

# 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: 61:24**

**15<sup>th</sup> June 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 : 1. Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) – Electronic copy of the Notice of the 65<sup>th</sup> Annual General Meeting (“65<sup>th</sup> AGM”) and the Annual Report for the fifteen months financial year ended 31<sup>st</sup> March 2024 (“Annual Report 2023-24”); and**

**2. Intimation of cut-off date of 1<sup>st</sup> July 2024 to determine the eligibility of the members to cast their vote through remote e-Voting and e-Voting during the 65<sup>th</sup> AGM.**

Dear Madam/ Sir,

This is further to our letter no. PKR:SG: 57:24 dated 12<sup>th</sup> June 2024 regarding convening of the 65<sup>th</sup> Annual General Meeting of the Company (“65<sup>th</sup> AGM”) on Monday, 8<sup>th</sup> July 2024 through Video Conferencing/ Other Audio-Visual Means (VC/ OAVM) facility.

Please find enclosed electronic copy of the Notice of the 65<sup>th</sup> AGM and the Annual Report for the fifteen months financial year ended 31<sup>st</sup> March 2024 including the Audited Financial Statements for the fifteen months financial year ended 31<sup>st</sup> March 2024 (“Annual Report 2023-24”).

In conformity with the applicable regulatory requirements, electronic copy of the Notice of the 65<sup>th</sup> AGM and the Annual Report are being sent only through electronic mode to those members whose email address is registered with the Company/ Depository Participants(s). Copy of the Notice of the 65<sup>th</sup> AGM and the Annual Report 2023-24 are also being uploaded on the website of the Company at [www.nestle.in](http://www.nestle.in) and National Securities Depository Limited at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

Further, in terms of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Company has fixed 1<sup>st</sup> July 2024 as the cut-off date to determine the eligibility of the members to cast their vote through remote e-Voting and e-Voting during the 65<sup>th</sup> AGM to be convened on Monday, 8<sup>th</sup> July 2024 through VC/ OAVM facility.

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*

# NESTLÉ INDIA LIMITED

(CIN: L15202DL1959PLC003786)

Registered Office: 100/ 101, World Trade Centre, Barakhamba Lane, New Delhi - 110 001

Email: [investor@in.nestle.com](mailto:investor@in.nestle.com), Website: [www.nestle.in](http://www.nestle.in)

Phone: 011 - 2341 8891

## NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTY FIFTH ANNUAL GENERAL MEETING ("65<sup>TH</sup> AGM") OF THE MEMBERS OF NESTLÉ INDIA LIMITED ("the Company") will be held on Monday, 8<sup>th</sup> July 2024 at 10:30 A.M., Indian Standard Time (IST), through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the fifteen months financial year ended 31<sup>st</sup> March 2024 including Balance Sheet as at 31<sup>st</sup> March 2024, the Statement of Profit and Loss and Cash Flow Statement for the fifteen months period ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To confirm payment of three Interim Dividends and declare final dividend on equity shares for the fifteen months financial year ended 31<sup>st</sup> March 2024.
3. To appoint a Director in place of Ms Svetlana Boldina (DIN: 10044338), who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and on recommendation of Audit Committee, M/s Ramanath Iyer & Co., Cost Accountants (Firm Registration No.: 000019), appointed as the Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost accounting records for the products falling under the specified Customs Tariff Act Heading 0402, manufactured by the Company for the financial year 2024-25 to be paid ₹ 2,40,000/- (Rupees two lakhs forty thousand only) plus out of pocket expenses and applicable taxes.

5. To consider and if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED that in supersession to the Special Resolution adopted at the 55<sup>th</sup> Annual General Meeting of the Company held on 12<sup>th</sup> May 2014 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of monies, as it may consider fit for the business of the Company on such terms and conditions as it may deem fit and expedient in the interests of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/ to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹ 2,000 Crores (Rupees two thousand crores) over and above the aggregate of the paid-up equity share capital, free reserves and securities premium of the Company.

RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorised to create such charges, mortgages, liens, hypothecations and/or other securities, in addition to the existing charges, mortgages, liens, hypothecations and/or other securities created by the Company, on such terms and conditions as the Board of Directors at its sole discretion may deem fit, on the Company's assets and properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the Company's undertaking or undertakings, in favour of the bank(s), financial institution(s), and/or other lender(s), fixed deposit trustee, debenture trustee, security trustee as may be agreed to by the Board for the purpose of securing the repayment of borrowings.

6. To consider and if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulations 16(1)(b), 17, 25(2A) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") and the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr Sidharth Kumar Birla (DIN: 00004213), who was appointed as an Additional Director and Independent Non-Executive Director of the Company with effect from 12<sup>th</sup> June 2024, in terms of Section 161(1) of the Act and Article 127 of the Articles of Association of the Company, and who has submitted a declaration that he meets the criteria of independence as prescribed under the Act and Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member of the Company proposing his candidature for the office of an Independent Director, be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, with effect from 12<sup>th</sup> June 2024, to hold office for a term of five consecutive years i.e. upto 11<sup>th</sup> June 2029.

7. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED that pursuant to Regulation 23 and other applicable regulations, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), the Companies Act, 2013 ("the Act") read with the applicable rules, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the members of the Company be and is hereby accorded for continuation of the payment of general licence fees (royalty) by Nestlé India Limited ("the Company") to Société des Produits Nestlé S.A. ("the Licensor"), being a related party as per Regulation 2(1)(zb) of the Listing Regulations, at the rate of 4.5% (four and a half percent), net of taxes, of the net sales of the products sold by the Company as per the terms and conditions of the existing General Licence Agreements ("GLAs"), notwithstanding that the transaction(s) involving payments to the Licensor with respect to general licence fees (royalty), during any financial year including any part thereof, is considered material related party transaction(s) being in excess of the limits specified under Regulation 23(1A) of the Listing Regulations and other applicable regulations of the Listing Regulations at any time.

RESOLVED FURTHER that the Board of Directors of the Company (including its Committees thereof) be and is hereby authorised by the members of the Company to make amendment(s) to the GLAs, from time to time, for the updation of products and/ or updation of schedule of trademarks and/or change of the Licensor to any other Nestlé affiliate entity and/ or other terms relating to operation of the GLAs, provided that the payment of general licence fees (royalty) shall not exceed the rate of 4.5% (four and a half percent), net of taxes, of the net sales of the products sold by the Company as per the terms and conditions of the existing GLAs during any financial year including any part thereof.

RESOLVED FURTHER that this resolution shall be effective from 8<sup>th</sup> July 2024.

RESOLVED FURTHER that approval of the members of the Company shall be sought every 5 (five) years in compliance with the applicable laws and regulations.

RESOLVED FURTHER that all actions taken by the Board of Directors (including its Committees thereof) in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.

**Date :** 12<sup>th</sup> June 2024

**Place :** Gurugram

**Registered Office:**

100 / 101, World Trade Centre, Barakhamba Lane,  
New Delhi – 110 001

**Email:** [investor@in.nestle.com](mailto:investor@in.nestle.com) Website: [www.nestle.in](http://www.nestle.in)

**CIN:** L15202DL1959PLC003786

By Order of the Board

**Nestlé India Limited**

**Pramod Kumar Rai**

Company Secretary & Compliance Officer

(Membership No.: F4676)

## NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), setting out all material facts concerning the special business under Item Nos. 4 to 7 of the accompanying Notice, is annexed hereto and forms part of this Notice. The Board of Directors of the Company at its meeting held on 25<sup>th</sup> April 2024 and 12<sup>th</sup> June 2024 considered that the special business under Item Nos. 4 to 7 being considered unavoidable, be transacted at the 65<sup>th</sup> Annual General Meeting (65<sup>th</sup> AGM) of the Company.
2. The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular Nos. 20/2020, 10/2022 and 09/2023 dated 5<sup>th</sup> May 2020, 28<sup>th</sup> December 2022 and 25<sup>th</sup> September 2023, respectively, and other circulars issued in this respect ("MCA Circulars") allowed, *inter-alia*, to conduct AGM through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM"), in accordance with the requirements provided in paragraph 3 and paragraph 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7<sup>th</sup> October 2023 ("SEBI Circular") has provided certain relaxations from compliance with certain regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In compliance with these MCA Circulars, SEBI Circulars, provisions of the Act and the Listing Regulations, the 65<sup>th</sup> AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 65<sup>th</sup> AGM shall be the Registered Office of the Company.
3. In terms of the MCA Circulars, the Notice of the 65<sup>th</sup> AGM and Annual Report for the fifteen months financial year ended 31<sup>st</sup> March 2024, will be available on the Company's website ([www.nestle.in](http://www.nestle.in)); BSE Limited ([www.bseindia.com](http://www.bseindia.com)); National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)); and National Securities Depository Limited ("NSDL") ([www.evoting.nsdl.com](http://www.evoting.nsdl.com)).
4. In terms of the MCA Circulars as mentioned in point 2, physical attendance of members has been dispensed with and, therefore, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for the 65<sup>th</sup> AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members may be appointed for the purpose of voting through remote e-Voting, for participation in the 65<sup>th</sup> AGM through VC/ OAVM facility and e-Voting during the 65<sup>th</sup> AGM. As the 65<sup>th</sup> AGM is being held through VC/ OAVM facility, the Route Map is not annexed in this Notice.
5. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of the Listing Regulations read with MCA Circulars, as amended, the Company is providing remote e-Voting facility to its members in respect of the business to be transacted at the 65<sup>th</sup> AGM and facility for those members participating in the 65<sup>th</sup> AGM to cast vote through remote e-Voting system during the 65<sup>th</sup> AGM. For this purpose, NSDL will be providing facility for voting through remote e-Voting, for participation and remote e-Voting in the 65<sup>th</sup> AGM through VC/ OAVM facility and remote e-Voting during the 65<sup>th</sup> AGM. Members may note that NSDL may use third party service provider for providing participation of the members through VC/ OAVM facility.
6. Members may join the 65<sup>th</sup> AGM through VC/ OAVM facility by following the procedure as mentioned below and the joining window shall be kept open for the members from 10:00 A.M. (IST) i.e. 30 minutes before the time scheduled to start the 65<sup>th</sup> AGM and the Company may close the window for joining the VC/ OAVM facility 30 minutes after the scheduled time to start the 65<sup>th</sup> AGM.
7. Members may note that the VC/ OAVM facility provided by NSDL, allows participation of at least two thousand members on a first-come-first-serve basis. Members holding two percent or more of paid-up capital, promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. will be able to attend the 65<sup>th</sup> AGM without any restriction on account of first-come-first-serve basis.
8. Attendance of the members participating in the 65<sup>th</sup> AGM through VC/ OAVM facility using their login credentials shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. Electronic copy of the Notice of the 65<sup>th</sup> AGM, *inter-alia*, indicating the process and manner of electronic voting ("e-Voting") and electronic copy of the Annual Report for the fifteen months financial year ended 31<sup>st</sup> March 2024 are being sent to all the members whose email address is registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same.

In case any member is desirous of obtaining hard copy of the Annual Report for the fifteen months financial year ended 31<sup>st</sup> March 2024 may send a request to the Company's email address at [investor@in.nestle.com](mailto:investor@in.nestle.com) mentioning their Folio no./ DP ID and Client ID.

10. Members, whose KYC details (i.e. e-mail address, postal address with PIN code, mobile number, bank account details, PAN details linked with Aadhaar etc.) is not registered/ updated with the Company or with their respective Depository Participant(s) ['DPs'], and who wish to receive the Notice of the 65<sup>th</sup> AGM, the Annual Report for the fifteen months financial year ended 31<sup>st</sup> March 2024 and all other future communications sent by the Company from time to time, can get their KYC details registered/ updated by following the steps as given below:
  - a. Members holding shares in physical form by submitting duly filled and signed request letter in Form ISR-1 along with self-attested copy of the PAN Card linked with Aadhaar; and self-attested copy of any document in support of the address of the member (such as Aadhaar Card, Driving Licence, Election Identity Card, Passport etc.) and such other documents as prescribed in the Form ISR-1, by sending an e-mail at [investor@in.nestle.com](mailto:investor@in.nestle.com) followed by mandatorily sending the physical copy of the same through post at the Registered Office of the Company; and
  - b. Members holding shares in demat form may update their KYC details including e-mail address with their Depository Participant(s).

Communication in this regard has been sent to all members holding shares in physical form at their registered address from time to time.

11. For members who hold shares in physical form, the Securities and Exchange Board of India ("SEBI"), vide its Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7<sup>th</sup> May 2024 read with SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated 10<sup>th</sup> June 2024, as amended from time to time, has mandated furnishing of PAN linked with Aadhaar and KYC details (i.e. e-mail address, postal address with PIN code, mobile number, bank account details, PAN details linked with Aadhaar etc.). In case any of the aforesaid documents/ details are not available in the record of the Company/ Registrar and Share Transfer Agent ("RTA"), the member shall not be eligible to lodge grievance or avail any service request from the RTA until they furnish complete KYC details/ documents. Further, with effect from 1<sup>st</sup> April 2024, any payment of dividend shall only be made in electronic mode to such members.

Further, SEBI has mandated that securities of listed companies can be transferred only in demat form. Therefore members are advised to dematerialize shares held by them in physical form for ease in portfolio management.

For consolidation of share certificates, members holding shares in physical form, in more than one folio, with identical order of names, are requested to send the details of such folios together with the share certificates along with the requisite KYC documents for consolidating their holdings in one folio to the RTA. Requests for consolidation of share certificates shall only be processed in dematerialized form.

Nomination facility as per the provisions of Section 72 of the Act is available to individuals holding shares in the Company. Members may nominate a person in respect of all the shares held by them severally or jointly. Members holding shares in physical form and who have not yet registered their nomination are requested to register the same by submitting Form SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the website of the Company and RTA. Members holding shares in demat form may approach their respective DPs for completing the nomination formalities.

Online Dispute Resolution (ODR) Portal is introduced by SEBI vide its Master Circular SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated 11<sup>th</sup> August 2023, which is in addition to the existing SCORES 2.0 portal which can be utilized by the investors and the Company for dispute resolution. Please note that the investors are advised to initiate dispute resolution through the ODR portal only if the Company does not resolve the issue itself or it is not resolved through SCORES 2.0 portal.

Members may refer to SEBI Master Circular, relevant Investor Service Request Forms, Nomination Forms and contact details for sending requisite forms/ documents, available on the Company's website at <https://www.nestle.in/investors/investorservices/important-announcement-physical-shareholders>

12. Members holding shares in physical form, who have not updated their mandate for receiving the dividends directly in their bank account(s) through Electronic Clearing Service or any other electronic means ("Electronic Bank Mandate"), may register their Electronic Bank Mandate to receive dividends directly into their bank account(s), by

sending scanned copy of the following details/ documents to the Company at [investor@in.nestle.com](mailto:investor@in.nestle.com) latest by Monday, 15<sup>th</sup> July 2024:

- a. a signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received:
  - i) Name and Branch of Bank and Bank Account type;
  - ii) Bank Account Number allotted by your bank after implementation of Core Banking Solutions; and
  - iii) 11-digit IFSC Code;
- b. self-attested scanned copy of cancelled cheque bearing the name of the member(s) or first holder, in case shares are held jointly;
- c. self-attested scanned copy of the PAN linked with Aadhaar; and
- d. self-attested scanned copy of any document in support of the address of the member(s) (such as Aadhaar Card, Driving Licence, Election Identity Card, Passport), as registered with the Company.

Please ensure that all the KYC details in the folio is updated as mentioned in the above point number 10 & 11 of the Notes.

For the members holding shares in demat mode, please update your Electronic Bank Mandate through your Depository Participant(s).

13. The Board of Directors has recommended final dividend of ₹ 8.50 per equity share of face value of ₹ 1.00 each for the fifteen months financial year ended 31<sup>st</sup> March 2024 that is proposed to be paid on and from 6<sup>th</sup> August 2024, subject to the approval of the members at the 65<sup>th</sup> AGM. The record date for determining the entitlement of the members to the final dividend is 16<sup>th</sup> July 2024. For information of the members, during the fifteen months financial year ended 31<sup>st</sup> March 2024, three Interim Dividends of ₹ 27.00 and ₹ 140.00 per equity share of face value of ₹ 10.00 each and ₹ 7.00 per equity share of face value of ₹ 1.00 each were paid on and from 8<sup>th</sup> May 2023, 16<sup>th</sup> November 2023 and 5<sup>th</sup> March 2024, respectively.
14. Pursuant to the relevant provisions of the Income Tax Act, 1961 ("the IT Act"), dividend income is taxable in the hands of the members and the Company is required to deduct tax at source ("TDS") from dividend paid to the members at rates prescribed in the IT Act. In general, to enable compliance with TDS requirements, members are requested to complete and/ or update their Residential Status, PAN details linked with Aadhaar, Category as per the IT Act with their Depository Participant(s) or in case shares are held in physical form, with the Company by sending email to the Company's email address at [investor@in.nestle.com](mailto:investor@in.nestle.com). For details, members may refer to the "Communication on Tax Deducted at Source (TDS) on Dividend Distribution" appended to this Notice of the 65<sup>th</sup> AGM. Please refer "Annexure-II" to this Notice for details.
15. Dividend, if any, approved by the members or declared by the Board of Directors of the Company from time to time, will be paid as per the mandate registered with the Company or with their respective Depository Participant(s).
16. Except for shares under folios held in physical form, where KYC details (i.e. e-mail address, postal address with PIN code, mobile number, bank account details, PAN details linked with Aadhaar etc.) are not updated, in the event the Company is unable to pay the dividend to any member directly in their bank accounts through Electronic Clearing Service or any other electronic means, due to non-registration of the Electronic Bank Mandate or other reasons whatsoever, subject to specific mandate otherwise issued by SEBI, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such member, as soon as possible.
17. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto ("IEPF Rules"), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. The Company had, accordingly transferred unpaid or unclaimed dividend amounts of ₹ 28,17,440.00 pertaining to Second Interim Dividend 2015; ₹ 51,42,453.00 pertaining to Final Dividend 2015 & First Interim Dividend 2016; ₹ 21,89,148.00 pertaining to Second Interim Dividend 2016; and ₹ 29,69,872.00 pertaining to Third Interim Dividend 2016 during the fifteen months financial year ended 31<sup>st</sup> March 2024 to the IEPF.

The Company has been sending reminders to members having unpaid/ unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/ unclaimed dividend are also uploaded on Company's website at [www.nestle.in](http://www.nestle.in). Members who have not encashed Final Dividend 2016 & First Interim Dividend 2017 or any subsequent dividend(s) declared by the Company, are advised to write to the Company immediately.

18. Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend remains unpaid or unclaimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, 23,781 equity shares of face value of ₹ 10.00 each and 24,480 equity shares of face value of ₹ 1.00 each, on which the dividend remained unpaid or unclaimed for seven consecutive years, were transferred to the IEPF Account during the fifteen months financial year ended 31<sup>st</sup> March 2024, after following the prescribed procedure under the IEPF Rules.

Further, members who have not claimed or encashed their dividend(s) in the last seven consecutive years from 2017 are advised to claim the same. In case valid claim is not received, the Company will proceed to transfer the corresponding shares to the IEPF Account in accordance with the prescribed procedure under the IEPF Rules.

19. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company/ Registrar and Share Transfer Agent ("RTA") of any change in address or demise of any member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
20. Documents referred to in the accompanying Notice of the 65<sup>th</sup> AGM and the Explanatory Statement shall be available at the Registered Office of the Company for inspection without any fee during normal business hours (9:00 A.M. to 5:00 P.M. IST) on all working days except Saturday, up to and including the date of the 65<sup>th</sup> AGM of the Company.
21. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available at the commencement of the meeting and shall remain open and accessible to the members during the continuance of the 65<sup>th</sup> AGM. During the 65<sup>th</sup> AGM, members may access the scanned copy of these documents, upon Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.
22. Details as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of the appointment of Directors seeking appointment/ re-appointment at the 65<sup>th</sup> AGM, forms an integral part of the Notice of the 65<sup>th</sup> AGM. Requisite declarations have been received from the Directors seeking appointment/ re-appointment.
23. General instructions for accessing and participating in the 65<sup>th</sup> AGM through VC/ OAVM facility and voting through electronic means including remote e-Voting: -

**A. Instructions for members for Remote e-Voting are as under: -**





- The remote e-Voting period will commence from 5<sup>th</sup> July 2024 (9:00 A.M. IST) and end on 7<sup>th</sup> July 2024 (5:00 P.M. IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 1<sup>st</sup> July 2024, may cast their vote electronically. The voting right of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- A person who is not a member as on the cut-off date should treat this Notice of the 65<sup>th</sup> AGM for information purpose only.
- The details of the process and manner for remote e-Voting are explained herein below:
  - Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.
  - Step 2: Cast your vote electronically on NSDL e-Voting system.

## Step 1: How to Log-in to NSDL e-Voting website?

### I. Login method for e-Voting and joining virtual meeting for individual members holding securities in demat mode

In terms of SEBI circular dated 9<sup>th</sup> December 2020 on e-Voting facility provided by listed companies, individual members holding securities in demat form are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and e-mail address in their demat account(s) in order to access e-Voting facility.

Login method for individual members holding securities in demat mode is given below:

Type of Members	Login Methods
Individual members holding securities in demat mode with NSDL.	<p><b>Users registered for NSDL IDeAS facility:</b></p> <ol style="list-style-type: none"> <li>Visit the e-Services website of NSDL i.e. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile device. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section.</li> <li>You will be prompted to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page.</li> <li>Click on the Company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> <p><b>Users not registered for NSDL IDeAS facility:</b></p> <p>Option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p><b>e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a personal computer or on a mobile device. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.</li> <li>A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</li> <li>Click on the Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> <p><b>e-Voting mobile application of NSDL</b></p> <p>Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience</p> <p><b>NSDL Mobile App is available on</b></p> <p> </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>



Type of Members	Login Methods
Individual members holding securities in demat mode with CDSL	<p><b>Existing users who have opted for Easi/ Easiest</b></p> <p>a) Login through their User ID and password. Option will be made available to reach e-Voting page without any further authentication.</p> <p>b) The URL for users to login to Easi/ Easiest is <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; My Easi New (Token) tab, and then use their existing Easi/ Easiest username &amp; password.</p> <p>c) After successful login of Easi/ Easiest the user will be also able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the e-Voting period. Additionally, there is also a link provided to access the system of all e-Voting service providers, so that the user can visit the e-Voting service providers' website directly. The Menu will have links of e-Voting service provider i.e., NSDL. Click on NSDL to cast your vote.</p> <p><b>Users not registered for Easi/ Easiest</b></p> <p>Option to register is available at <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; My Easi New (Token) tab and then click on registration option</p> <p><b>Visit the e-Voting website of CDSL</b></p> <p>a) Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</p> <p>b) After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual members (holding securities in demat mode) login through their depository participants	<p>a) Members can also login using the login credentials of their demat account through their Depository Participant registered with NSDL/ CDSL for e-Voting facility.</p> <p>b) Upon logging in, you will be able to see e-Voting option.</p> <p>c) Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository website after successful authentication, wherein you can see e-Voting feature.</p> <p>d) Click on the Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use 'Forget User ID' and 'Forget Password' options available at abovementioned website.

**Helpdesk for individual members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL**

Login type	Helpdesk details
Individual members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> in or call at 022 - 4886 7000
Individual members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800 22 55 33

**II. Login method for e-Voting and joining virtual meeting for individual members holding securities in demat mode and members holding securities in physical form**

- a) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile device.
- b) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- c) A new screen will open. You will have to enter your User ID, your Password/ OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login.

Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically

- d) Your User ID details are given below:

<b>Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
i. For members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
ii. For members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
iii. For members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- e) Password details for members other than individual members are given below:
  - I. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - II. If you are using NSDL e-Voting system for the first time, you will need to retrieve the "initial password" which was communicated to you. Once you retrieve your "initial password", you need to enter the "initial password" and the system will force you to change your password.
  - III. How to retrieve your "initial password"?
    - If your email address is registered in your demat account or with the Company, your "initial password" is communicated to you on your email address. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your "initial password".
    - If your email address is not registered, please follow steps mentioned below in process for those members whose email addresses are not registered.
- f) If you are unable to retrieve or have not received the "initial password" or have forgotten your password:
  - i. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - ii. "Physical User Reset Password?" (If you are holding shares in physical form) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - iii. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

- iv. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- g) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- h) Now, you will have to click on “Login” button.
- i) After you click on the “Login” button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- a) After successful login at Step 1, you will be able to see all the companies “EVEN” (e-Voting Event Number) in which you are holding shares and whose voting cycle and General Meeting is in active status.
- b) Select “EVEN” of the Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/ OAVM” link placed under “Join Meeting”.
- c) Now you are ready for e-Voting as the Voting page opens.
- d) Cast your vote by selecting appropriate options i.e., assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- e) Upon confirmation, the message “Vote cast successfully” will be displayed.
- f) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- g) Once you confirm your vote on the resolution(s), you will not be allowed to modify your vote.

### General Guidelines for members

- a) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/ Password?” or “Physical User Reset Password?” option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) to reset the password.
- b) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or send a request to Ms Pallavi Mhatre, Senior Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, at the designated email address: [evoting@nsdl.com](mailto:evoting@nsdl.com) or [pallavid@nsdl.com](mailto:pallavid@nsdl.com) or at telephone nos.: 022 - 4886 7000 or will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the Company’s email address [investor@in.nestle.com](mailto:investor@in.nestle.com).

### Process for those members whose email address are not registered with the depositories for procuring User ID and password and registration of email address for e-Voting for the resolutions set out in this Notice:

- a) In case shares are held in physical form, please provide folio no., name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) to the Company’s email address at [investor@in.nestle.com](mailto:investor@in.nestle.com).
- b) In case shares are held in demat mode, please provide DP ID-Client ID (16-digit DP ID + Client ID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account Statement, PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) to the Company’s email address at [investor@in.nestle.com](mailto:investor@in.nestle.com).
- c) If you are an individual member holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (I) i.e. Login method for e-Voting and joining virtual meeting for Individual members holding securities in demat mode.
- d) Alternatively, members may send a request to NSDL at [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring User ID and password for e-Voting by providing above mentioned documents.
- e) In terms of SEBI Circular dated 9<sup>th</sup> December 2020 on e-Voting facility provided by listed companies, individual members holding securities in demat mode are allowed to vote through their demat account

maintained with Depository Participant(s). Members are required to update their mobile number and email address correctly in their demat account in order to access e-Voting facility.

**A. Instructions for members for participating in the 65<sup>th</sup> AGM through VC/ OAVM are as under:**

- a) The members will be provided with a facility to attend the 65<sup>th</sup> AGM through VC/ OAVM through the NSDL e-Voting system. Members may access the same by following the steps mentioned above for "Access to NSDL e-Voting system". The link for VC/ OAVM will be available in "Shareholder/ Member login" where the EVEN ("E-voting Event Number") of the Company will be displayed. After successful login, the members will be able to see the link of ("VC/ OAVM") placed under the tab "Join Meeting" against the name of the Company. On clicking this link, the members will be able to attend the 65<sup>th</sup> AGM. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID/ Password may retrieve the same by following the remote e-Voting instructions mentioned above in the notice, to avoid last minute rush.
- b) Members may join the Meeting through Laptops, Smartphones and Tablets. Further, members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, MS Edge or Firefox. Please note that participants connecting from Smartphones or Tablets or through Laptops connecting via mobile hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to avoid any glitches.
- c) Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the 65<sup>th</sup> AGM, from their registered email address, mentioning their name, DP ID and Client ID / folio number and mobile number, to reach the Company's email address at [investor@in.nestle.com](mailto:investor@in.nestle.com) at least 48 hours in advance before the start of the meeting i.e. by 6<sup>th</sup> July 2024, 10:30 A.M. (IST). Such questions by the members shall be taken up during the meeting and replied by the Company suitably.
- d) Members who would like to express their view/ ask questions during the 65<sup>th</sup> AGM with regard to the financial statements or any other matter to be placed at the 65<sup>th</sup> AGM, need to pre-register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ folio number and mobile number, to reach the Company's email address at [investor@in.nestle.com](mailto:investor@in.nestle.com) at least 48 hours in advance before the start of the meeting i.e. by 6<sup>th</sup> July 2024, 10:30 A.M. (IST). Those members who have pre-registered themselves as a speaker will be allowed to express their view/ ask questions during the 65<sup>th</sup> AGM, depending upon the availability of time.
- e) When a pre-registered speaker is invited to speak at the meeting, but he/ she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
- f) The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the 65<sup>th</sup> AGM.
- g) Institutional investors who are members of the Company, are encouraged to participate in the 65<sup>th</sup> AGM through VC/ OAVM facility and exercise their vote on the resolutions.
- h) If you are not the member of the Company as on the cut-off date, you can participate in the live webcast of the 65<sup>th</sup> AGM details of which is being uploaded on Company's website at <https://www.nestle.in/investors/shareholders-meeting>.

**B. Instructions for members for e-Voting during the 65<sup>th</sup> AGM are as under:**

- a) Members may follow the same procedure for e-Voting during the 65<sup>th</sup> AGM as mentioned above for remote e-Voting.
- b) Only those members, who will be present in the 65<sup>th</sup> AGM through VC/ OAVM facility and have not cast their vote on the Resolution(s) through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the 65<sup>th</sup> AGM.
- c) Members who have cast their vote by remote e-Voting prior to the 65<sup>th</sup> AGM can participate in the 65<sup>th</sup> AGM through VC/ OAVM facility, however, they shall not be entitled to cast their vote again.
- d) The helpline details of the person who may be contacted by the members needing assistance with the use of technology, before or during the 65<sup>th</sup> AGM shall be the same persons mentioned for remote e-Voting and reproduced hereunder for convenience:

Ms Pallavi Mhatre, Senior Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, at the designated email address: [evoting@nsdl.com](mailto:evoting@nsdl.com) or [pallavid@nsdl.com](mailto:pallavid@nsdl.com) or call at 022 4886 7000. Members may also write to the Company Secretary at the Company's email address at [investor@in.nestle.com](mailto:investor@in.nestle.com).

