

## LUPIN LIMITED

### Registered Office:

Kalpataru Inspire, 3<sup>rd</sup> Floor, Off Western Express Highway, Santacruz (East), Mumbai - 400 055.

Tel: +91 22 6640 2323 Ext: 2402/2403

E mail: investorservices@lupin.com; Website: www.lupin.com

Corporate Identity Number: L24100MH1983PLC029442



## NOTICE TO MEMBERS

**NOTICE** is hereby given that the Extraordinary General Meeting of the shareholders of Lupin Limited will be held at its office at Kalpataru Inspire, 4<sup>th</sup> Floor, Off Western Express Highway, Santacruz (East), Mumbai - 400 055, on Monday, December 9, 2019, at 3.30 p.m., to transact the following business: -

### SPECIAL BUSINESS

To approve divestment of its entire interest in Kyowa Pharmaceutical Industry Co. Limited, Japan, a step-down material subsidiary of the Company, by Nanomi B.V., Netherlands, a wholly owned material subsidiary of the Company.

To consider and if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution in this regard:

**“RESOLVED THAT** pursuant to the provisions of Regulation 24 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘LODR Regulations’) and other applicable SEBI regulations, applicable provisions of the Companies Act, 2013 read with the Rules made thereunder; (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable notifications, clarifications, circulars, rules and regulations issued by the Government of India or other governmental or statutory authorities and subject to such other requisite approvals, consents, permissions and sanctions as may be required and the Memorandum and Articles of Association of the Company, consent of the shareholders of the Company be and is hereby accorded to the Board of Directors (‘the Board’, which term shall be deemed to mean and include any Committee constituted by the Board) of the Company, to effect divestment by way of sale, transfer or otherwise dispose of in whole by Nanomi B.V., (‘Nanomi’), Netherlands, a wholly owned material subsidiary of the Company, of its entire equity interest in Kyowa Pharmaceutical Industry Co. Limited (‘Kyowa’), Japan, (representing 99.82% of the outstanding issued and paid up capital of Kyowa), a material subsidiary of the Company (‘Proposed Transaction’), to Plutus Ltd., Japan (‘Purchaser’) at an enterprise value of JPY 57,361 million, on terms and conditions as set forth in the Share Purchase Agreement dated November 11, 2019, executed by and between Nanomi and the Purchaser (‘SPA’), which post divestment shall result in the Company ceasing to have any equity interest (direct or indirect) and managerial control in Kyowa and the Company shall cease to exercise indirect control over Kyowa.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to finalize, settle and execute required transactional documents in relation to the Proposed Transaction and/or as required in accordance with the SPA, including but not limited to agreements, arrangements (including with respect to indemnities, guarantees etc.), undertakings, letters and any other documents as may be required from time to time and to do and perform all such acts, deeds, matters and things, as may be required or deemed necessary and in the best interest of the Company to give effect to the Resolution for completion of the Proposed Transaction, without being required to seek any further consent or approval of the shareholders of the Company, and to delegate all or any of the powers or authorities herein conferred or to engage any Committee of the Board, employee or officer of the Company, advisor, consultant, agent or intermediary, as may be deemed necessary.”

### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, THE PROXY, DULY COMPLETED AND SIGNED, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolutions/ authority, as applicable. A person can act as proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company, then such proxy shall not act as a proxy for any other person or Member.



2. An Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 ('Act') is annexed and forms part of this Notice.
3. Members holding shares in dematerialised form are requested to intimate all particulars of bank mandates, nominations, power of attorney, change of address, e-mail address, contact numbers, etc. to their Depository Participant (DP). Members holding shares in physical form are requested to intimate such details to the Registrars and Share Transfer Agent (RTA).
4. The Securities and Exchange Board of India ('SEBI') has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their DPs if not submitted earlier. Members holding shares in physical form are requested to submit their PAN to the RTA if not submitted earlier.
5. Pursuant to the provisions of Section 101 of the Act read with Rules made thereunder, companies can serve Notice of meeting through electronic mode to those Members who have registered their email addresses with either their DP or the Company. This Notice is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depositories, unless a Member has requested for a physical copy of the same. Physical copies of this Notice are being sent by the permitted mode to those Members who have not registered their email addresses. This Notice is also available on the website of the Company [www.lupin.com](http://www.lupin.com).
6. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, Company is pleased to provide its Members, the facility to exercise their right to vote at the EGM by electronic means and business may be transacted through e-Voting platform provided by Link Intime India Private Limited on Resolution set-forth in this Notice. The 'process and manner for availing e-voting facility' is also enclosed as part of this Notice.
7. Members holding shares in physical form in single name are advised to avail of nomination facility. Nomination forms can be downloaded from the website of the Company [www.lupin.com](http://www.lupin.com) or obtained from the RTA.
8. In case of joint holders attending the EGM, only such joint holder who is higher in the order of names will be entitled to vote.
9. Members are requested to:-
  - a) Quote DP ID and Client ID/ledger folio numbers in all their correspondence;
  - b) Approach the RTA for consolidation of multiple ledger folios into one;
  - c) To avoid inconvenience, get shares transferred in joint names, if they are held in a single name and/or appoint a nominee; and
  - d) Bring with them at the EGM, the Attendance Slip.
10. NRI Members are requested to inform the RTA immediately of:-
  - a) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier; and
  - b) Change in their residential status and address in India on their return to India for permanent settlement.
11. Members desirous of obtaining additional information regarding the subject matter of the Resolution are requested to address their communications to the attention of the Company Secretary at the Registered Office of the Company, so as to reach at least seven days before the date of the meeting, so that the required information can be made available at the meeting, to the extent possible.
12. Members, who hold shares in electronic form, are requested to notify their DP and Client ID numbers at the EGM for easier identification.



