

Nestlé India Limited

(CIN : L15202DL1959PLC003786)

Nestlé House

Jacaranda Marg

'M'Block, DLF City, Phase – II

Gurugram – 122002, Haryana

Phone: 0124 – 3940000;

E-mail: investor@in.nestle.com;

Website: www.nestle.in



PKR:SG: 75:24

1st August 2024

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort,

Mumbai – 400 001

BSE Scrip Code: 500790

National Stock Exchange of India Limited (NSE)

Exchange Plaza, Plot No. C/1,

G Block, Bandra-Kurla Complex,

Bandra (East), Mumbai - 400 051

NSE Symbol: NESTLEIND

Subject: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”): Update on joint venture between Nestlé India Limited and Dr. Reddy’s Laboratories Limited – Acquisition of equity shares of the JV Company by way of subscription on Rights basis; and slump sale of existing medical nutrition and nutraceuticals (“NHSc”) Business of Nestlé India to the JV Company

Dear Madam/ Sir,

Further to our letter no. PKR:SG 52:24 dated 25th April 2024 and PKR:SG: 73:24 dated 24th July 2024, regarding execution of a definitive agreement dated 25th April 2024 (“JV Agreement”) to form a joint venture between Nestlé India Limited (“Nestlé India”) and Dr. Reddy’s Laboratories Limited (“DRL”) and acquisition of 49,000 equity shares of Rs. 10/- each of “Dr. Reddy’s and Nestlé Health Science Limited” (formerly, Dr. Reddy’s Nutraceuticals Limited) (“JV Company”) by Nestlé India from DRL, this is to inform you that as per the JV Agreement:

1. Nestlé India has subscribed 70,55,51,000 equity shares of Rs. 10/- each, at par, of the JV Company, on Rights basis. Post acquisition of aforesaid equity shares, out of the total paid-up share capital of the JV Company, Nestlé India continues to hold 49% shareholding, comprising of 70,56,00,000 equity shares of the face value of Rs. 10/- each and DRL also continues to hold 51% shareholding, comprising of 73,44,00,000 equity shares of the face value of Rs. 10/- each. The details required under the Listing Regulations read with SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July 2023 is enclosed as **Annexure-I**.
2. Nestlé India has executed a Business Transfer Agreement (“BTA”) for the slump sale of its existing medical nutrition and nutraceuticals (“NHSc”) Business to the JV Company, at a lumpsum consideration of Rs. 218,90,00,000 (Rupees two hundred eighteen crore and ninety lakh only). The details required under the Listing Regulations read with SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July 2023 is enclosed as **Annexure-II**.

This is for your information and record.

Thanking you,

Yours truly,

NESTLÉ INDIA LIMITED

PRAMOD KUMAR RAI

COMPANY SECRETARY AND COMPLIANCE OFFICER

Encl.: as above

Annexure-I

Disclosure of information pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July 2023

Sr. No.	Particular	Description
a)	Name of the target entity, details in brief such as size, turnover etc.	<p>Dr. Reddy's and Nestlé Health Science Limited (formerly, 'Dr. Reddy's Nutraceuticals Limited) ("JV Company") having CIN: U46497TS2024PLC183328, is a newly incorporated company on 14th March 2024 with a paid-up share capital of Rs. 10,00,000/- and which increased to Rs. 14,40,00,00,000/-, post allotment of equity shares of the JV Company, issued on Rights basis.</p> <p>Therefore, the turnover or revenue or income and net worth details are not applicable.</p>
b)	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 "arm's length"	<p>Yes, the JV Company, an associate company of Nestlé India Limited ("Nestlé India"), has allotted 70,55,51,000 equity shares of Rs. 10/- each, for an amount aggregating to Rs. 705,55,10,000/- (Rupees seven hundred five crore fifty five lakh and ten thousand only), on Rights basis, to Nestlé India. The said acquisition has been carried out in compliance with all the applicable laws and the said transaction is done at an arm's length. Independent Valuation Report by PwC Business Consulting Services LLP, Registered Valuer Entity having Registration Number - IBBI/RV-E/02/2022/158.</p> <p>The promoter/ promoter group/ group companies of Nestlé India do not have any interest in the above acquisition of the said equity shares of the JV Company.</p>
c)	Industry to which the entity being acquired belongs	Health and Wellbeing (medical nutrition, specialized nutrition, nutraceuticals, vitamins, minerals, herbals and supplements).
d)	Objects and impact 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)	<p>Nestlé India has subscribed to 70,55,51,000 equity shares of Rs. 10/- each the JV Company for an amount aggregating to Rs. 705,55,10,000/- (Rupees seven hundred five crore fifty five lakh and ten thousand only), on Rights basis. Post acquisition of aforesaid equity shares, out of the total paid-up share capital of the JV Company, Nestlé India continues to hold 49% shareholding, comprising of 70,56,00,000 equity shares of the face value of Rs. 10/- each and DRL also continues to hold 51% shareholding, comprising of 73,44,00,000 equity shares of the face value of Rs. 10/- each.</p> <p>As per the definitive agreement dated 25th April 2024 ("JV Agreement"), the funds raised by the JV Company through Rights Issue of equity shares shall be utilized to <i>inter-alia</i> acquire</p>

