AUROBINDO

February 9, 2023

To Listing Department, **NATIONAL STOCK EXCHANGE OF INDIA LIMITED** Exchange Plaza, Bandra Kurla Complex, Bandra (E), **MUMBAI -400 051** **Company Code No. AUROPHARMA**	To The Corporate Relations Department **BSE LIMITED** Phiroz Jeejeebhoy Towers, 25th floor, Dalal Street, **MUMBAI -400 001** **Company Code No. 524804**

Dear Sir / Madam,

Sub: Information under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Ref : Our letter dated February 9, 2023 intimating about Outcome of the Board meeting.

The Board of Directors of the Company at its meeting held today, February 9, 2023 has approved the following business transactions:

a. Transfer of units constituting API Non-Antibiotic Division of the Company to Auro Pharma India Private Limited, a wholly owned subsidiary of the Company by way of slump sale through a Business Transfer Agreement(s).

In respect of the above sale & transfers, 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 in Annexure.

Thanking you,

Yours faithfully,
For **AUROBINDO PHARMA LIMITED**

ADIREDDY BADDIGAM
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B. Adi Reddy
Company Secretary

Encl: Annexure

Annexure

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	Aurobindo Pharma Limited ("Company" or "APL") is proposing to transfer its Non-Antibiotic Division business operated through its operating manufacturing plants, along with all the related assets and liabilities including but not limited to movable assets, employees, contracts (including lease deeds), intellectual property other intangible assets, licenses, permits, consents, approvals, trade receivable, inventory, trade payables and insurance policies ("API Non-Antibiotic Division") to Auro Pharma India Private Limited (APIPL)., a wholly owned subsidiary of Aurobindo Pharma Limited. The API Non-Antibiotic Division, among other things, will include the following units of APL: a. Unit I – An integrated unit that has common approvals for undertaking API Non-Anti Biotic, Antibiotic, and Oncology business. b. Unit VIII – The unit undertakes manufacturing of API Non-Antibiotic business. c. Unit IX – The Unit undertakes manufacture of API Non-Antibiotic business. d. Unit XI – An integrated unit that has common approvals for undertaking API Non-Anti Biotic and Antibiotic business. e. Unit XIV – The Unit undertakes manufacture of API Non-Antibiotic business. f. R&D Unit 02 – The R&D Unit of the Company undertakes research and development for API Non-Antibiotics as well as other businesses. The R&D unit will be bifurcated so as to segregate the R&D Unit of API Non-Antibiotics division from the other businesses. The API Non- Antibiotic Division excludes the land and buildings pertaining to the said division. The same shall be leased by APL to APIPL on an arm's length basis. Turnover of API Non-Antibiotic Division for the Financial Year ended 31 March 2022 was INR 4,486.83 crores (including inter-unit sales of INR 1,617.26 crores). The net external sales represented 24.00 % of the reported turnover of the Company on a standalone basis, as on that date. The net worth of API Non-Antibiotic Division proposed to be transferred is INR 3,303.17 crores as at 31 December 2022.

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<tr><td>2</td><td>Date on which the agreement for sale has been entered into</td><td>The agreement will be entered into after obtaining approval of the members and shareholders of the Company.</td></tr>
<tr><td>3</td><td>The expected date of completion of sale/disposal</td><td>The slump sale shall be subject to customary satisfactory completion of the conditions precedents (including receipt of approval of the shareholders, lenders, and other necessary approvals required for the slump sale) and in accordance with the other provisions of the Business Transfer Agreement(s) to be executed between APL and APIPL.

The completion of the sale is estimated in the first/ second quarter of FY 2023-24. The slump sale(s) shall be effective from 01 April 2023 onwards.</td></tr>
<tr><td>4</td><td>Consideration received from such sale/disposal</td><td>Transfer of API Non-Antibiotic Division will be done for a lumpsum consideration of INR 3,303.17 crores. This consideration is based on the financial statements of the API Non-Antibiotic Division as on December 31, 2022 (on a cash free basis).

A unit wise break-up of the consideration is provided below:
<table>
<tr><th>S.No</th><th>Unit Name</th><th>Consideration (INR crores)</th></tr>
<tr><td>1</td><td>Unit I</td><td>573.52</td></tr>
<tr><td>2</td><td>Unit VIII</td><td>296.62</td></tr>
<tr><td>3</td><td>Unit IX</td><td>116.93</td></tr>
<tr><td>4</td><td>Unit XI</td><td>1,844.43</td></tr>
<tr><td>5</td><td>Unit XIV</td><td>308.12</td></tr>
<tr><td>6</td><td>R&D Unit 02</td><td>163.54</td></tr>
<tr><td colspan="2">Total</td><td>3,303.17</td></tr>
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In addition to the adjustments as prescribed in the binding agreement, any difference in the value of the Business Undertaking between December 31, 2022 and the Effective date of the transaction will be adjusted to the amount of consideration.</td></tr>
<tr><td>5</td><td>Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof</td><td>Auro Pharma India Private Limited, the Buyer, is a wholly owned subsidiary of Aurobindo Pharma Limited and does not belong to the promoter/promoter group.

