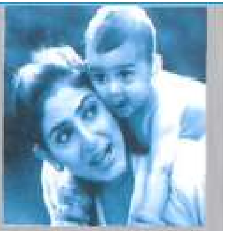

MOREPEN

Date: 01.09.2021

National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai- 400 051
Symbol: MOREPENLAB

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001
Scrip Code: 500288

Ref.: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Sub.: Outcome of Board Meeting

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI Listing Regulations, we wish to inform that, the Board of Directors of the company in their meeting held today *i.e.,* September 01, 2021, *inter-alia*, considered and approved the following: -

1. Transfer of the Medical Devices Business of the company on a slump sale basis, as provided under Section 2(42C) of Income Tax Act, 1961, for a lumpsum consideration by way of allotment of Equity Shares of Rs. 10/- each, to a wholly owned subsidiary of the company, which is under process of incorporation. The revenues and profits derived from the new subsidiary will be consolidated in the parent company, Morepen Laboratories Limited.

The transfer of business will be subject to receipt of requisite regulatory approvals including that of the members of the company and subject to execution of a business transfer agreement between the company and the wholly owned subsidiary.

The relevant information pursuant to Regulation 30 of the SEBI Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, is enclosed herewith as **Annexure.**

The above is for your information and records.

Thanking you,

Yours faithfully,

For MOREPEN LABORATORIES LIMITED

Vipul Kumar Srivastava
Company Secretary

Encl: As above

Morepen Laboratories Limited
Corp. Off.: 4th Floor, Antriksh Bhawan, 22 K.G. Marg, New Delhi- 110 001, INDIA
Tel.: +91-11-23324443, 23712025, E-mail: corporate@morepen.com, Website: ww.morepen.com
CIN NO. L24231 HP1984PLC006028

Plant & Regd. Off.: Morepen Village, Malkumajra, Nalagarh Road, Baddi, Distt. Solan (H.P.) -173205
Tel.: +91-1795-266401-03, 244590, Fax: +91-1795-244591, E-mail: plants@morepen.com

Annexure

Disclosure of information pursuant to Regulation 30 of the SEBI Listing Regulations read with SEBI circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Description</th></tr>
<tr><td>1</td><td>Business division being divested through slump sale</td><td>Medical Devices Business division of the Company being divested through slump sale.</td></tr>
<tr><td>2</td><td>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</td><td>The details as on 31st March, 2021 are mentioned below:
(Amount in Rs. Lakh)
<table>
<tr><th>Particulars</th><th>Turnover</th><th>Percentage</th><th>Net worth</th><th>Percentage</th></tr>
<tr><td>Other Pharmaceutical Business</td><td>83490.54</td><td>74.27%</td><td>39188.43</td><td>88.07%</td></tr>
<tr><td>Medical Devices Business</td><td>28929.13</td><td>25.73%</td><td>5308.84</td><td>11.93%</td></tr>
<tr><td>Total</td><td>112419.67</td><td>100.00%</td><td>44497.27</td><td>100.00%</td></tr>
</table></td></tr>
<tr><td>3</td><td>Date on which the agreement for sale has been entered into</td><td>Business Transfer Agreement with wholly owned subsidiary, under processes of incorporation, will be signed after receipt of shareholders' approval.</td></tr>
<tr><td>4</td><td>The expected date of completion of sale/disposal</td><td>Transfer of the point-of-care Medical Devices Business into wholly owned subsidiary is expected to be completed on or before 31st March, 2022, subject to receipt of requisite regulatory approvals and fulfilment of customary closing conditions. The Company will intimate the stock exchanges once the sale is completed.</td></tr>
<tr><td>5</td><td>Consideration received/to be received from such sale/disposal</td><td>Aggregate consideration for the Medical Devices Business at fair value of Rs. 5500.00 Lakh (Rupees Five Thousand and Five Hundred Lakh Only) derived as per Rule 11UAE of Income Tax Rules, 1962, read with relevant provisions of Income Tax Act, 1961. The said consideration will be discharged by wholly owned subsidiary company by way of issuance of up-to 5,50,00,000 (Five Crore Fifty Lakh) nos. of Equity Shares of the face value of Rs.10/- (Rupees Ten Only) each to the Company.</td></tr>
<tr><td>6</td><td>Brief details of buyers and whether any of the buyers belong to the promoter /</td><td>The Buyer is wholly owned subsidiary of the company which is under processes of incorporation. The revenues and profits derived from the new subsidiary will be consolidated in the parent company, Morepen Laboratories Limited.</td></tr>
</table>