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		<p>the respective nutritional health solutions business and/ or other resources from Nestlé India and Dr. Reddy's Laboratories Limited ("DRL") ["JV Partners"] between the JV Partners and for general corporate purpose including working capital requirements of the JV Company.</p> <p>The JV Company will bring together the well-known global range of nutritional health solutions as well as vitamins, minerals and health supplements of Nestlé Health Science with the nutraceuticals portfolios, strong and established commercial strengths of DRL. This joint venture will help Nestlé India and DRL combine their strengths and grow their complementary nutraceuticals portfolios, in the metabolic, hospitals nutrition, healthy ageing, general wellness, women's health and child nutrition categories to take nutraceutical products to consumers across India and Nepal.</p>
e)	Brief details of any governmental or regulatory approvals required for the acquisition	Not Applicable
f)	Indicative time period for completion of the acquisition	The aforesaid equity shares has been allotted by the JV Company on Rights basis to Nestlé India and DRL on 1 st August 2024.
g)	Consideration - whether cash consideration or share swap or any other form and details of the same	Cash consideration.
h)	Cost of acquisition and/or the price at which the shares are acquired	Nestlé India acquired 70,55,51,000 equity shares of Rs. 10/- each, at par, of the JV Company for an aggregate consideration of Rs. 705,55,10,000/- (Rupees seven hundred five crore fifty five lakh and ten thousand only), on Rights basis.
i)	Percentage of shareholding / control acquired and / or number of shares acquired	Post acquisition of aforesaid equity shares, out of the total paid-up share capital of the JV Company, Nestlé India continues to hold 49% shareholding, comprising of 70,56,00,000 equity shares of the face value of Rs. 10/- each and DRL also continues to hold 51% shareholding, comprising of 73,44,00,000 equity shares of the face value of Rs. 10/- each.
j)	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)	The JV Company limited by shares incorporated on 14 th March 2024 having registered office at 8-2-337, Banjara Hills, Road No. 3, Hyderabad, Banjara Hills, Hyderabad, Khairatabad, Telangana, India, 500034, and currently having a paid-up share capital of Rs. 14,40,00,00,000/- post allotment of equity shares of the JV Company, issued on Rights basis.

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		<p>The JV Company will, <i>inter-alia</i>, deal with global range of nutritional health solutions as well as vitamins, minerals and health supplements.</p> <p>The history of last 3 years turnover or revenue or income and net worth details are NOT APPLICABLE, as the JV Company is a newly incorporated company.</p>
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Annexure - II

Disclosure of information pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July 2023.

Sl. No.	Particulars	Descriptions
1.	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;	For the fifteen months financial year ended 31 st March 2024 (“Preceding Financial Year”), the turnover of the NHSc Business represented Rs. 58.76 Crore which represents approximately 0.24% of the annual consolidated turnover of Nestlé India. Net worth of the NHSc Business is ‘Nil’.
2.	Date on which the agreement for sale has been entered into;	The Business Transfer Agreement (“BTA”) between Nestlé India and Dr. Reddy’s and Nestlé Health Science Limited (“JV Company”) is effective from 1 st August 2024 in line with the definitive agreement dated 25 th April 2024 (“JV Agreement”).
3.	The expected date of completion of sale/ disposal;	31 st August 2024, subject to customary closing conditions.
4.	Consideration received from such sale/ disposal;	The slump sale of NHSc Business is at a lumpsum consideration of Rs. 218,90,00,000/- (Rupees two hundred eighteen crore and ninety lakh only) adjusted for net working capital transferred, subject to withholding of applicable taxes/ payment of tax deducted at source, if any (“Sale Consideration”). The said Sale Consideration is at an arm’s length basis.
5.	Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/ group companies. If yes, details thereof;	Dr. Reddy’s and Nestlé Health Science Limited (formerly, ‘Dr. Reddy’s Nutraceuticals Limited) (“JV Company”) having CIN: U46497TS2024PLC183328, is a newly incorporated company on 14 th March 2024 formed to strengthen and grow complementary nutraceutical portfolios in India and other agreed territories in the metabolic, hospitals nutrition, healthy ageing, general wellness, women’s health and child nutrition categories to take nutraceutical products to consumers across India and Nepal. Nestlé India holds 49% equity stake in the JV Company. Therefore, the JV Company is an associate company of Nestlé India.
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;	Yes, in line with the JV Agreement, the above said transaction would fall within the related party transactions as Nestlé India has transferred its NHSc Business to the JV Company, which is an Associate Company of Nestlé India, and the said transaction is done at an arm’s length. Independent Valuation Report by KPMG Valuation Services LLP, Registered Valuer Entity having Registration Number - IBBI/RV-E/06/2020/115.

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7.	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>The slump sale of NHSc Business is as per the JV Agreement and not under any Scheme of Arrangement. The NHSc Business is well below Company's 20% net worth as per the audited balance sheet of the Preceding Financial Year and represents approximately 0.24% of the annual consolidated turnover of Nestlé India for the Preceding Financial Year.</p> <p>The slump sale does not qualify as an undertaking as per the provisions of the Companies Act, 2013 and therefore, does not require any approval of the shareholders.</p>
8.	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.	
a.	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.	Not Applicable
b.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	Yes, in line with the JV Agreement, the above said transaction would fall within the related party transactions as Nestlé India has transferred its NHSc Business to the JV Company, which is an Associate Company of Nestlé India, and the said transaction is done at an arm's length. Independent Valuation Report by KPMG Valuation Services LLP, Registered Valuer Entity having Registration Number - IBBI/RV-E/06/2020/115.
c.	Area of business of the entity(ies)	Nutritional health solutions
d.	Rationale for amalgamation/ merger	Not Applicable
e.	In case of cash consideration – amount or otherwise share exchange ratio;	The slump sale of NHSc Business is at a lumpsum consideration of Rs. 218,90,00,000/- (Rupees two hundred eighteen crore and ninety lakh only) adjusted for net working capital transferred, subject to withholding of applicable taxes/ payment of tax deducted at source, if any ("Sale Consideration"). The said Sale Consideration is at an arm's length basis.
f.	Brief details of change in shareholding pattern (if any) of listed entity.	No change in the shareholding pattern of Nestlé India.

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