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Independent auditor's certificate on non-applicability of Part I (A)(10)(a) read with conditions prescribed in Part I (A)(10)(b) of SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22 December 2020 issued by the Securities and Exchange Board of India ('SEBI')

To
The Board of Directors
Cipla Limited,
Cipla House, Peninsula Business Park,
Lower Parel, Mumbai – 400013
Maharashtra, India

1. This certificate is issued in accordance with the terms of our engagement letter dated 21 January 2021 with Cipla Limited ('the Company').
2. The Management of the Company has prepared the accompanying undertaking ('the Undertaking') pursuant to Part I(A)(10)(c) of SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22 December 2020 issued by the SEBI (the 'SEBI Circular') stating the reasons for non-applicability of requirements prescribed under Part I(A)(10)(a) and 1(A)(10)(b) of the SEBI Circular in connection with the draft Scheme of Arrangement between the Company and Cipla Biotech Limited (the 'Resulting Company 1') and Cipla Health Limited (the 'Resulting Company 2') and their respective shareholders and creditors ('the Draft Scheme') in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 ('the Act') and other relevant provisions and rules made thereunder. We have initialed the Undertaking for identification purposes only.

Management's Responsibility for the Undertaking

3. The preparation of the Undertaking is the responsibility of the management of the Company including preparation and maintenance of all accounting and other relevant supporting records and documents in relation to the Draft Scheme. This responsibility includes design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Undertaking and applying appropriate basis of preparation, and making estimates that are reasonable in the circumstances.
4. The management is also responsible for ensuring that the Company complies with all the requirements of SEBI Circular and the Act in relation to the Draft Scheme and for providing all relevant information to the SEBI, the BSE Limited ('the BSE') and the National Stock Exchange of India Limited ('the NSE').

Auditor's Responsibility

5. Pursuant to the requirements of the SEBI Circular, it is our responsibility to express a reasonable assurance, in the form of an opinion, based on our examination of the Draft Scheme as to whether the requirements of Part I(A)(10)(a) and I(A)(10)(b) of the SEBI Circular are applicable to the Draft Scheme.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune



Walker Chandlok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Walker Chandiook & Co LLP

6. We conducted our examination of the Undertaking in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by ICAI.

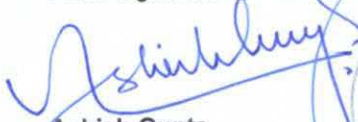
Opinion

8. Based on our examination of the Draft Scheme and according to the information and explanations provided to us, along with the representations provided to us by the management, in our opinion, the requirements of Part I(A)(10)(a) and I(A)(10)(b) of the SEBI Circular are not applicable to the Draft Scheme for the reasons stated in the Undertaking.

Restriction on distribution or use

9. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the requirements of the provisions of the SEBI Circular. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.
10. The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of enabling them to comply with the requirements of the SEBI Circular which require them to submit the certificate by the statutory auditors along with the accompanying Undertaking, duly approved by the Board of Directors of the Company, for onward submission to the SEBI, the BSE and the NSE and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013



Ashish Gupta
Partner
Membership No.: 504662



UDIN: 21504662AAAAAI4006

Place: New Delhi
Date: 27 January 2021

Undertaking in relation to non-applicability of requirements prescribed in Part I (A)(10)(a) read with conditions prescribed in Part I (A)(10)(b) of SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22nd December 2020 ("SEBI Circular")

In connection with the proposed scheme of arrangement ("**the Scheme**") between Cipla Limited ("**Demerged Company or the Company**"), Cipla BioTec Limited ("**Resulting Company 1**") and Cipla Health Limited ("**Resulting Company 2**") and their respective shareholders / creditors under Section 230-232 of the Companies Act, 2013 and other applicable provisions made thereunder.

