

March 11, 2020

Listing Department
BSE LIMITED

P J Towers, Dalal Street, Fort,
Mumbai – 400 001

Code: 532 321

Listing Department

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Exchange Plaza, Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051

Code: CADILAHC

Re.: Information under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

As a part of internal restructuring exercise, the Board of Directors at its meeting held today i.e. March 11, 2020 has approved the transfer of Animal Healthcare Business (“**AHB**”) of the Company, on a going concern basis, to its wholly owned subsidiary Zydus Animal Health and Investments Limited (“**ZAHL**”) through execution of a Definitive Agreement.

AHB consists of the business of development, manufacturing, marketing and selling of Animal Healthcare products in India and other countries.

The transfer of AHB to ZAHL is subject to satisfaction of certain conditions precedent as provided in the Definitive Agreement.

Additional Disclosures as required under SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, for sale or disposal of unit(s) or division(s) or subsidiary of the listed entity are provided at Annexure-“A”.

Thanking you,

Yours faithfully,

For, **CADILA HEALTHCARE LIMITED**



DHAVAL N. SONI
COMPANY SECRETARY



Encl.: As above

Annexure-"A"

Sr. No.	Particulars	Response
1.	the amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year	Animal Healthcare Business ("AHB") of Cadila Healthcare Limited ("CHL") is proposed to be transferred to Zydus Animal Health and Investments Limited ("Z AHL"), a wholly owned subsidiary. Turnover of AHB for the year ended on March 31, 2019 was Rs. 510.90 crores representing 8.2% of the turnover of the Company on a standalone basis. Networth of AHB for the year ended on March 31, 2019 was Rs. 250.90 crores.
2.	date on which the agreement for sale has been entered into	March 11, 2020
3.	the expected date of completion of sale/disposal	Within a period of 60 business days
4.	consideration received from such sale/disposal	No cash consideration will be paid by Z AHL for transfer of AHB. Z AHL will issue and allot 227,33,50,000, 8% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10/- each at face value, aggregating to Rs. 2,273.35 crores, in exchange for transfer of AHB.
5.	brief details of buyers and whether any of the buyers belong to the promoter/promoter group/group companies. If yes, details thereof.	Z AHL is a wholly owned subsidiary of CHL. Z AHL does not belong to the promoter group. Z AHL is engaged in the business of pharmaceuticals and investments.



Sr. No.	Particulars	Response
6.	whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"	As per Regulation 23(5)(b) of the SEBI Listing Regulations, related party transaction provisions are not applicable if the transaction is between holding company and its wholly owned subsidiary. In view of this regulation, this transaction does not fall within related party transactions.
7.	additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale.	The transaction is not in the nature of slump sale in terms of clause A 1.4(g) of Annexure I of SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, as there is no cash consideration involved. However, in the spirit of this clause of the said circular, the relevant information is provided hereunder.
a.	name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.	CHL and ZAHL are the parties to the Definitive Agreement. Turnover of AHB and CHL (on standalone basis) as on March 31, 2019 was Rs. 510.9 crores and Rs. 6,207 crores respectively.
b.	whether the transaction would fall within related party transaction? If yes, whether the same is done at arm's length	As per Regulation 23(5)(b) of the SEBI Listing Regulations, related party transaction provisions are not applicable if the transaction is between holding company and its wholly owned subsidiary. In view of this regulation, this transaction does not fall within related party transactions.
c.	area of business of the entity(ies)	CHL is engaged in the business of research, development, manufacturing, marketing and selling of pharmaceutical products in India and several other countries. ZAHL is engaged in the business of pharmaceuticals and investments.



Sr. No.	Particulars	Response
d.	Rationale for amalgamation / merger	<p>As a part of internal restructuring exercise, it is decided to transfer AHB to ZAHL (a wholly owned subsidiary of CHL).</p> <p>The Animal Healthcare Business (“AHB”) is on a growth trajectory and offers significant potential for future growth through certain strategic actions. The following are the key strategic and commercial objectives for transfer of AHB to ZAHL:</p> <p>(I) <u>for greater focus and accelerated growth</u></p> <p>a) to accord specific thrust, focus and attention for growth of the Animal Healthcare Business; b) to improve customer focus by catering to changing consumer preferences for value added products; c) to have greater visibility on and accountability for the performance of Animal Healthcare Business; and d) to attract right talent both for India and global business.</p> <p>(II) <u>for exploring strategic choices</u></p> <p>a) to leverage product pipeline and new manufacturing facility for global regulated markets; and b) to expand Animal Healthcare Business by making strategic choices such as technical and/or marketing alliances including joint ventures.</p> <p>(III) <u>for improving operational efficiency</u></p> <p>a) to enhance productivity of the resources employed in the Animal Healthcare Business; b) to create lean and cost competitive organisation; and c) to facilitate faster decision making by providing independence for operations and management of the company.</p>



Sr. No.	Particulars	Response
e.	in case of cash consideration – amount or otherwise share exchange ratio	No cash consideration will be paid by Z AHL for transfer of AHB. Z AHL will issue and allot 227,33,50,000, 8% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10/- each at face value, aggregating to Rs. 2,273.35 crores, in exchange for transfer of AHB.
f.	brief details of change in shareholding pattern (if any)	There will be no change in the shareholding pattern of CHL.

For, CADILA HEALTHCARE LIMITED

Dhaval N. Soni

DHAVAL N. SONI
COMPANY SECRETARY