### C. Other Guidelines for members

- a) The voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e. 1<sup>st</sup> July 2024.
- b) Any person, who acquires shares of the Company and becomes member of the Company after the Company sends the Notice of the 65<sup>th</sup> AGM by email and holds shares as on the cut-off date i.e., 1<sup>st</sup> July 2024, may obtain the User ID and password by sending a request to the Company's email address at [investor@in.nestle.com](mailto:investor@in.nestle.com). However, if you are already registered with NSDL for remote e-Voting then you can use your existing User ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the 65<sup>th</sup> AGM.
- d) During the 65<sup>th</sup> AGM, the Chairman shall, after response to the questions raised by the members in advance or as a speaker at the 65<sup>th</sup> AGM, formally propose to the members participating through VC/ OAVM facility to vote on the resolutions as set out in the Notice of the 65<sup>th</sup> AGM and announce start of the voting process through the e-Voting system. After the members participating through VC/ OAVM facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the 65<sup>th</sup> AGM.
- e) Mr Abhinav Khosla, Chartered Accountant (Membership No. 087010), Partner of M/s SCV & Co. LLP, Chartered Accountants, has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.
- f) The Scrutinizer shall after the conclusion of e-Voting at the 65<sup>th</sup> AGM, first download the votes cast at the 65<sup>th</sup> AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated Scrutinizer's Report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, who shall then countersign and declare the result of the voting forthwith.
- g) The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company at [www.nestle.in](http://www.nestle.in) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of Results by the Chairman or a person authorized by him. The Results shall also be immediately forwarded to the stock exchanges where shares of the Company are listed i.e., BSE Limited and National Stock Exchange of India Limited.

## I. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 4

On the recommendation of the Audit Committee, the Board of Directors at its meeting held on 25<sup>th</sup> April 2024, approved the appointment of M/s. Ramanath Iyer & Co., Cost Accountants, New Delhi (Firm Registration No.: 000019), as Cost Auditors to conduct the audit of the cost records of the Company pertaining to products (milk powder etc.), falling under the specified Customs Tariff Act Heading 0402, manufactured by the Company for the financial year 2024-25 at a remuneration of ₹ 2,40,000/- (Rupees two lakhs forty thousand only) plus out of pocket expenses and applicable taxes.

Considering limited scope of audit, time and resources deployed by the cost auditors, in the opinion of the Directors, the proposed remuneration payable would be fair and reasonable and do not in any way impair the independence & judgement of the Cost Auditors.

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the "Act") read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice of the 65<sup>th</sup> AGM for ratification of remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March 2025.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested financially or otherwise, in the proposed Resolution. The Board of Directors recommends by way of Ordinary Resolution as set out at Item No. 4 of the Notice of the 65<sup>th</sup> AGM for approval of the members of the Company.

#### **Item No. 5**

The members of the Company at their 55<sup>th</sup> Annual General Meeting held on 12<sup>th</sup> May 2014, approved by way of a Special Resolution under Section 180(1)(c) of the Companies Act, 2013 (the "Act") borrowings over and above the aggregate of paid-up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 150 Crores (Rupees one hundred and fifty crores).

Section 180(1)(c) of the Act requires that the Board of Directors shall not borrow money in excess of the Company's paid-up share capital, its free reserves and securities premium apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the members of the Company accorded by way of a Special Resolution.

Consistent with the growth in the business and operations, the Company plans to carry out capital expenditure to increase the capacities, productivity, investment in the new product lines and sustainability initiatives across all its existing factory locations at Moga, Nanjangud, Samalkha, Sanand, Tahlilwal, Pantnagar, Choladi, Ponda and Bicholim which is estimated at around ₹ 5,000 Crores in next three to four years. The increase in capacities is planned in all business categories with the intensity being higher in foods, chocolates and beverages. Some of the productivity improvement initiatives include expansion in utilities, digitalization of shop floors to enhance operator autonomy, cutting edge process technology & high throughput lines, end-of-line automation with high-speed case packers & robotic industrial palletizers. Some of the investment in the sustainability initiatives includes installation of anaerobic bio digesters and biomass boilers across the factories.

The Company is also setting up its tenth greenfield manufacturing facility at Odisha at an initial outlay of ₹ 894.1 Crores to be invested over the next two to three years.

In view of the above capital expenditure plans, the Company intends to use judicious mix of internal accruals and secured/ unsecured borrowings from various bank(s), financial institution(s) and other lender(s), issue of debentures/ bonds/ commercial papers other debt instruments, external commercial borrowings from Nestlé group entities or any other permissible modes. However, the overall limits of borrowings may reach much above the current limits approved by the members in the year 2014. Accordingly, it is in the interest of the Company to enhance the borrowing limits for the Board of Directors and authorise the Board of Directors on an enabling basis to borrow monies which may exceed at any time the aggregate of the Company's paid-up equity share capital, its free reserves and securities premium but that shall not to exceed ₹ 2,000 Crores (Rupees two thousand crores).

The aforesaid borrowings may also have to be secured by creation of suitable charges, mortgages, liens, hypothecations and/or other securities on the Company's assets and properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the Company's undertaking or undertakings in favour of the bank(s), financial institution(s), and/or other lender(s), fixed deposit trustee, debenture trustee, security trustee as may be agreed to by the Board for the purpose of securing the repayment of borrowings. Therefore, it is proposed to seek approval of members by way of an enabling resolution for creating suitable charges, mortgages, liens, hypothecations and/or other securities on the Company's assets with respect to aforesaid borrowings.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed Resolution.

The Board of Directors, on the recommendation of the Audit Committee, recommends by way of Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out in Item No. 5 of the Notice of the 65<sup>th</sup> AGM for the approval of the members.

## Item No. 6

Based on the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board of Directors at its Meeting held on 12<sup>th</sup> June 2024, approved appointment of Mr Sidharth Kumar Birla (DIN: 00004213) ["Mr Birla"] as an Additional Director and Independent Non-Executive Director of the Company, not liable to retire by rotation, to hold the office for a term of five consecutive years i.e. from 12<sup>th</sup> June 2024 to 11<sup>th</sup> June 2029 (both days inclusive), subject to the approval of the members by way of a Special Resolution, in terms of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Mr Birla has been nominated as a member of Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee effective from 12<sup>th</sup> June 2024.

Pursuant to Regulation 17(1C) of the Listing Regulations, Mr Birla shall hold office until the date of next General Meeting or for a period of three months from the date of his appointment, whichever is earlier. Mr Birla is eligible to be appointed as an Independent Non-Executive Director for a term of five consecutive years. In terms of Section 160(1) of the Act, the Company has received a Notice from a member in writing proposing his candidature for the office of Director. The Company has also received from Mr Birla (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act; and (iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations; and (iv) a confirmation that he would be able to devote the time required to discharge his roles, duties and responsibilities as an Independent Non-Executive Director of the Company.

Mr Birla, aged 66 years, holds qualification of Master of Business Administration (MBA) from IMD, Lausanne, Switzerland and Bachelor of Science (B.Sc.) (Hons.) in Physics from University of Calcutta. He is also an alumnus of the Harvard Business School, USA.

Mr Birla is an entrepreneur and has worked in various industries since 1977. He founded the businesses of Xpro India Limited ("Xpro") a polymer processing company operating in a high-technology niche segment, in 1984 and has been the whole-time Chairman of the Xpro since March 2000.

He served as a Central Council member of the Institute of Chartered Accountants of India for 3 terms as a Government nominee. He is a past President of the Federation of Indian Chamber of Commerce & Industry (FICCI) and serves on the Board of Governance of Birla Institute of Technology and Science, Pilani and other family-led educational and philanthropic institutions.

Mr Birla is a senior finance and governance professional with more than 45 years of experience in Corporate Governance, Strategic Issues, Acquisitions & Divestments, Company Law, Corporate & Financial Structuring, Operating financial management and understanding of industrial/ business operations, Private Equity fund - creation, structuring and documentation etc.

Further, Mr Birla holds Directorship of the following Companies:

- Xpro India Limited, Kanoria Chemicals & Industries Limited (both listed), and Ipro Capital Limited, Central India General Agents Limited, Birla Brothers Private Limited and Intellipro Finance Private Limited (all unlisted) and Alpha Capital Resources Pte. Ltd.

Mr Birla also holds Chairpersonship/ Membership of the Committees of the following Companies:

- Member of Remuneration and Nomination Committee and Committee of Directors of Xpro India Limited.
- Member of Audit Committee and Nomination and Remuneration Committee of Kanoria Chemicals & Industries Limited.
- Member of Audit Committee of Birla Brothers Private Limited.

Mr Birla had, in the past three years, not ceased to be a Director from any Company.

Further, in terms of Regulation 25(8) of the Listing Regulations, Mr Birla has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Non-Executive Director of the Company without any external

influence. Mr Birla has also confirmed that he is not debarred from holding the office of a Director by virtue of any Order passed by SEBI or any such authority. Mr Birla has confirmed that he is in compliance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. Mr Birla is a person of integrity and fulfils the conditions specified under the Act read with Rules thereunder and the Listing Regulations for his appointment as an Independent Non-Executive Director of the Company and is independent of the Management. The draft letter for appointment of Mr Birla as an Independent Non-Executive Director setting out the terms and conditions will be available on the Company's website at [www.nestle.in](http://www.nestle.in).

Mr Birla does not hold by himself or for any other person on a beneficial basis, any equity shares in the Company.

In the opinion of NRC and the Board of Directors, Mr Birla fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his appointment as an Independent Non-Executive Director of the Company.

The Board of Directors considers that his association would be of immense benefit to the Company, and it is desirable to avail services of Mr Birla as an Independent Non-Executive Director for a term of five consecutive years from 12<sup>th</sup> June 2024 to 11<sup>th</sup> June 2029. Mr Birla would bring with his vast experience to the Company in the area of finance, strategy, governance, government/ regulatory affairs, as the skills and capabilities for the role. Mr Birla is a business leader with extensive experience of leading large-scale organization. He has significant experience in the areas of Corporate Governance, strategy, finance, risk management and regulatory affairs. The Board of Directors, on the recommendation of the NRC, recommends by way of Special Resolution as set out in Item No. 6 of the Notice of the 65<sup>th</sup> AGM for the approval of the members.

Except Mr Birla, being an appointee, none of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice of the 65<sup>th</sup> AGM. Mr Birla is not related to any Director or Key Managerial Personnel of the Company. As an Independent Non-executive Director, Mr Birla will be entitled to remuneration by way of commission on net profits and sitting fees for attending meeting(s) of the Board of Directors or Committee(s) thereof, or for any other purpose, whatsoever as may be decided by the Board of Directors of the Company in accordance with the provisions of the Act and rules made thereunder.

Copy of the draft letter of appointment referred to in the Resolution and all the material documents referred in the AGM Notice and Explanatory Statement will be available for inspection without any fee by the members at the Registered Office of the Company during business hours on any working day, excluding Saturday, upto and including the day of the 65<sup>th</sup> AGM.

This Explanatory Statement together with the accompanying AGM Notice may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and the Secretarial Standard on General Meetings (SS-2) of ICSI.

#### **Item No. 7**

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), *inter-alia*, provides that a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

It further provides that notwithstanding the above, with effect from 1<sup>st</sup> July 2019, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

#### **GLAs and its Scope :**

The Company has comprehensive General Licence Agreements ('GLAs') with Société des Produits Nestlé S.A., Switzerland, ("Licensor"). Under the GLAs, the Company receives an exclusive right in the territory, continuous access and licence to (i) manufacture and sell Nestlé products; (ii) use the Nestlé Trademarks upon or in relation to the licensed products; (iii) use bundle of proprietary Nestlé know-how (technical and non-technical), technology, patents and other related Intellectual Property Rights developed by Nestlé Group R&D in relation to licensed products; (iv) assistance in implementation of know-how from Nestlé Group experts; and (v) training /



capability building of employees. (hereinafter collectively referred as "IPRs"). The access to the bundle of IPRs are indispensable for the Company to operate.

The evolution of the scope of the GLAs and general licence fees (royalty) payments over the years is hereunder:

- I. Year 2012-2013 : Board of Directors approved payment of general licence fees (royalty) at the rate of 4.5%, net of taxes, under the GLAs, w.e.f. 1<sup>st</sup> January 2014, in a staggered manner:

In the year 2013, the Board of Directors of the Company, after following highest governance norms, approved an increase in general licence fees (royalty) rate from 3.5% to 4.5% of sales in a staggered manner by making an increase of 0.2% per annum over the period of five years with effect from 1<sup>st</sup> January 2014. For details on the governance process followed in 2012-2013, please refer to the Section "Review of the General Licence Agreement" on page no. 38 of the Annual Report 2012 available on the Company's website at [www.nestle.in](http://www.nestle.in).

- II. Year 2019: Members approved payment of the royalty at the rate of 4.5%, net of taxes, under the GLAs, pursuant to amended Regulation 23 of the Listing Regulations w.e.f. 1<sup>st</sup> July 2019:

In terms of amended Regulation 23 of the Listing Regulations, the members of the Company had at their 60<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> April 2019 approved with requisite majority, payment of royalty at the rate of 4.5%, net of taxes, of the net sales of the products sold by the Company as per the terms and conditions of the existing GLAs effective from 1<sup>st</sup> July 2019, notwithstanding that such payment of general licence fees (royalty) considered material related party transaction under Regulation 23(1A) of the Listing Regulations. Further, members also approved the Company's proposal to seek approval of the members on the general licence fees (royalty) related matter every five years in compliance with the applicable laws and regulations.

- III. Year 2023: Board of Directors evaluated the scope of IPRs under the GLAs and corresponding benefits over the years

With the intent to seek approval of the members in the fifth year i.e. in 2024, the Board of Directors at its meeting held on 24<sup>th</sup> August 2023 reviewed the scope of IPRs under the GLAs and corresponding benefits received over the years and to ensure highest governance norms, requested the Licensor to provide an independent assessment of benefits provided under the GLAs. Thereafter, the Licensor submitted the study conducted by a reputed management consultancy firm M/s McKinsey & Company ("MKC Study").

The MKC Study indicated that the Licensor has over the years significantly expanded the support provided to the Company under the GLAs and that the Company has immensely benefitted in all areas such as innovation and renovation, cost savings, premiumization, brand excellence and quality standards, digital data, information technology and capability building thereby improving the long term sustainable profitable growth of the Company.

The MKC Study was subjected to fairness review by two independent firms, i.e., M/s KPMG Assurance and Consulting Services LLP ("KPMG") and M/s Bansi S. Mehta & Co., Chartered Accountants ("BSM") ("Independent Firms"), after which the Independent Firms submitted their independent fairness opinions on the MKC Study and their findings ("Fairness Opinions"). The summary of the points from the Reports of MKC Study and Independent Firms are available on the website at <https://www.nestle.in/investors/stockandfinancials/royalty>

- IV. Year 2024: Resolution not approved by the members with requisite majority for the proposal to increase in the royalty rate upto 5.25%, net of taxes, under the GLAs, in a staggered manner

In consideration of the incremental contribution of the Licensor under the GLAs and corresponding benefits to the Company and request received from the Licensor for a fair and reasonable compensation for the value provided under the GLAs, based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on 5<sup>th</sup> April 2024, with only the Independent Directors voting and the Executive Directors recusing, recommended to the members for their approval, the rate of general licence fees (royalty) not exceeding 5.25%, net of taxes, of the net sales of the products sold by the Company as per the existing GLAs, payable in a staggered manner over the period of five years by making an increase of 0.15% per annum over the current general licence fees (royalty) of 4.5% per annum with effect from 1<sup>st</sup> July 2024, by way of an Ordinary Resolution ("Royalty Revision Proposal") through Postal Ballot. The members voted on the Ordinary Resolution between 18<sup>th</sup> April 2024 to 17<sup>th</sup> May 2024, through remote e-Voting facility provided

by the Company. The e-Voting concluded on 17<sup>th</sup> May 2024. As per the e-Voting results declared by the Company on 17<sup>th</sup> May 2024, the Ordinary Resolution was not passed by the members with requisite majority.

- V. Year 2024: Approval of the members is sought for payment of the royalty at the current rate of 4.5%, net of taxes under the GLAs at the 65<sup>th</sup> AGM:

Considering that the Royalty Revision Proposal has not been approved by the members, the Licensor has informed the Company that it has considered the matter in detail and submitted that while they have reasons to believe that a fair and reasonable revision of the general licence fees (royalty) was expected on account of expansion of scope and support provided by the Licensor under the GLAs, it will continue to support the long term growth story of the Company and its commitment to the Indian Market, and in view of the above, requested the Company to seek requisite approvals for continuation of payment of general licence fees (royalty) at the current rate of 4.5%, net of taxes, of the net sales of the products sold by the Company as per the terms and conditions of GLAs, in compliance with the applicable laws and regulations.

Respecting the decision of the members, request received from the Licensor and feedback from other stakeholders, the Board of Directors on the recommendation of the Audit Committee, at its meeting held on 12<sup>th</sup> June 2024, with only the Independent Directors voting and the Executive Directors recusing, approved continuation of payment of general licence fees (royalty) at the current rate of 4.5%, net of taxes, of the net sales of the products sold by the Company as per the terms and conditions of the GLAs, notwithstanding that such payment of general licence fees (royalty) considered material related party transaction under Regulation 23(1A) of the Listing Regulations. With regard to the above, the Audit Committee and the Board of Directors have considered the matter in significant detail and have *inter-alia* considered the following:

1. Increase in the scope of the IPRs and the support under the GLAs:

Global projects, innovation, and brand strength - significant increase in the number of patents in the last 10 years (+12,000), know-how, product pipeline (millet-based foods, sugar reduction, plant-based foods, frozen foods etc.) and a corresponding increase in brand strength. Factors contributing to these include continued research and development ("R&D") spends (increased at CAGR of 6.5% in INR terms in past 5 years), expansion of bundle of intellectual properties, increase in support for brand building, trainings and capability building.

2. Benefits to the Company in last 5 years due to increase in the scope of IPRs as above include the following:

The Company has over the years immensely benefited from the expanded scope and depth of IPRs under the existing GLAs in all areas such as premiumization across product categories, innovation and renovation ('I&R') of products, idea to launch and speed to market initiatives for the I&R products, factory design approaches, production automation, increased productivity in commercial execution and distribution expansion, implementation of transportation hubs across all units, digital consumer engagements, Strategic Revenue Management Toolkit for sustainable pricing, implementation of digital technologies across value chain, tools for efficiency of online content, identification of teenage nutrition needs, improving health profile of products, health focused differentiation, packaging waste reduction and efficiency waste reduction. As a result of the above, the benefits derived from the IPRs has significantly contributed to deliver long term sustainable profitable growth and created shared value for society and the shareholders. Some of the benefits are as hereunder:

- a) Cost saving: Several cost saving initiatives have contributed to about 1.5% savings of the Company's annual sales each year, from measures such as recipe & specification changes/ optimization, energy savings, increasing/ improving productivity, buying efficiencies and operational efficiencies;
- b) Brand strength: For the brands licensed to the Company by the Licensor, there has been significant increase in the brand strength (e.g. Maggi – 3.1x, NESCAFÉ – 1.6x, LACTOGEN – 1.5x);
- c) Innovative products: From 3% in 2018, sales of innovation products have been more than 6% in 2023 for the Company (including products such as LACTOGROW, NESCAFÉ BLACK ROAST, biryani mixes, munch CEREAL);
- d) Product premiumization: Contribution of premium products to the Company's sales grew from 10.4% in CY2018 to 12.1% in CY2023. These contributed significantly higher to the Company's profitability (including products such as NESCAFÉ GOLD, KitKat Tablet, Korean Noodles);

- e) Digital & data IT: Licensor is driving the digital transformation across functions with significant investments (more than two billion CHF invested by Nestlé Group in “Design and Build” in past few years). Amongst other things, this has resulted into IT cost saving of about 1% of its sales, in comparison to its peers and advanced technology in manufacturing efficiency which contributed to extra savings for the Company and helped in offsetting it with the commodity inflation; and
- f) Members may note that in addition to the above, the Licensor has been providing Nestlé sustainability strategy/ roadmap, tracking tools, specific initiative including Regenerative Agriculture, Nestlé Greenhouse Gas Performance System, Packaging innovation (Less packaging, Reuse and Refill, Redesign), water efficiency technologies, installation of Biodigesters thereby significantly contributing to reduction in the carbon footprint and improving efficiencies in sustainability related measures.

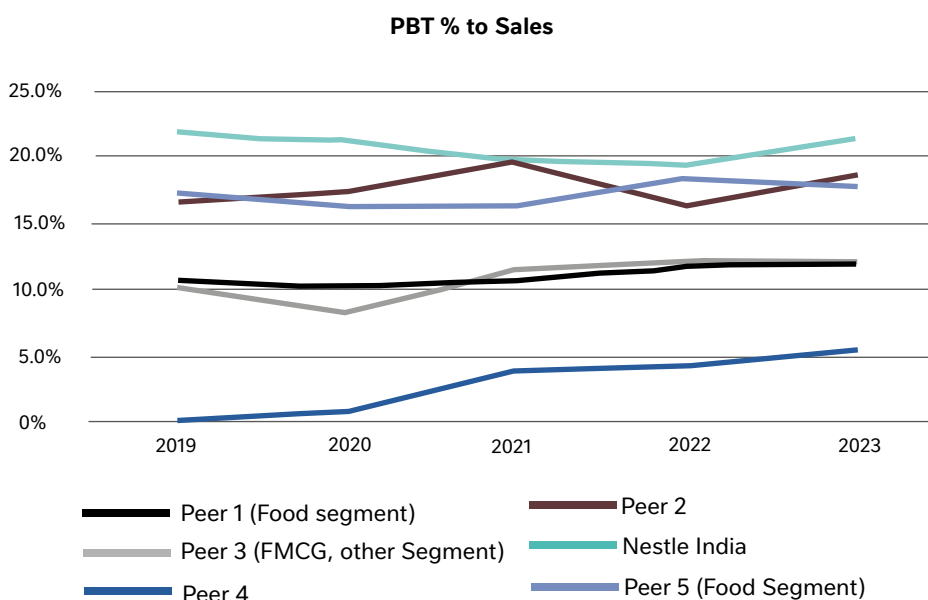
In light of the comprehensive GLAs and incremental benefits, weighted average rate of Nestlé Group’s comparable markets (constituting markets such as Malaysia, Nigeria etc.) is over 6.5%.

### 3. Performance of the Company and comparison with Peers

Performance of the Company, in light of above support from the Licensor and Company’s efforts is provided hereunder:

Particulars	Amounts in ₹ millions						CAGR
	2018	2019	2020	2021	2022	2023	
Sales of products	112,162	122,953	132,902	146,337	167,895	190,211	11.1%
PAT	16,069	19,696	20,824	21,449	23,905	29,987	13.3%
GLA	4,927	5,472	5,935	6,545	7,499	8,496	115%
Pre-GLA profit from operations	23,235	31,963	35,307	39,491	41,908	50,325	16.7%
EPS (INR)	16.7	20.4	21.6	22.0	24.8	31.1	13.3%

Further, performance of the company vis-à-vis its peers it provided below:



#### 4. Company's royalty and its comparison with peers

The Company's endeavour and objective is to deliver growth to the investors and also remain fully transparent in its transactions, given its high standards of governance, which have been consistently followed. While the GLAs entered with the Licensor are very comprehensive and includes access to the bundle of IPRs under an umbrella, the scope of general licence fees (royalty) arrangements of other multinational corporations (MNCs) in India, in general, includes trademark and/or technology and may not include support services, training, and assistance, etc., provided by their parent companies/ group entities and therefore the range of general licence fees (royalty) payments by them are not comparable with the GLAs of the Company on a like-to-like basis and for a fair comparison it would be rational to take into account payments to parent companies/ group entities by these MNCs for services outside the general licence fees (royalty) arrangements on a consolidated basis. This analysis has also been undertaken by all three independent firms, i.e. McKinsey & Company, BSM and KPMG. The summary points of all three independent firms indicate that, taken together by the above factors, the general licence fees (royalty) rate paid by the Company to the Licensor is comparatively lower.

For more details on the above, members may refer to:

- i. Summary points from the Report of MKC Study and Independent Firms is available at <https://www.nestle.in/investors/stockandfinancials/royalty>
- ii. Independent Assessment of a reputed Management Consulting Firm available on the Company's website at <https://www.nestle.in/investors/stockandfinancials/royalty>
- iii. Investor presentation available on the Company's website at <https://www.nestle.in/sites/g/files/pydnoa451/files/2024-04/Nestle%20India%20-%20Presentation%20-%201-2-1%20investor%20meet.pdf>

The Audit Committee was provided with the relevant details, as required under law, for the aforesaid material related party transaction including its material terms. Further, in terms of the provisions of the Companies Act, 2013, the general licence fees (royalty) paid/ payable is/will be in the ordinary course of business and on an arm's length basis, as approved by the Audit Committee from time to time.

The transaction shall also be reviewed/ monitored on an annual basis by the Audit Committee of the Company and shall remain within the proposed limits as placed before the members. Any subsequent 'material modification' in the proposed transaction, as defined by the Audit Committee as a part of Company's 'Policy on Related Party Transactions', shall be placed before the members for approval, in terms of Regulation 23(4) of the Listing Regulations.

Based on the recommendation of the Audit Committee, the Board of Directors of the Company recommends approval of the members by way of an Ordinary Resolution for continuation of payment of general licence fees (royalty) at the current rate of 4.5%, net of taxes, of the net sales of the products sold by the Company as per the terms and conditions of the existing GLAs with the Licensor effective from the date of passing of the resolution, notwithstanding that such payment of general licence fees (royalty) considered material related party transaction under Regulation 23(1A) of the Listing Regulations. Any taxes or charges imposed or payable on general licence fees (royalty) shall be paid in India by the Company.

The Board of Directors also propose to seek approval of the members on the above royalty related matter every five years in compliance with the applicable laws and regulations, and do not propose any increase in the current rate of royalty on year-to-year basis.

As per Regulation 23(4) of the Listing Regulations, all related parties (whether such related party is a party to the above-mentioned transaction or not) shall not vote to approve the Ordinary Resolution as set out at Item No. 7 of the accompanying 65<sup>th</sup> AGM Notice.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed Resolution.

In case any person is desirous of obtaining copy of the MKC Study or Report by independent firm (BSM) on the MKC Study referred in the Explanatory Statement to the Item No. 7 of this Notice, may send a request to the Company's email address at [investor@in.nestle.com](mailto:investor@in.nestle.com) mentioning their name and contact details.

Please refer 'Annexure – I' to this Notice for the details to be provided to the members pursuant to SEBI Master Circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11<sup>th</sup> July 2023.

## II. DETAILS IN TERMS OF REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

### Item No. 3

In terms of Section 152(6) of the Companies Act, 2013, Ms Svetlana Boldina (DIN: 10044338) shall retire by rotation at the 65<sup>th</sup> AGM and being eligible offers herself for re-appointment.

Ms Svetlana Boldina was appointed as a Whole-time Director of the Company designated as “Executive Director - Finance & Control and CFO” for a term of five consecutive years with effect from 1<sup>st</sup> March 2023. As per the terms of her appointment, her re-appointment at the 65<sup>th</sup> AGM as a director retiring by rotation would not constitute break in her appointment as a Whole-time Director, designated as “Executive Director – Finance & Control and CFO”.

Ms Svetlana is a Russian National and holds an Engineering Degree from Moscow Telecommunication University and Masters in Business Administration, Accounting and Finance Technology from Russian Academy for Economics.

Ms Svetlana has worked in Nestlé markets in Russia, Eastern Europe and Indonesia with strong operational experience and an excellent track record of over 25 years with Nestlé Group. Before this assignment, she was Head of Finance & Control of Nestlé Indonesia. Ms Svetlana has contributed significantly towards effective business decisions, as well as developing and shaping up a professional Finance and Information Technology teams in her previous roles and has displayed strong functional capabilities, combined with leadership & drive to achieve business outcomes.

Ms Svetlana is not a director or a Committee member of any other company in India nor she was a director in any other company in India during past three years and she does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

She is responsible for, amongst others, the management and conduct with respect to the Finance & Control areas of the Company.

Except Ms Svetlana, none of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed Resolution. Ms Svetlana attended all the Board Meetings (8) and Committee Meetings as member (12) held during the fifteen months financial year ended 31<sup>st</sup> March 2024 post her appointment. Ms Svetlana holds the membership of Risk Management and Sustainability Initiatives Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Company.

Ms Svetlana is not related to any Director or Key Managerial Personnel of the Company. Upon her re-appointment as a director, Ms Svetlana shall continue to hold office as a Whole-time Director designated as “Executive Director – Finance & Control and CFO”. Accordingly, the Board of Directors recommends her re-appointment for approval of the members by way of an Ordinary Resolution as set out at Item No. 3 of the Notice of the 65<sup>th</sup> AGM.

**Date :** 12<sup>th</sup> June 2024

**Place :** Gurugram

**Registered Office:**

100 / 101, World Trade Centre, Barakhamba Lane,  
New Delhi – 110 001

**Email:** [investor@in.nestle.com](mailto:investor@in.nestle.com) **Website:** [www.nestle.in](http://www.nestle.in)

**CIN:** L15202DL1959PLC003786

By Order of the Board

**Nestlé India Limited**

**Pramod Kumar Rai**

Company Secretary & Compliance Officer  
(Membership No.: F4676)

(Refer to the Explanatory Statement to Item No. 7 of the Notice of the 65<sup>th</sup> AGM)

**Details to be provided to the members pursuant to SEBI Master Circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11<sup>th</sup> July 2023 are as follows:**

- a) Type, material terms and particulars of the proposed transaction
1. The Company has two GLAs with the Société des Produits Nestlé S.A. ("Licensor"), a wholly owned subsidiary of Nestlé S.A., Switzerland ("NSA").
  2. NSA together with Maggi Enterprises Limited (ultimate holding company being NSA) has 62.76% shareholding in the Company. The Company and the Licensor are fellow subsidiaries of NSA.
  3. The General Licence Agreements with Licensor:
    - i. General Licence Agreement dated 19<sup>th</sup> December 2000 including amendments thereto, covering all the products currently manufactured and/ or sold by the Company, except Healthcare Nutrition Products, Pet Foods, Toddler Nutrition and Breakfast Cereals products.
    - ii. General Licence Agreement dated 14<sup>th</sup> July 2008 including amendments thereto, covering healthcare nutrition products, assigned to the Company by Amendment No.1 dated 18<sup>th</sup> January 2010, consequent to purchase of the Healthcare Nutrition Business from erstwhile Speciality Foods India Private Limited, Pet Foods and Toddler Nutrition products.

both the above General Licence Agreements are referred hereunder as "GLAs".
  4. Material Terms:
    - i. Exclusive right and licence to the Company to use the trademarks, brands, designs, visual properties and the like (hereinafter "Trademarks"), set out in the GLAs, within the India, Nepal and Bhutan ("Territory") upon or in relation to the Products.
    - ii. Exclusive right and licence to the Company in relation to Products (products listed in the GLAs) during the term of the GLAs to use or have used the know-how within Territory including any improvements in or developments of know-how which Licensor may develop, acquire or otherwise possess.
    - iii. Exclusive right and licence to the Company under the Patents, during the term of the GLAs, to make, use etc. or sell the Products within the Territory.
    - iv. In consideration of the Know-how including technical and non-technical assistance, Trademarks and Patents granted or to be granted and incremental contribution of the Licensor over the last years under the existing GLAs, effective from the date of passing of the resolution by the members, the Company to pay to the Licensor, during the term of the GLAs, general licence fees (royalty) of 4.5% per annum, net of taxes, of the net sales of the products sold by the Company to third parties. Any taxes or charges imposed or payable on general licence fees (royalty) shall be paid in India by the Company.
    - v. Licensor to make available or cause to be made available, experts as may be required in relation to the know-how licenced. Upon reasonable request, Licensor to also provide appropriate training for employees of the Company to maintain/ attain necessary competence. In relation to above, the Company shall bear or reimburse any travelling, accommodation and such other incidental expenses.
    - vi. GLAs shall remain in force indefinitely unless and until Licensor or the Company shall at any time give 12 months prior notice to the other of its intention to terminate.
    - vii. Notwithstanding in (vi) above, either party shall be entitled to terminate the GLAs forthwith under special circumstances as set out under the GLAs. Failure by the Company to make and obtain the transfer of any payment to the Licensor within a period of six months after due date, shall be deemed to be a material breach of GLAs.
- b) Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise):
- i. Name of related party: Société des Produits Nestlé S.A., Switzerland ("Licensor")

ii. Relationship with listed entity: Nestlé S.A., the ultimate holding company, has 62.76% ownership of Nestlé India Limited, and 100% ownership of Licensor. Therefore, Nestlé India Limited and Licensor are fellow subsidiaries of Nestlé S.A., Switzerland.

c) Tenure of the proposed transaction (particular tenure shall be specified):

Continuation of payment of general licence fees (royalty) at the rate of 4.5%, net of taxes, of the net sales of the products sold by the Company as per the terms and conditions of the existing GLAs with the Licensor effective from the date of passing of the resolution by the members, notwithstanding that such payment of royalty considered material related party transaction under Regulation 23(1A) of the Listing Regulations. The Board of Directors also propose to seek approval of the members on the above royalty related matter every five years in compliance with the applicable laws and regulations.

d) Value of the proposed transaction:

Continuation of payment of general licence fees (royalty) at the rate of 4.5%, net of taxes, of the net sales of the products sold by the Company as per the terms and conditions of the existing GLAs with the Licensor effective from the date of passing of the resolution by the members.

