

May 2, 2024

BSE Limited P J Towers, Dalal Street, <u>Mumbai-400001</u>	Code: 532321	National Stock Exchange of India Limited Code: Zyduslife Exchange Plaza, C/1, Block G, Bandra-Kurla Complex, Bandra (East), <u>Mumbai-400051</u>
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Re.: Sale of stake of Bayer Zydus Pharma Private Limited

Ref.: Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) read with SEBI Circular dated July 13, 2023

Dear Sir / Madam,

Zydus Lifesciences Limited (“the **Company**” or “the **Seller**” or “**JV Partner 1**”) and Bayer (South East Asia) Pte. Limited (“**JV Partner 2**”) (JV Partner 1 and JV Partner 2 are collectively referred to as “the **JV Partners**”) had entered into joint venture agreement (“**JVA**”) on January 28, 2011 (for a period of 10 (ten) years), pursuant to which the JV Partners incorporated a company in the name of Bayer Zydus Pharma Private Limited (“**JV Company**”). At the time of incorporation, it was a 50:50 share JV Company.

As per the terms of the JVA, on April 17, 2018, JV Partner 2 acquired 1,25,00,001 Equity Shares representing 25.00002% of the paid-up share capital of the JV Company from JV Partner 1.

Further, tenure of the JVA was extended for a period of 3 (three) years upto May 1, 2024, vide extension agreement dated June 21, 2021.

As per the terms of the JVA, the Company is required to sell and transfer 1,24,99,999 equity shares of Rs. 10/- each fully paid-up of the JV Company (representing 24.99998% of the total paid-up share capital) (“**Sale Shares**”) after 13 years of the JVA, to either JV Partner 2 or any other affiliate as may be nominated and authorized by JV Partner 2. JV Partner 2 has nominated and authorized Bayer Pharmaceuticals Private Limited (“the **Purchaser**”) to purchase the Sale Shares held by the Company on behalf of the JV Partner 2.

Board of Directors (“the **Board**”) of the Company at its meeting held today approved entering into a Share Purchase Agreement (“**SPA**”) amongst the Company, the JV Company and the Purchaser for sale and transfer of the Sale Shares held by the Seller to the Purchaser at a consideration of Rs. 2,822 mio. (Rupees Two Thousand Eight Hundred Twenty Two Million

Zydus Lifesciences Limited

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website : www.zyduslife.com | CIN : L24230GJ1995PLC025878





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only) (subject to certain post-closing adjustments) and other terms and conditions as stipulated in the SPA. Parties to the SPA have executed the SPA.

Post completion of the said transaction, the Company shall not hold any shares of the JV Company and the JV Company will cease to be the joint venture of the Company.

Necessary details as stipulated under regulation 30 of the Listing Regulations read with para 1.4 and 5 of the SEBI Circular dated July 13, 2023 are provided in Annexure-“1” and Annexure-“2” respectively.

The Board meeting commenced at 6:00 p.m. and concluded at 6:25 p.m.

Please find the same in order.

Thanking you,

Yours faithfully,

For, **Zydus Lifesciences Limited**

Dhaval N. Soni
Company Secretary

Encl.: As above

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Annexure-“1”

As the transaction involves sale of stake in Associate Company (including a joint venture), details as prescribed in Para 1.4 of the SEBI Circular are provided hereunder:

