

# PATANJALI<sup>®</sup> PATANJALI FOODS LIMITED

Corporate Office : 601, Part B-2, 6th Floor, Metro Tower, Vijay Nagar, A.B. Road, Indore-452 010

Phone : +91 (731) 4767109 / 4767110 • E-mail : corporate@patanjalifoods.co.in

CIN-L15140MH1986PLC038536



July 01, 2024

To

<b>BSE Limited</b> P.J. Towers, Dalal Street Mumbai – 400 001	<b>National Stock Exchange of India Limited</b> 5 <sup>th</sup> Floor, Exchange Plaza, Bandra (E), Mumbai – 400 051
<b>Scrip Code:</b> 500368	<b>Symbol:</b> PATANJALI

**Sub: Disclosure in terms of Regulation 30 of Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015 (“SEBI LODR Regulations”)**

Dear Sirs,

Pursuant to the provisions of Regulation 30 read with Part A of Schedule III of the Listing Regulations and read with SEBI Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 (“**Master Circular**”), we wish to inform you that the Board of Directors of the Company at its meeting held on July 01, 2024 considered and approved:

1. alteration of the Main Objects clause of Memorandum of Association of the Company to include manufacturing and trading of non-food products including hair care, skin care, dental care and home care products subject to approval of shareholders of the Company.
2. acquisition of the entire non-food business undertaking *i.e.* hair care, skin care, dental care and home care carried out by Patanjali Ayurved Limited (“**PAL**” or “**Seller**”), including but not limited to all movable assets, immovable properties, contracts, licenses, books and records, employees and certain assumed liabilities of PAL through a slump sale arrangement on a going concern basis subject to approval of shareholders, lenders and other necessary approvals. The particulars of the transaction along with the additional disclosures as required under the Master Circular are provided in **Annexure - A** hereto.
3. authorization for officials of the Company to execute a Business Transfer Agreement (“**BTA**”) between the Company and PAL.
4. Postal ballot notice for the purpose of conducting postal ballot exercise through remote e-voting for securing approval of Members of the Company for alteration of Main objects Clause of the Memorandum of Association, acquisition of non-food business undertaking from PAL as detailed above and other related party transactions. Postal ballot remote e-voting details are as follows:
  - a. Cut-off date to ascertain list of members entitled to vote: June 28, 2024
  - b. Remote e-voting commences from 9.00 am on Saturday, July 06, 2024
  - c. Remote e-voting concludes at 5.00 pm on Sunday, August 04, 2024

Copy of press release issued by the Company is also attached herewith as **Annexure - B** for your information.

You are requested to take note of above and arrange to bring the same to the notice of all concerned.

The above disclosure is also available on the website of the Company i.e. [www.patanjalifoods.com](http://www.patanjalifoods.com).

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The meeting commenced at 02.45 P.M. and concluded at 05.00 P.M.

Thanking You.