The above transaction(s) involving payments to the Licensor with respect to the general licence fees (royalty), during any financial year including any part thereof shall be considered material related party transaction(s) notwithstanding that it is being in excess of the limits specified under Regulation 23(1A) of the Listing Regulations at any time.

Any taxes or charges imposed or payable on general licence fees (royalty) shall be paid in India by the Company.

e) The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided):

Same as disclosed in clause d) above.

f) If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:

Not applicable.

g) Justification as to why the RPT is in the interest of the listed entity:

The existing GLAs with the Licensor continue to allow the Company access to the IPRs including global portfolio of brands, proprietary technology including numerous patents, extensive research and development capabilities and expertise in best practices. The GLAs include access to large number of brands such as NESTLÉ, Maggi, NESCAFÉ, KitKat and technologies developed by the global network of 23 Research & Development ("R&D") Centres. All the products manufactured and/or sold by the Company, other than Breakfast Cereal Products, are on the basis of the IPRs provided by the Licensor under the existing GLAs.

The GLAs have contributed significantly to the success story of the Company including the incremental support provided by the Licensor under the GLAs over the years. This contribution and value addition is reflected in the year-on-year performance of the Company over last many years.

The industry in which the Company operates is rapidly changing and continuous innovation and renovation, new product development, upgradation of technology, processes and product recipe, capability building is critical for ensuring that the Company's products remain relevant to consumers and for the long term sustainable profitable growth of the Company and creation of shared value for society and the shareholders, therefore contribution and support of the Licensor remains a vital enabler for the Company.

The members have in the past supported the need for the GLAs and the payment of general licence fees (royalty) to the Licensor at the rate of 4.5%, net of taxes, of the net sales of the products sold by the Company as per the terms and conditions of the existing GLAs, by approving the same with effect from 1<sup>st</sup> July 2019 and by adopting the Audited Financial Accounts with Reports of Directors and Auditors thereon, over the years with requisite majority.

- h) A copy of the valuation or other external party report, if any such report has been relied upon:

Consistent with the McKinsey & Company ("MKC") Study and in particular with the external and internal benchmarking analysis contained therein, the Licensor has requested the Company to continue to pay the general licence fees (royalty) at the current rate of 4.5% (net of taxes) of both domestic and export sales of all product categories.

This MKC Study was subjected to fairness review by two independent firms i.e. M/s Bansi S. Mehta & Co., Chartered Accountants and KPMG Assurance and Consulting Services LLP who independently used different valuation methods and recommended ranges of royalty rates which were similar to that of MKC.

Members may refer to Independent Assessment of a reputed Management Consulting Firm is available on the Company's website at <https://www.nestle.in/investors/stockandfinancials/royalty>.

- i) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis: 0.5%
- j) Any other information that may be relevant:

The Company is committed to the interests of its shareholders and has a proven track record of long-term value creation for its shareholders. All this has been achieved largely with the continued support of its parent, Nestlé S.A. and the Licensor, who has also in turn delivered consistent returns for its shareholders. The core to our ideology is to ensure "sustainable" profitable growth for society and the shareholders. In order for us to be able to deliver consistent profitable growth and maintain market leadership in India, Licensor's iconic brands, which are very popular in India, know-how and assistance play a significant role. Hence, the Company's shareholders have benefitted over the past years and will do so in the future years as well from continued access to Licensor's IPRs including its iconic brands, R&D, know-how and assistance.

The information provided in the Explanatory Statement under Section 102(1) of the Act, forms an integral part of this Annexure.



(Refer Note 14 of the Notice of the 65<sup>th</sup> AGM)

### COMMUNICATION ON TAX DEDUCTED AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION

Pursuant to the provisions of the Income Tax Act, 1961 ("the IT Act"), dividend income is taxable in the hands of the members and the Company is required to deduct tax at source ("TDS") from dividend paid to the members at prescribed rates in the IT Act. Please take note of the below TDS provisions and information/document requirements for each member:

#### Section 1: For all Members - Details that should be completed and /or updated, as applicable

- a. All Members are requested to ensure that the below details are completed and/or updated, as applicable, in their respective demat account/s maintained with the Depository Participant/s; or in case of shares held in physical form, with the Company, by 16<sup>th</sup> July 2024 ("Record Date"). Please note that these details as available on Record Date in the Register of Members/ Register of Beneficial Owners will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:
- I. Valid Permanent Account Number (PAN).
  - II. Residential status as per the IT Act i.e. Resident or Non-Resident for FY 2024-25.
  - III. Category of the Member:
    - i. Mutual Fund
    - ii. Insurance Company
    - iii. Alternate Investment Fund (AIF) Category I and II
    - iv. AIF Category III
    - v. Government (Central/State Government)
    - vi. Foreign Portfolio Investor (FPI) /Foreign Institutional Investor (FII): Foreign Company
    - vii. FPI/FII: Others (being Individual, Firm, Trust, AJP, etc.)
    - viii. Individual
    - ix. Hindu Undivided Family (HUF)
    - x. Firm
    - xi. Limited Liability Partnership (LLP)
    - xii. Association of Persons (AOP), Body of individuals (BOI) or Artificial Juridical Person (AJP)
    - xiii. Trust
    - xiv. Domestic company
    - xv. Foreign company.
  - IV. Email Address.
  - V. Address.

#### Section 2: TDS provisions and documents required, as applicable for relevant category of Members

Members are requested to take note of the TDS rates and document/s, if any, required to be submitted to the Company by the Record Date their respective category, in order to comply with the applicable TDS provisions.

##### I. For Resident Members:

- i. Mutual Funds: No TDS is required to be deducted as per section 196(iv) of the IT Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.
- ii. Insurance companies: No TDS is required to be deducted as per section 194 of the IT Act subject to specified conditions. Self- attested copy of valid IRDA registration certificate needs to be submitted.
- iii. Category I and II Alternative Investment Fund: No TDS is required to be deducted as per section 197A (1F) of the IT Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.

- iv. Recognised Provident funds: No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self- attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the IT Act, or Self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees' Provident Funds Act, 1952 needs to be submitted.
- v. Approved Superannuation fund: No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part B of Fourth Schedule to the IT Act needs to be submitted.
- vi. Approved Gratuity Fund: No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self- attested copy of valid approval granted by Commissioner under Rule 2 of Part C of Fourth Schedule to the IT Act needs to be submitted.
- vii. National Pension Scheme: No TDS is required to be deducted as per Sec 197A (1E) of the IT Act.
- viii. Government (Central/State): No TDS is required to be deducted as per Sec 196(i) of the IT Act.
- ix. Any other entity entitled to exemption from TDS: Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to exemption from TDS needs to be submitted.
- x. Other resident Members:
  - a) TDS is required to be deducted at the rate of 10% under u/s 194 of the IT Act.
  - b) No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to individual member does not exceed ₹ 5000. Normal dividend/s declared in the preceding financial year 2023-24 would be considered as the basis to determine applicability of the said threshold for the entire financial year.
  - c) No TDS is required to be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income).
  - d) Please also note that valid Permanent Account Number ('PAN') will be mandatorily required.
  - e) TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar:
  - f) As per Section 139AA of the Income Tax Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply to this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of section 206AA of the Act. The Company will be using functionality of the Income-tax department for the above purpose. TDS is required to be deducted at the rate of 20% u/s 206AA of the IT Act, if valid PAN of the member is not available.
  - g) As per Section 206AB of the IT Act, TDS is required to be deducted at twice the applicable rates, if Income Tax Return is not filed by the resident members for preceding financial year, for which the time limit for filing has expired. In this regard, the Company would rely on Compliance Check Utility made available by Central Board of Direct Taxes.
  - h) TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 197 of the Act, if such valid certificate is provided.

## II. For Non-resident Members:

- i. Any entity entitled to beneficial rate / exemption from TDS: Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by Indian tax authorities) in support of the entity being entitled to beneficial rate / exemption from TDS needs to be submitted.
- ii. Other non-resident Members:
  - a) TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) u/s 196D of the IT Act (For FPI and FII) and u/s 195 of the IT Act for other non-resident members.

- b) Member may be entitled to avail lower TDS rate as per Agreement For Avoidance Of Double Taxation (DTAA) between India and the country of tax residence of the member, on furnishing the below specified documents applicable for the relevant period:
- 1) Self-attested copy of PAN. In case PAN is not available, provide details as per Rule 37BC of the Income-Tax Rules, 1962;
  - 2) Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the member is a resident;
  - 3) Self-declaration in Form 10F (it should be noted that vide notification number 03/2022 issued by the CBDT, it has been mandated to issue Form 10F electronically for it to be considered valid); and
  - 4) Self-declaration on letterhead of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits (as per Annexure A to this Communication).
- c) TDS is required to be deducted at the rate prescribed in valid lower tax withholding certificate issued u/s 197 of the IT Act, if such valid certificate is provided.

Details and/ or documents as mentioned above in Section 1 and Section 2, as applicable to the Member, need to be sent, duly completed and signed, through registered email address of the Member with PAN being mentioned in the subject of the email to reach [investor@in.nestle.com](mailto:investor@in.nestle.com) by Record Date. Please note that no communication this regard, shall be accepted post by Record Date.

Please note that the company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review of the documents submitted.

### Section 3: Other general information for the Members:

- I. For all self-attested documents, members must mention on the document "certified true copy of the original". For all documents being sent / accepted by email, the Member undertakes to send the original document/s on the request by the Company.
- II. TDS will be deducted based on details of registered member only. Once TDS is deducted in the name of Registered of Members/ Beneficial Owners as appearing on Record Date, no transfer of such TDS in the name of another person shall be entertained under any circumstances.
- III. TDS deduction certificate will be sent to the members' registered email address in due course. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://www.incometax.gov.in/iec/foportal>.
- IV. Surcharge rates applicable for financial year 2023 - 24 for non-residents

(i) Individual, HUF, AOP, BOI, AJP, Trust	
<b>Dividend Income</b>	<b>Rate</b>
Upto ₹50 lakhs	Nil
Income exceeds ₹ 50 lakhs but does not exceed ₹ 1 crore	10%
Income exceeds ₹ 1 crore	15%
(ii) Co-operative society or Firm, registered under applicable Indian law	
Aggregate Income	Rate
Income exceeds ₹ 1 crore	12%
(iii) Foreign company	
Aggregate Income	Rate
Income exceeds ₹ 1 crore but does not exceed ₹ 10 crores	2%
Income exceeds ₹ 10 crores	5%

- V. Normal dividend/s declared in the preceding financial year 2023-24 would be considered as the basis to determine applicability of the surcharge rate.
- VI. Health and Education Cess of 4% is applicable for non-residents.
- VII. Shareholders holding shares under multiple accounts under different status/ category (eg. Resident and Non-Resident) and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

- VIII. Equity shares of the Company, which were transferred by the Company in the name of Investor Education and Protection Fund ('IEPF') in terms of Section 124(6) of the Companies Act 2013 and Rules framed thereunder, the TDS shall be deducted basis the available details of the underlying members
- IX. Application of TDS rate is subject to necessary due diligence and verification by the Company of the member details as available in register of members on the Record Date, documents, information available in public domain, etc. In case of ambiguous, incomplete or conflicting information, or the valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.
- X. In case TDS is deducted at a higher rate, an option is still available with the member to file the return of income and claim an appropriate refund, if eligible. Once deducted, no claim shall lie against the company in relation to TDS.
- XI. W.e.f. 1 April 2023 new income tax rates have been made applicable vide Finance Act 2024 for determining the income-tax payable in respect of the total income of a person (being individual/ HUF/ AOP/ BOI/ AJP). The new prescribed rates are applicable to all specified person by default. Further details are available at <https://www.incometax.gov.in/iec/foportal/help/individual-business-profession>
- Further, the company is required to declare in its TDS return, "if the deductee is opting out of this new regime u/s 115BAC(1A). As a default option, the company will be opting as "No" for all shareholders to whom this section applies. In case, you wish to opt out of this new regime (shift to old tax regime), please provide declaration enclosed as Annexure B. Accordingly, on receipt of declaration with complete details, the company will update the response as "Yes" in its TDS return. Please note that no changes will be made if any declaration is received subsequent to record date.
- XII. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

Note:

Above communication on TDS sets out the provisions of law in a summary manner only, as on the date of the communication, and does not purport to be a complete analysis or listing of all potential tax consequences. Members should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.

**FORMAT FOR DECLARATION FOR CLAIMING BENEFITS UNDER DTAA**

Refer Section 2(II)(ii)(b)(4) of above Communication on TDS on Dividend Distribution

Date:

To,  
Nestlé India Limited

100 / 101, World Trade Centre, Barakhamba Lane, New Delhi - 110 001 Email: [Investor@in.nestle.com](mailto:Investor@in.nestle.com)

Subject: Declaration for eligibility to claim benefit under Agreement For Avoidance Of Double Taxation between Government of India and Government of ..... <mention country of tax residency> ("DTAA"), as modified by Multilateral Instrument ("MLI"), if applicable

With reference to above, I/We wish to declare as below:

1. I / We, <Full name of the member>, having permanent account number (PAN) under the Indian Income tax Act, .... <mention PAN > , and holding ..... <mention number of shares held> number of shares of the Company under demat account number/ folio number ..... as on the record date, am / are a tax resident of ..... <country name> in terms of Article 4 of the DTAA as modified by MLI (if applicable) and do not qualify as a 'resident' of India under section 6 of the Indian Income-tax Act, 1961 ("the IT Act"). A copy of the valid tax residency certificate for ..... <period>, which is valid as on the Record Date, is attached herewith. We request you to provide the benefit of the said DTAA.
2. I/We am/are eligible to be governed by the provisions of the DTAA as modified by MLI (if applicable), in respect of the dividend income and meet all the necessary conditions to claim treaty rate.
3. I/We am/are the legal and beneficial owner of the dividend income to be received from the Company.
4. I/We do not have a Permanent Establishment ("PE") in India in terms of Article 5 of the DTAA as modified by MLI (if applicable) or a fixed base in India and the amounts paid/payable to us, in any case, are not attributable to the PE or fixed base, if any, which may have got constituted otherwise.
5. I/We do not have a PE in a third country and the amounts paid/payable to us, in any case, are not attributable to a PE in third jurisdiction, if any, which may have got constituted otherwise.
6. I/We do not have a Business Connection in India according to the provision of section 9(1)(i) of the Act and the amounts paid/payable to us, in any case, are not attributable to business operations, if any, carried out in India.
7. I/We confirm that my affairs/affairs of \_\_\_\_\_ <Full name of the member> were arranged such that the main purpose or the principal purpose thereof was not to obtain tax benefits available under the applicable tax treaty.
8. Further, our claim for relief under the tax treaty is not restricted by application of Limitation of Benefit clause, if any, thereunder.
9. We confirm that we are aware of the necessary compliances under the Indian domestic tax laws and would comply with the said compliance requirements.

I/We hereby certify that the declarations made above are true and bonafide. In case in future, any of the declarations made above undergo a change, we undertake to promptly intimate you in writing of the said event. You may consider the above representations as subsisting unless intimated otherwise.

I/we in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me, I will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

For <Mention the name of the payee>

Authorised Signatory

Name of the person signing

Designation of the person signing

**Format for Declaration for opting out of New Regime u/s 115BAC(1A)  
(Opting for the Old Tax Regime)**

Date:

To,  
Nestlé India Limited  
100 / 101, World Trade Centre,  
Barakhamba Lane, New Delhi - 110 001  
Email: Investor@in.nestle.com

Subject: Declaration for opting out of New Tax Regime u/s 115BAC(1A) [Shifting to the Old Tax Regime]

This is to certify that I .....[name of individual]/ Karta of Hindu undivided family (HUF).....[name of HUF]\*  
/ ..... [others], on behalf of..... [name and address of the individual/ HUF/others\*, having  
Permanent Account Number (PAN) ..... do hereby, exercise the option for taxability under the old tax slabs/  
regime and do not wish to opt for new tax regime prescribed under section 115BAC(1A) of the Income Tax Act for the  
financial year 2024-25.

The details for this purpose are given below:

- (i) Name of the individual/ HUF/ other\* :
- (ii) PAN :
- (iii) Address :
- (iv) Date of Birth/ Incorporation\* : dd/mm/yyyy

I undertake to ensure that old regime is opted in manner as may be prescribed before filing my return of income.

Further, I also understand that option once exercised, will be valid for entire financial year 2024-25 and cannot be  
changed subsequently during the course of the year for the purpose of reporting in TDS return by the deductor.

\*Delete whichever is inapplicable.

Yours faithfully,

Signature of Individual/ Karta of HUF / Authorized Representative .....

Name .....

Designation.....

Date: \_\_\_\_\_

Place: \_\_\_\_\_

Note: This form shall be signed by the individual/ Karta of the HUF/ Authorized Representative.]



**Nestlé**

Good food, Good life

**Nestlé India Limited**  
Annual Report 2023-24



# Our Path to Progress

Purpose • People • Partnerships Performance • Planet



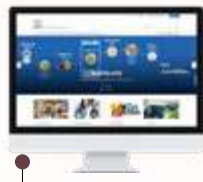




I would like to thank our employees, partners, suppliers, distributors and retailers for their unwavering faith, wholehearted support and for being the wind beneath our wings. I conclude by extending our gratitude to our shareholders, for their continued trust and confidence in the strategy, direction, results and resolve of the Company.

### Suresh Narayanan

Chairman and Managing Director



To know more about the Company logon to [www.nestle.in](http://www.nestle.in)



Scan the above QR code to view the Annual Report online

### Cautionary Statement

Statements in this Annual Report, particularly those which relate to Management Discussion and Analysis as explained in the Corporate Governance Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

**Note:** Annual Report for the fifteen months financial year ended 31<sup>st</sup> March, 2024 ("Annual Report 2023-24")

# CONTENTS

## Annual Report 2023-24

- 02 – Board of Directors
- 04 – Our Path to Progress
- 06 – Chairman's message
- 10 – Nestlé's India story
- 11 – Brand footprint in India
- 12 – Nestlé India in numbers
- 13 – 10 - year financial highlights
- 14 – Sales and Exports
- 16 – Product portfolio
- 37 – IT integration
- 41 – Corporate social responsibility
- 47 – People
- 51 – Partnerships
- 53 – Planet
- 58 – Awards and recognitions
- 62 – Risks and opportunities
- 65 – Corporate Information
- 66 – Board's Report
- 81 – Auditor's Report
- 92 – Annual Accounts

## Annexures to the Board's Report

- 147 – Annexure 1: Report on Corporate Governance
- 168 – Annexure 2: Annual Report on CSR Activities
- 171 – Annexure 3A: Business Responsibility and Sustainability Report (BRSR)
- 226 – Annexure 3B: Assurance Report on BRSR Core
- 232 – Annexure 4: Secretarial Audit Report
- 235 – Annexure 5: Report on Conservation of Energy etc.
- 239 – Annexure 6: Information Regarding Employees and Related Disclosures

## Board of Directors



**Mr. Suresh Narayanan**

Chairman and  
Managing Director



**Mr. R. V. Kanoria\***

Independent  
Non-Executive Director



**Mr. P. R. Ramesh**

Independent  
Non-Executive Director



**Ms. Anjali Bansal**

Independent  
Non-Executive Director

\*Ceased to be an Independent Non-Executive Director from the close of business hours on 12<sup>th</sup> May 2024



**Ms. Alpana Parida**

Independent  
Non-Executive Director



**Ms. Svetlana Boldina**

Executive Director –  
F&C and CFO



**Mr. Satish Srinivasan**

Executive Director -  
Technical



**Ms. Suneeta Reddy\***

Independent  
Non-Executive Director



**Mr. Sidharth Kumar Birla\*\***

Independent  
Non-Executive Director



**Mr. Pramod Kumar Rai**

Company Secretary and  
Compliance Officer

\*Appointed as an Independent Non-Executive Director w.e.f. 5<sup>th</sup> April 2024

\*\*Appointed as an Independent Non-Executive Director w.e.f. 12<sup>th</sup> June 2024

# Our Path to Progress

Your Company believes that an organization is more than just the numbers it manifests. It is anchored in the principles of Purpose, People, Planet, Partnerships and Performance, all of which are integral to driving corporate performance.



**Purpose:** Inspiring a higher cause that nudges individuals towards greater trust and responsibility.



**People:** Investing in employees, empowering them, instilling diversity, and inclusion are essential for progress.



**Planet:** Embracing sustainable practices to reduce environmental impact and achieve equilibrium between progress and the planet.



**Partnerships:** Building strong relationships with stakeholders where collaboration fuels progress.



**Performance:** Strong performance is a natural outcome of a Company that prioritizes purpose, people, planet, and partnerships.

## Our Purpose

Unlocking the power of food to enhance quality of life for everyone, today and for generations to come



**Progress is a continuous journey of palpable possibilities that entails taking steady steps, being bold and ethical. Through courage and wisdom, through compassion and confidence through our quest for innovation, by making the right investments and responsible choices. The journey is not without its challenges, but needs to be navigated with resilience and integrity.**

**Every action, every decision is fueled by the desire to create positive change and leave a trail of positive impact, not just for our Company, but for employees, communities, shareholders, stakeholders and the environment, as the road before us unfolds and we walk the path of progress.**

# Chairman's message



*Your Company's total sales witnessed a double-digit growth as we navigated a dynamic market landscape.*

**Suresh Narayanan**

Chairman and Managing Director



Dear Members,

2023 was a year of paradox. Notable milestones were achieved, leaving an indelible mark on our collective memory. India surpassed China to become the world's most populous country, positioning India favourably and solidifying its trajectory towards becoming one of the foremost economies worldwide.

Tempered by a multitude of persistent challenges, such as the socio-economic ramifications of post-pandemic recovery and fluctuations in commodity prices, geopolitical tensions continued to simmer in various regions. The climate conundrum pursued its relentless march, demanding urgent action.

In contrast, India exhibited resilience, seamlessly blending elements of robust economic growth and a dynamic

consumption landscape. **The Goldman Sachs Research Global Outlook** ranked India among the top 13 major economies, granting us a unique opportunity to shape a promising future. It was a year of reflections, enabling us to script the framework for the road ahead.

### Growing together – today and tomorrow

Amidst a challenging external landscape, your Company remained committed to its growth path, guided by its heartbeat, encapsulated in the 5 P's - Purpose, People, Partnerships, Planet and Performance.

With a steadfast adherence to 'Make in India' your Company announced its tenth factory in Odisha, reaffirming the significance of India as a market. Strengthening this further, your Company is poised to invest approximately ₹ 7,500 crore between 2020 and 2025 to develop new capabilities and expand existing ones with a sharp focus on sustained growth and innovation.

Your Company was listed on the National Stock Exchange and recently split its shares in a 1:10 ratio to make them more affordable to shareholders. This move has been positively received by the retail shareholders, giving them an opportunity to be a part of the Company's value creation journey.

### Balancing growth and profitability consistently

The underlying fundamentals of your Company continue to be strong. Robust growth was sustained across all categories, with India becoming the largest Nestlé market globally for MAGGI and the second-largest market for KITKAT. Your Company's total sales witnessed double-digit growth as we navigated a dynamic market landscape.

The Out-of-Home business continued to accelerate rapidly and became one of the fastest-growing business of your Company in India. E-commerce sustained its upward trajectory, contributing 6.8% of sales. All key brands and product groups recorded consistent growth, despite escalating food inflation and volatile commodity prices, primarily in coffee and cocoa.

**112 years**

Nestlé's legacy in India

**6.8%**

Sales contributed by e-commerce

By combining the power of its brands, meticulous planning, astute implementation and outstanding execution, by a diverse team of employees, partners, suppliers, distributors and retailers, your Company delivered '**Performance with Pride**'.

### Investing in innovation as an engine for growth

Innovation is a core strength of your Company. This underscores its commitment to introduce new and exciting offerings tailored to the evolving consumer needs.

Over the past eight years, your Company recalibrated, redirected and rejuvenated its product portfolio, by launching over 140 new products. A significant portion of sales in 2023 was attributed to innovative products. This includes science-led nutrition solutions, millet-based products and plant-based protein options that cater to diverse dietary needs.

The market for plant-based products presents a significant opportunity for your Company. It offers relevant India-centric products that seamlessly integrate and resonate with the Indian palate, providing enhanced culinary experiences and nutritionally improved choices.

2023 was the International Year of Millets. Your Company launched a slew of millet-based products and was conferred with the '**Best Industry - Product Innovation for Mainstreaming Millets Award**'. A nation-wide

campaign on millet awareness was rolled out across print, out-of-home and digital platforms.

Amongst others, MAGGI Korean noodles was also launched, catering to the diverse consumer preferences.

### Embracing the power of analytics and digitalization

Your Company continued its journey to embrace digital and analytics. There are different facets to analytics, including direct-to-consumer (D2C) sales, automation, e-commerce and consumer insights. The initiative is to integrate and enhance the power of data, analytics, digital, commercial decision-making and the power of outcomes with the integration of Multi-Intelligence Data Analytics System (MIDAS) into business, for smarter decision-making.

### Expanding and accelerating RUrban thrust

Your Company remained steadfast on its RUrban journey by creating infrastructure, portfolio, feet on the ground and opportunities for penetrating new geographies. This resulted in a notable upswing in sales and expanded our direct coverage footprint, crossing the milestone of over 200,000 villages.

### Focusing on people, diversity, talent and generational shift

Fostering a positive organizational culture is vital for achieving excellent outcomes. A sense of belonging, where employees are fully seen and



*2023 was the International Year of Millets. Your Company launched a slew of millet-based products and was conferred with the 'Best Industry-Product Innovation for Mainstreaming Millets Award'.*

**140+**  
new products  
launched

**~14 million**  
beneficiaries\*  
societal interventions

\* direct and indirect beneficiaries



heard, necessitates a blend of empowerment, respect and dignity, which is intrinsic in bolstering diversity and articulating aspirations and ambitions of a heterogenous team.

Women are growing steadily in leadership in your Company and are part of succession plans. Their development plans are closely tracked and supported across all business units, factories, and branches in a quest for a more diverse, inclusive and equitable future. Inclusivity has extended to hiring differently abled individuals, with initiatives in Sanand and our Nestlé Business Services.

A diversified team encompasses vibrant streams of thought, fuels innovation and creativity. From the most remote corners of the country, to the youngest Gen Z employee, to people with different skills, have all collaborated to create a symphony of unison in bringing to the fore, 'Purpose and Values' in action.

### Enabling strong impact on communities

Strengthening its commitment to 'Being a Force for Good', your Company has touched the lives of approximately 14 million beneficiaries through societal interventions, in the areas of rural development, education, nutrition awareness, water and sanitation, environment and livelihood.

Your Company celebrated five years of Project Hilldaari towards developing resilient models for waste management across seven tourist destinations, diverting waste from landfills, professionalizing waste workers, digitalizing systems to streamline waste management and inspiring behavioural change.

### Strengthening the sustainability journey

Your Company has made strong strides in environmental sustainability by following a clear roadmap to address climate concerns across its value chain, increasing investments and regularly assessing the progress of environmental goals. Our eight factories are now entirely coal-free. The pace of installing anaerobic biodigesters in dairy farms has been accelerated to reduce methane emissions and provide renewable energy to farming households.



*Your Company remained steadfast on its RUrban journey by creating infrastructure, portfolio, feet on the ground, and opportunities for penetrating new geographies.*

### Carving our path to progress

As the road before us unfolds, and we chart out our path to progress, we continue to commit to holistic and responsible business practices by aligning corporate goals with societal and environmental concerns, creating a shared value and making sure that business is a 'Force for Good'.

Ours is a story not of swashbuckling success, but of disciplined interventions, of doing the right thing, of making meaningful contributions and of showing our mettle as we navigate transient clouds. It is a story of integrity, dedication, and diligence that nourishes the roots and translates into positive impact.

In all our efforts the role of visible leadership starting with our Board of Directors is apparent. Leadership changes are a part of our journey and I would like to welcome Ms. Suneeta Reddy and Mr. Sidharth Kumar Birla as Independent Non-Executive Directors of the Company and thank the outgoing Directors, Dr. Swati A. Piramal and Mr. R.V. Kanoria for their immense contributions as our long serving Board members.

I would like to thank our employees, partners, suppliers, distributors and retailers for their unwavering faith, wholehearted support and for being the wind beneath our wings. I conclude by extending our gratitude to our shareholders, for their continued trust and confidence in the strategy, direction, results and resolve of the Company.