Sr. No.	Particulars	Responses												
a.	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division or undertaking or subsidiary or associate company of the listed entity during the last financial year.	<p>As per the audited financial statements of the Company as at March 31, 2023, details of income and net worth contributed by the JV Company are provided below:</p> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Particulars</th> <th>Amount (Rs. in mio.)</th> <th>% to consolidated figures</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Income (profit after tax)</td> <td>46.00</td> <td>0.2%</td> </tr> <tr> <td>2.</td> <td>Net worth</td> <td>336.43</td> <td>0.2%</td> </tr> </tbody> </table> <p>Note: As the financial statements of the Company for the Financial Year ended on March 31, 2024, are under preparation and yet to be approved by the Board, the financial information is provided based on the latest audited financial statements available i.e. March 31, 2023.</p>	Sr. No.	Particulars	Amount (Rs. in mio.)	% to consolidated figures	1.	Income (profit after tax)	46.00	0.2%	2.	Net worth	336.43	0.2%
Sr. No.	Particulars	Amount (Rs. in mio.)	% to consolidated figures											
1.	Income (profit after tax)	46.00	0.2%											
2.	Net worth	336.43	0.2%											
b.	Date on which the agreement for sale has been entered into.	May 2, 2024												
c.	The expected date of completion of sale/disposal.	Within 10 days from the date of execution of SPA.												
d.	Consideration received from such sale/disposal.	Rs. 2,822 mio. (Rupees Two Thousand Eight Hundred Twenty Two Million only) (subject to certain post-closing adjustments)												
e.	Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof.	<p>The Purchaser is an affiliate nominated by JV Partner 2 and is engaged in the business of manufacturing and marketing of drugs and pharmaceutical products.</p> <p>The Purchaser does not belong to the promoter group / group companies.</p>												
f.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”.	The transaction is not a related party transaction.												

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Sr. No.	Particulars	Responses
g.	Whether the sale, lease or disposal of the undertaking is outside Scheme of Arrangement? If yes, details of the same including compliance with regulation 37A of LODR Regulations.	Not applicable
h.	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.	Not applicable

For, **Zydus Lifesciences Limited**

Dhaval N. Soni
Company Secretary

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Annexure-“2”

As the transaction includes closure of a joint venture, details as prescribed in Para 5 of the SEBI Circular (with respect to the JVA) are provided hereunder:

Sr. No.	Particulars	Responses
1.	Name(s) of parties with whom the agreement is entered.	1. Zydus Lifesciences Limited (formerly known as Cadila Healthcare Limited) (JV Partner 1) 2. Bayer (South East Asia) PTE Limited (JV Partner 2)
2.	Purpose of entering into the agreement.	JV Partners entered into JVA on January 28, 2011 and pursuant to which the JV Partners formed a joint venture company i.e. JV Company. The purpose of entering into the JVA is for carrying on business of marketing of pharmaceutical products.
3.	Shareholding, if any, in the entity with whom the agreement is executed.	The Company is not holding any shares of JV Partner 2.
4.	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.	JV Partner 1 and JV Partner 2 have right to nominate 3 and 5 directors respectively. There are detailed provisions relating to restrictions on transfer of shares by JV Partners.
5.	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship.	None of the parties are related to promoter / promoter group / group company in any manner.
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”.	The transaction is not a related party transaction.
7.	In case of issuance of shares to the parties, details of issue price, class of shares issued.	On incorporation of the JV Company, the equity shares were issued to the JV Partners at a face value of Rs. 10/- each.

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Sr. No.	Particulars	Responses
8.	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.	JV Partner 2 is not entitled to nominate any Director on the Board of the Company i.e. JV Partner 1. There is no potential conflict of interest arising out of the JVA.
9.	In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s):	
	a) Name of parties to the agreement.	The Company, the JV Company and the Purchaser.
	b) Nature of the agreement.	For sale and transfer of the Sale Shares of the JV Company held by the Company to the Purchaser.
	c) Date of execution of the agreement.	May 2, 2024.
	d) Details of amendment and impact thereof or reasons of termination and impact thereof.	As per the terms of the JVA, the Company is required to sell and transfer Sale Shares after 13 years of the JVA, to either JV Partner 2 or any other affiliate as may be nominated and authorized by JV Partner 2. JV Partner 2 has nominated and authorized the Purchaser to purchase the Sale Shares held by the Company on behalf of the JV Partner 2. Post completion of the said transaction of sale and transfer of the Sale Shares, the Company shall not hold any shares of the JV Company and the JV Company will cease to be the joint venture of the Company. The said transaction will not have material impact on the Company.

For, **Zydus Lifesciences Limited**

Dhaval N. Soni
Company Secretary

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