

12th February, 2020

<p>BSE Limited Corporate Relations Department, P.J. Towers, Dalal Street, Mumbai – 400 001</p> <p>Scrip Code: 532300</p>	<p>National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051</p> <p>NSE Symbol: WOCKPHARMA</p>
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Dear Sir/Madam,

Sub: Outcome of the Board Meeting held on 12th February, 2020 - Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015

This is to inform that, the Board of Directors of the Company, at its meeting held today, have:

- (i) considered and approved the transfer of business comprising:
 - (a) 62 products and line extensions along with related business assets and liabilities, contracts, permits, intellectual properties, employees, marketing, sales and distribution of the same in the Domestic Branded Division in India, Nepal, Bhutan, Sri Lanka and Maldives; and
 - (b) manufacturing facility in Baddi, Himachal Pradesh, India, where some of the above pharmaceutical products which are being transferred are manufactured [(a) and (b) together referred to as the "**Business Undertaking**"];

by way of a slump sale to Dr. Reddy's Laboratories Limited ("**Buyer**") as per the terms and conditions specified in the Business Transfer Agreement ("**BTA**").
- (ii) approved the said BTA subject to all conditions precedent specified therein, the approval of the shareholders of the Company, the requisite regulatory and other approvals.
- (iii) approved the execution of the definitive agreements amongst the Company and the Buyer regarding the sale and transfer of the Business Undertaking from the Company to the Buyer, including the BTA, the transitional services agreement, the transitional manufacturing agreement and other incidental agreements.

Enclosed as **Annexure A** is the information required to be furnished pursuant to Regulation 30 of the Listing Regulations read with the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015. The Board of Directors of the Company has also recommended to seek the approval of shareholders for the said matter through Postal Ballot.

Also, please find attached herewith copy of the Press Release proposed to be issued in the matter.

The Board meeting commenced at 11.00 a.m. and concluded at 12.20 p.m.



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Further, pursuant to Company's code of conduct for regulating, monitoring, reporting trading by designated persons and as informed vide letter dated 11th February, 2020, the Trading Window for dealing in the Shares of the Company continues remain closed till 14th February, 2020. The Trading Window shall re-open with effect from 15th February, 2020.

Kindly take this information on record.

Thanking You,

For **Wockhardt Limited**



Narendra Singh
Company Secretary

Encl: As above

Disclosure of Information pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the 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

S. No.	Particulars	
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.	<p>Revenue from Business Undertaking proposed to be transferred amounts to:</p> <p>(i) Rs.594 crore (~28% of the total standalone revenue from operations; and ~14% of the total consolidated revenue from operations) during FY 2018-19; and</p> <p>(ii) Rs. 377 crore (~34% of the total standalone revenue from operations; and ~15% of the total consolidated revenue from operations) during the period of 9 months ended 31st December, 2019.</p> <p>The Company has single reportable segment and hence Net worth of such Business Undertaking is not ascertainable.</p>
2.	The date on which the agreement for sale has been entered into	BTA has been executed on 12 th February, 2020.
3.	The expected date of completion of sale/ disposal	The sale/ disposal of the Business Undertaking is subject to approval of the Shareholders of the Company and the Lenders, and other conditions precedent; and is expected to be completed by 12 st May, 2020 (i.e. within 3 months from the date of execution of BTA).
4.	Consideration received from such sale/disposal	The amount of consideration for the transfer shall be INR 1,850 crore subject to adjustments as per the BTA.
5.	Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof.	<p>The Buyer is Dr. Reddy's Laboratories Limited, a Company engaged in the business <i>inter alia</i> of manufacture, sale and distribution of pharmaceutical products.</p> <p>The Buyer is not a part of the Company's promoter and promoter group.</p>
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"	No, the transfer would not be a related party transaction.

7.	<i>Indicative disclosures provided for amalgamation/merger, to be disclosed by the listed entity with respect to a slump sale.</i>	
7.1	Name of the entity(ies) forming part of the slump sale, details in brief such as, size, turnover etc.	<p>Not applicable</p> <p>The Business Undertaking of the Company is proposed to be transferred to Dr. Reddy's Laboratories Limited, an existing Company.</p> <p>The Buyer is large pharmaceutical listed company having turnover of ~Rs. 15,400 crore during FY 2018-19.</p>
7.2	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length";	Please see the response to point 6 above.
7.3	Area of business of the entity(ies);	The Company and the Buyer are engaged in the manufacturing, marketing, sale and distribution of pharmaceuticals products.
7.4	Rationale for slump sale;	<p>The sale of the Business Undertaking to the Buyer will <i>inter alia</i> result in the following benefits for the Company:</p> <ul style="list-style-type: none"> • adequate liquidity for robust growth in international operations and investments in biosimilars for the US market; • augment remaining significant Domestic Branded Business portfolio of the Company and re-focus towards chronic segment with differentiated product portfolio; • continue its ongoing research and development activities; • necessary action for completion of clinical trials of the Company's breakthrough NCE in the anti-infective space, duly approved by coveted QIDP Program of United States Food & Drug Administration ('US FDA); and • strengthening the balance sheet.
7.5	In case of cash consideration – amount or otherwise share exchange ratio;	Please see the response to point 4 above.
7.6	Brief details of change in shareholding pattern (if any) of listed entity.	There shall be no change in the shareholding pattern of the Company.