**Suresh Narayanan**

Chairman and Managing Director

# Nestlé's India story



A legacy of  
**112 years**  
of safety, quality



**423,000+**  
Shareholders



**~14 million**  
beneficiaries\*  
Societal interventions



**8,900+**  
Employees



**5.2 million**  
Total outlet reach



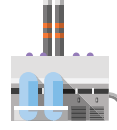
**10,000+**  
Distributors & redistributors



India  
**one of the  
fastest**  
growing markets for Nestlé  
globally



**108.5%**  
Return on net worth



**9** Factories  
**10<sup>th</sup>** factory is being set  
up in Odisha

\* direct and indirect beneficiaries



# Brand footprint in India

Serving families. Touching lives.



**6** billion+  
serves



**15** billion+  
cups



**4,200** million  
fingers



**2,700** million  
units



**38** million  
tins

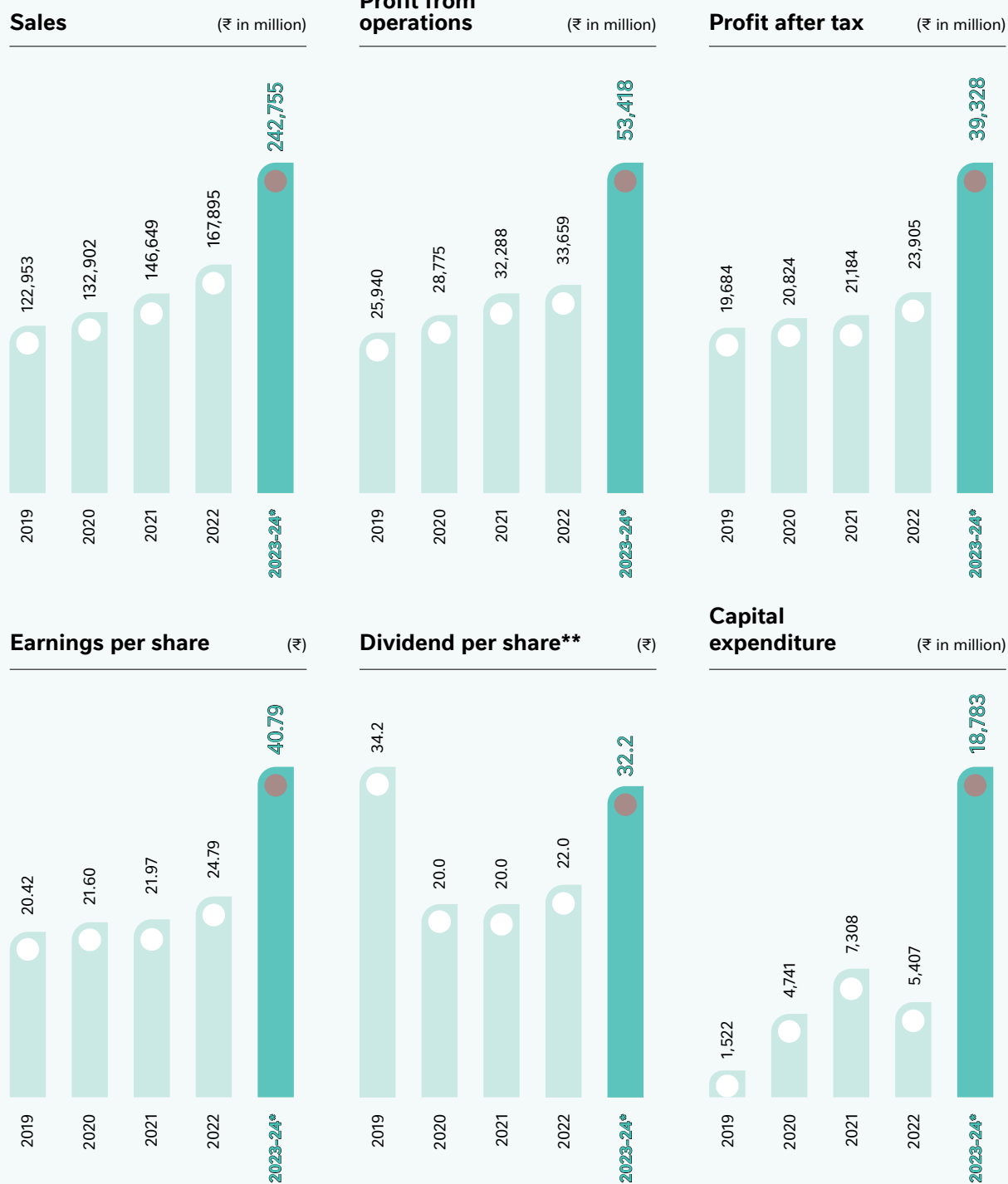


**830+**  
One Nestlé Kiosks

figures for the fifteen months financial year ended 31<sup>st</sup> March 2024

# Nestlé India in numbers

## Constant financial growth over the years



\*Financial Year 2023-24 comprises of 15 months period from 1 January 2023 to 31 March 2024 and hence the figures are not comparable with the previous financial years which were for 12 months.

\*\*On and from the Record Date of 5<sup>th</sup> January 2024, the equity shares of the Company have been sub-divided, such that 1 (one) equity share having face value of ₹10/- (Rupees ten only) each, fully paid-up, stands sub-divided into 10 (ten) equity shares having face value of ₹1/- (Rupee one only) each, fully paid-up, ranking pari-passu in all respects. The dividend per share for the prior periods have been restated considering the face value of ₹1/- each

# 10 - year financial highlights

₹ in million (except otherwise stated)

	2023-24	2022	2021	2020	2019	2018	2017	2016	2015*	2014
<b>Results</b>										
Sales	242,755	167,895	146,649	132,902	122,953	112,162	101,351	94,096	81,233	98,063
Profit from Operations	53,418	33,659	32,288	28,775	25,940	23,509	18,305	16,542	13,338	17,926
as % of Sales	22.0	20.0	22.0	21.7	21.1	21.0	18.1	17.6	16.4	18.3
Profit after Tax	39,328	23,905	21,184	20,824	19,684	16,069	12,252	10,014	5,633	11,847
as % of Sales	16.2	14.2	14.4	15.7	16.0	14.3	12.1	10.6	6.9	12.1
<b>Balance Sheet and Cash flow statement</b>										
Shareholders Fund	33,409	24,592	19,464	20,193	19,189	36,737	34,206	32,823	28,178	28,372
Return on Average Equity (%)^	108.5	108.5	111.0	105.8	70.4	45.3	36.6	32.8	19.9	45.5
Operating Cash Flow	41,748	27,374	22,360	24,545	22,953	20,525	18,178	14,659	10,981	16,440
as % of Sales	17.2	16.3	15.2	18.5	18.7	18.3	17.9	15.6	13.5	16.8
Capital Expenditure	18,783	5,407	7,308	4,741	1,522	1,628	1,959	1,133	1,493	4,044
as % of Sales	7.7	3.2	5.0	3.6	1.2	1.5	1.9	1.2	1.8	4.1
<b>Data per Share @</b>										
Earnings per share (₹)	40.79	24.79	21.97	21.60	20.42	16.67	12.71	10.39	5.84	12.29
Dividend per share (₹)	32.2	22.0	20.0	20.0	34.2#	11.5	8.6	6.3	4.8	6.3
<b>Others</b>										
Market capitalisation	2,528,358	1,890,327	1,899,925	1,773,312	1,425,983	1,070,913	756,381	581,367	561,535	615,113
Number of employees	8,912	8,069	7,910	7,747	7,649	7,604	7,527	7,588	7,495	7,228

Figures from 2016 onwards are as per Ind AS. Effective 1 July 2017, Sales are not comparable due to change in structure of Indirect taxes.

\* Impacted by MAGGI Noodles issue.

# In 2019, special interim dividend of ₹180 per share was paid out of accumulated profits of previous years.

^ Financial Year 2023-24 comprises of 15 months period from 1 January 2023 to 31 March 2024 and hence the figures are not comparable with the previous financial years which were for 12 months.

@ During the period under review, 1 (one) equity share having face value of ₹10.00 (Rupees Ten only) fully paid-up, was sub-divided into 10 (ten) equity shares having face value of ₹1.00 (Rupees One only) each, fully paid-up.

## Key financial ratios

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the key financial ratios are given below:

Particulars	2023-24	2022
Operating Profit Margin (%) (Profit From Operations / Sale of Products)	22.0	20.0
Net Profit Margin (%) (Profit After Tax / Sale of Products)	16.2	14.2
Return on Net Worth (%) (Profit After Tax / Average Equity)	108.5	108.5
Current Ratio (Current Assets / Current liabilities)	0.9	1.1
Inventory Turnover Ratio (Sale of Products / Average Inventories)	9.7	9.5
Debtors Turnover Ratio (Sale of Products / Average Trade Receivables)	78.9	93.8

### Note:

- Interest Coverage Ratio and Debt Equity Ratio are not relevant for the Company as it has negligible debt.

# Sales

## RUrban

Your Company accelerated its growth journey in RUrban markets, supplemented by strong growth momentum in metro and mega cities. RUrban focus was enhanced by investing in robust distribution channels for efficient product delivery. Your Company launched products specifically tailored to the needs and preferences of RUrban consumers and leveraged technology to optimize sales force routes, enhancing productivity and coverage in RUrban areas. Implementing strategies to ensure prominent product placement and high-attention activities (HAAT) within stores and driving sales enabled your Company to meet its ambitious goal of reaching 200,000 villages.

The 'Retailer Self-Ordering Application' – NesMitra – emerged as a game-changer in RUrban markets. This mobile application enables retailers to conveniently place orders, boosting engagement and overcoming challenges associated with difficult-to-access rural locations. NesMitra has a rapidly growing user base, of over 10,000 active users. It serves as a valuable complementary route-to-market solution, streamlining

processes. NesMitra's success has been recognized within the Nestlé global network as a model for driving operational efficiency and speed.

Your Company also engaged with women from rural areas under Project Swabhimaan to foster entrepreneurial skills by upskilling and training them. This initiative was first launched in Uttar Pradesh and has now scaled up to 25 states, engaging with over 1,900 women entrepreneurs.

## E-commerce

Your Company's e-commerce business continued to accelerate with significant growth in quick commerce along with click & mortar, driven by brands such as KITKAT, MAGGI Noodles and others. E-commerce business contributed 6.8% to sales in the fifteen months financial year ended 31<sup>st</sup> March 2024.

Targeted demand-generation initiatives across key platforms based on portfolio relevance and shopper needs, combined with new product launches were implemented.

Quick commerce growth was aided by new user acquisition

initiatives through targeted digital communication across various touchpoints.

## Direct-to-consumer

Your Company's direct-to-consumer (D2C) e-commerce platform – www.mynestle.in is operational in Delhi-NCR and Bangalore. Launched with the aim of providing customers with curated product bundles and a range of services, including gourmet recipes, personalised gifting, and subscriptions, the platform also offers free nutrition counseling. Since its launch, MyNestle.in has witnessed a steady increase in both website visitors and transactions, demonstrating a positive response from consumers. This growth highlights the platform's success in meeting the evolving needs and preferences of today's online shoppers.

## Organized trade

The channel saw broad-based growth across product groups. Retail delivered double-digit growth driven by store expansion, shopper-centric promotion, participation in customer thematic properties, and merchandising initiatives.

*"We continue to work towards strengthening our distribution network, especially in RUrban markets. Our network has enabled us to reach consumers even in the most remote corners of the country."*



**Sushrut Nallulwar**  
Head - Sales



Attributed to Mint newspaper

# Exports



Your Company's export business delivered good growth.

Prepared dishes and cooking aids, led by the iconic MAGGI Noodles and Sauces, witnessed an increased demand in key markets such as Canada, the United States of America, Australia, New Zealand, and Singapore. MAGGI Noodles also expanded its footprint to newer markets such as Thailand and the Caribbean Islands, demonstrating the brand's global appeal with the Indian diaspora.

NESCAFÉ was a key contributor to growth in exports. NESCAFÉ SUNRISE continued to gain traction in established markets such as Singapore and Taiwan, and achieved a significant milestone with its first ever export to Canada. Additionally, NESCAFÉ Intenso roasted beans forayed into new markets in Maldives and Sri Lanka.

Your Company pursued alternative route to market through third-party business partners to ensure greater agility and efficacy in operations. This expedited delivery and enhanced operational efficiency.

*"International expansion is much more than just about making our portfolio present in the global market; it is about ensuring consumer delight. Our brands are the bridge, fostering trust and delivering value to consumers wherever they are, as we build greater agility and efficiency by pursuing alternative route to market."*



**Arpindarjit Chadha**

Head - Exports



# Product portfolio

Strong growth across product groups



Milk Products and Nutrition

40.7%

Contribution to total sales

Prepared Dishes and Cooking Aids



30.4%

Contribution to total sales



Confectionery



16.5%

Contribution to total sales

Powdered and Liquid Beverages



12.4%

Contribution to total sales

Out-of-Home



One of the fastest-growing business of your Company in India

# Nutrition in a nutshell



# Milk Products and Nutrition



The Milk Products and Nutrition business registered strong growth, despite fluctuations in commodity prices, which were addressed through cost optimization and value chain efficiencies. The performance of Milk Products and Nutrition business was further bolstered by e-commerce.

**40.7%**

## Contribution to total sales

The Ready-To-Drink (RTD) portfolio saw strong growth in both in-home and out-of-home channels. The 'Thoda Aur Macha' campaign celebrating Gen Z heroes, contributed to NESCAFÉ RTD's increased visibility.

Nestlé a+ Masala Millet, made with bajra and barley, was launched in Delhi-NCR and Mumbai and subsequently expanded to other cities across key geographies. MILO for teenagers was introduced in Tamil Nadu, Andhra Pradesh, Telangana, and Kerala.





MILKMAID's engagement on digital platforms increased, and the website, [milkmaid.in](https://milkmaid.in), achieved a remarkable milestone by attracting over 7.2 million visits, demonstrating the growing demand for homemade desserts in India.

**38 million**  
tins of MILKMAID sold

*"We have delivered our highest growth in the past nine years aided by strong growth of the core portfolio and relevant innovations. Our ongoing work with dairy farmers has helped us yield a positive impact on the environment and given us a significant competitive advantage."*



**Gopichandar Jagatheesan**  
Head - Dairy

Your Company believes that breastmilk provides the best nutrition for babies and every child should be exclusively breastfed for six months, followed by the introduction of age-appropriate complementary feeding and continued breastfeeding until two years and beyond.

*"We are invested in bringing science-backed innovations to our portfolio and unlocking healthier and happier lives for all, through the power of Nutrition."*



**Vineet Singh**  
Head - Nutrition



Your Company is committed to providing high-quality, innovative, science-based nutrition while expanding the reach of its toddler range of products. In line with its commitment to deliver 'Good Food, Good Life', your Company launched GERBER Multigrain Puffs for toddlers, which are crafted with a blend of oats, wheat, and rice. These are fortified with immuno-nutrients and are a source of fiber. Taking a step towards a more sustainable future, GERBER benches made from recycled plastic waste were installed in parks.

# Enriching lives through nutrition



# Nestlé Health Science



The Health Science business consisting of a portfolio of science-based medical and consumer healthcare nutrition products, launched three innovations, customised to improve health and quality of life.

Thicken Up Clear was launched for patients with dysphagia. It has been clinically proven to improve swallowing safety and efficacy. The product was scientifically designed and manufactured by leveraging a unique technology at Osthofen in Germany, exclusively for Nestlé Health Science.

Resource Fiber Choice, a unique and effective gut health solution, that has proven to help relieve constipation and improve gut health was introduced in the Indian market. Resource Fiber Choice was recognized as the 'Best Health & Wellness Product of the Year' at the prestigious CIMS Medical Nutrition & Wellness Awards, 2023.

The core brand PEPTAMEN, for patients in critical care, continued to experience accelerated growth momentum.

Recognizing the unique needs of active millennials in India, your Company launched Resource Activ. Its new edge formula has high-quality protein, calcium and vitamin D, and hyaluronate (hyaluronic acid) for healthy skin.

Nestlé India and Dr. Reddy's Laboratories Limited entered into a definitive agreement to form a joint venture (JV) to bring innovative nutraceutical brands to consumers in India and other agreed territories. The JV Company is expected to become operational in Q2 of FY 2024-25.

The partnership will bring together the global range of nutritional health solutions as well as vitamin, minerals, herbals and supplements of Nestlé Health Science with the strong and established commercial strengths of Dr. Reddy's in India.

*"Nestlé Health Science is focused on advancing the role of nutrition to change the course of health management for consumers, patients, doctors, nurses and their partners in healthcare.*

*We believe in strengthening the portfolio by launching category-first innovations, with the purpose of empowering healthier lives."*



**Mansi Khanna**  
Head - Nestlé Health Science

# Wholesome goodness in every serve





# Prepared Dishes and Cooking Aids

The Prepared Dishes and Cooking Aids business recorded a strong growth momentum. This was aided by a balance of product mix, pricing and volume growth in MAGGI Noodles and MAGGI Masala-ae-Magic, supported by strong consumer engagement and market presence with media campaigns and attractive consumer activations.

Exciting new products like MAGGI Oats Noodles with Millet Magic were launched to cater to the growing consumer demand for taste and balance. The introduction of MAGGI Korean Noodles in Veg and Chicken barbeque flavours resonated well with consumers.

Recognizing the unique needs of rural consumers, your Company launched MAGGI Teekha Masala and MAGGI Chatpata Masala noodle variants at an affordable price of ₹ 10. Your Company also introduced MAGGI Pasta Masala, a seasoning to prepare pasta at home.

In a first, the 'Swad Ke Saath, Quality Ka Bhi Bharosa Pao. Khao Toh MAGGI Noodles Khao' campaign featured real consumer voices from rural India to raise awareness about fake Maggi products circulated in the market, ensuring consumer protection and brand trust.

Your Company worked on renewing the recipe for MAGGI Tomato Ketchup and it now has 22% less sugar.



Launched on the World Environment Day, the 'Yellow + Blue = Green' campaign educated consumers on the proper disposal of plastic packaging, emphasizing the importance of recycling. By encouraging responsible waste segregation (yellow for plastic, blue for dry waste), MAGGI empowered consumers to contribute to a greener future.

In a first-of-its-kind move for the brand, MAGGI introduced

compostable forks in its cuppa noodles. This initiative reduces plastic waste generated by single-use utensils, demonstrating MAGGI's commitment to sustainable packaging solutions.

The focus on consumer delight, strong execution, and commitment to sustainability contributed to the sale of over six billion servings of MAGGI during the year, making India the largest Nestlé market for MAGGI worldwide.



**6 billion+**

servings of MAGGI sold

*"Our consistent efforts to strengthen brand trust and accelerate the pace of innovation has garnered immense consumer love and made India the largest Nestlé market worldwide for MAGGI."*



**Rajat Jain**  
Head - Foods

**30.4%**

Contribution to total sales

# Beginning every day on a good note



# Breakfast Cereals



Your Company's Breakfast Cereals portfolio which is a part of Prepared Dishes and Cooking Aids business continued to drive penetration with a focus on innovation and exciting new offerings. It unveiled two distinct cereals that were designed to cater to a broader array of breakfast preferences.

*"Our portfolio includes two new and delightful options, enabling consumers to set the tone for their day."*



**Varun Sethuraman**  
Head - Cereals

KOKO KRUNCH incorporated local grains like Jowar, blending the delightful chocolatey taste of KOKO KRUNCH with the added benefits of millets.

For those seeking a more indulgent breakfast option, MUNCH Breakfast Cereals is a perfect solution. Crafted with a blend of whole grain wheat flour, rice, and corn, this cereal offers a satisfying crunch and a delicious way to start the day.



# Unlocking the power of nutrition for pets



# Pet Care

The Pet care portfolio which is a part of Prepared Dishes and Cooking Aids business continued to demonstrate its unwavering commitment to enriching the lives of pets. Innovative new products coupled with a strong focus on e-commerce, enabled the portfolio to reach more pet families.



The portfolio offers a comprehensive array of options catering to both canine and feline companions. For dogs, brands such as Purina Supercoat and Purina Pro Plan offer complete and balanced dry dog food, made with high quality ingredients and no added artificial colours or flavours.

Catering to our feline friends, Purina Friskies continued to be a popular dry food choice, while the newly launched Purina Felix wet food offered a delectable balance of taste and essential nutrients.

Purina Felix has captured the hearts and taste buds of cats with its unique and patented grill technology. This innovative

approach delivers a taste that cats crave, while offering pet parents a convenient wet food option. The positive feedback was instrumental in driving trial purchases, paving the way to build a loyal feline following.

Recognising the ever-evolving needs of pet owners, your Company expanded the reach of the portfolio through e-commerce channels. This was proven highly successful, making it easier for pet parents to access the food their furry companions love, conveniently delivered right to their doorsteps.

*"The consumer response for Purina Felix, our wet food has been extremely heartening and encouraging. We will continue to work with great passion and commitment for pets and the people who love them."*



**Pallavi Anand**  
Head - Pet Food

# Creating joy with every bite



# Confectionery



Confectionery remains one of the main drivers of growth for your Company.

The growth was fueled by the launch of new products, increased media exposure, a more extensive and expanding distribution network, and innovative brand activations which were all instrumental in the portfolio's success.

KITKAT emerged as the star performer, by not only delivering strong growth but making Nestlé India the second largest market for the brand globally.



**16.5%**

Contribution to total sales

This success can be attributed to innovative launches like KITKAT Butterscotch and a premium range with Dark, Rich, and Caramel options.

MUNCH also performed well in different regions through innovations such as MUNCH Max Brownie and MUNCH Fruity to the existing range. Other new launches across the portfolio included MILKYBAR caramel, and POLO watermelon. These launches were supported by targeted advertising, digital and on-ground initiatives.

Beyond product innovation, creative marketing campaigns played a crucial role. KITKAT's 'Fingers Crossed for the Win' campaign resonated with audiences during the 2023 Cricket World Cup, while MUNCH leveraged the IPL season with its 'Play in the Gully and Meet Your Favorite Stars' initiative. This interactive campaign not only boosted brand awareness but also generated excitement by offering fans a unique opportunity to meet their cricket heroes.

These campaigns, along with influencer partnerships and a focus on video platforms, significantly

enhanced brand visibility and consumer engagement.

Your Company continued to demonstrate its commitment to sustainability. Two years ago the entire confectionery portfolio transitioned into recyclable packaging (Design for recycling - D4R) and remains dedicated to using recyclable packaging. In another initiative, KITKAT benches from recycled plastic, were placed in colleges across the country.

**4,200 million**

KITKAT fingers sold

*"We are on an exciting journey in the category, buoyed by improving brand love, better reach of our brands and category-first innovations and activations. Keeping the consumer at the centre should continue to help strengthen our position in the market."*



**Rupali Rattan**  
Head - Confectionery

# Brewing goodness in every sip





# Powdered and Liquid Beverages



The Powdered and Liquid Beverages business recorded robust performance by staying focused on recruitment and creating more occasions for coffee consumption.

The in-home portfolio of NESCAFÉ, comprising NESCAFÉ Classic, NESCAFÉ Sunrise, and NESCAFÉ GOLD, delivered strong double-digit growth. This resulted in the highest-ever yearly increase in household penetration and market share during the period under review, further strengthening NESCAFÉ's market leadership. NESCAFÉ has introduced its coffee to over 30 million Indian households in the past seven years.

NESCAFÉ Classic led category recruitment with the highest penetration gains in a year by driving relevance through core thematic campaigns and expanding its availability. The brand increased consumption occasions with

a focus on cold coffee during summer and monsoon. NESCAFÉ continued its innovation journey with the launch of NESCAFÉ ALL IN 1 FRAPPE, which provides consumers a convenient way of making cold coffee.

NESCAFÉ GOLD delivered strong growth. It catered to the growing demand for premium coffee experiences. This growth underscores the brand's commitment to delivering a superior coffee experience that resonates with consumers. NESCAFÉ Sunrise emerged as one of the top 10 brands for Nestlé India, leading to significant market share gains in the coffee business in the south region. A captivating new thematic campaign, launched across TV and digital platforms, further strengthened brand awareness with consumers in South India.

Unprecedented green coffee price inflation was mitigated through proactive strategies that improved efficiency across the entire value chain.

Your Company continued to work closely with coffee farmers in Karnataka, Tamil Nadu, and Kerala through the NESCAFÉ Plan, towards developing good agricultural practices, sustainable management of landscapes, and enhancing biodiversity in coffee farms.

**12.4%**

**Contribution to total sales**

*"NESCAFÉ is on an exciting journey in India bringing new coffee experiences that cater to the diverse tastes and evolving lifestyles of our consumers. The brand is poised to further strengthen its position as a leader in the Indian coffee market, driving both consumer delight and making a sustainable impact on the community and the planet."*



**Sunayan Mitra**

Head - Coffee & Beverages

**15 billion+**

**Cups of coffee sold**

# Innovating for customer delight



# Out-of-Home



*"At Nestlé Professional, our vision is to be a trusted partner of choice, by providing category expertise and innovative and efficient solutions that help our customers win. Our great results are an outcome of the relentless focus to transform and premiumize our core, build new pillars for the future and leverage a one brand consumer journey to drive consumption occasions out-of-home."*



**Saurabh Makhija**  
Head - Nestlé Professional

The Out-of-Home business reported strong growth, propelled by portfolio transformation and premiumization, channel prioritization and new customer acquisition.

This business continued to accelerate rapidly by focusing on relevant innovations and robust penetration in emerging channels. Geographical expansion beyond metros into tier-1 towns, tapping tourist hot spots and focusing on new geographical clusters also contributed to growth.

The Out-of-Home business was one of the fastest growing business of your Company in India during the period under review.

It collaborated with McDonald's India (West and South), PVR-INOX, and Krispy Kreme to co-create a menu using KITKAT and NESCAFÉ. Your Company partnered with SOCIAL and BOSS Burger outlets to test launch the MAGGI Professional plant-based range. This range has been especially developed for chefs to cater to the Indian taste palate. The launch of the plant-based range is a part of your Company's commitment to offer more food choices to consumers.

Your Company continues to make rapid strides in both the food and

beverages portfolios in the Out-of-Home space aided by penetration and premiumization.

The rapidly growing base of NESCAFÉ machines, backed by cutting-edge solutions catered to a wide spectrum of consumer preferences by offering both hot and cold beverages across offices, educational institutes, and healthcare facilities.

Food solutions such as MAGGI Coconut Milk Powder continued to accelerate rapidly across HORECA

segments with applications in Thai and Coastal cuisines.

Your Company's 'Retail ONE' initiative fostered entrepreneurship by setting up over 830 branded kiosks such as NESCAFÉ Corners, MAGGI Hotspots, KITKAT Break Zones in educational institutes, hospital food zones, malls and airports. These kiosks are operator funded, and created employment opportunities for more than 1,600 people. Approximately 30% of the food handlers in the kiosks are women.



# Our mantras for the future

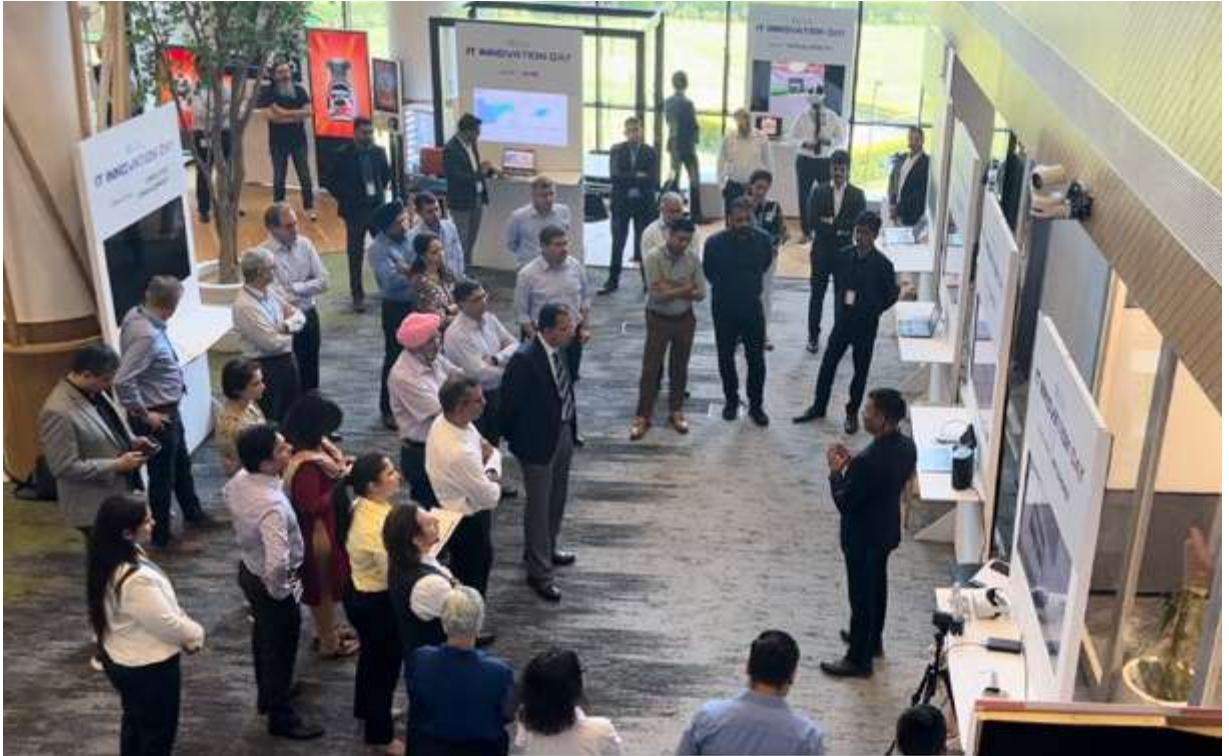


Be a force for good

PUSH

#BeAForceForGood by improving our energy efficiency, reducing logistics load and encouraging sustainability.

# IT integration



## Turning ideas into action

Your Company embraced digital innovation as an integral aspect of its operations, with a dedicated Innovation Day to showcase leading-edge technological innovations to employees. Approximately 57% of the ideas presented on Innovation Day, were prototyped and many were scaled up by your Company.

## Robust data and actionable insights

Multi-Intelligence Data Analytics System (MIDAS), is an enterprise-wide platform and a proprietary of your Company. It collects and analyses data, both internal and external to the enterprise, empowering sales, supply chain, and marketing teams with valuable insights. It contributed to about half a percent of your Company's growth through improved forecasting and enabling quick, granular, decentralized

and robust decisions across the operating canvas. MIDAS fueled the development of innovative, business-focused solutions. The success of MIDAS in India has led to its replication across six other Nestlé markets - Vietnam, Philippines, MENA, Oceania, Indonesia and Japan showcasing its effectiveness in driving growth.

## Upskilling through VR

The introduction of cutting-edge technology such as Virtual Reality (VR) has been leveraged by your Company to create immersive training experiences for the distribution centre workforce.

## Best-in-class security shield for data protection and digital assets

Digital security is a top priority. Your Company ensures all employees are upskilled to create a safe and resilient organization.

