

September 11, 2023

BSE Limited

Department of Corporate Services,
P. J. Towers, Dalal Street,
Mumbai Samachar Marg,
MUMBAI - 400 001.



National Stock Exchange of India Limited

Exchange Plaza,
Bandra Kurla Complex,
Bandra (East),
MUMBAI - 400 051.

Sub: Disclosure pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Dear Sir/Madam,

In compliance with Regulation 30 read with Schedule III of the Listing Regulations and SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, we are pleased to inform you that as approved by the Board of Directors at its meeting held today i.e. September 11, 2023, Lupin Limited ('the Company') plans to enter into a business transfer agreement with Lupin Manufacturing Solutions Limited ('LMSL'), wholly owned subsidiary of the Company, to carve out two Active Pharmaceutical Ingredients ('API') manufacturing sites at Dabhasa and Visakhapatnam and select R&D operations, including fermentation, at Lupin Research Park, Pune. The particulars are as under: -

<p>a)</p>	<p>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>	<p>The Company is proposing to transfer part of its API business operated through Dabhasa and Visakhapatnam manufacturing sites and select R&D operations, including fermentation, at Lupin Research Park, Pune, along with all related assets and liabilities including but not limited to movable assets, products, employees, contracts (including lease deeds), intellectual property, licenses, permits, consents, approvals, transferable tax credits, trade receivables, inventories, trade payables and insurance policies (collectively 'the undertaking') to LMSL, wholly owned subsidiary of the Company.</p> <p>FY23 revenues of the undertaking were about ₹ 3,439.3 million (including captive sales of ₹ 2,317.8 million). The net external sales represented 1% of the reported turnover of the Company on a standalone basis, as on that date.</p> <p>Net-worth of the undertaking as on March 31, 2023, was ₹ 6115.2 million.</p>
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b)	date on which the agreement for sale has been entered into;	Business Transfer Agreement ('BTA') between the Company and LMSL is likely to be entered in October 2023.
c)	the expected date of completion of sale/disposal;	The slump sale shall be subject to customary satisfactory completion of conditions precedent (including necessary approvals required for the slump sale) and in accordance with the other provisions of the BTA. Completion of the sale is expected to be completed by December 31, 2023.
d)	consideration received from such sale/disposal;	Consideration expected to be received is ₹ 7500 - ₹ 8500 million, subject to movement in working capital and other items in the intervening period up to completion.
e)	brief details of buyers and whether any of the buyers belong to the promoter/promoter group/group companies. If yes, details thereof;	<p>LMSL, the buyer, was incorporated on July 24, 2023, as wholly owned subsidiary of the Company and does not belong to the promoter/promoter group/group companies.</p> <p>LMSL shall be engaged, inter-alia, in the business of manufacture, sale, export and import of all types of APIs and intermediates, fermentation, contract development and manufacturing operations (CDMO).</p>
f)	whether the transaction would fall within related party transactions? If yes, whether the same is done at 'arms-length';	<p>The buyer, LMSL, wholly owned subsidiary of the Company, is related party as per Section 2(76) of the Companies Act, 2013 ('Act') and Regulation 2(zb) of the Listing Regulations.</p> <p>As the transaction is between holding company and its wholly owned subsidiary, there is no impact on a consolidated basis.</p>

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		<p>As per provisions of Section 188 of the Act and Regulation 23(5)(b) of the Listing Regulations, provisions relating to related party transactions are not applicable in respect of transactions between holding company and its wholly owned subsidiary whose accounts are consolidated with the holding company and placed before shareholders at the general meeting for approval.</p> <p>As the transaction is between the Company and LMSL, the entire economic value of LMSL will remain with the Company. Thus, arm's length principle is not relevant.</p>
<p>g)</p>	<p>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;</p>	<p>Yes, the transaction is outside the Scheme of Arrangement.</p> <p>Regulation 37(A)(1) of the Listing Regulations is not applicable as the transaction is not sale of whole or substantially the whole of the undertaking of the Company within the meaning of Section 180(1)(a) of the Act.</p> <p>Also, LMSL accounts will be consolidated with the Company.</p>



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<p>h)</p>	<p>Additionally, in case of a slump sale, the following indicative disclosures provided for amalgamation/ merger, shall be disclosed by the listed entity: -</p> <p>i) names of entities forming part of the Slump sale, details in brief such as, size, turnover etc.;</p>	<p>The Company is proposing to transfer part of its API business operated through Dabhasa and Visakhapatnam manufacturing sites and select R&D operations, including fermentation, at Lupin Research Park, Pune, along with all related assets and liabilities including but not limited to movable assets, products, employees, contracts (including lease deeds), intellectual property, licenses, permits, consents, approvals, transferable tax credits, trade receivables, inventories, trade payables and insurance policies (collectively 'the undertaking') to LMSL, wholly owned subsidiary of the Company.</p> <p>FY23 revenues of the undertaking were about ₹ 3,439.3 million (including captive sales of ₹ 2,317.8 million).</p>
	<p>ii) whether the transaction would fall within related party transactions? If yes, whether the same is done at 'arm's length';</p>	<p>The buyer, LMSL, is wholly owned subsidiary of the Company and the two are related parties as per Section 2(76) of the Companies Act, 2013 ('Act') and Regulation 2(zb) of the Listing Regulations.</p> <p>As the transaction is being undertaken between holding company and its wholly owned subsidiary, there is no impact on a consolidated basis.</p> <p>As per provisions of Section 188 of the Act and Regulation 23(5) (b) of the Listing Regulations, provisions relating to related party transactions are not applicable in respect of transactions between holding company and its wholly owned subsidiary whose accounts</p>

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		<p>are consolidated with the holding company and placed before shareholders at the general meeting for approval.</p> <p>As the transaction is between the Company and LMSL, the entire economic value of LMSL will remain with the Company. Thus, arm's length principle is not relevant.</p>
	<p>(iii) area of business of the entities;</p>	<p>The Company is engaged in pharmaceutical business.</p> <p>LMSL shall be engaged, inter-alia, in the business of manufacture, sale, export and import of all types of APIs, fermentation and CDMO activities.</p>
	<p>(iv) rationale for slump sale;</p>	<p>The rationale for slump sale is as follows: -</p> <ol style="list-style-type: none">1) This business and business of the rest of the Company have different growth drivers, priorities, customers and different gross and net margins.2) Given the different risk returns and different margins for these divisions, the Company believes segregation would lead to better value creation for all the stakeholders in the long term.3) To achieve verticalization and thereby enabling better focus and growth of API business.

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		<p>4) To develop and serve potential CDMO customers.</p> <p>5) Improving operational efficiency by creating a competitive organization with focus on faster decision making.</p> <p>6) Augment fund raising capability and strategic tie-ups in future, if required.</p> <p>7) Greater visibility and accountability of performance.</p>
	(v) in case of cash consideration - amount or otherwise share exchange ratio;	Consideration expected to be received is ₹ 7500 - ₹ 8500 million, subject to movement in working capital and other items in the intervening period up to completion.
	(vi) brief details of change in shareholding pattern (if any) of listed entity.	There is no change in shareholding pattern of the Company.

The Board meeting commenced at 6.30 p.m. (IST) and concluded at 7.45 p.m. (IST).

As the captioned transaction is between Lupin Limited and Lupin Manufacturing Solutions Limited, its wholly owned subsidiary, this disclosure is not being submitted in XBRL format.

The above is for your information and dissemination.

Thanking you,

FOR LUPIN LIMITED

R. V. SATAM
COMPANY SECRETARY
(ACS -1 1973)