Auro Pharma India Private Limited is engaged, inter alia, in the business of manufacture, sell, export and import in all types of chemicals, intermediates, drugs and active pharmaceutical ingredients.</td></tr>
<tr><td>6</td><td>Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”</td><td>The Buyer is a wholly owned subsidiary of the Company, the two are related parties as per Regulation 2 (zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
The transaction is being undertaken between holding company and its wholly owned subsidiary and accordingly there is no impact on a consolidated basis.</td></tr>
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		As per provisions of Section 188 of Companies Act, 2013 and Regulation 23(5)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provisions relating to related party transactions are not applicable in respect of transactions between holding company and its wholly owned subsidiary.
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	Indicative disclosures required are provided hereunder:
7.a	Name of the entity(ies) forming part of the slump sale, details in brief such as, size, turnover etc.;	Aurobindo Pharma Limited ("Company" or "APL") is proposing to transfer its Non-Antibiotic Division business operated through its operating manufacturing plants, along with all the related assets and liabilities including but not limited to movable assets, employees, contracts (including lease deeds), intellectual property other intangible assets, licenses, permits, consents, approvals, trade receivable, inventory, trade payables and insurance policies ("API Non-Antibiotic Division") to Auro Pharma India Private Limited (APIPL)., a wholly owned subsidiary of Aurobindo Pharma Limited. The API Non-Antibiotic Division, among other things, will include the following units of APL: g. Unit I – An integrated unit that has common approvals for undertaking API Non-Anti Biotic, Antibiotic, and Oncology business. h. Unit VIII – The unit undertakes manufacturing of API Non-Antibiotic business. i. Unit IX – The Unit undertakes manufacture of API Non-Antibiotic business. j. Unit XI – An integrated unit that has common approvals for undertaking API Non-Anti Biotic and Antibiotic business. k. Unit XIV – The Unit undertakes manufacture of API Non-Antibiotic business. l. R&D Unit 02 – The R&D Unit of the Company undertakes research and development for API Non-Antibiotics as well as other businesses. The R&D unit will be bifurcated so as to segregate the R&D Unit of API Non-Antibiotics division from the other businesses. The API Non- Antibiotic Division excludes the land and buildings pertaining to the said division. The same shall be leased by APL to APIPL on an arm's length basis. Turnover of API Non-Antibiotic Division for the Financial Year ended

		31 March 2022 was INR 4,486.83 crores (including inter unit sales of INR 1,617.26 crores). The net worth of API Non-Antibiotic Division proposed to be transferred is INR 3,303.17 crores as at 31 December 2022.
7.b	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length	The Buyer is a wholly owned subsidiary of the Company, the two are related parties as per Regulation 2 (zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The transaction is being undertaken between holding company and its wholly owned subsidiary and accordingly there is no impact on a consolidated basis. As per provisions of Section 188 of Companies Act, 2013 and Regulation 23(5)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provisions relating to related party transactions are not applicable in respect of transactions between holding company and its wholly owned subsidiary.
?7.c	Area of business of the entity(ies)	Aurobindo Pharma Limited is engaged in pharmaceutical business. Auro Pharma India Private Limited is a Company incorporated at Hyderabad, on 20 December 2017 and is engaged inter-alia in the business of manufacture, sell, export and import in all types of chemicals, intermediates, drugs and active pharmaceutical ingredients.
7.d	Rationale for slump sale	The slump sale is proposed with the following objectives: 1. API Non-Antibiotic business and other business in the Company have different gross and net margins. Further, the risk factors, such as regulatory risks, involved in both the segments are largely different. 2. Given the different risk returns and different margins for these divisions, Management believes segregation would lead to better value creation for all the stakeholders. 3. To achieve verticalization and thereby enabling better focus & review of the business carrying on API Non-Antibiotic Division. 4. Improving operational efficiency by creating a lean, competitive organisation with focus on faster decision making. 5. Augment fund raising capability and strategic tie ups in future, if required. 6. Greater visibility and accountability for performance.

7.e	In case of cash consideration – amount or otherwise share exchange ratio	Transfer of API Non-Antibiotic Division will be done for a lumpsum consideration of INR 3,303.17 crores. This consideration is based on the financial statements of the API Non-Antibiotic Division as at December 31, 2022 (on a cash free basis). In addition to the adjustments as prescribed in the binding agreement, any difference in the value of the Business Undertaking between December 31, 2022, and the Effective date of the transaction will be adjusted to the amount of consideration.
7.f	Brief details of change in shareholding pattern (if any) of listed entity	There will be no change in the shareholding pattern of Aurobindo Pharma Limited.

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