*"We have established a digital infrastructure that empowers seamless operations with AI and Digital Innovation at its core. Our Digital transformation is centered around the consumer and driven by four key pillars: an interconnected data foundation, digitally empowered employees, frictionless digital experiences across the value chain and a secure cyber environment."*



**Krishna Guha Roy**  
Head - IS/IT and Nestlé  
Business Excellence



### AI transforming RUrban sales through NesMitra

Creating a frictionless experience for the stakeholders is essential for businesses to thrive in today's digital age. A significant step in this direction is the customer self-servicing application, NesMitra. It is an AI-powered eB2B platform for RUrban markets that is more effective in driving sales than standalone applications.

### Digitized value stream

#### Digitized and AI powered value stream

Your Company has undergone a transformative digitalization journey across its entire value chain. This initiative is aimed at creating a more connected and efficient ecosystem.

#### Sanand leads the way

Your Company's Sanand factory serves as a shining example, operating as a completely digitized and paperless facility.

### Sustainable deliveries

AI has played a pivotal role in optimizing transport routing processes. This data-driven approach has also led to reduction in carbon emissions, demonstrating your Company's commitment to environmental sustainability.

By leveraging AI, Your Company makes informed decisions about transportation routes, ensuring efficient and environmentally responsible logistics.

### Engagement platforms powered by Cloud & AI

The consumer websites have seen a surge in traffic because of features such as recipes, meal plans, and personalized nutrition assistance. Tools like growth trackers, meal planners, and food diaries further enhanced engagement and empowered consumers to make informed dietary choices.

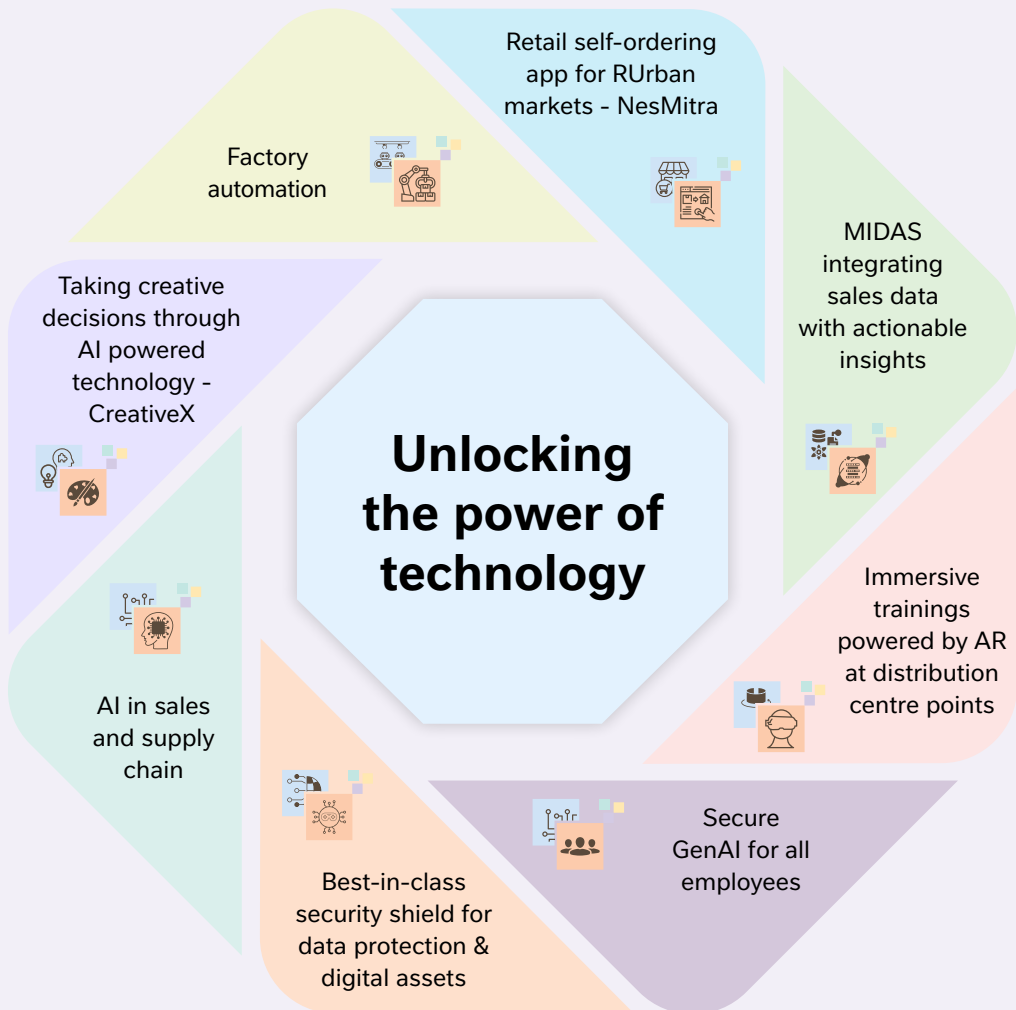
Your Company, prioritizes real-time, personalized communication with consumers. Brand websites were designed to enable connections through WhatsApp with the

support of bots like the MAGGI Bot, Nutrition Bot, and AskNestle bot that provided personalized guidance to consumer queries.

Recognizing the importance of exceptional customer service, your Company introduced AI-powered chatbots. These intelligent assistants provide ease and convenience for day-to-day customer interactions at scale, ensuring prompt and efficient support.

### Secure AI empowering employees

By adopting a culture of innovation, collaboration, and continuous learning, as well as offering training and support, your Company encouraged employees to embrace cutting-edge digital technologies. It leveraged GenAI to launch Nestlé's version of ChatGPT – NesGPT, powered by the same technology that provides a secure, private, and compliant environment for all Nestlé employees to use.

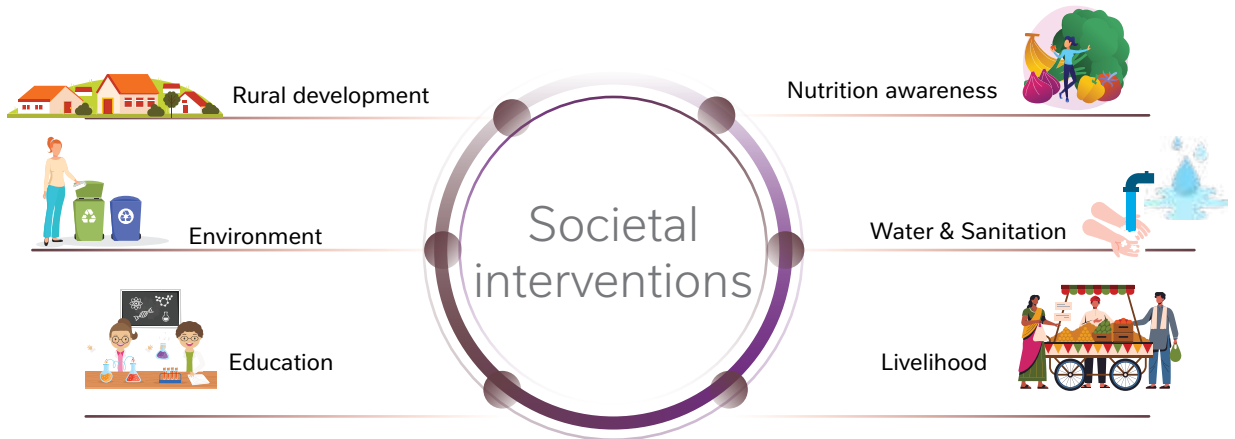


# Bringing purpose to life





# Corporate social responsibility



**~14 million**

Lives positively impacted\*

## Empowering communities, improving lives

### Project Jagriti

Project Jagriti was launched in 2014 in partnership with Mamta Health Institute for Mother and Child as a part of Nestlé India's commitment to provide education programmes for good nutrition and feeding practices. The project promotes optimal health outcomes across India and has reached over 12.7 million beneficiaries during the period under

review. This includes both direct beneficiaries and those indirectly impacted by its outreach efforts. Project Jagriti operates in eight states and union territories, making a significant contribution to health, hygiene and nutrition.

Project Jagriti's 'Life Course Approach' emphasizes on health

and hygiene education across different key stages of life. The initiative further emphasizes the importance of proper nutrition throughout life, the benefits of prenatal and postnatal care, and the significance of exclusive breastfeeding and family planning.



\*direct and indirect beneficiaries as on 31<sup>st</sup> March 2024

## Empowering adolescents for a healthier future

### Nestlé Healthy Kids Programme

The Nestlé Healthy Kids Programme is a long-standing initiative dedicated to promoting healthy lifestyles amongst adolescents and parents across India. Launched as a pilot programme in 2009, it has grown significantly, reaching over 600,000 adolescents and 56,000 parents in 26 states and union territories.

The programme equips adolescents with the knowledge and skills to make informed choices about healthy eating and active living. It demonstrates the significance of physical activity as a key component of a healthy lifestyle, promotes responsible plastic waste management practices and encourages parents to support their children in adopting healthy habits.



## Igniting young minds with experiential learning

### Project Jigyasa a part of Nestlé Healthy Kids Programme

Education is a powerful tool to bring about a positive in society. In collaboration with Agastya International Foundation, Project Jigyasa was launched in 2022 with the objective of spreading science education. As part of this initiative, science labs and libraries have been set up in 20 schools of Goa, Haryana and Himachal Pradesh. The students have benefitted from the project as it continues to increase access to practical, hands-on science education through an innovative, holistic and experiential model.



## Building a brighter future in rural areas

### Project Vriddhi

The project was launched in collaboration with SM Sehgal Foundation in 2019 with the vision of strengthening community-led development in rural areas. During the period under review, the project expanded to include nine more villages, bringing the total to 14 and impacting around 18,000 beneficiaries.

Project Vriddhi has made a significant impact by improving access to clean drinking water, promoting water-saving irrigation practices, raising nutrition awareness, enhancing farm productivity, setting up a digital learning center and providing a better learning environment. The transformation journey of these villages has witnessed a multiplier effect on several development indicators and has empowered local communities to drive their own progress.



*"Project Vriddhi has brought about a holistic and positive change through village infrastructure development such as imparting knowledge on agricultural techniques, aiding digital literacy, encouraging water conservation and pond rejuvenation. This has had a significant impact on the local community and has encouraged us to take ownership in the growth of the villages."*

**Rekha Rani,**  
Former Sarpanch of Naharpur, Haryana

## A recipe for success: strengthening street food safety

### Project Serve Safe Food

Project Serve Safe Food, was launched in 2016, in partnership with National Association of Street Vendors of India (NASVI) and local food safety authorities. It brings together various stakeholders to create a comprehensive training programme and demonstrates

the power of collaboration in addressing food safety concerns.

The project trains street food vendors on food safety and hygiene, proper food handling techniques to prevent contamination from purchase to

preparation, as well as waste disposal and digital payments. Around 68,500 street food vendors were trained in safe food handling practices across 26 states and 4 union territories.



*"The training programmes have upskilled us in safe food handling, and helped us feel more confident when preparing food."*

**Merajul Islam**  
A street food vendor from Nagaland

## Clean environment: emphasis on waste management

### Project Hilldaari

In partnership with PLAN Foundation, Stree Mukti Sangathana and technical partner, Recity India Pvt. Ltd. project Hilldaari has successfully developed inclusive and resilient models for waste management in select tourist destinations of India in the last five years.

Project Hilldaari has diverted approximately 15,700 MT of waste

from landfill through source segregation in seven cities. About 84% of source segregation has been achieved across 69,700 residential and commercial waste collection points during the period under review.

Project Hilldaari invokes a sense of solidarity and collective spirit among citizens. The initiative has professionalized over 1,100

waste workers through a multi-collaborative approach with municipal councils, associations, citizens, contractors, and influencers. Waste workers have also been trained to become a part of behaviour change interventions. The project has also provided them with occupational IDs, benefits such as health insurance and protective gear necessary for their work.



## Wash away worries: clean water and sanitation facilities

### Water and Sanitation

Since 1999, your Company has constructed 300 clean drinking water facilities in schools. These facilities ensure students have access to clean and safe drinking water. During the period under review, over 1,000 schools have been equipped with modern, easily maintained sanitation facilities. Around 320,000 girl students have benefitted from access to clean toilets, fostering a more dignified learning experience and potentially reducing absenteeism due to lack of proper facilities.

*"We strive to create a positive impact on the society by leveraging our expertise and resources. We remain committed to being a force for good by investing in initiatives around nutrition awareness, rural development, water and sanitation, environment, livelihood, and education."*



**Sanjay Khajuria**  
Head – Corporate Affairs & Sustainability

### Disaster management

Your Company extended support to vulnerable communities during natural calamities.

## Impact mapped to Sustainable Development Goals

### Nestlé Healthy Kids Programme and Project Jigyasa



### Project Jagriti



### Project Serve Safe Food



### Water and Sanitation

#### Water:



#### Sanitation:



### Project Vriddhi



### Project Hilldaari



# Where people make the difference



# People



## Elevating the onboarding experience

Your Company enhanced the onboarding experience for new employees with an objective to prioritize employee well-being. To achieve this, a comprehensive 'people experience framework' was developed. This framework equips new hires with the necessary information, support, and guidance to seamlessly transition into their roles. Positive scores on the onboarding programme have increased by 20%, with new employees expressing their appreciation for the programme's structure and the level of support provided.

## Building an inclusive future

In pursuit of fostering Diversity, Equity and Inclusion (DE&I), your Company welcomed 27 people with disabilities,

23 of whom joined the production lines at the Sanand factory during the period under review.

This expansion strengthens the workforce and promotes a more inclusive team. Your Company organized sensitization sessions and some employees have gone the extra mile by volunteering to learn sign language, fostering better communication and building stronger connections. Safety and accessibility standards were worked upon to support new joinees with disabilities.

Your Company has also made steady progress towards an inclusive workplace for LGBT+ employees. Healthcare benefits now include same-sex partner insurance, sensitization sessions and initiatives like 'Awareness Builds Consciousness' have fostered a more supportive work environment.

*"The last 28 years with Nestlé India has been a journey of immense pride for me and my family. Being in sales has given me the opportunity to meet an array of people—from fellow sales professionals to colleagues in various departments, distributors, redistributors, wholesalers, and retailers. The respect we receive in the market is humbling, a testament to the high equity and trust our consumers and customers place in our brands and products."*



Vivek Pradhan  
Nestlé India, Gurugram

## Encouraging gender diversity

Your Company has one of the highest representation of women in FMCG field sales force. It has created a work environment where women can thrive and reach their full potential. This commitment has resulted in a 2.5% jump in the number of women holding managerial positions compared to the previous year.

50% of the Board of Directors constitute women, demonstrating your Company's commitment to diversity at all levels of leadership.

**50%**

**of the Board of Directors are women**

## Nurturing young talent - Nesternship

Your Company has demonstrated a continued commitment to investing in the growth and development of young talent through its Nesternship programme. Over a period of 4 years, this programme has already provided exposure to approximately 1,400 interns on relevant projects, thereby enhancing their capabilities and skills. Moreover, your Company has benefitted from their fresh

*"I have been working at Nestlé India's Samalkha factory for over 16 years. The camaraderie among the employees and the respect for each other makes us feel secure at work and motivates us to come to the factory every morning. My family and I are extremely thankful for the innumerable opportunities given to me"*



Onkar Sharma,  
Nestlé India,  
Samalkha Factory

perspectives, energy, and innovative ideas.

## Building a digi-able workforce

Recognising the increasing importance of digital fluency, your Company prioritises digi-ability and digi-integration within its development strategy. This translates into a range of digital learning tools, from leveraging platforms like LinkedIn (used by over 3600+ employees) to offering app-based learning specifically designed for 1,500+ strong field force, equipping them with the necessary digital skills.

## Mentoring and employee development

Your Company has been prioritising mentoring through its strong internal mentor network, which comprises 100 members. This network helps support talent in all aspects of their professional life and also provides a sounding board for innovators, aspirants and new leaders. To ensure a productive and growth-oriented partnership, a guided, democratic, and digitally-enabled process is used to match talent with the right mentor for their journey. In addition to mentoring, your Company also focuses on coaching its employees. By providing a strong professional coaching infrastructure that consists of 50+ experts, your Company helps employees tackle a range of development challenges to arrive at unique solutions that suit their customised needs. This coaching process is conducted through an external, neutral lens to ensure that employees receive unbiased and effective guidance.

## Leadership development programmes

Within the realm of enablement, a range of offerings were made available to individuals seeking to enhance their skill sets. These offerings included transition journeys for new leaders, young leads of large teams, and those stepping into CXO roles. The learning solutions are a combination of experiential and immersive approaches to equip employees.

*"I can confidently state that the people here are the greatest asset. The culture of cross-functional learning, is deeply ingrained in us, and I have been fortunate to benefit immensely from it."*



Antra Verma  
Nestlé India, Gurugram





## Investing in employee well-being

Your Company is dedicated to promoting employee well-being by providing mental health benefits as part of its health insurance. Additionally, it organised mental health sessions throughout the year, including for first-time line managers. Your Company also places a strong emphasis on the health and well-being of women. It conducted interactive sessions with health experts on topics such as women's health and hygiene, menopause, and other related issues. Further, your Company has demonstrated its commitment to creating a safe, respectful, and inclusive work environment for all by introducing a new Nestlé Policy against violence, discrimination, and harassment. It also offers guidance to employees who have been victims of domestic violence.

**94%**

of the workforce in Sanand factory are less than 40 years

*"At Nestlé, everyone's voice matters. We believe in creating a space where everyone feels valued and heard. By fostering empathy and teamwork, we empower each other to be a force for good and thrive together."*



**Anurag Patnaik**  
Head - Human Resources



Scan the QR code  
or

[Click here to watch the video](#)

*Nestlé's deep-rooted value system, which is the DNA of our business, truly inspires me even after 27 years. I especially appreciate the Company's focus on employee well-being. This fosters a positive work environment where I feel valued and supported. It makes coming to work each day refreshing, knowing I'm part of a Company that prioritizes both quality products and giving back to society.*



**Narayanan Ramamurthy**  
Nestlé India, Chennai branch



# Growing together to go far



# Partnerships

Your Company recognizes the importance of collaboration and has built a strong network of partners. This includes over 280,000 farmers, 4,600 suppliers, 10,000 distributors and re-distributors and 5.2 million retail outlets. This network, along with nine factories and 22 co-manufacturers and co-packers, produces high-quality products while delivering exceptional value to consumers.

Your Company's approach to supply chain management is anchored in three fundamental pillars: a forward-looking workforce, digital maturity and strong partnerships across the value chain. Prioritizing collaboration and continuous improvement ensures your Company's supply chain is resilient, agile and adept in meeting challenges in an interconnected world.

Product quality is paramount, from sourcing ingredients till manufacturing. Your Company adheres to the Nestlé Responsible Sourcing Standard (NRSS) in its supplier selection process. This stringent standard ensures that suppliers uphold ethical practices

**4,600+**

**Suppliers**

**10,000+**

**Distributors and re-distributors**

in business integrity, human rights, health and safety and environmental responsibility throughout their operations, production processes and sourcing practices.

Your Company sources more than 90% of raw materials locally. These include commodities such as milk, coffee, spices etc. Being deeply rooted in science and technology, your Company extensively uses technology, while partnering with farmers and other suppliers to ensure that the raw materials are sourced sustainably, with minimal impact on the environment. Your Company has trained dairy and coffee farmers on environmental sustainability.

By embracing cutting-edge technology, your Company fosters a seamless flow of goods from production to the hands of consumers. Supply Chain Management systems provide real-time inventory tracking,

ensuring distributors always have the products that they require. Over half of the customer orders are processed digitally and this has streamlined the entire ordering process. Secure distributor portals offer 24/7 access to resources and empower them to manage their businesses efficiently. Mobile applications further streamline communication, allowing everyone to stay connected on the go. This focus on technological innovation, alongside strong partnerships, has ensured that your Company's products are available even in the remotest corners of India, from the challenging terrains of Kargil in the north to the deep deserts of Tanot in the west, and from the southernmost tip of Kanyakumari to remote areas like Koloriang in the north-east.

Your Company has been modernizing distribution centers to ensure faster servicing of customers and consumers.

*"The team's relentless effort to live up to its commitment to proactively anticipate, be agile and eliminate fragility empowers it to be faster, focused and fresher and consistently deliver on its consumers' expectations."*



**Varun Gupta**  
Head - Supply Chain



# Committed to a sustainable future



# Planet

Your Company's sustainability commitment focuses on climate change, packaging, responsible sourcing, and water.

## Collective action - packaging and waste management

Your Company has been a pioneer in responsibly managing an amount equivalent to the post-consumer plastic waste generated by its products. Since 2020, its brands have remained plastic neutral. Recognizing the importance of responsible design, your Company is actively transitioning its packaging to mono-material structures that are easy to recycle.

Your Company continues to reduce its reliance on virgin plastic by minimizing its use where possible. Over the last two years, ~1,800 metric tons of virgin plastic have been eliminated through various initiatives such as replacing plastic straws, using recycled content

in secondary packaging for NESCAFÉ and eliminating overwrap on nutrition products etc. Your Company has also undertaken a unique initiative of making KITKAT and GERBER benches out of recycled plastic.

Your Company is fully compliant with Plastic Waste Management Rules and has registered as a 'Brand Owner,' ensuring 100% adherence to regulations. It continues to

collaborate with government registered waste management agencies for the end-to-end management of plastic waste. Demonstrating its commitment under Extended Producer Responsibility (EPR), your Company responsibly managed ~25,600 MT of plastic packaging, which was above the EPR target of ~ 23,000 MT assigned by the Central Pollution Control Board.

**Your Company has remained plastic neutral since**

**2020**

**~25,600**  
MT of EPR



## Sustainable sourcing - good food starts with good ingredients

### Dairy farming

Your Company engages with around 80,000 dairy farmers across Punjab, Haryana, Rajasthan and Jammu and Kashmir and is encouraging sustainable dairy farming practices by focusing on transformation and expansion, manure management, feed and fodder management and tree plantation across the value chain. Your Company demonstrated its unwavering commitment towards reducing emissions from the dairy farms through the 'Biodigester Project'. This technology transforms cattle manure into clean biogas, reducing the carbon footprint of dairy farms. Approximately 109 large biodigesters and 3,325 small biodigesters have been installed in 24 districts across Punjab and Haryana. More than 550,000 trees were planted in dairy farms to sequester carbon.

**~80,000**

**Dairy farmers engaged**



Scan the QR code  
or [Click here to watch the video](#)

*"Gurveer Singh is a dairy farmer in Punjab and a valued partner of your Company for over a decade. Your Company installed a large biodigester on Gurveer's farm. This technology transforms manure into biogas, a clean and renewable energy source. The biogas is used as fuel in his kitchen and to run the generator in the farm. By using biogas, Gurveer and his mother are saving four cylinders equivalent LPG as kitchen fuel per month."*



## Coffee farming

The NESCAFÉ Plan is an integrated strategy that leverages regenerative agricultural practices to address GHG emissions, soil health, water conservation and enhance biodiversity. As part of the NESCAFÉ Plan, your Company is engaged with more than 5,000 coffee farmers in sustainable agricultural practices and working towards improving their livelihood. A dedicated network of NESCAFÉ agronomists and supplier resources develop customized sustainability programmes to address the needs of the farmers.

**5,000+**

Coffee farmers engaged



Scan the QR code  
or [Click here to watch the video](#)

*"I am a coffee farmer from Kushalnagar, Coorg and I have been associated with the NESCAFÉ plan for 5 years. The Nestlé agronomists visit our farm to provide technical assistance on topics like soil testing, fertilizer application, effective usage of water during irrigation, maintenance of biodiversity, and overall regenerative agriculture practices in plantation. I have attended regular trainings conducted on various aspects of farming, including intercropping, waste management, and beekeeping. These trainings have helped us improve the yield and optimize input costs. Thanks to their guidance, I have also been certified under the 4C programme of sustainable farming. As a result, I receive good remuneration and a premium price for my produce."*



Geetha T.K.

## MAGGI spice plan

Spices are a priority raw material for your Company. We are determined to responsibly source spices from transparent supply chains. Through the MAGGI Spice Plan, your Company locally sources 10 key spices from suppliers across nine states - black pepper, chilli, coriander, cumin, fennel, fenugreek, cardamon, ginger, turmeric and nutmeg are 100% traceable. The MAGGI Spice Plan has trained more than 1,500 spice farmers under the project.

**1,500+**

Spice farmers engaged

## Rice project

Your Company partnered with Bayer Crop Science, to embark on a transformative journey to address the critical issue of greenhouse gas (GHG) emissions in paddy cultivation. Besides working on reduction in GHG emissions, the pilot project also aims to improve soil health, protect biodiversity, and support local farmers in dealing with climate change. The project, has registered more than 290 farmers across 31 villages in Jabalpur in Madhya Pradesh and Nizamabad in Telangana.

## Greener deliveries through sustainable logistics



Your Company joined forces with 14 other companies as part of the Zero Emission Emerging Markets initiative, a collaborative effort to accelerate the electrification of trucks in the country. By integrating more CNG/LNG and electric vehicles into the fleet, your Company has reduced its reliance on traditional fuels.

There has been a notable rise in railway usage from 0.2% to 6% over the past three years, and an enhanced payload utilization from 90.3% to 93.7% between 2021 and 2023. This has optimized logistics by reducing empty truck journeys and emissions.

### Increase in railway usage

(%)



### Increase in payload utilization

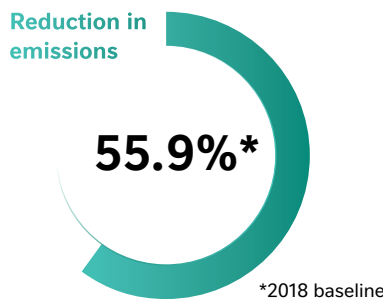
(%)



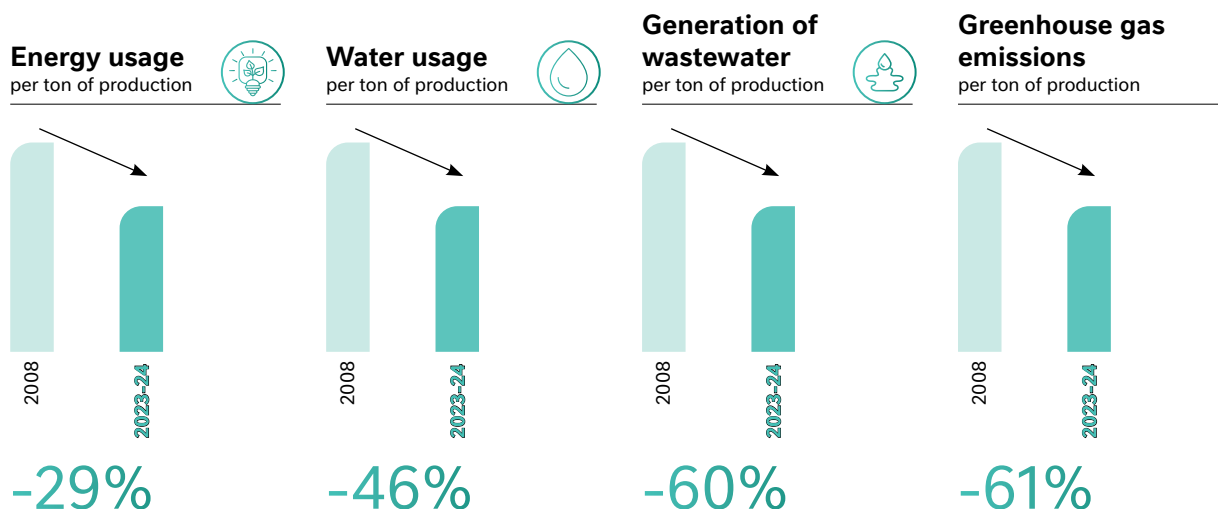


## Manufacturing gets smarter: cuts waste, boosts sustainability

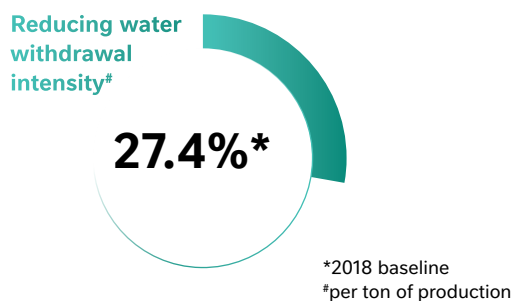
Your Company has expanded its renewable energy projects across all factories, resulting in a 55.9% reduction in emissions over the past six years (compared to the 2018 baseline).



Biomass boilers have been installed in Nanjangud, Moga, and Sanand factories for steam generation and GHG emissions reduction, and the usage of coal has been eliminated from eight factories. Continuous efforts have been made at the factories to minimize the consumption of natural resources and reduce water, energy, and carbon emissions while maximizing production volumes. Over the last 15 years (2008-2024), your Company has, on an average, reduced energy usage by around 29% per ton of production, water usage by around 46% per ton of production, generation of wastewater by around 60% per ton of production, and specific direct and indirect greenhouse gas emissions by 61% per ton of production.



A significant step has been taken towards water conservation projects across all factories, reducing water withdrawal intensity by 27.4% compared to the 2018 baseline.



Your Company is harnessing technology to reduce its reliance on groundwater. Through the successful implementation of Zer'Eau technology in Moga and Samalkha factories, water extracted from milk is recycled to reduce groundwater consumption every year.