Yours Faithfully,  
**For Patanjali Foods Limited**

**Ramji Lal Gupta**  
**Company Secretary**

Encl.: As above

**Annexure - A**

<b>Particulars</b>	<b>Details</b>
Name of target entity, details in brief such as size, turnover etc.	Patanjali Foods Limited (“the <b>Company</b> ”) has entered into a Business Transfer Agreement (“ <b>BTA</b> ”) with Patanjali Ayurved Limited (“ <b>PAL</b> ” or “ <b>Seller</b> ”) to acquire the non-food business undertaking i.e. hair care, skin care, dental care and home care business carried out by PAL, including all movable assets, immovable properties, contracts, licenses, books and records, employees and Assumed Liabilities ( <i>as defined in the BTA</i> ) (“ <b>Business Undertaking</b> ”), carried out from the manufacturing plant located at Patanjali Foods & Herbal Park, Village Mustafabad, Laksar Road, Haridwar, Uttarakhand - 249404, along with the assets as identified in the BTA., on a going concern basis by way of a slump sale. The turnover of PAL for the year ended 31 <sup>st</sup> March, 2024 was Rs. 6,199 Crores (Approx.).
Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arms length”;	Yes, the proposed acquisition falls under related party transaction. PAL is one of the promoters of the Company. Furthermore, Shri Ram Bharat, Managing Director and one of the promoters of the Company, is also a Director of PAL. Shri Acharya Balkrishna, one of the promoters and Chairman of the Company is Managing Director of PAL and holds 98.54 % of the paid-up equity share capital of PAL. The transaction is being undertaken on fair value and on arms’ length basis.
Industry to which the entity being acquired belongs;	Non-food Business Undertaking being acquired belongs to fast moving consumer goods (“ <b>FMCG</b> ”) Industry.
Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	The acquisition of non-food Business Undertaking as a going concern on a slump sale basis will result in expansion of the product portfolio of the Company.
Brief details of any governmental or regulatory approvals required for the acquisition;	Competition Commission of India, as required under the Competition Act, 2002
Indicative time period for completion of the acquisition;	Effective date will be decided on receipt of approval of shareholders and Competition Commission of India.
Nature of consideration -whether cash consideration or share swap and details of the same;	The consideration for the acquisition shall be INR 11,00,00,00,000/- (Indian Rupees One Thousand One Hundred Crores Only) (“ <b>Purchase Price</b> ”), payable by the Company to the Seller in tranches as per the following details, in accordance with the terms and conditions as set out in the BTA:  (1) <b>1<sup>st</sup> Tranche:</b> 20% of the Purchase Price i.e., INR 220,00,00,000/- (Indian Rupees Two

	<p>Hundred and Twenty Crores Only), shall be paid within 10 (ten) Business Days (<i>as defined in the BTA</i>) or such other extended date as mutually agreed in writing between PAL and the Company, from receipt of each of the following conditions: (i) approval from the Competition Commission of India for consummation of the Transaction (<i>as defined in the BTA</i>), and (ii) receipt of approval by the shareholders of the Company for consummation of the Transaction (<i>as defined in the BTA</i>), and (iii) receipt of approval from the lender of the Company <i>i.e.</i> State Bank of India.</p> <p>(2) <b>2<sup>nd</sup> Tranche:</b> 20% amount of the Purchase Price <i>i.e.</i>, INR 220,00,00,000/- (Indian Rupees Two Hundred and Twenty Crores Only), shall be paid within 10 (ten) Business Days (<i>as defined in the BTA</i>) from receipt of in principle written approval, by all the lenders of the Seller for the consummation of the Transaction (<i>as defined in the BTA</i>) or such other extended date as mutually agreed in writing between PAL and the Company in writing;</p> <p>(3) <b>3<sup>rd</sup> Tranche:</b> 45% amount of the Purchase Price <i>i.e.</i>, INR 495,00,00,000/- (Indian Rupees Four Hundred and Ninety Five Crores Only), shall be paid within 30 (thirty) Business Days (<i>as defined in the BTA</i>) from the Effective Date (<i>as defined in the BTA</i>) or such other extended date as mutually agreed in writing between PAL and the Company.</p> <p>(4) <b>4<sup>th</sup> Tranche:</b> 10% amount of the Purchase Price <i>i.e.</i>, INR 110,00,00,000/- (Indian Rupees One Hundred and Ten Crores Only), shall be paid within 10 (ten) Business Days (<i>as defined in the BTA</i>) after receipt of No Dues Certificate (<i>as defined in the BTA</i>) by the lenders of the Seller and release of charge over the Undertaking Assets (<i>as defined in the BTA</i>) or such extended date as mutually agreed in writing between PAL and the Company; and</p> <p>(5) <b>5<sup>th</sup> Tranche:</b> 5% amount of the Purchase Price <i>i.e.</i>, INR 55,00,00,000/- (Indian Rupees Fifty Five Crores Only), shall be paid within 10 (ten) Business Days (<i>as defined in the BTA</i>) of conveyance of all the Properties (<i>as defined in</i></p>
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	<p><i>the BTA</i>) pertaining to the Business Undertaking and furnishing of any information required by the Company or sought by any authority, regulator pertaining to the Business Undertaking/Transaction (<i>as defined in the BTA</i>), whichever is later.</p> <p>Provided however that the payment milestones may be subject to revisions as mutually agreed between the Company and PAL. None of the aforesaid payment milestones shall become payable prior to (i) the approval of Competition Commission of India; and (ii) approval of the lender of the Company i.e. State Bank of India.</p>
Cost of acquisition or the price at which the shares are acquired;	The amount of consideration for the acquisition agreed upon under the Business Transfer Agreement (“ <b>BTA</b> ”) is INR 11,00,00,00,000/- (Indian Rupees One Thousand One Hundred Crores Only) (“ <b>Purchase Price</b> ”), subject to certain adjustments.
Percentage of shareholding / control acquired and / or number of shares acquired;	Not applicable as the transaction is for acquisition of non-food Business Undertaking on a going concern basis by way of slump sale.
Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	Not applicable as the transaction is for acquisition of non-food Business Undertaking on a going concern basis by way of slump sale.

