91 22 2288 2460 **Fax:** +91 22 2282 6580
Email: project.winthorpe@icicisecurities.com
Contact Person: Mr. Vishal Kanjani
SEBI Registration Number: INM000011179

Registrar to the Offer

LINK Intime

LINK INTIME INDIA PRIVATE LIMITED
C-101, 1st Floor, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083
Telephone:+91 22 4918 6200; **Fax:**+91 22 4918 6195
Email: merck.offer@linkintime.co.in
Contact Person: Mr. Sumeet Deshpande
SEBI Registration Number: INR000004058

Place: Mumbai, India
Date: April 25, 2018

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