*"Sustainability is at the center-stage of everything that we do in Nestlé India. Our sustainability efforts are focused around the four pillars of climate, packaging, water, and responsible sourcing. Nestlé India is adopting climate focused best practices, to protect the ecosystems and ensure a sustainable value chain."*



**Sanjay Khajuria**  
Head – Corporate Affairs & Sustainability

# Awards and recognitions

## Celebrating excellence

### Company



Mr. Suresh Narayanan was recognized as the **Best CEO in FMCG** category at the Business Today MINDRUSH Awards



Mr. Suresh Narayanan was awarded The Economic Times **'People-Focused CEO'** of the year



Ms. Svetlana Boldina was recognised as **'The Best CFO'** in **Large Enterprises Manufacturing Industry** category by The Financial Express



Nestlé India was conferred with the **Supply Chain & Logistics Excellence Awards 2023** by CII



Nestlé India was presented with the **'DEI Excellence in People Practices'** Award at Spark Inclusive Leadership Summit



Nestlé India's Pantnagar factory was adjudged **1<sup>st</sup> Runner Up at CII's 36<sup>th</sup> Quality circle competition**



Nestlé India's Tahliwal factory received **Environment Leadership Award** from Honourable Chief Minister of Himachal Pradesh



Nestlé India's Pantnagar factory won Gold and Sanand factory won Silver at the **'National Awards for Manufacturing Competitiveness'**



Nestlé India Consumer Insight team was awarded the prestigious **MRSI Golden Key Award**



Nestlé India's Pantnagar factory team won the **'Regional finals'** (North Zone) at the CII 36<sup>th</sup> Quality Circle Competition



Nestlé India's Samalkha factory was conferred an award at the **CII 14<sup>th</sup> Food Safety Awards** for maintaining excellent levels of food safety



AskNestlé secured 4 awards at the prestigious **DMA Asia Echo & DMA Sparkies**



Nestlé India was acknowledged for **'Best Supply Chain, Logistics, and Distribution Company of the Year'** at Bharat Logistics and Supply Chain Conclave & Awards 2024



Nestlé India was awarded the prestigious **'CFBP Jamnalal Bajaj Uchit Vyavahar Puraskar for Fair Business Practices 2023-24'** by the Council for Fair Business Practices



Nestlé India was recognised as **POSH VANGUARD** at POSH Conclave & Excellence Awards 2024



Nestlé India was honoured as best **Organisation for Women, 2024** by Economic Times Edge



## Brands



Nestlé India won **6 prestigious EFFIE awards: 3 for MAGGI, 2 for NESCAFÉ and 1 for CEREGROW**



Nestlé KITKAT was vested with **'Brand of the Decade'** award in FMCG Confectionery category at Herald Global & BARC Asia Prestigious Brands Awards



**MAGGI won 7 and CEREGROW won 4 awards in Exchange4media Marketing Awards 2023**



Nestlé a+ Masala Millet was awarded **'Best Industry - Product Innovation for Mainstreaming Millets'** by Nutrihub IIMR



NESCAFÉ was recognised as **'People's Hot Beverage Brand of the Year'** and MAGGI was the joint winner in two categories - **'People's Snack Brand of the Year'** and - **'People's Culinary Condiment Brand of the Year'** at the SLIM-KANTAR People's Awards 2023



MAGGI received the **'Brand Xcel Excellence Award'** and was recognized as one of the most preferred brands for Indian consumers





NESCAFÉ Sunrise was adjudged the **first runner up in Indian Digital Marketing Awards 2023** for 'Best Short Form Video for its product intrinsic films'



KITKAT won **3 awards, 1 Gold, 1 Silver and 1 Bronze** at Digies 2024 for the #CatchABreak campaign



Nestlé KITKAT was recognised as **India's Most Trusted Chocolate Bar Brand 2023** at the 12<sup>th</sup> Edition of TRA's Brand Trust Report



MAGGI bagged **2 silvers at the DMA Asia Echo & DMA Sparkies, and 1 gold and 3 silvers at the ICMA awards**

## Nestlé India Limited listed on National Stock Exchange on 1<sup>st</sup> August 2023



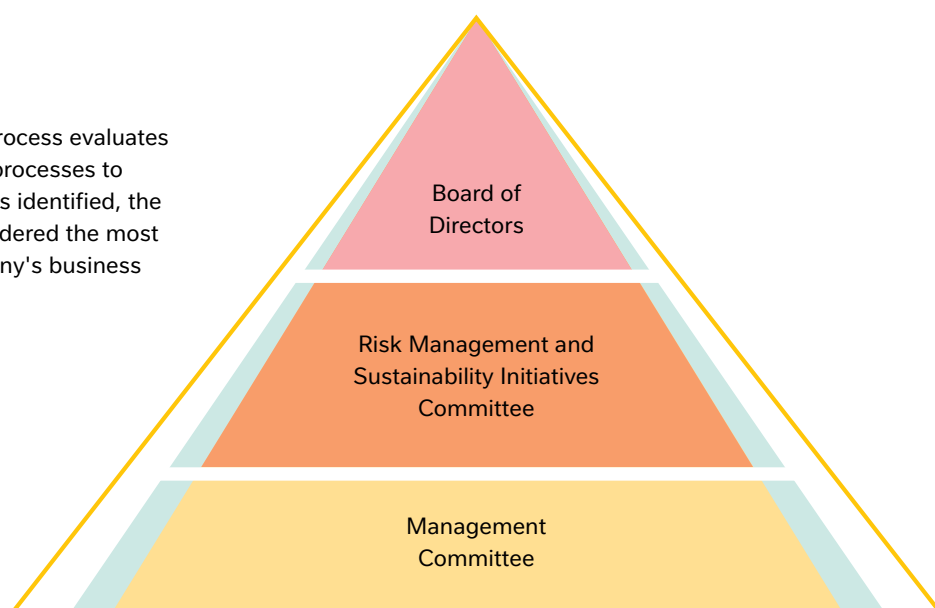
# Risks and opportunities

Your Company strives to create long-term value for its stakeholders through a balance of sustainable growth and resource efficiency. To stay on its path to growth, build resilience and take timely action, potential business risks and opportunities are identified and assessed. Mitigation actions are actively monitored and the RMSI Committee meets every quarter where detailed action plans are presented and reviewed.

## Risk Management and Sustainability Initiatives (RMSI) Committee

The RMSI Committee plays a crucial role in managing risks, leveraging opportunities and meeting evolving market demands. Initially focused exclusively on risk management, the RMSI Committee has since broadened its purview to encompass sustainability initiatives, environmental, social, and governance (ESG).

Our risk management process evaluates all significant business processes to identify risks. Of the risks identified, the following risks are considered the most relevant for your Company's business and performance.



## Risks and mitigation

### Inflationary risks

Inflation can adversely affect the buying power of consumers. The potential rise in the cost of raw materials may also impact the profit margins of the Company.

Your Company proactively mitigates inflationary risks through a comprehensive commodity procurement process. The robust framework includes continuous monitoring of price indices, identification of potential price fluctuations and implementing efficiencies across the value chain to offset volatile commodity prices.

Your Company has also implemented cost saving initiatives across the value chain to mitigate cost increases.

### **Evolving consumer preferences**

Consumer preferences have been evolving due to consumption shift driven by diverse demographics, global food trends and changing food habits influenced by social media penetration. Moreover, there is a rise of aspirational consumers in both urban and rural areas demanding quicker product delivery for purchase decisions. Delay in addressing these changes may impact the growth of the business.

Your Company considers this risk as an opportunity for growth by building on a strong existing product line of its core brands and launching innovative products in keeping with consumer demand. By leveraging data analytics and market research, it is gaining a deep understanding of what excites today's food enthusiasts. This insight fuels the development of innovative new products that cater to these evolving tastes and dietary preferences of a diverse consumer base residing in urban and rural areas. Your Company has been focusing on underpenetrated small towns and large villages and making its products available to a wider consumer base.

### **Fake and counterfeit products**

The presence of counterfeit products not only threatens the safety of consumers but also poses a risk to trust and credibility. Sub-par experience with fake or counterfeit products can make consumers wary of buying genuine products, also leading to financial losses and impacting the brand's reputation.

Your Company has zero tolerance towards counterfeit manufacturers, sellers, suppliers and even those that are offering the counterfeits for sale in the trade channels. Your Company has adopted multi-faceted approach including enforcement mechanisms where commissioners appointed by the Court address these issues. The Company has also launched unique campaigns to educate and dissuade consumers from buying counterfeit products.

### **Food safety and quality risks**

Ensuring product quality is essential to uphold consumer's trust and Company's reputation. In the present competitive market, even one instance of compromised product quality can have lasting impact on consumer trust, brand loyalty and the reputation of your Company.

Your Company prioritizes the safety of its consumers and quality of its products. It has a robust process in place to ensure quality and safety, from procuring raw materials for its products till their final production. The Nestlé quality policy can be accessed on [https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/suppliers/quality\\_policy\\_nestle.pdf](https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/suppliers/quality_policy_nestle.pdf) and encourages participation and promotion of quality responsibilities amongst employees and third parties through standards, education and training.

A consumer complaint redressal team closely monitors and addresses consumer complaints on food safety and quality issues.

### **Data security and cyber attacks**

The Fast-Moving Consumer Goods (FMCG) industry thrives on interconnected systems and technology, but this very reliance makes it vulnerable to cyberattacks. Furthermore, today's complex supply chain is dependent on digital connections. A single breach can disrupt the entire flow of goods, hindering production, distribution, and ultimately, the ability to deliver products to consumers. Moreover, exposed customer data can lead to financial losses, and a damaged reputation for the Company.

Your Company understands these threats and takes a comprehensive approach to cybersecurity, safeguarding its operations and protecting data. Your Company is ISO27001-2022 (Information Security, Cybersecurity and Privacy protection management systems) certified and has a set of policies, standards and procedures on information security and cloud solutions. Periodic secure behavior training sessions and mailers are shared to update employees about potential phishing, ransomware threats to avoid security risks. Your Company conducts internal assessments and has disaster recovery plans that are in place to minimize downtime and ensure a swift response to any cyber incident.

### **Climate change**

The FMCG industry faces multiple climate risks, including erratic monsoon patterns, harvest uncertainties and volatile raw material prices. This reliance on weather patterns directly affects rural

incomes, consumer demand and trade, accentuating the sector's vulnerability to weather-related risks.

Your Company tracks its environmental impact and takes calibrated measures to reduce it. It has established a robust monitoring framework. RMSI Committee oversees the sustainability initiatives of your Company and its compliance. Your Company has also set up a Governance Council to provide oversight, direction and support on sustainability, headed by the Chairman and Managing Director. The Council also includes the key members of the Management Committee as well as leads of the task forces that have been set up to drive and deliver key projects. The five task forces are sustainable sourcing, sustainable packaging, manufacturing and logistics, brands, recipes and portfolio and advocacy and communication.

## Opportunities

### Demographically driven demand

India is home to the world's largest Gen Z population, known for their digital fluency and brand awareness. However, they are discerning consumers, seeking purpose driven brands that align with their social and ethical values. Over 10% of India's ageing population are investing in themselves and in their personal well-being to lead better lives.

Innovation continues to be an important element of your Company's growth. Your Company continues to invest in brands and launch new products in keeping with consumer demand. Your Company continues to expand the nutritional profile of its product portfolio by combining science with nutrition and offering wholesome food.

### Rising rural demand

A significant part of India's population resides in rural areas, presenting a vast consumer base with growing purchasing power. Infrastructure advancements, including 10,000 kilometers of new highways built annually are improving access and distribution, fueling rural economic growth and creating exciting opportunities for brands. Your Company remains

focussed on deepening its reach in underpenetrated small towns and large villages. The power of technology and data analytics has been instrumental in getting actionable insights that has helped in taking quick, granular, decentralised and robust decisions. Your Company continues to strengthen its distribution network in RUrban markets.

### Premiumization driving growth

Growth will come from premiumization and new category adoption. This trend is notably more pronounced in the top 100 cities, driven by increased disposable income. There is a growing willingness of Indian consumers to invest in value-added offerings. New super-premium segments will emerge to cater specifically to the affluent. Premiumization is one of the growth engines of your Company, where premium products co-exist with mainstream products.

### Human AI collaboration

AI plays a significant role in sourcing raw materials, leading to improved quality controls, increased safety through digitalized traceability, tracking of materials, quality and process parameters. There has been a surge in the use of AI, in customer engagement, product development, pricing and distribution and personalized shopping experience. AI contributes positively to sustainable practices, in optimizing energy consumption and waste reduction.

### People at the heart of business

Ministry of Skill Development and Entrepreneurship in its recent annual report highlighted that India's young population presents a demographic advantage, with a significant proportion entering the workforce. It also presents an opportunity for economic growth. To leverage this, the youth should be trained in 'employable' skills and upskilling in line with industry requirements. Investment in the workforce is key for the progress of any company. Your Company regularly assesses the needs of its people and provides opportunities in skilling, upskilling, mentoring and creating cross-functional learning opportunities.



# Corporate Information

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Suresh Narayanan (DIN: 07246738)	- Chairman & Managing Director
P. R. Ramesh (DIN: 01915274)	- Independent Non - Executive Director
Anjali Bansal (DIN: 00207746)	- Independent Non - Executive Director
Alpana Parida (DIN: 06796621)	- Independent Non - Executive Director
Svetlana Boldina (DIN: 10044338)	- Executive Director - Finance & Control and CFO
Satish Srinivasan (DIN: 10173407)	- Executive Director - Technical
Suneeta Reddy® (DIN: 00001873)	- Independent Non - Executive Director
Sidharth Kumar Birla* (DIN: 00004213)	- Independent Non - Executive Director
Pramod Kumar Rai (PAN: ABVPR5131P)	- Company Secretary and Compliance Officer

®Appointed as an Independent Non- Executive Director w.e.f. 5<sup>th</sup> April 2024

\*Appointed as an Independent Non- Executive Director w.e.f. 12<sup>th</sup> June 2024

## BOARD COMMITTEES:

### AUDIT COMMITTEE

P. R. Ramesh	- Chairman
Anjali Bansal	- Member
Alpana Parida	- Member
Sidharth Kumar Birla	- Member

### STAKEHOLDERS RELATIONSHIP COMMITTEE

Alpana Parida	- Chairperson
Suresh Narayanan	- Member
Svetlana Boldina	- Member
Sidharth Kumar Birla	- Member

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Suneeta Reddy	- Chairperson
Suresh Narayanan	- Member
Anjali Bansal	- Member
Svetlana Boldina	- Member

### NOMINATION AND REMUNERATION COMMITTEE

Anjali Bansal	- Chairperson
P. R. Ramesh	- Member
Alpana Parida	- Member
Sidharth Kumar Birla	- Member

### RISK MANAGEMENT AND SUSTAINABILITY INITIATIVES COMMITTEE

Suresh Narayanan	- Chairman
P. R. Ramesh	- Member
Anjali Bansal	- Member
Svetlana Boldina	- Member
Suneeta Reddy	- Member

### STATUTORY AUDITORS

S.R. Batliboi & Co. LLP, Chartered Accountants, (FRN: 301003E/300005) 67, Institutional Area, Sector 44, Gurugram - 122003, Haryana, India

### SECRETARIAL AUDITORS

S. N. Ananthasubramanian & Co., Company Secretaries, (ICSI Unique Code: P1991MH040400) 10/25-26, 2<sup>nd</sup> Floor, Brindaban, Thane (W) - 400601, Maharashtra, India

### COST AUDITORS

Ramanath Iyer and Co., Cost Accountants (FRN: 000019), 808, Pearls Business Park, Netaji Subash Place, Pitampura, New Delhi-110034, Delhi, India

### BANKERS

Axis Bank Limited, Bank of America, Citibank N.A. Deutsche Bank AG, HDFC Bank Limited, HSBC Limited, ICICI Bank Limited, State Bank of India, Standard Chartered Bank

### WEBSITE

[www.nestle.in](http://www.nestle.in)

### INVESTOR EMAIL ID

[investor@in.nestle.com](mailto:investor@in.nestle.com)

## MANAGEMENT COMMITTEE

Suresh Narayanan	- Chairman & Managing Director
Svetlana Boldina	- Finance & Control and CFO
Satish Srinivasan	- Technical
Anurag Patnaik	- Human Resources
Arpindarjit Chadha	- Exports
Chandan Mukherji	- Strategy & Marketing Communication
Gopichandar Jagatheesan	- Dairy
Krishna Guha Roy	- IS/IT and Nestlé Business Excellence
Mansi Khanna	- Nestlé Health Science
Pallavi Anand	- Pet Food
Rajat Jain	- Foods
Rupali Rattan	- Confectionery
Sanjay Khajuria	- Corporate Affairs & Sustainability
Sandeep Sethi	- Business Services
Saurabh Makhija	- Nestlé Professional
Sunayan Mitra	- Coffee & Beverages
Sushrut Nallulwar	- Sales
TS Venkateswaran	- Legal
Varun Gupta	- Supply Chain
Varun Sethuraman	- Cereals
Vineet Singh	- Nutrition

## CORPORATE IDENTITY NUMBER

L15202DL1959PLC003786

## REGISTERED OFFICE

- 100/ 101, World Trade Centre, Barakhamba Lane, New Delhi - 110001

## HEAD OFFICE AND NORTHERN SALES BRANCH

- "Nestlé House" Jacaranda Marg, 'M' Block, DLF City, Phase II, Gurugram - 122002 (Haryana)

## SOUTHERN SALES BRANCH

- KRM Plaza, 1<sup>st</sup> Floor, North Tower No. 2, Harrington Road, Chetpet, Chennai - 600031

## EASTERN SALES BRANCH

- Tower "A", 9<sup>th</sup> Floor, DLF IT Park, 08, Major Arterial Road, Block - AF, New Town, Rajarhat, Kolkata - 700156

## WESTERN SALES BRANCH

- 1<sup>st</sup> Floor, ICC Chambers, Near Saki Vihar Telephone Exchange, Saki Vihar Road, Powai, Mumbai - 400072

## FACTORIES

- Village Maulinguem (North), Bicholim Taluka - 403504 (Goa)
- Plot No. 294, 297, Usgao Industrial Area, Ponda - 403406 (Goa)
- Unit I & II - Patti Kalyana, Kiwana Road, Samalkha - 132101 Dist. Panipat (Haryana)
- Industrial Area, Tahliwal, District - Una - 174301 (Himachal Pradesh)
- Industrial Area, Nanjangud - 571301 Mysore District (Karnataka)
- Ludhiana-Ferozepur Road, Near Kingwah Canal, Moga - 142001 (Punjab)
- P.O. Cherambadi - 643205 Dist. Nilgiris (Tamil Nadu)
- Plot No. - 1A, Sector No. 1, Integrated Industrial Estate, SIDCUL, Pantnagar- 263145, Dist. Udham Singh Nagar (Uttarakhand)
- Plot No. SM - 38, Sanand II, GIDC Industrial Estate, Siyawada Chokadi, Near GIDC Office, Tal: Sanand- 382170, Dist: Ahmedabad, (Gujarat)

## LISTING OF EQUITY SHARES (Listing Fees paid)

BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001 (Scrip Code: 500790)

National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051 (NSE Symbol: NESTLEIND)

## REGISTRAR & SHARE TRANSFER AGENT

Alankit Assignments Limited  
4E/2, Jhandewalan Extension, New Delhi 110055  
Tel No : 011-42541234, 23541234

## 65<sup>TH</sup> ANNUAL GENERAL MEETING

Monday, 8<sup>th</sup> July 2024 at 10.30 A.M. IST  
AGM through Video Conferencing/ Other Audio-Visual Means (VC/OAVM) Facility [Deemed Venue for meeting: Registered Office: 100/ 101, World Trade Centre, Barakhamba Lane, New Delhi 110001]

## FINANCIAL YEAR

1<sup>st</sup> April to 31<sup>st</sup> March

## FINANCIAL YEAR UNDER REVIEW

Fifteen months financial year ended 31<sup>st</sup> March 2024

# Board's Report

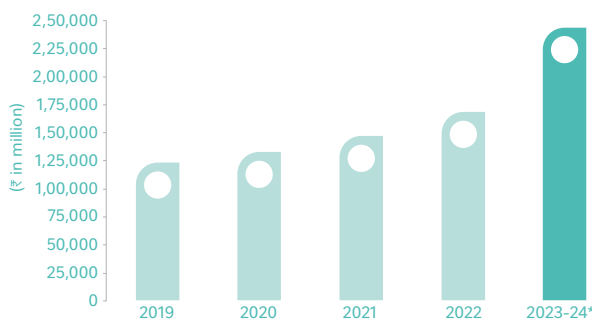
Dear Members,

Your Directors are pleased to present their report and financial statements for the fifteen months financial year ended 31<sup>st</sup> March 2024.

## Highlights of the Financial Performance and State of Company's Affairs

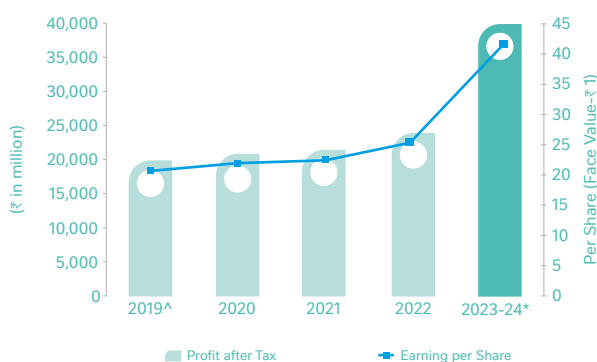
Particulars	Financial year (Twelve months) ended	
	Fifteen months financial year ended 31 <sup>st</sup> March 2024	31 <sup>st</sup> December 2022
	(₹ in million)	
Sale of products	242,754.8	167,895.3
Add : Other operating revenues	1,184.1	1,074.3
Add : Other Income	1,479.6	1,010.0
<b>Total Income</b>	<b>245,418.5</b>	<b>169,979.6</b>
Less : Total Expense	192,573.5	137,419.9
<b>Profit before exceptional items and tax</b>	<b>52,845.0</b>	<b>32,559.7</b>
Exceptional items	(43.7)	-
<b>Profit before tax</b>	<b>52,888.7</b>	<b>32,559.7</b>
Tax expense	13,560.3	8,654.5
<b>Profit after tax</b>	<b>39,328.4</b>	<b>23,905.2</b>
Add : Other Comprehensive Income	(429.4)	1,119.4
<b>Total Comprehensive Income</b>	<b>38,899.0</b>	<b>25,024.6</b>
Opening balance in Retained Earnings	15,144.3	10,694.9
Amount available for appropriation	62,418.0	35,391.6
Interim dividends paid during 2023-24: ₹167.00 per share (Face Value ₹10.00) and ₹7 per share (Face Value ₹1.00)	22,850.6	-
2022: ₹145.00 per share (Face Value ₹10.00)	-	13,980.3
Final dividend paid during 2023-24: ₹75.00 per share (Face Value ₹10.00)	7,231.2	-
2022: ₹65.00 per share (Face Value ₹10.00)	-	6,267.0
<b>Closing balance in Retained Earnings</b>	<b>32,336.2</b>	<b>15,144.3</b>
Key ratios:		
Earnings per share (₹)	40.79	24.79
Dividend per share (₹)		
Interim Dividends: (Face Value ₹10.00)	167.0	145.0
(Face Value ₹1.00)	7.0	-
Proposed - Final Dividend (Face Value ₹1.00)	8.50	-
(Face Value ₹10.00)	-	75.0
Additional Information:		
Profit from operations	53,417.9	33,658.6

## SALES



\* Financial Year 2023-24 comprises of 15 months period from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024 and hence the figures are not comparable with the previous financial years which were for 12 months.

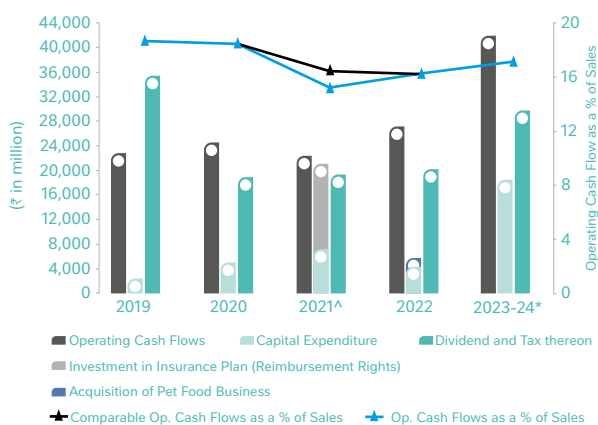
## EARNINGS



<sup>^</sup> Includes special interim dividend of ₹180 per share paid in 2019 out of accumulated profits of previous years.

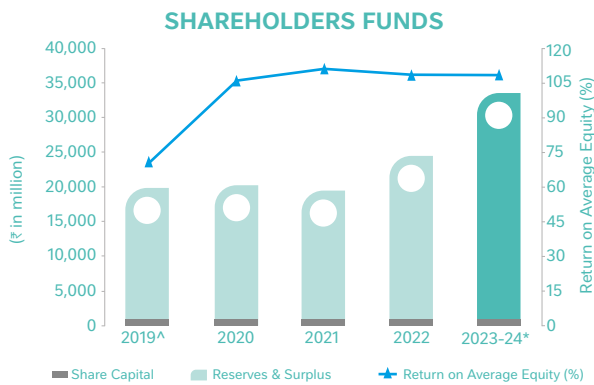
\* Financial Year 2023-24 comprises of 15 months period from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024 and hence the figures are not comparable with the previous financial years which were for 12 months.

## SOURCES AND UTILISATION OF CASH



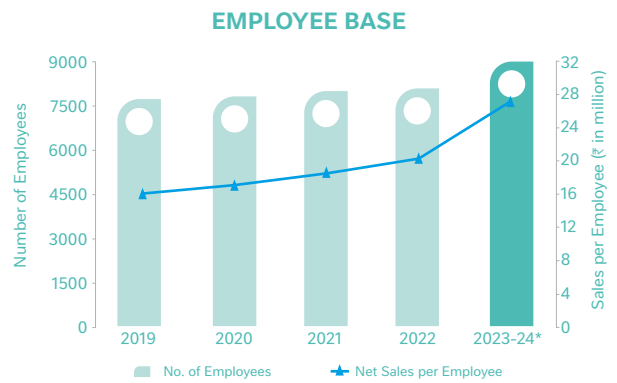
<sup>^</sup>Comparable Operating Cash Flows % of Sales without the impact of Exceptional Item (Transition cost of Pension Plan)

\*Financial Year 2023-24 comprises of 15 months period from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024 and hence the figures are not comparable with the previous financial years which were for 12 months.

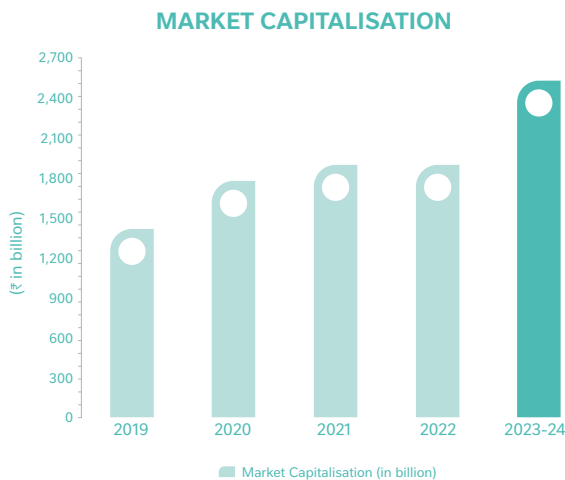


<sup>A</sup> Reserves & Surplus impacted by payment of special interim dividend of ₹180 per share in 2019 out of accumulated profits of previous years.

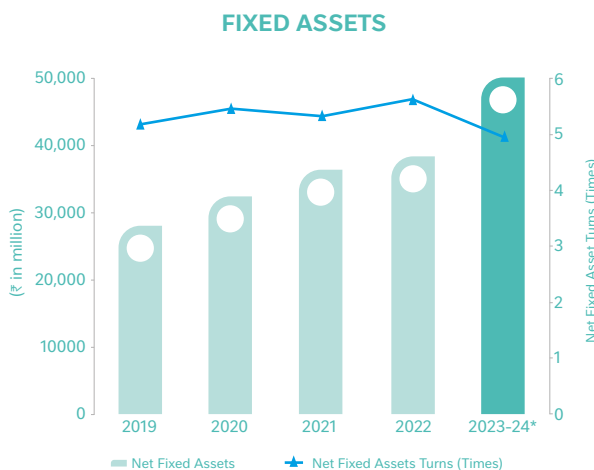
\* Financial Year 2023-24 comprises of 15 months period from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024 and hence the figures are not comparable with the previous financial years which were for 12 months. However, Current Period ratios have been annualised to make it comparable with earlier years.



\* Financial Year 2023-24 comprises of 15 months period from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024 and hence the figures are not comparable with the previous financial years which were for 12 months.



Market Capitalisation is based on year end closing share price quoted on the BSE Limited except for the market capitalisation for 2023-24 which is as on 31<sup>st</sup> March 2024.



Fixed Assets includes Property, Plant and Equipment and Capital work-in-progress.

\* Financial Year 2023-24 comprises of 15 months period from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024 and hence the figures are not comparable with the previous financial years which were for 12 months. However, the net fixed assets turns (times) have been annualised to make it comparable with earlier years.

## Change in Financial Year

The Board of Directors had at its meeting held on 27<sup>th</sup> July 2023, approved the change in Financial Year of your Company from existing "1<sup>st</sup> January to 31<sup>st</sup> December" cycle to "1<sup>st</sup> April to 31<sup>st</sup> March" in order to bring the financial year of your Company in conformity with the financial year as defined under section 2(41) of the Companies Act, 2013. Consequently, the financial year of your Company under review extended upto 31<sup>st</sup> March 2024 comprised of fifteen months period from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024 and subsequent financial years of your Company would begin from 1<sup>st</sup> April every year to 31<sup>st</sup> March of the subsequent year.

Accordingly, the Board's Report together with all its Annexures, Audited Financial Statements and Auditors' Report have been prepared for the fifteen months period from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024. Therefore, the numbers are not comparable to the previous financial year which comprised of twelve months.

## Dividends

The Board of Directors have recommended a final dividend of ₹8.50 per equity share of face value of ₹1.00 each, amounting to ₹8,195.3 million for the fifteen months financial year ended 31<sup>st</sup> March 2024 for approval of the members at the 65<sup>th</sup> Annual General Meeting of your Company ("65<sup>th</sup> AGM"). For the fifteen months financial year ended 31<sup>st</sup> March 2024, first and second interim dividends of ₹27.00 and ₹140.00 per equity share of face value of ₹10.00 each and third interim dividend of ₹7.00 per equity share of face value of ₹1.00 each, paid on and from 8<sup>th</sup> May 2023, 16<sup>th</sup> November 2023 and 5<sup>th</sup> March 2024, respectively.

The three interim dividends paid during the period under review and the final dividend recommended for the fifteen months financial year ended 31<sup>st</sup> March 2024 is in accordance with the Dividend Distribution Policy

("Policy") of your Company. The Policy is available on the website of your Company at <https://www.nestle.in/investors/policies>.

### Listing of Shares at National Stock Exchange of India Limited

The equity shares of your Company are listed at BSE Limited ('BSE') and allowed to be traded at National Stock Exchange of India Limited ('NSE') under the 'Permitted to Trade' category in Cash market and Futures & Options market segment; and was an integral part of NSE flagship Index - Nifty 50. During the period under review, your Company has, upon an application made to NSE, listed the said equity shares on the NSE with effect from 1<sup>st</sup> August 2023 under the NSE symbol "NESTLEIND". Your Company has paid the listing fees for the Financial Year 2023-24 to BSE and NSE.

Listing of equity shares on NSE provided an additional platform to the investing community and other stakeholders at large to access all disclosures/ announcements made by your Company from time to time.

### Sub-Division/ Split of Equity Shares

During the period under review, the Board of Directors of your Company approved, the sub-division/ split of equity shares of your Company, such that 1 (one) equity share having face value of ₹10.00 (Rupees Ten only) each, fully paid-up, was sub-divided into 10 (ten) equity shares having face value of ₹1.00 (Rupee One only) each, fully paid-up.

