

January 29, 2021

(1) BSE Ltd
Listing Department
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

(2) National Stock Exchange of India Ltd
Listing Department
Exchange Plaza, 5th floor,
Plot no. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Scrip Code: 500087

Scrip Code: CIPLA EQ

(3) SOCIETE DE LA BOURSE DE LUXEMBOURG
Societe Anonyme
35A Boulevard Joseph II,
L-1840 Luxembourg

Sub – Intimation of Scheme of Arrangement under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015 (“Listing Regulations”)

Dear Sirs,

Pursuant to Regulation 30 of the Listing Regulations we hereby inform that based on the recommendation of the Audit Committee and the Committee of Independent Directors, the Board of Directors of the Company at its meeting held today, i.e. January 29, 2021 has *inter-alia*, considered and approved the Scheme of Arrangement (“**Scheme**”) amongst Cipla Limited (“**Cipla or Demerged Company**”), Cipla BioTec Limited, wholly owned subsidiary of the Company (“**CBL or Resulting Company 1**”) and Cipla Health Limited, wholly owned subsidiary of the Company (“**CHL or Resulting Company 2**”) and their respective members and/or creditors, pursuant to sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

The said Scheme would be subject to requisite approvals of the National Company Law Tribunal, BSE Limited, National Stock Exchange of India Limited, Securities and Exchange Board of India and other statutory / regulatory authorities, including those from the shareholders and/or creditors of the Demerged Company, Resulting Company 1 and Resulting Company 2.

The information pursuant to Regulation 30 of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 is also enclosed herewith as **Annexure I**.

Thanking you,

For Cipla Limited

Rajendra Chopra
Company Secretary

Enclosed: Details as per SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015

Annexure - I

| Sr. No. | Particulars | Details | | | | | | | | | | | | | | | | | | | |
|------------------------|---|--|-----------------------------------|--|--|-------------|-------------------|-------------------------------------|-----------------------------------|------------------------|----------|-------|-------|------------------------|--------|------|------|--------------|-----------------|--------------|--------------|
| a) | Brief details of the division(s) to be demerged; | The proposed Scheme provides for the transfer of the India based US business undertaking (“ Demerged Undertaking 1 ”) of the Demerged Company into the Resulting Company 1 and transfer of consumer business undertaking (“ Demerged Undertaking 2 ”) of the Demerged Company to Resulting Company 2 by way of demerger. | | | | | | | | | | | | | | | | | | | |
| b) | Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year | <table><tr><th>Particulars</th><th>Turnover (INR Cr)</th><th>% to turnover on consolidated basis</th><th>% to turnover on standalone basis</th></tr><tr><td>Demerged Undertaking 1</td><td>2,460.10</td><td>14.36</td><td>19.43</td></tr><tr><td>Demerged Undertaking 2</td><td>326.53</td><td>1.91</td><td>2.58</td></tr><tr><td>Total</td><td>2,786.63</td><td>16.27</td><td>22.01</td></tr></table> | | | | Particulars | Turnover (INR Cr) | % to turnover on consolidated basis | % to turnover on standalone basis | Demerged Undertaking 1 | 2,460.10 | 14.36 | 19.43 | Demerged Undertaking 2 | 326.53 | 1.91 | 2.58 | Total | 2,786.63 | 16.27 | 22.01 |
| Particulars | Turnover (INR Cr) | % to turnover on consolidated basis | % to turnover on standalone basis | | | | | | | | | | | | | | | | | | |
| Demerged Undertaking 1 | 2,460.10 | 14.36 | 19.43 | | | | | | | | | | | | | | | | | | |
| Demerged Undertaking 2 | 326.53 | 1.91 | 2.58 | | | | | | | | | | | | | | | | | | |
| Total | 2,786.63 | 16.27 | 22.01 | | | | | | | | | | | | | | | | | | |
| c) | Rationale for demerger | <p>Rationale for demerger</p> <p>Over more than 85 years, Cipla has expanded globally in line with its promising vision of ‘Caring for Life’. The Company today operates across 80+ countries globally with varying types of regulatory frameworks. Over the last 5 years, Cipla has decided to deepen its focus and build further dominance in the strategic markets of India, US, South Africa, Europe and key territories across Emerging markets. This requires Cipla to ensure efficient processes throughout the entire value chain. To support the growth in coming years, the Company would like to propose the scheme of arrangement to achieve the following:</p> <ul style="list-style-type: none">As Cipla is embarking on the growth agenda in coming years with a focus on OneIndia strategy for the domestic market and targeted sharp launch momentum in US, the proposed restructuring is aimed at ensuring (a) a simplified group structure and operational footprint, and (b) a market-aligned logical organization of resources.Cipla has decided to adopt a simpler group structure which enables efficient execution of this strategy by subsidiarizing the India based operations of the US business. Such subsidiarization helps improve the focus on US business and enables multiple strategic options to drive further expansion in the future including potential capital raises and other avenues to deepen the presence in the market. It also enables the US business to run the operations in a more cohesive manner including better management of product development, | | | | | | | | | | | | | | | | | | | |

| | | |
|----|---|--|
| | | <p>manufacturing & quality and supply chain within the existing group structure. The consolidation is intended also to better leverage the strong sterile capabilities and manufacturing environment of CBL and to develop complex dosage forms such as onco-injectables, ophthalmic products and peptides injectables, with minimal augmentation.</p> <ul style="list-style-type: none"> Cipla is demerging its Demerged Undertaking 2 including select set of brands which have high consumerisation potential, to its consumer healthcare subsidiary i.e. Cipla Health Limited to drive substantial portfolio expansion and build a large consumer business. The brands being transitioned have been built over the years in a meticulous manner and have wide distribution reach throughout India. This demerger and combination with the CHL business will boost the portfolio breadth, build stronger consumer pull and facilitate sharp & focused investments through the capabilities built by CHL. |
| d) | Brief details of change in shareholding pattern (if any) of all entities; | There shall be no change in the shareholding pattern of the Demerged Company, the Resulting Company 1 and the Resulting Company 2. |
| e) | In case of cash consideration - amount or otherwise share exchange ratio; | Not Applicable, since Resulting Company 1 and Resulting Company 2 are wholly owned subsidiaries of Demerged Company, Resulting Company 1 and Resulting Company 2 shall not be required to issue any shares or pay any consideration to Demerged Company or its shareholders. |
| f) | Whether listing would be sought for the resulting entity. | No |