## Annexure - B

### Home and Personal Care business acquisition by Patanjali Foods Limited on slump sale basis with major brands to boost FMCG portfolio

The board of Patanjali Foods Limited (hereinafter referred to as “PFL” or “Company”) has approved the proposal of Patanjali Ayurved Limited (“PAL”) to acquire its Home and Personal Care (“HPC”) Business, accelerating the Company’s transition into a leading FMCG company. The HPC business of PAL currently has a strong brand equity in India’s FMCG space and enjoys a loyal consumer base across the country. It presently caters to four key segments, being (i) dental care, (ii) skin care, (iii) home care, and (iv) hair care. This strategic initiative for acquisition of HPC business shall strengthen the company’s existing FMCG product portfolio with an array of marquee brands that will contribute to significant growth in revenue and EBITDA.

PFL prepares to acquire the entire HPC Business of PAL on a going concern basis, and includes all the assets and liabilities attributable to the business, relevant employees, distribution network, contracts, licenses, permits, consents, and approvals integral to this operation (hereafter referred to as the “Business Undertaking”). The closing of the acquisition is subject to fulfilment of various conditions precedent which are largely regulatory approvals required for the transfer of the Business Undertaking. Further, the Company also acknowledges the value of the intellectual properties of the HPC Business’ product portfolio and its market importance. Accordingly, the Company and PAL have also agreed to enter into a licensing agreement permitting the Company to use the trademarks and associated intellectual property rights, owned by PAL, that relate to the product portfolio of the HPC Business.

The transfer of the HPC business has been mutually negotiated between the Company and PAL (basis valuation exercises conducted by independent valuers) for a lump sum consideration of INR 1100,00,00,000/- (Rupees Eleven Hundred Crores only) which shall be subject to customary closing date adjustments and on such other terms as set out in the business transfer agreement to be executed between the Company and PAL. Separately, a licensing arrangement for a 3 % turnover based fee along with other conditions has been agreed between the Company and PAL.

The acquisition will lead to a consolidation of ‘Patanjali’ brand FMCG products portfolio. The acquisition will bring along with it multiple key synergies in terms of brand equity and enhancements, product innovations, cost optimisation, infrastructure & operational efficiencies and positive impact on market share.

With this acquisition, the company has reaffirmed its position to be a strong FMCG company in its journey towards becoming a major player in the FMCG space as committed to its shareholders at the time of its maiden FPO.

Pursuant to the approval of the Board of PFL, the Company shall now take necessary steps to execute the definite agreements in connection with the acquisition as well as apply for necessary approvals integral to the transaction.

Patanjali Ayurved Limited was advised by Jefferies India Private Limited on the transaction.

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### About Patanjali Foods Limited:

Incorporated in 1986, Patanjali Foods Limited is one of India’s top FMCG players in India. The company is present in Edible Oils, Food & FMCG and Wind Power Generation segments via a bouquet of brands like Patanjali, Ruchi Gold, Nutrela, etc. The company is focused on investing in building brands and expanding its product portfolio and towards this, the Company offers food

products across multiple categories, price points and segments to cater to a wide spectrum of consumer preferences.

For more information, visit us on <http://www.patanjalifoods.com/investors.php>

**For further information please contact:**

**Patanjali Foods Limited.** (CIN: L15140MH1986PLC038536 )

Investor Relations - Mr. Chintan Kotak (Email id: [chintan.kotak@patanjalifoods.com](mailto:chintan.kotak@patanjalifoods.com))