Further, the members vide resolution passed by way of postal ballot on 8<sup>th</sup> December 2023 approved the said sub-division/ split of equity shares and consequential alteration in the existing Capital Clause of the Memorandum of Association (MOA) of your Company.

After the requisite approvals of the Stock Exchanges i.e. BSE and NSE and the depositories i.e. NSDL and CDSL, new ISIN (INE239A01024) was allotted to your Company. The effect of change in face value of the share was reflected on the share price at the Stock Exchanges where your Company is listed (BSE and NSE) effective from 5<sup>th</sup> January 2024 i.e. record date for the purpose of sub-division/ split of equity shares of your Company.

As a result of the sub-division/ split of equity shares of your Company, it has become more affordable and encouraged participation of investors at large.

Accordingly, the capital structure of your Company post sub-division/ split of equity shares is as follows:

Type of Capital	No. of equity shares	Face Value (in ₹)	Total Share Capital (in ₹)
Authorised Share Capital	1,000,000,000	1	1,000,000,000
Issued, Subscribed and Paid-up Share Capital	964,157,160	1	964,157,160

The details of dematerialization of shares, Demat Suspense Account/ Unclaimed Suspense Account are provided in the Corporate Governance Report, as annexed to this report.

### Slump Sale of Nestlé Business Services ('NBS') Division

During the period under review, the Board of Directors of your Company approved the slump sale of Nestlé Business Services ('NBS') Division of your Company to Purina PetCare India Private Limited (subsequently name changed to Nestlé Business Services India Private Limited and hereafter referred as "NBS Entity"), related party, being a 100% subsidiary of Nestlé S.A., for an aggregate consideration of ₹798 million. The said consideration is at an arm's length basis and will be adjusted for net working capital transferred by your Company as on 30<sup>th</sup> June 2024. The transaction will be effective from 1<sup>st</sup> July 2024, subject to customary closing conditions.

NBS Division of your Company was established as Shared Service Centre in India in 2006 to consolidate scalable services and eventually expanded its scope with sharp focus on efficiencies and automation. As on date, NBS Division predominantly provides captive services to your Company across four End-to-End Services (Order to Cash, Source to Pay, Record to Report and Hire to Retire) which helps your Company in driving operational efficiency, cost optimization, effective decision-making through data analytics, enhancing customer service, and accelerating automation of various scalable processes across your Company's value chain (hereinafter "NBS Services"). As per the Business Transfer Agreement signed between your Company and NBS Entity, after the transfer of NBS Division, your Company will continue to receive the NBS Services at an arm's length basis.

### Proposed Food processing Unit in Odisha

Your Company vide letter dated 13<sup>th</sup> July 2023 received an in-principle approval from Industrial Promotion & Investment Corporation of Odisha Limited (IPICOL) for setting up a food processing unit at Mundaamba, Block - Jankia in the district of Khordha (Odisha) with an

investment of about ₹894.10 Crore, subject to fulfilment of customary conditions by your Company. The project implementation is in progress.

### Material changes affecting your Company

There have been no material changes and commitments affecting the financial position of your Company which occurred between the end of the fifteen months financial year ended 31<sup>st</sup> March 2024 of your Company to which the financial statements related to and date of this report. There has been no change in the nature of business of your Company.

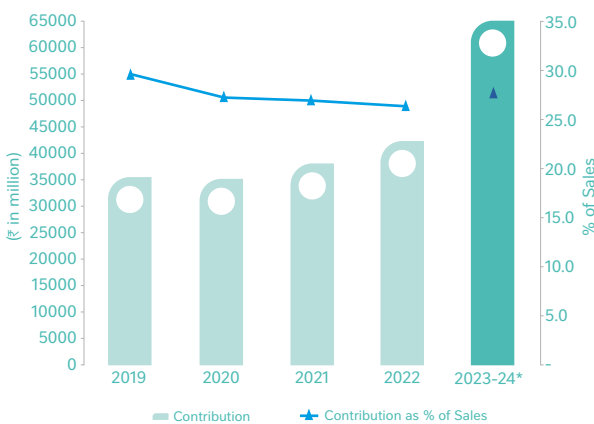
### Amount transferred to Reserves

Your Directors do not propose to transfer any amount to the reserves.

### Contribution to the Exchequer

Your Company over the years has been enabling significant contribution to various taxes.

#### ENABLED CONTRIBUTION TO EXCHEQUER



\* Financial Year 2023-24 comprises of 15 months period from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024 and hence the figures are not comparable with the previous financial years which were for 12 months

During the fifteen months financial year ended 31<sup>st</sup> March 2024, your Company through its businesses, enabled tax collections at Central and State level close to ₹64.9 billion, in aggregate.

### Exports

During the period under review, your Company's export business delivered good growth. For further information on exports, kindly refer page no. 15 which forms an integral part of this Report.

### Business Development

The pursuit of new platforms and categories is a key component of your Company's overall growth strategy and reflects its commitment to anticipate and respond

to evolving market trends and consumer preferences. By leveraging existing competencies and capabilities and investing in new areas of opportunity, your Company strives to deliver long-term value to its stakeholders.

During the fifteen months financial year ended 31<sup>st</sup> March 2024, your Company delivered double-digit growth with total sales of ₹242,754.8 million. It witnessed strong growth momentum across its product groups led by a combination of pricing and mix.

Your Company took several measures to address food inflation, volatile commodity prices and fluctuating purchasing power by accelerating economies of scale, sharpening procurement strategies, focusing on cost reduction and enhancing efficiency and speed of decision-making.

Your Company believes in the power of relevance and focus, as it nurtures its core brands and thoughtfully introduces select new offerings. Penetration, premiumization and innovation combined with disciplined resource allocation have been key in driving business, making your Company one of the fastest growing markets for Nestlé globally.

Post the stock split, your Company's shares have become affordable thereby leading to doubling of the number of shareholders and contributing to the development of strong retail shareholder base.

The much-awaited NESPRESSO, the pioneer in premium coffee with its range of exclusive coffees will be launched in India by the end of 2024. The NESPRESSO coffees and machines will be available in both original and professional systems, for consumers, coffee aficionados and coffee connoisseurs in India, to unlock new experiences and discover extraordinary coffees. The first NESPRESSO boutique is intended to be opened in Delhi, before expanding to other key cities. NESPRESSO will also be sold online through e-commerce platforms. This launch will bolster Nestlé India's premium coffee offerings.

Your Company and Dr. Reddy's Laboratories Ltd. entered into a definitive agreement to form a joint venture to bring innovative nutraceutical brands to consumers. The partnership will bring together the well-known global range of nutritional health solutions as well as vitamins, minerals, herbals and supplements of Nestlé Health Science (NHSc) with the strong and established commercial strengths of Dr. Reddy's in India. The joint venture company would be formed with Dr. Reddy's holding 51% and your Company holding 49%. Your Company will have a call option to increase shareholding upto 60% after six years at a Fair Market Value. Dr. Reddy's shall continue to hold at least 40% of the shareholding after the Company exercises its call option. The JV Company will be headquartered in Hyderabad.

Your Company believes that informed consumers are empowered consumers. It has services such as AskNestlé, an online platform that guides people towards balanced consumption. Through 24X7 consumer service helpline, queries raised by consumers are addressed.

Furthermore, your Company voluntarily includes Guideline Daily Amount (GDA) labelling on the front of its product packs, that provides consumers with transparent nutrition information in the context of a reference portion for energy and other key defined nutrients in relation to their daily needs.

High standard of food safety and quality are non-negotiable. Your Company has a robust process in place for quality and safety- from procuring raw materials for our products till its final production. Quality is integral to how we do our business and is a part of our corporate-business-principles-en.pdf ([nestle.com](https://www.nestle.com)).

### **Milk Products and Nutrition portfolio**

The Milk Products and Nutrition business registered strong growth, despite fluctuations in commodity prices, which were addressed through cost optimization and value chain efficiencies. The portfolio contributed to 40.7% of sales. For more details on this section, refer to page number 18, which forms an integral part of this Report.

### **Prepared Dishes and Cooking Aids portfolio**

The Prepared Dishes and Cooking Aids business displayed strong growth momentum. This was aided by a balance of product mix, pricing and volume growth and contributed to 30.4% of sales. For more details on this section, refer to page number 24, which forms an integral part of this Report.

### **Confectionary portfolio**

Fueled by the launch of new products, increased media exposure, a more extensive distribution network and innovative brand activations, Confectionery was one of the main drivers of growth for your Company. It contributed to 16.5% of total sales. For more details on this section, refer to page number 30, which forms an integral part of this Report.

### **Powdered and Liquid Beverages portfolio**

The Powdered and Liquid Beverages recorded robust performance by staying focused on recruitment and creating more occasions for coffee consumption and contributed to 12.4% of sales. For more details on this section, refer to page number 32, which forms an integral part of this Report.

### **Nestlé Professional – Out-of-Home business**

The Out-of-Home business reported strong growth, propelled by portfolio transformation and premiumization,

channel prioritization and new customer acquisition. For more details on this section, refer to page number 34, which forms an integral part of this Report.

### **Sales**

Your Company continued to strengthen its distribution network, especially in RUrban markets. This led to your Company achieving its ambitious goal of reaching 200,000 villages. For more details on this section, refer to page number 14, which forms an integral part of this Report.

### **Building Robust Digital, Data and IT Capabilities**

Your Company continued to strengthen its comprehensive digital infrastructure. This helped in achieving excellence across functions and businesses. For more details on this section, refer to page number 36, which forms an integral part of this Report.

### **People**

People form the heart of your Company's business, where a rich confluence of multi-generational workforce contributes to the growth of the company. An inclusive environment leverages diverse skills, cultures, ways of thinking and experiences to fuel innovation. For more details on this section, refer to page number 46, which forms an integral part of this Report.

### **Supply chain**

Built on the three fundamental pillars of a forward-looking workforce, digital maturity and strong partnerships across the value chain, the Supply Chain of your Company continued to excel. For more details on this section, refer to page number 50, which forms an integral part of this Report.

### **Environment Sustainability**

Your Company has been progressing steadily on its commitments towards the planet. Its Sustainability Task Forces have managed to steer operations in a sustainable way. This has helped your Company to significantly reduce its emissions, water usage, wastewater generation and energy usage, per ton of production. For more details on this section, refer to page number 52, which forms an integral part of this Report.

### **Management Analysis**

Despite a challenging global landscape, India's economy stayed resilient. India solidified its position as the world's fifth-largest economy, showcasing its significant economic strength and becoming one of the fastest growing major economies.

The Reserve Bank of India (RBI) in its annual report stated that in the face of headwinds from protracted

geopolitical tensions and volatile global financial markets, the Indian economy exhibited resilience during 2023-24 with real GDP improving to 7.6% from 7.0% in 2022-23. Manufacturing and services sectors were the main contributors to this growth, while agriculture slowed down due to unfavorable weather conditions. Food and beverages inflation averaged 7.0% in 2023-24, higher than 6.7% a year ago. India's exports showed positive momentum with a value of USD 119.10 billion during the January-March 2024 quarter.

The International Monetary Fund (IMF) highlighted the strength of domestic demand and a rising working-age population as key factors contributing to India's economic robustness. The 54<sup>th</sup> Annual Meeting of the World Economic Forum in January 2024, highlighted that India's large and young population, often referred to as a "demographic dividend," can be a tremendous asset for economic growth, when combined with further investments in upskilling that can lead to increased productivity and innovation.

However, while the overall economy displayed promising signs of growth, consumer spending particularly in rural areas remained sluggish. Private consumption was supported by urban demand while the rural sector faced challenges due to the uneven monsoon and elevated food inflation, resulting in subdued rural income in 2023.

Increased adoption of mobile wallets and internet banking, has made online transactions for FMCG purchases smoother and more secure. This surge has further fueled e-commerce growth in the sector, providing wider access to FMCG products.

India has the second-largest online market globally and has one of the cheapest data rates in the world, making internet more accessible for consumers. India's digital payments ecosystem continued to witness remarkable growth. The Unified Payments Interface (UPI) network processed a record-breaking 13.44 billion transactions in March 2024. The vast online ecosystem offers access to a wider range of products and brands for both urban and rural consumers. This digitalization fosters inclusivity by bringing more options to a wider population and potentially enabling more informed and democratized purchase decisions.

India boasts the third-largest number of unicorns globally. This signifies a thriving startup ecosystem with immense potential for innovation and economic growth.

### Directors Responsibility Statement

The Directors state that:

- a) in the preparation of the annual accounts for the fifteen months financial year ended 31<sup>st</sup> March 2024, the applicable accounting

standards have been followed and no material departures have been made from the same;

- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31<sup>st</sup> March 2024 and of the profits of your Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 ("the Act") for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Directors and Key Managerial Personnel

Mr. David Steven McDaniel (DIN: 08662504), designated as an Executive Director – Finance & Control and CFO of your Company demitted his office with effect from close of business hours on 28<sup>th</sup> February 2023 for taking new assignments with Nestlé Affiliate. Your Directors wish to place on record their appreciation for the contribution made by Mr. McDaniel during his tenure as an Executive Director – Finance & Control and CFO of your Company.

The Board of Directors had, based on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 16<sup>th</sup> February 2023 appointed Ms. Svetlana Boldina (DIN: 10044338) as an "Executive Director – Finance & Control and CFO" ('Key Managerial Personnel') effective from 1<sup>st</sup> March 2023, to hold office for a term of five consecutive years, which was subsequently approved by the members at the 64<sup>th</sup> Annual General Meeting of your Company held on 12<sup>th</sup> April 2023.

Ms. Svetlana Boldina fulfils the criteria provided in the Nomination and Remuneration Policy of your Company including her qualification, experience, background, expertise, proficiency and integrity. Further, in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Audit Committee has approved her appointment as Chief Financial Officer after assessment of her qualification, experience

and background. Your Company has also received approval of Central Government for the appointment of Ms. Svetlana Boldina, being a non-resident in India.

Mr. Matthias Christoph Lohner (DIN: 08934420) designated as an Executive Director – Technical, demitted his office with effect from from close of business hours on 30<sup>th</sup> June 2023 for taking new assignments with Nestlé Affiliate. Your Directors wish to place on record their appreciation for the contribution made by Mr. Lohner during his tenure as an Executive Director – Technical.

The Board of Directors had, based on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 1<sup>st</sup> June 2023 appointed Mr. Satish Srinivasan (DIN: 10173407) as an Executive Director – Technical of your Company with effect from 1<sup>st</sup> July 2023 for a term of five consecutive years which was subsequently approved by the members vide resolution passed through Postal Ballot on 5<sup>th</sup> July 2023. Mr. Satish Srinivasan fulfils the criteria provided in the Nomination and Remuneration Policy of your Company including his qualification, experience, background, expertise, proficiency and integrity. Your Company has also received approval of Central Government for the appointment of Mr. Satish Srinivasan, being a non-resident in India.

Dr. Swati Ajay Piramal (DIN: 00067125), retired as an Independent Non-Executive Director of your Company with effect from from 31<sup>st</sup> March 2024 upon completion of her second term of five consecutive years. Your Directors wish to place on record their appreciation for the contribution made by Dr. Piramal during her tenure as an Independent Non-Executive Director of your Company.

The Board of Directors had, on the recommendation of the Nomination and Remuneration Committee, at its meeting held on 5<sup>th</sup> April 2024 appointed Ms. Suneeta Reddy (DIN: 00001873) as an Independent Non-Executive Director of your Company with effect from 5<sup>th</sup> April 2024 for a term of five consecutive years, subject to approval of the Members. Your Company issued Postal Ballot Notice dated 5<sup>th</sup> April 2024 for the approval of the members and the e-Voting on the resolution is under process. ^

All the Independent Non-Executive Directors of your Company have submitted the declaration confirming that they meet the criteria of independence as prescribed under the Act and the Listing Regulations and are not disqualified from continuing as Independent Non-Executive Directors. The Board is of the opinion that the Independent Non-Executive Directors of your Company including those appointed during the period under review, possess requisite qualifications, expertise and experience and they hold highest standards of integrity. The Independent Non-Executive Directors of

your Company have confirmed compliance of relevant provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. During the period under review, the non-executive directors of your Company had no pecuniary relationship or transactions with your Company, other than sitting fees, commission and reimbursement of expenses, if any.

Brief resume, nature of expertise in specific functional areas, disclosure of relationships between directors *inter-se*, details of directorship held in other companies, membership of committees of the Board along with listed entities from which resigned in the past three years, shareholding in the Company held by the directors proposed to be appointed/ re-appointed at the 65<sup>th</sup> AGM, is provided in the Notice of the 65<sup>th</sup> AGM.

Ms. Svetlana Boldina (DIN: 10044338) Executive Director of your Company, retires by rotation at the 65<sup>th</sup> AGM, and being eligible, has offered herself for re-appointment. A resolution seeking approval of the members for her re-appointment, forms part of the Notice of the 65<sup>th</sup> AGM. As per the terms of her appointment as approved by the members, her re-appointment at the 65<sup>th</sup> AGM as a director retiring by rotation would not constitute break in her appointment as a whole-time director, designated as “Executive Director – Finance & Control and CFO”.

Pursuant to the provisions of Section 203 of the Act, Mr. Suresh Narayanan, Chairman and Managing Director, Ms. Svetlana Boldina, Executive Director – Finance & Control and CFO and Mr. Pramod Kumar Rai, Company Secretary are the Key Managerial Personnel of your Company as on 31<sup>st</sup> March 2024.

The NRC had adopted principles for identification of key managerial personnel, senior management including the executive directors which are based on “The Nestlé Management and Leadership Principles” and “Nestlé Leadership Framework”. Nomination and Remuneration (NR) Policy of your Company includes criteria for determining qualifications, positive attributes and independence of a director. The NR Policy relating to the remuneration of directors, key managerial personnel, senior management and other employees is framed with the object of attracting, retaining and motivating talent which is required to run your Company successfully. The same is also available on the website of your Company at <https://www.nestle.in/investors/policies>.

An annual evaluation has been made by the Board of Directors of its own performance and that of its Committees and individual Directors and the details of manner of performance evaluation of Directors, Board and its Committees are available in the Corporate Governance Report, which forms an integral part of the Annual Report.



The details of familiarization programmes to the Independent Non-Executive Directors with your Company, their roles, rights, responsibilities in your Company, nature of the industry in which your Company operates, business model of your Company and related matters are available on the website of your Company at <https://www.nestle.in/investors/directorsandofficers/familiarization-programme>.

### Corporate Social Responsibility

During the period under review, the Corporate Social Responsibility (CSR) Committee was re-constituted and Ms. Svetlana Boldina, Executive Director – Finance & Control and CFO was appointed as member of the CSR Committee with effect from 1<sup>st</sup> March 2023 in place of Mr. David Steven McDaniel, Executive Director – Finance & Control and CFO, who ceased to be member of the CSR Committee with effect from the close of business hours on 28<sup>th</sup> February 2023, when he demitted his office of Whole-time Director for taking up new assignment with Nestlé Affiliate.

As on 31<sup>st</sup> March 2024, the CSR Committee comprised of Dr. Swati Ajay Piramal as Chairperson and Mr. Suresh Narayanan, Ms. Svetlana Boldina and Ms. Anjali Bansal, as members.

Further, Dr. Swati Ajay Piramal, ceased to be Member and Chairperson of the CSR Committee with effect from the close of business hours on 31<sup>st</sup> March 2024, upon completion of her second term of five consecutive years as Independent Non-Executive Director. Ms. Suneeta Reddy, Independent Non-Executive Director was appointed as a Member and Chairperson of the CSR Committee with effect from 5<sup>th</sup> April 2024.

The terms of reference of the CSR Committee are provided in the Corporate Governance Report. Your Company has also formulated a CSR Policy, which is available on the website of your Company at <https://www.nestle.in/investors/policies>. Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended (“CSR Rules”) is annexed as **Annexure 2** and forms an integral part of this Report.

In terms of Section 135 of the Act read with CSR Rules, your Company had during the fifteen months financial year ended 31<sup>st</sup> March 2024 spent over two percent of the average net profits of your Company during the three preceding financial years in accordance with the CSR Policy and the Annual Action Plan approved by the Board of Directors, from time to time on the recommendation of the CSR Committee.

Since the Financial Year of your Company under review was extended for a period of fifteen months (January 2023 to March 2024), while the threshold

of two percent was in relation to average net profits during three immediately preceding financial years, your Company has incurred CSR expenditure in excess of the budget approved by the Board of Directors and the threshold prescribed under Section 135 of the Act, accordingly, on the recommendation of the Corporate Social Responsibility Committee, the Board of Directors of your Company have approved to carry forward excess CSR amount spent during the fifteen months financial year ended 31<sup>st</sup> March 2024 and to set it off against the required CSR expenditure in the immediately succeeding three financial years subject to requisite compliances of the Act and rules made thereunder.

In addition to the above, your Company has been implementing societal activities since many decades under the umbrella of “Creating Shared Value” which have not been reckoned for arriving at the spends as per CSR Rules. Your Company’s CSR activity expands across nutrition awareness, water and sanitation, rural development and environment. Details of some of the salient features of the CSR Policy and CSR initiatives like empowering communities, improving lives through Project Jagriti, empowering youth for a healthier future through Nestlé Healthy Kids Programme, igniting young minds with experiential learning through Project Jigyasa a part of Nestlé Healthy Kids Programme, building a brighter future in rural Haryana through Project Vriddhi, strengthening street food safety through Project Serve Safe Food, clean environment with emphasis on waste management through Project Hilldaari, clean water and sanitation facilities through Project Clean Drinking Water and other projects on disaster management, are given from page number 40 to 45 which forms an integral part of this Report.

### Business Responsibility and Sustainability Report

Your Company does business that delivers long-term shareholder value and benefits to the society. Your Company continues to focus on its commitments which are aligned with national priorities and United Nations Sustainability Development Goals.

Your Company aims to make safe, tasty and sustainable food that is nutritious, accessible and affordable, minimizing its impact on the resources, contributing to a future in which they are available for generations to come; boosting the well-being of the communities and enabling a just transition to regenerative practices; and creating a positive business environment and empowering your Company’s employees to make sustainable business decisions.

In terms of Regulation 34 of the Listing Regulations read with relevant SEBI Circulars, new reporting requirements on ESG parameters were prescribed under “Business Responsibility and Sustainability

Report" ('BRSR'). The BRSR seeks disclosure on the performance of your Company against nine principles of the "National Guidelines on Responsible Business Conduct" ('NGRBCs').

In terms of Regulation 34 of the Listing Regulations read with relevant SEBI Circulars, new reporting requirements introduced on BRSR Core, which is a sub-set of BRSR, consisting a set of Key Performance Indicators (KPIs)/ metrics under nine ESG attributes. New KPIs have been identified for assurance such as job creation in small towns, open-ness of business, gross wages paid to women etc. Also, for better global comparability intensity ratios based on revenue adjusted for Purchasing Power Parity (PPP) have been included.

Further, as per the new reporting requirements, your Company had taken reasonable assurance of the BRSR Core by a third-party Independent Assurance provider i.e. Grant Thornton Bharat LLP.

For the period under review, your Company has published the BRSR and Assurance Report on BRSR Core as per the new reporting requirements and annexed as **Annexure 3A** and **Annexure 3B** and forms an integral part of the Annual Report.

### Statutory Auditors and Auditors' Report

As per Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the members of the Company at their 63<sup>rd</sup> Annual General Meeting ('AGM') of the Company held on 12<sup>th</sup> April 2022, approved the appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Registration No.: 301003E/E300005) ('M/s. SRB'), as the Statutory Auditors of the Company for a term of five consecutive years i.e. from the conclusion of 63<sup>rd</sup> AGM till the conclusion of 68<sup>th</sup> AGM.

The Report given by M/s. SRB on the Financial Statements of your Company for the fifteen months financial year ended 31<sup>st</sup> March 2024 is part of the Annual Report. The Notes on the Financial Statements referred to in the Auditor's Report are self-explanatory and do not call for any comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer. During the fifteen months financial year ended 31<sup>st</sup> March 2024, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore, no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

### Cost Auditors and Cost Accounts

Your Company is required to make and maintain cost records for milk powder products as specified by the Central Government under sub-section (1) of section 148 of the Act. Accordingly, your Company has been making and maintaining such cost records as per the requirements.

In terms of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed M/s. Ramanath Iyer and Co., Cost Accountants, New Delhi (Registration No. 000019) being eligible, as Cost Auditors of your Company, to carry out the cost audit of milk powder products manufactured by the Company falling under the specified Customs Tariff Act Heading 0402 in relation to the financial year ending 31<sup>st</sup> March 2025. Your Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and Rules framed thereunder. The Cost Auditors have confirmed they are not disqualified to be appointed as the Cost Auditors of your Company for the financial year ending 31<sup>st</sup> March 2025. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of the Audit Committee. In terms of the Act and Rules thereunder requisite resolution for ratification of remuneration of the Cost Auditors by the members has been set out in the Notice of the 65<sup>th</sup> AGM of your Company. In the opinion of the Directors, considering the limited scope of audit, the proposed remuneration payable to the Cost Auditors would be reasonable and fair and commensurate with the scope of work carried out by them.

### Secretarial Auditors and Secretarial Audit Report

The Secretarial Audit was carried out by M/s. S.N. Ananthasubramanian & Co., Company Secretaries (PCS Registration No. 1774) for the fifteen months financial year ended 31<sup>st</sup> March 2024. The Report given by the Secretarial Auditors is annexed as **Annexure 4** and forms an integral part of this Report. The Secretarial Audit Report is self-explanatory and does not call for any comments. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer. During the fifteen months financial year ended 31<sup>st</sup> March 2024, the Secretarial Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

In terms of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, on the recommendation of the Audit Committee the Board of Directors appointed M/s. S.N. Ananthasubramanian & Co., Company Secretaries (Registration No. 1774) as the Secretarial Auditors of your Company for the financial year ending 31<sup>st</sup> March 2025.

Your Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder. The Secretarial Auditors have confirmed that they are not disqualified to be appointed as the Secretarial Auditors of your Company for the financial year ending 31<sup>st</sup> March 2025.

## Secretarial Standards

During the period under review, your Company has complied with applicable Secretarial Standards i.e. SS-1 and SS-2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively.

## Meetings of the Board

Eleven meetings of the Board of Directors of your Company were held during the period under review. The particulars of the meetings held and attendance of the Directors in the meetings are detailed in the Corporate Governance Report, which is annexed as **Annexure 1** and forms an integral part of this Report. The certificate issued by Company Secretary-in-Practice is enclosed with the Corporate Governance Report.

## Annual Return

In terms of Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of your Company is available on the website of your Company at the web-link <https://www.nestle.in/investors/stockandfinancials/annualreturns>.

## Details of Loans, Guarantee and Investments

The particulars of loans, guarantee and investments have been disclosed in Note no. 7, 8 and 11 to the Financial Statements.

## Related Party Transactions

Your Company has formulated a policy on materiality of related party transactions and on dealing with related party transactions ('RPT Policy') including clear thresholds limits as approved by the Board of Directors. The updated Policy is available on the website of your Company at <https://www.nestle.in/investors/policies>. The Board of Directors of your Company has approved the criteria to grant omnibus approval by the Audit Committee within the overall framework of the RPT Policy on related party transactions. All members of the Audit Committee are Independent Non-Executive Directors.

All related party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for related party transactions on a quarterly basis for transactions which are of a repetitive nature and/or entered in the ordinary course of business and are at arm's length basis.

All related party transactions entered during the period under review were in ordinary course of the business and at arm's length basis. In terms of the Act and Rules made thereunder, no material related party transactions, i.e. transaction with a related party exceeding rupees one thousand crore or 10% of the annual consolidated turnover, as per the last Audited

Financial Statements of your Company whichever is lower, were entered during the fifteen months financial year ended 31<sup>st</sup> March 2024 by your Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 ("the Act"), in Form AOC-2 is not applicable. Members may refer to Note no. 41 to the Financial Statements which sets out related party disclosures pursuant to IND AS-24.

In terms of Regulation 23(4) and other applicable provisions of the Listing Regulations, and as per applicable provisions of the Act, the Board of Directors of your Company has recommended a proposal to the members of the Company by way of an Ordinary Resolution through postal ballot for the payment of general licence fees (royalty) by your Company to Société des Produits Nestlé S.A. ('the Licensor'), being a related party, at the rate not exceeding 5.25%, net of taxes, of the net sales of the products sold by your Company as per the terms and conditions of the existing General Licence Agreements ("GLAs"), payable in a staggered manner over the period of five years by making an increase of 0.15% per annum over the current general license fees (royalty) of 4.5% per annum effective from 1<sup>st</sup> July 2024, if approved, notwithstanding that the transaction(s) involving payments to the Licensor with respect to general licence fees (royalty), during any Financial Year including any part thereof, is considered material related party transaction(s) being in excess of the limits specified under Regulation 23(1A) and other applicable provisions of the Listing Regulations at any time.

Your Company issued Postal Ballot Notice dated 5<sup>th</sup> April 2024 for the approval of the members and the e-Voting on resolution is under process. In terms of the Listing Regulations, no related party will vote on the Ordinary Resolution for payment of general licence fee (royalty) as set out in the Postal Ballot Notice dated 5<sup>th</sup> April 2024.^^

During the period under review, there was no subsequent material modification in the terms and conditions of GLAs, as defined by the Audit Committee and specified in the RPT Policy.

## Risk Management

Your Company has developed and implemented a Risk Management Policy and in the opinion of the Board of Directors, during the period under review, there were no elements of risk identified which may threaten the existence of your Company.

The Board of Directors of your Company evaluates the risk management systems periodically and takes into account any recommendation(s) of the Risk Management and Sustainability Initiatives Committee and the Audit Committee.

During the period under review, the Risk Management and Sustainability Initiatives Committee ("RMSIC") was re-constituted and Ms. Svetlana Boldina, Executive Director – Finance & Control and CFO was appointed as member of the RMSIC effective from 1<sup>st</sup> March 2023 in place of Mr. David Steven McDaniel, Executive Director – Finance & Control and CFO, who ceased to be member of the RMSIC with effect from the close of business hours on 28<sup>th</sup> February 2023, after he demitted his office of Whole-time Director for taking new assignments with Nestlé Affiliate.

As on 31<sup>st</sup> March 2024, the RMSI Committee comprised of Mr. Suresh Narayanan as Chairman and Dr. Swati A. Piramal, Mr. Prathivadibhayankara Rajagopalan Ramesh, Ms. Anjali Bansal and Ms. Svetlana Boldina, as members.

Further, Ms. Suneeta Reddy, Independent Non-Executive Director was appointed as a member of the RMSI Committee with effect from 5<sup>th</sup> April 2024 in place of Dr. Swati A. Piramal, who ceased to be member of the RMSI Committee with effect from the close of business hours on 31<sup>st</sup> March 2024, upon completion of her second term of five consecutive years as Independent Non-Executive Director.