13. As shares of the Company are traded under compulsory demat for all investors, Members are requested to dematerialise their shareholding to avoid inconvenience.

**By Order of the Board of Directors**

**R. V. SATAM**  
*Company Secretary*  
(ACS -11973)

Mumbai, November 11, 2019

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**E mail:** investorservices@lupin.com

**Website:** www.lupin.com

**Registrar and Share Transfer Agent**

Link Intime India Pvt. Ltd.

Unit: Lupin Limited

C 101, 247 Park, LBS Marg,

Vikhroli (West),

Mumbai - 400 083.

**Tel:** +91 22 4918 6270

**Toll Free No.:** 1800 1020 878

**E-mail:** rnt.helpdesk@linkintime.co.in

## **ANNEXURE TO THE NOTICE**

### **EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013.**

The following explanatory statement sets out all the material facts relating to the business mentioned in the accompanying Notice: -

#### **1. Introduction and transaction structure**

The Board of Directors of the Company, at its meeting held on November 11, 2019, approved the divestment by way of sale of Nanomi B.V.'s ("**Nanomi**") (wholly-owned material subsidiary of the Company) entire equity interest in the Company's step-down Japanese subsidiary, Kyowa Pharmaceutical Industry Co., Ltd. ("**Kyowa**") (representing 99.82% of the issued and paid up capital of Kyowa) to Plutus Ltd., Japan ("**Purchaser**") (an entity affiliated with Unison Capital Partners IV, LPS and Unison Capital Partners IV(F), L.P.), at an enterprise value of JPY 57,361 million on terms and conditions set forth in a share purchase agreement dated November 11, 2019 executed between Nanomi and the Purchaser ("**Proposed Transaction**"). The Proposed Transaction is subject to the terms of the share purchase agreement, including the approval from Japan Fair Trade Commission, the shareholders of the Company and such other approvals, consents, permissions and sanctions as may be necessary.

In addition, the Company will also enter into a product supply agreement with Kyowa for a period of up to five years in relation to the supply of certain products and active pharmaceutical ingredients by the Company to Kyowa. The Company will retain the intellectual property and the right to commercialize its Etanercept biosimilar in Japan.



The Company will be subject to a non-compete for a period of two years in relation to development, manufacturing or sale of any generic formulation containing same active ingredients as existing products of Kyowa in Japan. This non-compete will not apply to the development, manufacture and sale of biosimilars (including Etanercept), active pharmaceutical ingredients and the development of injectables and inhalation products.

## 2. Overview of Kyowa

Founded in 1954, Kyowa develops, manufactures and sells branded and generic pharmaceutical products for patients in the Japanese market. Lupin had acquired Kyowa in 2007, and Kyowa is currently the 5<sup>th</sup> largest generic player in Japan (IQVIA MAT September 2019). With a diverse product line-up that covers cardiovascular, gastroenterology and a wide variety of other segments, Kyowa has a strong presence in the central nervous system/neurology space where key products are promoted under the AMEL<sup>®</sup> brand. Based out of Osaka, Kyowa has manufacturing facilities at Sanda and Tottori, and a Research Centre at Sanda.

Net Worth of Kyowa as on March 31, 2019 was INR 11,107 million, representing 8% of the consolidated net worth of the Company. Revenues from operations of Kyowa for the fiscal year ended March 31, 2019 were INR 17,864 million representing 10.7% of the consolidated revenues from operations of the Company.