Morepen Laboratories Limited
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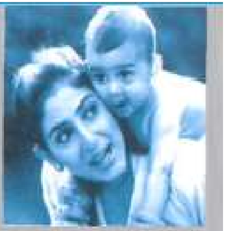

	promoter group/group companies. If yes, details thereof	
7	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"?	Yes, the transaction would fall within related party transaction as the transfer is proposed to a wholly owned subsidiary being incorporated for this purpose. The proposed transaction is taking place with a wholly owned subsidiary, hence, is exempt from the requirement of compliances of related party transaction.
8	Name of the entity(ies) forming part of the amalgamation/ merger, details in brief such as, size, turnover etc.;	The transfer is being undertaken through a Business Transfer Agreement to be executed between the Company and wholly owned subsidiary upon incorporation. Since, there is no underlying amalgamation or merger in the transaction, this disclosure under point (8) is not applicable.
9	Rationale for the slump sale	The company is engaged in pharmaceutical business comprising of the manufacture and sales of active pharmaceutical ingredients (APIs), finished formulations and point-of-care (POC) medical devices. Over-the-Counter drugs (OTC) business is already being carried on through its wholly owned subsidiary, Dr. Morepen Limited. Having established itself as a preferred generic manufacturer in the international market, the company moved aggressively up the value chain in its core API business and is also finding its niche in the finished dosages space. POC Medical Devices business has also developed a strong trust and bond with customers and has gained market leadership in India. In the recent few years, POC Medical Devices business has grown exponentially and has gained very high market share, thanks to the trust imposed by the customers and trade on the company's product quality and after-sale service. In house manufacturing of the key products has given further impetus to cost reduction and fuelled the growth trajectory. Given the fast scaling up of business and mainstreaming of point-of-care business in India, the company targets a leadership position in POC business in India and for export. In light of this, the company plans to carve out the business into a separate wholly owned subsidiary both for building teams to manage scale of operations of large and fast-growing business and unique features of POC business. Given the scale the company is looking to achieve in this point of care Medical Devices business, it also plans

		to bring in fresh capital that makes it imperative to have a separate subsidiary to undertake this fast-expanding POC business. The nature of said POC Medical Devices business, management, sales and marketing strategies are different than that of the typical API and Pharma business of the company. The proposed segregation will give the clarity to the working teams, trade customers and other stakeholders. Post this spin off, the company will be able to put entire focus on its core business of active pharmaceutical ingredients (API) and Formulations. The company has got two USFDA plants of API and is exporting the drugs to over 80 countries and that is highly specialised and technical business and needs more expertise and skills in that area. On the other hand, the medical devices business is more focused on digital and biological sciences and requires more marketing efforts to increase the reach and penetration in the Indian market. After hiving off Medical Devices Business into wholly owned subsidiary company, a separate dedicated management will work for the development of Medical Devices Business in separate independent entity. In the second phase post hive off, the Medical Devices company would go for CE Certification of its manufacturing facilities to become the hub for PoC manufacturing in India. The new entity plans to deploy more resources on the R&D, backwards integration of core technologies like making enzymes /proteins and develop a data lab for connected devices.
10	Area of business of the entity(ies);	The company is engaged in pharmaceutical business comprising of the manufacture and sales of active pharmaceutical ingredients (APIs), finished formulations and point-of-care medical devices (POC) (Medical Devices). Over-the-Counter drugs (OTC) business is being carried on through its wholly owned subsidiary, Dr. Morepen Limited. Having established itself as a preferred generic manufacturer in the international market, Morepen moved aggressively up the value chain in its core API business and is also finding its niche in the finished dosages space. POC Medical Devices has also developed a strong trust and bond with customers and has gained market leadership All the verticals have their own strengths and dynamics but the nature of businesses of all the verticals are unconnected and distinct. One of the business vertical, point-of-care Medical Devices Business, has gained critical mass and showing huge potential for its revenue growth and the management of the company believe it has enormous potential to be carved as a separate, standalone independent business.

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		Thus, the management is contemplating to hive-off this business into a wholly owned subsidiary to make it operationally independent and exploit its business potential at its maximum. The wholly owned subsidiary will carry the Medical Devices Business of the company after transfer of business is duly effected.
11	Brief details of change in shareholding pattern (if any) of listed entity	Since it is a transfer of Medical Devices business to a wholly owned subsidiary *(under incorporation)*, there would be no change in the shareholding of the company.

Srivastava

Morepen Laboratories Ltd. New Delhi

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