Wockhardt



Mumbai, 12th February, 2020

Wockhardt to raise INR 1,850 crore by sale of part of portfolio of its Domestic Branded Business

Wockhardt's Board of Directors' today approved divestment of part of Domestic Branded Business to Dr. Reddy's Laboratories Limited comprising of 62 products and related business, assets and liabilities including manufacturing facility at Baddi, Himachal Pradesh, India for a consideration of INR 1,850 crore (~USD 260 Million). The business being transferred reported revenue from operation ~INR 377 crore which is ~15% of the consolidated revenue for 9 months ended 31st December, 2019. The proposed divestment is ~3.8 times of annualized revenue of the business being transferred.

This transaction is expected to be completed in May 2020 subject to Shareholders', Lenders' and other requisite approvals under applicable statutes.

"The intended sale of Business portfolio is in line with the Company's strategic plan to shift from acute therapeutic areas to more chronic business like anti-diabetes, CNS etc. and also to its niche antibiotic portfolio of NCEs. The divestment will also ensure adequate liquidity to bring in robust growth in the chronic domestic branded business, international operations, investments in Biosimilars for the US market apart from the Company's Global clinical trials of Break-through Anti-Infectives (NCEs approved under coveted QIDP¹ program of United States Food & Drug Administration) and R&D activities" said Dr. Habil Khorakiwala, Founder Chairman, Wockhardt Group.

The sale of Business will enable Wockhardt to:

- Have adequate liquidity for robust growth in international operations and investments in Biosimilars for the US market;
- Augment remaining significant Domestic Branded Business portfolio of the Company and re-focus towards chronic segment with differentiated product portfolio;

¹ QIDP status is granted to drugs, identified by CDC (Centre for Disease Control, USA), that act against pathogens which have a high degree of unmet need in their treatment. QIDP status provides fast track clinical development and review of the drug application by US FDA for drug approval. The drug is also awarded five-year extension of market exclusivity. QIDP was constituted under Generating Antibiotic Incentives Now (GAIN) Act in 2012 as part of the FDA Safety and Innovation Act to underline the urgency in new antibiotics development.

PRESS RELEASE

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**LIFE
WINS**

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- Continue its ongoing research and development activities;
- Necessary action for completion of clinical trials of the Company's breakthrough NCEs in the anti-infective space, duly approved by coveted QIDP Program of United States Food & Drug Administration (US FDA); and
- Strengthen the balance sheet.

Post above sale, Wockhardt continues to own:

- All international operations in UK, USA, Ireland and other locations through its step down subsidiaries.
- Formulation plants located at Waluj, Shendra and Chikalthana in Aurangabad, Bhimpore and Kadaiya in Daman; bulk drugs plant at Ankleshwar, India and manufacturing facilities at all existing international locations.
- Research & Development centers located at Chikalthana, Aurangabad, India and existing facilities in the international locations.
- Significant part of Domestic Branded Business constituting Chronic & Speciality portfolios.

The Company engaged M/s. Moelis and Company, reputed investment banking firm to identify and assist in process of divestment.

About Wockhardt:

Wockhardt is a research based Global Pharmaceutical and Biotech company. Wockhardt's New Drug Discovery programme has focussed on unmet need of Anti-bacterial drugs that are effective against the menace of untreatable superbugs. Wockhardt is the only company in the world where USFDA has given QIDP Status (Qualified Infectious Diseases Programme) for 5 of our Anti-bacterial discovery programmes – 2 of them are Gram Negative and 3 Gram Positive effective against untreatable "Superbugs". It has a comprehensive Drug Discovery team and clinical organisation.

Wockhardt is employing over 7000 people and 27 nationalities with presence in USA, UK, Ireland, Switzerland, France, Mexico, Russia and many other countries. It has manufacturing and research facilities in India, USA & UK and a manufacturing facility in Ireland. Wockhardt has a significant presence in USA, Europe and India, with 72% of its global revenues coming from international businesses.

For more information, please contact:

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