## 3. Rationale of the Proposed Transaction

The Company acquired the Kyowa business in 2007 when the Japanese government was providing significant incentives to increase generic utilization. Since then, Kyowa has emerged as the 5<sup>th</sup> largest generic company in Japan. In the past few years, the Japanese generic industry has been under pressure as the Japan government has now achieved its stated goal of 80% generic utilization. The Company believes that material investments would need to be made to build a differentiated platform in order to continue to grow the business in Japan on a sustainable basis.

The Company has been on the path to build on its strong generic foundation and evolve as a significant complex generic and specialty player in its key markets. Given its priorities and strategic focus, the Company has decided to divest its Kyowa business to Unison Capital Inc. Unison is a leading healthcare focused PE group with a strong track record of success in Japan. This transaction enables the Company to strengthen its balance sheet significantly and provide growth capital for its strategic priorities, in particular in US and India.

The Proposed Transaction values Kyowa at an enterprise value of JPY 57,361 million (~INR 37,024 million) and will generate post tax net cash inflow of approximately JPY 32,596 million (~INR 21,039 million). The transaction is expected to be EPS accretive and will significantly strengthen the consolidated balance sheet of the Company. The post transaction impact on the consolidated balance sheet is as follows:

- Net debt of the Company will stand at INR 11,290 million compared to INR 43,618 million as on September 30, 2019
- Net debt to equity ratio shall improve to 0.08 as compared to 0.32 as on September 30, 2019

The deal proceeds will be utilized to strengthen the Company's balance sheet as well as provide growth capital to support organic and inorganic initiatives for its focus markets.

## 4. Key Transaction Approvals

The transaction is subject to the terms of the definitive agreements executed among the parties, receipt of requisite approvals including the approval from Japan Fair Trade Commission, the shareholders of the Company and such other approvals, consents, permissions and sanctions as may be necessary. Subject to all terms and conditions being satisfied, the transaction is expected to be completed in the fiscal year ending March 31, 2020.

## 5. Regulatory Requirement

SEBI (Listing Obligations and Disclosure Regulations) 2015 ("Listing Regulations")

Regulation 24(5) of SEBI (LODR) Regulations, 2015 provides that a listed entity shall not dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries)



to less than fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code. Material subsidiary for the purpose of Regulation 24 of the Listing Regulations shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Considering the contribution of Kyowa to the turnover of Nanomi and the Company and the fact that it is a material subsidiary of the Company, the proposed transaction will require Shareholders' approval by way of special resolution in terms of Regulation 24 of the Listing Regulations.

### **Recommendation of the Board**

The Board recommends passing of the resolution as set out in the Notice for approval of the Shareholders as a special resolution and requests your approval for the same.

None of the promoters, directors or key managerial personnel of the Company hold shareholding interest in excess of 2% of the paid-up share capital of Nanomi or Kyowa.

None of the directors or key managerial personnel of the Company, and any relatives of such director or key managerial personnel are in any way concerned or interested in this resolution, financially or otherwise except to the extent of equity shares held by them in the Company.