Pursuant to Part I (A)(10)(c) of SEBI circular, the Company is required to provide an undertaking for the non-applicability of the requirements set out in Part I (A)(10)(a) read with the conditions prescribed in Part I (A)(10)(b) of the SEBI Circular. Accordingly, the Company hereby undertakes that the requirements stated at paragraph I(A)(10)(a) and I(A)(10)(b) of the SEBI circular are not applicable to the Scheme for the reasons mentioned below:

1. **Part I (A)(10)(b)(i)** – *"Where additional shares have been allotted to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed entity."*

Reasons for non-applicability:

- As per the Scheme, there will be no change in the shareholding pattern of the companies involved in the scheme and no additional shares are proposed to be issued to the promoter / promoter group, related parties of promoter / promoter group, associates of promoter / promoter group, subsidiary/(s) of promoter / promoter group of the Company.
- Accordingly, the transaction to be undertaken pursuant to the Scheme does not fall under the scenario contemplated in Part I (A)(10)(b)(i) of the SEBI Circular

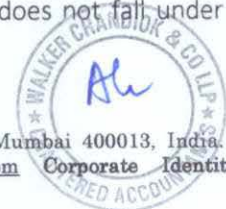
2. **Part I (A)(10)(b)(ii)** – *"Where the Scheme of Arrangement involves the listed entity and any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group"*

Reasons for non-applicability:

- The Scheme involves Demerged Company and the wholly owned subsidiaries of the Demerged Company i.e. Resulting Company 1 and Resulting Company 2 and the Scheme doesn't involve the promoter / promoter group, related parties of promoter / promoter group, associates of promoter / promoter group, subsidiary/(s) of promoter / promoter group.
- Accordingly, the transaction to be undertaken pursuant to the Scheme does not fall under the scenario contemplated in Part I (A)(10)(b)(ii) of the SEBI Circular

Cipla Ltd.

Regd. Office · Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013, India. Phone: +91 2224826000 Fax: +9122 24826120 Website: www.cipla.com Email: contactus@cipla.com Corporate Identity Number: L24239MH1935PLC002380



3. **Part I (A)(10)(b)(iii)** – “Where the parent listed entity has acquired, either directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed entity, and if that subsidiary is being merged with the parent listed entity under the Scheme.”

Reasons for non-applicability:

- The scheme pertains to demerger of Demerged Undertaking 1 and Demerged Undertaking 2 (as defined in the Scheme). There will not be change in shareholding pattern and the scheme does not involve merger of subsidiary with the parent listed entity.
- Accordingly, the transaction to be undertaken pursuant to the Scheme does not fall under the scenario contemplated in Part I (A)(10)(b)(iii) of the SEBI Circular

4. **Part I (A)(10)(b)(iv)** – “Where the scheme involving merger of an unlisted entity results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity.”

Reasons for non-applicability:

- The scheme involves demerger of Demerged Undertaking 1 and Demerged Undertaking 2 (as defined in the Scheme) and consequent to the scheme there will no change in the shareholding pattern of the companies involved in the Scheme. It doesn't involve merger of an unlisted entity which will result in reduction in the voting share of pre-scheme public shareholders of the Company in the Resulting Company 1 and 2 by more than 5% of the total capital of the merged entity.
- Accordingly, the transaction to be undertaken pursuant to the Scheme does not fall under the scenario contemplated in Part I (A)(10)(b)(iv) of the SEBI Circular.

5. **Part I (A)(10)(b)(v)** – “Where the scheme involves transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares.”

Reasons for non-applicability

- The Scheme doesn't involve transfer of whole or substantially the whole of the undertaking of the Demerged Company.
- Accordingly, the transaction to be undertaken pursuant to the Scheme does not fall under the scenario contemplated in Part I (A)(10)(b)(v) of the SEBI Circular.

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Cipla

For the reasons stated above, we undertake that the following requirement of Part I (A)(10)(a) read with conditions specified under Part I (A)(10)(b) of the SEBI Circular is not applicable to the Scheme:

"Requirement for the Scheme of arrangement to be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it."

For and On Behalf Cipla Limited

**RAJENDRA
CHOPRA**

Digitally signed by RAJENDRA CHOPRA
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99314248a726c0f34d01d48647d7492
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Date: 2021.01.27 10:39:58 +05'30'

Rajendra Chopra

Company Secretary

Date: January 27, 2021



Cipla Ltd.

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