**By Order of the Board of Directors**

**R. V. SATAM**  
*Company Secretary*  
(ACS -11973)

Mumbai, November 11, 2019

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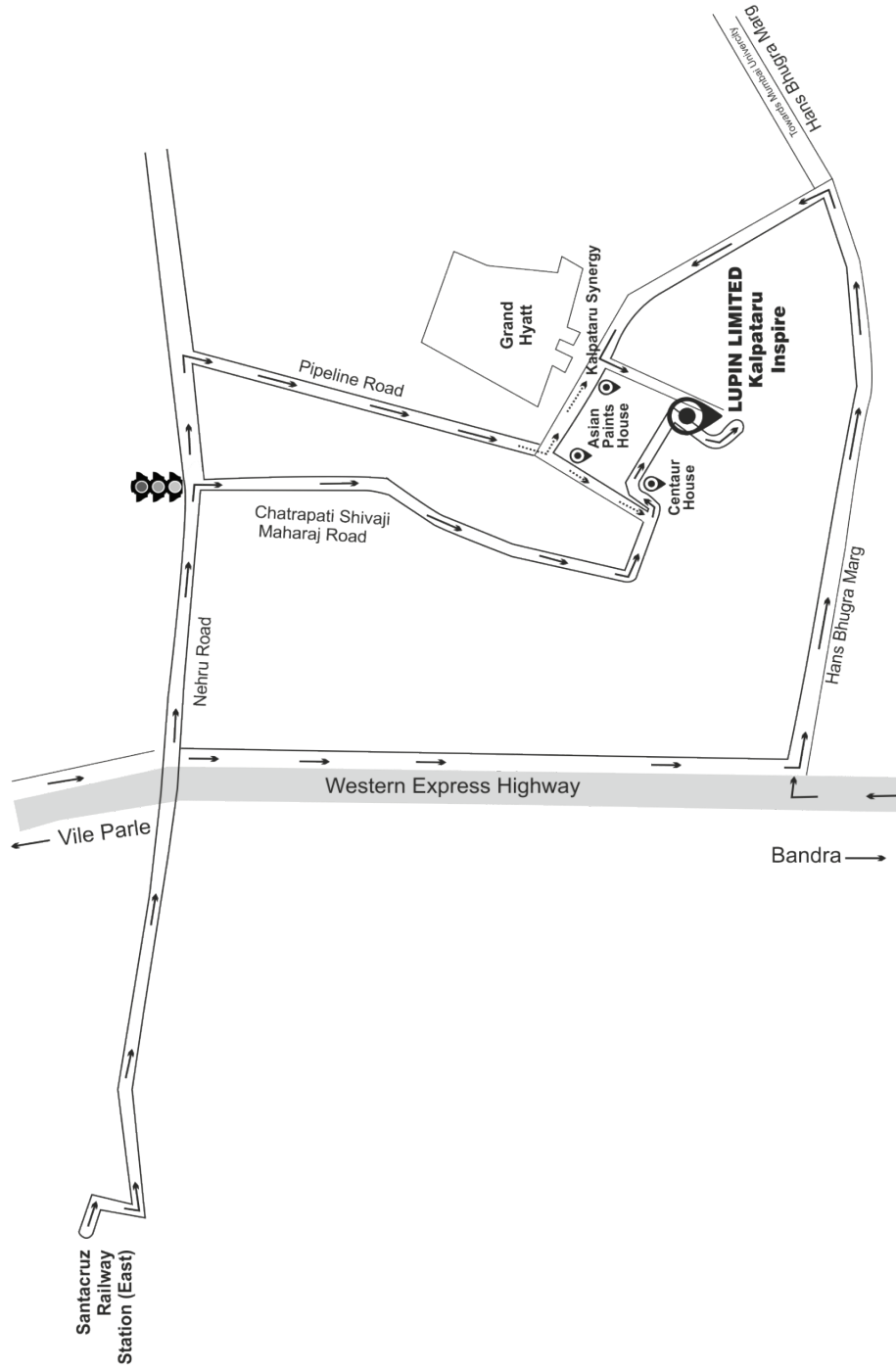
**Tel:** +91 22 4918 6270

**Toll Free No.:** 1800 1020 878

**E-mail:** rnt.helpdesk@linkintime.co.in

## Directions for: **Extraordinary General Meeting of Lupin Limited**

Lupin Limited, 4<sup>th</sup> Floor, Kalpataru Inspire, Off Western Express Highway, Santacruz (East), Mumbai - 400 055



Santacruz Railway Station 1.7 Kms. | Kurla Railway Station 4.8 Kms. | Grand Hyatt 190 Mtr. | Domestic Airport 3.6 Kms. | International Airport 8.3 Kms. | Bandra Railway Station 6.9 Kms.

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**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting venue)

**EXTRAORDINARY GENERAL MEETING - Monday, December 9, 2019 at 3.30 p.m.**

Folio No. .... DP ID No. .... Client ID No. ....  
Name of the Member ..... Signature .....  
Name of the Member ..... Signature .....

- 1. Only Member/Proxyholder can attend the Meeting.
- 2. Interested joint members may obtain attendance slips from the Registered Office of the Company.
- 3. Members/joint members/proxies are requested to bring this slip with them. Duplicate slips will not be issued at the venue.

Please cut here

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**FORM NO. MGT-11**

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): .....  
Registered address : .....  
E-mail ID: .....  
Folio No. .... DP ID No. .... Client ID No. ....

I / We, being the holder(s) of ..... Equity Shares of Lupin Limited, hereby appoint:

- 1. Name: ..... E-mail ID: .....  
Address: .....  
Signature: ..... or failing him
- 2. Name: ..... E-mail ID : .....  
Address: .....  
Signature: ..... or failing him
- 3. Name: ..... E-mail ID : .....  
Address: .....  
Signature: ..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at Kalpataru Inspire, 4<sup>th</sup> Floor; Off Western Express Highway, Santacruz (East), Mumbai - 400 055, on Monday, December 9, 2019, at 3.30 p.m. and at any adjournment thereof in respect of Special Resolution for divestment of entire interest in Kyowa Pharmaceutical Industry Co. Limited, Japan, a step-down material subsidiary of the Company.

Signed this ..... day of ..... 2019  
Signature of Member ..... Signature of Proxyholder(s) .....



**NOTE:** This Proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.