The RMSI Committee on timely basis informed the Board of Directors about risk assessment and minimization procedures. The RMSI Committee has, formulated a detailed Risk Management Policy, as prescribed under the Listing Regulations.

### Scheme of Arrangement

The Board of Directors, at its meeting held on 28<sup>th</sup> July 2021, had approved the Scheme of Arrangement between the Company and its members under Section 230 of the Companies Act, 2013 as amended ("the Act") read with other applicable provisions of the Act and Rules made thereunder ("the Scheme"), which envisaged transfer of the entire balance of ₹8,374.3 million standing to the credit of the General Reserves to Retained Earnings. Your Company had filed an application with Hon'ble National Company Law Tribunal, Delhi Bench (Hon'ble NCLT) on 22<sup>nd</sup> March 2022 for the sanction of Scheme. After requisite formalities, the Hon'ble NCLT, vide its Order dated 15<sup>th</sup> September 2023, had sanctioned the Scheme. Certified copy of the Order sanctioning the Scheme was filed with the Registrar of Companies, Delhi and the Scheme became effective from 19<sup>th</sup> October 2023. Accordingly, the entire amount of ₹8,374.3 million standing to the credit of the General Reserves of the Company was reclassified and credited to the 'Retained Earnings' of your Company and constitute accumulated profits of your Company for the previous financial years, arrived at after providing

for depreciation in accordance with the provisions of the Act and remaining undistributed in the manner provided in the Act and other applicable laws. Pursuant to the Scheme, the amount so transferred are available for utilization and payout in accordance with the terms of the Scheme.

The details of the Scheme and other related documents including the Order passed by Hon'ble NCLT are available on the website of your Company at <https://www.nestle.in/investors/stockandfinancials/scheme-arrangement>.

### Complaint filed in Hon'ble National Consumer Dispute Redressal Commission

The Union of India, Department of Consumer Affairs in 2015 had filed a complaint before the Hon'ble National Consumer Dispute Redressal Commission ("NCDRC") on the allegation that by selling MAGGI Noodles in the past, your Company had indulged in unfair trade practice, sold defective and hazardous goods to the public. Complaint sought compensation of ₹2,845.5 million and punitive damages of ₹3554.1 million. Your Company had challenged the complaint. The NCDRC vide its Order dated 2<sup>nd</sup> April 2024 had dismissed the Complaint in favour of your Company.

### Internal Financial Controls and their adequacy

The Directors had laid down internal financial controls to be followed by your Company and such policies and procedures adopted by your Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Audit Committee evaluates the internal financial controls systems periodically.

### Audit Committee

As on 31<sup>st</sup> March 2024, the Audit Committee comprised of Mr. Prathivadibhayankara Rajagopalan Ramesh as Chairman, Mr. Rajya Vardhan Kanoria and Ms. Alpana Parida as members of the Committee, all are Independent Non-Executive Directors.

Subsequently, the Board of Directors of your Company at its meeting held on 5<sup>th</sup> April 2024 appointed Ms. Anjali Bansal as a member of the Audit Committee with effect from 5<sup>th</sup> April 2024, and as on the date of the Report, the Audit Committee comprised of Mr. Prathivadibhayankara Rajagopalan Ramesh as Chairman, Mr. Rajya Vardhan Kanoria, Ms. Alpana Parida and Ms. Anjali Bansal, as members of the Audit Committee, all Independent Non-Executive Directors.

Powers and roles of the Audit Committee are included in Corporate Governance Report, which forms an integral part of the Annual Report. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

### Vigil Mechanism

The Vigil Mechanism of your Company is governed by significant documents "The Nestlé Corporate Business Principles", "The Nestlé Management and Leadership Principles", "Nestlé India Code of Business Conduct" and "Nestlé India Vigil Mechanism/Whistle-blower Policy". The documents are available on the website of your Company at <https://www.nestle.in/investors/policies>. The Code/ Policy provides for adequate safeguards against victimization of director(s)/ employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. It is affirmed that no person has been denied access to the Audit Committee.

Your Company as part of establishment of Vigil Mechanism provides an independent third party operated free phone and web-based Platform, namely, "Speak up", to all internal and external stakeholders including directors and employees with a dedicated communication channel for reporting potential instances of non-compliance with Nestlé Corporate Business Principles or for reporting, on a confidential basis, any practices or actions believed to be inappropriate or illegal under the Nestlé India Code of Business Conduct. Details of the link to "Speak up" is available on the website of your Company at <https://www.nestle.com/aboutus/businessprinciples/report-your-concerns>.

Further, your Company has appointed Ombudsman for Infant Code, under which employees can report Infant Code violations directly to the Ombudsman, with adequate safeguard to protect the employee reporting.

Your Company sensitizes the availability of the above Vigil Mechanism from time to time to the directors and employees of your Company.

### Information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 for the fifteen months financial year ended 31<sup>st</sup> March 2024, in relation to the conservation of energy; technology absorption; and foreign exchange earnings and outgo is annexed as **Annexure 5** and forms an integral part of this Report.

### Information regarding employees and related disclosures

The statement of Disclosure of Remuneration under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules'), is annexed as **Annexure 6** and forms an integral part of this Report. As per second proviso to Section 136(1) of the Act and second proviso of Rule 5 of the Rules, the Report and Financial Statements are being sent to the members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of your Company or at the email address [investor@in.nestle.com](mailto:investor@in.nestle.com).

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH"), as amended, your Company has a robust mechanism in place to redress complaints reported under it. Your Company has complied with provisions relating to the constitution of Internal Committee under POSH. The Internal Committee (IC) comprises of internal members and external member who has an extensive experience in the field. In the fifteen months financial year ended 31<sup>st</sup> March 2024, six cases of sexual harassment were reported, which were investigated and resolved as per the provisions of the POSH. Your Company has in place a policy on prevention, prohibition and redressal of Sexual Harassment at workplace and the same is available on the website of your Company at <https://www.nestle.in/investors/policies>.

During the period under review, initiatives were undertaken to demonstrate your Company's zero tolerance philosophy against discrimination and sexual harassment, which included creation of comprehensive and easy to understand training and communication material which are also made easily accessible. In addition, online workshops were also run for the employees to enhance awareness and knowledge of other biases that may influence thinking and actions by running the unconscious bias session.

### Statement of Investor Education and Protection Fund

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"),

constituted by the Central Government. In terms of the IEPF Rules, during the period under review, your Company had transferred ₹28,17,440.00, ₹51,42,452.00, ₹21,89,148.00 and ₹29,69,872.00 to the IEPF, being the unpaid and unclaimed dividend amount pertaining to Second Interim Dividend 2015, Final Dividend 2015 & First Interim Dividend 2016, Second Interim Dividend 2016 and Third Interim Dividend 2016, respectively.

Pursuant to the provisions of IEPF Rules, all shares in respect of which any dividend which has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ('IEPF Account') within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, your Company had transferred 23,781 equity shares of face value of ₹10.00 each and 24,480 equity shares of face value of ₹1.00 each, on which the dividend(s) remained unpaid or unclaimed for seven consecutive years, to the demat account of IEPF Authority, after following the prescribed procedure.

### Credit Rating

Your Company has been awarded AAA credit rating for its bank credit facilities by CRISIL. It is the highest rating and indicates a stable outlook for your Company. The rating reflects that your Company has serviced its financial obligations on time. As regards the short-term facility provided by the bank, your Company has been awarded the credit rating of A1+. The rating reflects strong degree of safety and lowest credit risk.

### General

During the period under review, there were no transaction requiring disclosure or reporting in respect of matters relating to: (a) deposits covered under Chapter V of the Act; (b) issue of equity shares with differential rights as to dividend, voting or otherwise; (c) issue of shares (including sweat equity shares) to employees of the Company under any scheme; (d) raising of funds through preferential allotment or qualified institutions placement; (e) significant or material order passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future; (f) pendency

of any proceeding under the Insolvency and Bankruptcy Code, 2016; and (g) instance of one-time settlement with any bank or financial institution.

As on the date of this Report, your Company did not have any subsidiary or joint venture or associate Company.

### Trade Relations

Your Company maintained healthy, cordial and harmonious industrial relations at all levels. Despite severe competition, the enthusiasm and the unstinting efforts of the employees have enabled your Company to remain at the forefront of the industry.

Your Company continued to receive co-operation and support from the distributors, retailers, stockist, suppliers and others associated with your Company as its trading and value chain partners. Your Directors wish to place on record their appreciation for the same and your Company will continue in its endeavour to build and nurture strong links with trade, based on mutuality, fairness, respect and co-operation with each other and consistent with consumer interest.

### Appreciation

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and areas of its operations as well as the efficient utilization of your Company's resources for sustainable and profitable growth.

Your Directors hereby wish to place on record their appreciation of the efficient and loyal services rendered by each and every employee, without whose whole-hearted efforts, the overall satisfactory performance would not have been possible. Your Directors look forward to the long-term future with confidence.

**On behalf of the Board of Directors**

Date: 25<sup>th</sup> April 2024  
Place Gurugram

**Suresh Narayanan**  
Chairman and Managing Director

## Addendum to the Board's Report for the fifteen months financial year ended 31<sup>st</sup> March 2024

### ^ Directors and Key Managerial Personnel

The members of your Company had approved with requisite majority the appointment of Ms Suneeta Reddy (DIN: 00001873) as an Independent Non- Executive Director of the Company w.e.f. 5<sup>th</sup> April 2024 for a term of five consecutive years i.e. upto 4<sup>th</sup> April 2029. The members voted on the special resolution proposed through Postal Ballot by way of remote e-Voting between 18<sup>th</sup> April 2024 to 17<sup>th</sup> May 2024, and thereafter, the results of the e-Voting were announced on 17<sup>th</sup> May 2024.

The Board of Directors had, on the recommendation of the Nomination and Remuneration Committee, at its Meeting held on 12<sup>th</sup> June 2024 appointed Mr. Sidharth Kumar Birla (DIN: 00004213) as an Independent Non-Executive Director of your Company with effect from 12<sup>th</sup> June 2024 for a term of five consecutive years i.e. upto 11<sup>th</sup> June 2029 and recommends the said appointment to the members for their approval by way of a Special Resolution at the 65<sup>th</sup> Annual General Meeting ("AGM"). A Special Resolution seeking approval of the members on the aforesaid proposal along with Explanatory Statement is set out as Item No. 6 in the Notice of the 65<sup>th</sup> AGM of your Company.

### ^^ Related Party Transactions

The members voted on the Ordinary Resolution through Postal Ballot by way of remote e-Voting between 18<sup>th</sup> April 2024 to 17<sup>th</sup> May 2024. After the conclusion of remote e-Voting period, the results were announced on 17<sup>th</sup> May 2024. As per the e-Voting results, the Ordinary Resolution was not passed by the members with requisite majority.

Respecting the decision of the members and feedback from other stakeholders, the Board of Directors on the recommendation of the Audit Committee, with only the Independent Directors voting and the Executive Directors recusing, approved continuation of payment of general licence fees (royalty) by the Company to Société des Produits Nestlé S.A. ("Licensor"), being a related party as per the Regulation 2(1)(zb) of the Listing Regulations, at the current rate of 4.5%, net of taxes, of the net sales of the products sold by the Company as per the terms and conditions of the existing General Licence Agreements with the Licensor, and recommended the same for approval of the members of the Company by way of an Ordinary Resolution at the 65<sup>th</sup> AGM. Following high standards of corporate governance including shareholder rights, the aforesaid approval of members shall be sought by the Company every 5 (five) years in compliance with the applicable laws and regulations. An Ordinary Resolution seeking approval of the members on the aforesaid proposal along with Explanatory Statement is set out as Item No. 7 in the Notice of the 65<sup>th</sup> AGM of your Company.

**On behalf of the Board of Directors**

Date: 12<sup>th</sup> June 2024  
Place Gurugram

**Suresh Narayanan**  
Chairman and Managing Director

# Annual Accounts





# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NESTLÉ INDIA LIMITED

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Nestlé India Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the fifteen-months financial year then ended (refer note 2(A) (c)), and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the fifteen-months financial year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the fifteen-months financial year ended March 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Revenue recognition</b> (as described in Note 25 of the financial statements)	
<p>Revenue from the sale of goods is recognized at the moment when control has been transferred to the customer and is measured net of trade discounts, rebates and pricing allowances to customers (collectively 'trade spends'). There is a risk that revenue may be overstated because of fraud, resulting from the pressure local management may feel to achieve performance targets. Revenue is also an important element of how the Company measures its performance, upon which management is incentivized. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before control has been transferred.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.</li> <li>• We evaluated the design, tested the implementation and operating effectiveness of key internal controls including general IT controls and key IT application controls over recognition of revenue.</li> <li>• We performed substantive testing by selecting samples of revenue transactions recorded during the year by testing the underlying documents which included invoices, goods dispatch notes, customer acceptances and shipping documents (as applicable).</li> <li>• We carried out analytical procedures on revenue recognised during the year to identify unusual variances.</li> <li>• We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period.</li> <li>• We tested manual journal entries posted to revenue to identify unusual items.</li> </ul>
<b>Provision for contingencies</b> (as described in Note 2, 34 and 40 of the financial statements)	
<p>The management is required to make judgements and estimates in relation to the issues and exposures arising from a range of matters relating to direct tax, indirect tax, claims, general legal proceedings and other eventualities arising in the regular course of business. The Company is also subject to complexities arising from uncertain tax positions on deductibility of expenses. The key judgement lies in determining the likelihood and magnitude of an unfavorable outcome and interpretations of the legal aspects, tax legislations and judgements previously made by authorities. By nature, these are complex and include many variables.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We tested the design, implementation and operating effectiveness of key internal controls around the recognition and measurement of provisions.</li> <li>• We inquired the status in respect of significant provisions with the Company's internal tax and legal team.</li> <li>• We involved our subject matter experts, wherever required, to assess the value of provisions in light of the nature of the exposures, applicable regulations and related correspondence with the authorities.</li> <li>• We assessed reasonability of the assumptions and critical judgements made by the Company which impacted their estimate of provision required, considering judgements previously made by the authorities in the relevant jurisdictions or any relevant opinions given by the Company's advisors and assessing whether there was an indication of management bias. We verified the computation of provision on a test check basis.</li> </ul>

## Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate,

to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the fifteen-months financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the fifteen-months financial year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 and 40 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
  - iv. (a) The management has represented that, to the best of its knowledge and belief, and as disclosed in the note 47 to the financial statements, no funds have been advanced or loaned or invested (either from

- borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, and as disclosed in the note 47 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. (a) The final dividend paid by the Company during the fifteen-months financial year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- (b) The interim dividend declared and paid by the Company during the fifteen-months financial year and until the date of this audit report is in accordance with section 123 of the Act.
- (c) As stated in note 43 to the financial statements, the Board of Directors of the Company have proposed final dividend for the fifteen-months financial year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only for financial year beginning on or after April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 301003E/E300005

Place: Gurugram, Haryana

**per Pankaj Chadha**

Date: April 25, 2024

*Partner*

Membership Number: 091813

UDIN: 24091813BKFGLP5234

**Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date**

**Re: Nestlé India Limited ("the Company")**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i) (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) Certain Property, Plant and Equipment were physically verified by the management during the fifteen-months financial year in accordance with a planned programme of verifying them once in two years which is reasonable having regard to the size of the Company and the nature of its assets.
- (i) (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 47(viii) to the financial statements included in property, plant and equipment are held in the name of the Company.
- (i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the fifteen months financial year ended March 31, 2024.
- (i) (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory including inventory lying with third parties at reasonable intervals during the fifteen-months financial year ended 31 March 2024. In our opinion the coverage and the procedure of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.
- (ii) (b) As disclosed in note 47(vii) to the financial statements, the Company has been sanctioned working capital limits in excess of rupees five crores in aggregate from banks during the

fifteen-months financial year, on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the audited/ unaudited books of accounts of the Company.

- (iii) (a) During the fifteen-months financial year ended March 31, 2024, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties except the following loans to employees:

Particulars	Loans (Amount in ₹ million)
Aggregate amount granted/ provided during the fifteen- months financial year	
- Others	145.8
Balance outstanding as at balance sheet date in respect of above cases	
- Others	190.2

- (iii) (b) During the fifteen-months financial year ended March 31, 2024, the Company has not made any investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties, except loans to employees as stated in clause (iii)(a) above. The terms and conditions of the grant of all loans to employees during the fifteen-months financial year ended March 31, 2024 are not prejudicial to the Company's interest.
- (iii) (c) The Company has granted loans during the fifteen-months financial year ended March 31, 2024 to employees where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (iii) (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (iii) (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which had fallen due during the fifteen-

months financial year ended March 31, 2024, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

- (iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 (as amended) are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 (as amended) and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant

to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 (as amended), related to the manufacture of Milk Products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

S. No	Name of the Statute	Nature of Dues	Amount (₹ in million)	Amount paid under protest (₹ in million)	Period to which amount relates	Forum where case is pending
1	Income Tax Act, 1961	Disallowance of royalty and other expenses	1,253.2	805.0	FY 1996-97 to FY 2007-08	Honorable Supreme Court of India
2	Income Tax Act, 1961	Disallowance of royalty and other expenses	3,893.5		FY 2000-01 and FY 2008-09 to FY 2014-15	Delhi High Court
3	Income Tax Act, 1961	Disallowance of royalty, other expenses and transfer pricing	7,177.3		FY 2015-16 to FY 2017-18	Income Tax Appellate Tribunal
4	Income Tax Act, 1961	Excess TDS/TCS claimed in ITR, inconsistency in the deduction u/s 43B and penalty	86.3		FY 2014-15, FY 2016-17, FY 2020-21	Commissioner of Income Tax
5	Entry Tax	Entry Tax	190.5	160.2	Haryana – FY 2007-08 Orissa – Oct'07 to Jun'17 Madhya Pradesh – 2002-03 to 2003-04 and 2010-11 to 2011-12	At respective state authorities -Punjab & Haryana High Court -Orissa High Court -Madhya Pradesh High Court and Tribunal

S. No	Name of the Statute	Nature of Dues	Amount (₹ in million)	Amount paid under protest (₹ in million)	Period to which amount relates	Forum where case is pending
6	Central Goods and Service Tax	Anti-Profitteering	731.5	-	Jul'17 to Jun'18	Delhi High Court
7	Goods and service tax	Input credit on GST transition	23.7	-	FY 2017-18	Commissioner (Appeals)
8	Tamil Nadu goods and service tax act 2017	Input tax credit and classification	26.8	-	FY 2017-18 to 2019-20	Commissioner Audit Commissionerate
9	Maharashtra VAT	Classification of everyday premix	272.4	-	FY 2009-10 to 2017-18	Deputy Commissioner (Appeals) and Joint Commissioner
10	Central Sales Tax and Madhya Pradesh Value Added Tax	Classification of sauce	16.9	2.5	FY 2000-01 to 2005-06 and 2007-08 to 2017-18	Madhya Pradesh High Court
11	Central sales tax/Maharashtra value added tax	Classification of nescafe premix	25.3	-	FY 1993-94 to 1997-98, 2002-03 to 2004-05	1993-94 to 1997-98 - High Court 2002-03 - Tribunal 2003-04 to 2004-05 - Joint Commissioner
12	Central sales tax/Uttar Pradesh value added tax	Value added tax - valuation (curd)	5.8	-	FY 2008-09	Additional Commissioner Appeals of Uttar Pradesh
13	Central sales tax	Concessional forms - Delhi, Jammu and Kashmir, Madhya pradesh, Uttar pradesh	2.3	-	FY 2004-05, 2012-13 to 2014-15, 2016-17 to 2017-18	Additional Commissioner, Commissioner - Uttar Pradesh Tribunal - Delhi and Madhya Pradesh Assessing office - J&K
14	Purchase tax	Purchase tax on milk	17.6	4.4	FY 2002-03 to 2003-04	Punjab & Haryana High Court
15	Central excise tariff act	Excise duty - modvat credit on residual furnace oil	90.2	90.2	Sep'96 to Aug'01	Honorable Supreme Court of India
16	Finance Act, 1994	Service Tax on Information technology services	418.3	-	Jan'05 to Dec'11	CESTAT Chandigarh
17	Arbitrary Assessments	Disallowance related to sales return, exports, sales price, input tax credit	281.7	-	Jharkhand Assessment – FY 2010-11 to 2011-12 and 2013-14 West Bengal - Assessment – FY 2009-10 Tripura Assessment – FY 2004-05, 2013-14, 2015-16 Kerala - FY 2014-15	Jharkhand Assessment - Deputy Commissioner and Commissioner West Bengal Assessment - WBCT Appellate & Revisional Board Tripura Assessment - Commissioner and Superintendent Kerala - High court
18	Customs tariff Act 1985	Classification of LC Pufa Oil	52.1	-	Aug'08 to May'13	CESTAT
19	Customs tariff Act 1985	Classification of Rice Flakes	60.0	-	Aug'17 to Aug'20	Commissioner (Appeals)
20	Customs tariff Act 1985	Valuation of Cocoa Butter and Liquid	17.4	-	Feb'12 to Apr'13	CESTAT Mumbai



S. No	Name of the Statute	Nature of Dues	Amount (₹ in million)	Amount paid under protest (₹ in million)	Period to which amount relates	Forum where case is pending
21	Finance Act, 1994	Service Tax on Reimbursement of claims	3.4	-	Sep'99 to Mar'15	CESTAT, Chennai and Bengaluru, Service tax office, Chennai and GST office, Salem and Secunderabad
22	Property Tax Punjab	House Tax for Moga plant	192.7	-	FY 2000-01 to 2012-13	Punjab & Haryana High Court
23	Goa Agricultural Produce Marketing (Development and Regulation) Act 2017	Market Fee	20.0	-	Jun'08-Jun'20	High Court of Goa
24	Central Goods and Service Tax	GST on Expats	510.4	-	Jul'17 to Jul'23	Directorate General of GST
25	Customs Act	Classification of coconut milk powder	85.0	-	May'20 to Apr'22	Tribunal

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the fifteen-months financial year ended March 31, 2024. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the fifteen-months financial year ended March 31, 2024. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
- (ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) (c) The Company did not have any term loans outstanding during the fifteen-months financial year ended March 31, 2024, hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (ix) (d) The Company did not raise any funds during the fifteen-months financial year ended March 31, 2024 hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (ix) (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (ix) (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the fifteen-months financial year ended March 31, 2024 by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (x) (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the fifteen-months financial year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the fifteen-months financial year ended March 31, 2024.
- (xi) (b) During the fifteen-months financial year ended March 31, 2024, no report under sub-section (12) of section 143 of the Companies Act, 2013 (as amended) has been filed by cost auditor/secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) with the Central Government.
- (xi) (c) We have taken into consideration the whistle blower complaints received by the Company during the fifteen-months financial year ended March 31, 2024 while determining the nature, timing and extent of audit procedures.

- (xii) (a) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013 (as amended). Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (xii) (b) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013 (as amended). Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (xii) (c) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013 (as amended). Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (xvi) (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (xvi) (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current fifteen-months financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the fifteen-months financial year ended March 31, 2024 and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 46 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 35 to the financial statements.
- (xx) (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 35 to the financial statements.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Place: Gurugram, Haryana

Date: April 25, 2024

**per Pankaj Chadha**  
Partner

Membership Number: 091813

UDIN: 24091813BKFGPL5234

## Annexure '2' to the Independent Auditor's Report of even date on the financial statements of Nestlé India Limited

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Nestlé India Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the fifteen-months financial year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

#### Meaning of Internal Financial Controls with Reference to these Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Place: Gurugram, Haryana  
Date: April 25, 2024

**per Pankaj Chadha**  
Partner

Membership Number: 091813  
UDIN: 24091813BKFGLP5234

## BALANCE SHEET AS AT 31 MARCH 2024

		(₹ in million)	
	NOTES	As at 31 March 2024	As at 31 December 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	6	30,556.7	27,058.1
Capital work-in-progress	6	17,417.1	3,583.6
Right of Use Assets	6	4,045.8	3,378.9
Financial Assets			
Investments	7	4,238.9	5,601.9
Loans	8	80.1	90.0
Other financial assets	9	565.1	468.3
Deferred tax assets (net)	10	-	256.1
Other non-current assets	11	13,379.7	14,449.0
		70,283.4	54,885.9
<b>Current assets</b>			
Inventories	12	20,893.6	19,287.7
Financial assets			
Investments	7	399.8	2,173.5
Trade receivables	13	3,004.6	1,918.9
Cash and cash equivalents	14	7,588.7	9,265.5
Bank balances other than cash and cash equivalents	15	199.8	190.0
Loans	8	110.1	102.6
Other financial assets	9	462.7	582.6
Other current assets	11	2,287.9	1,380.7
		34,947.2	34,901.5
	<b>Total Assets</b>	<b>105,230.6</b>	<b>89,787.4</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	16	964.2	964.2
Other Equity	17	32,444.7	23,627.5
	<b>Total Equity</b>	<b>33,408.9</b>	<b>24,591.7</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	18	254.8	266.6
Lease liabilities	19	2,559.2	1,906.5
Provisions	20	29,172.0	32,051.6
Deferred tax liabilities (net)	10	120.4	-
Other non-current liabilities	21	154.6	173.5
		32,261.0	34,398.2

## BALANCE SHEET AS AT 31 MARCH 2024

	NOTES	As at 31 March 2024	(₹ in million) As at 31 December 2022
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	18	56.6	33.7
Lease Liabilities	19	574.7	498.4
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	22, 44	3,532.6	2,856.6
Total outstanding dues of creditors other than micro enterprises and small enterprises	22	18,846.3	16,481.5
Payables for capital expenditure			
Total outstanding dues of micro enterprises and small enterprises	44	561.4	247.5
Total outstanding dues of creditors other than micro enterprises and small enterprises		5,179.8	1,623.8
Other financial liabilities	23	6,041.9	4,809.1
Other current liabilities	24	1,769.1	2,309.7
Provisions	20	2,616.2	1,607.0
Current tax liabilities (net)		382.1	330.2
		<b>39,560.7</b>	<b>30,797.5</b>
		<b>71,821.7</b>	<b>65,195.7</b>
		<b>105,230.6</b>	<b>89,787.4</b>
		<b>Total Liabilities</b>	<b>Total Equity and Liabilities</b>

See accompanying notes 1 to 49 forming part of the financial statements

As per our report of even date attached For and on behalf of the Board of Directors

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

Firm's Registration No. - 301003E/E300005

**PANKAJ CHADHA**

Partner

Membership No. - 091813

25 April 2024

Gurugram

**SURESH NARAYANAN**

Chairman and  
Managing Director  
(DIN-07246738)

25 April 2024

Gurugram

**SVETLANA BOLDINA**

Executive Director - Finance  
& Control and CFO  
(DIN-10044338)

**PRAMOD KUMAR RAI**

Company Secretary  
MembershipNo.-FCS4676  
PAN-ABVPR5131P

## STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

		(₹ in million)	
	NOTES	Financial Year (Fifteen Months) ended 31 March 2024	Financial Year (Twelve Months) ended 31 December 2022
<b>A INCOME</b>			
Domestic Sales		233,006.2	160,976.0
Export Sales		9,748.6	6,919.3
<b>Sale of products</b>	25	242,754.8	167,895.3
Other operating revenue	25	1,184.1	1,074.3
<b>i Revenue from operations</b>		243,938.9	168,969.6
<b>ii Other Income</b>	26	1,479.6	1,010.0
<b>Total Income</b>		245,418.5	169,979.6
<b>B EXPENSES</b>			
<b>i Cost of materials consumed</b>	27	102,168.8	76,521.1
<b>ii Purchases of stock-in-trade</b>		5,373.7	3,480.2
<b>iii Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>	28	(456.8)	(2,502.7)
<b>iv Employee benefits expense</b>	29	23,360.6	16,354.6
<b>v Finance costs (including interest cost on employee benefit plans)</b>	30	1,454.9	1,545.7
<b>vi Depreciation and Amortisation expense</b>	6	5,377.8	4,030.1
<b>vii Other expenses</b>	31	54,404.7	36,970.5
<b>viii Impairment loss on property, plant and equipment</b>	6	299.7	294.3
<b>ix Net provision for contingencies</b>	34	(7.5)	162.9
<b>x Corporate social responsibility expense</b>	35	597.6	563.2
<b>Total Expenses</b>		192,573.5	137,419.9
<b>C PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (A-B)</b>		52,845.0	32,559.7
<b>D Exceptional items</b>	4, 32	(43.7)	-
<b>E PROFIT BEFORE TAX (C-D)</b>		52,888.7	32,559.7
<b>F Tax expense</b>			
Current tax	36	13,156.8	8,686.1
Deferred tax	36	403.5	(31.6)
<b>G PROFIT AFTER TAX (E-F)</b>		39,328.4	23,905.2

# STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

	NOTES	Financial Year (Fifteen Months) ended 31 March 2024	(₹ in million) Financial Year (Twelve Months) ended 31 December 2022
<b>H OTHER COMPREHENSIVE INCOME</b>			
<b>(a) (i) Items that will not be reclassified to profit or loss</b>			
Re-measurement gains / (losses) of defined benefit plans	32	(573.3)	1,522.4
Changes in fair value of equity instruments through other comprehensive income		-	(17.7)
<b>(ii) Income taxes relating to Items that will not be reclassified to profit or loss</b>			
		144.3	(383.2)
		(429.0)	1,121.5
<b>(b) (i) Items that will be reclassified to profit or loss</b>			
Net movement on effective portion of cash flow hedges		(0.5)	(2.8)
<b>(ii) Income taxes relating to Items that will be reclassified to profit or loss</b>			
		0.1	0.7
		(0.4)	(2.1)
<b>TOTAL OTHER COMPREHENSIVE INCOME (a+b)</b>		<b>(429.4)</b>	<b>1,119.4</b>
<b>I TOTAL COMPREHENSIVE INCOME (G+H)</b>			
		<b>38,899.0</b>	<b>25,024.6</b>
Basic and Diluted Earnings Per Share (Face value ₹ 1 - refer Note 16)	₹	<b>40.79</b>	<b>24.79</b>
<b>ADDITIONAL INFORMATION (Refer Note 2):</b>			
<b>PROFIT FROM OPERATIONS [C - A(ii) + B(v) + B(x)]</b>		<b>53,417.9</b>	<b>33,658.6</b>

See accompanying notes 1 to 49 forming part of the financial statements

As per our report of even date attached For and on behalf of the Board of Directors

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

Firm's Registration No. - 301003E/E300005

**PANKAJ CHADHA**

Partner

Membership No. - 091813

25 April 2024

Gurugram

**SURESH NARAYANAN SVETLANA BOLDINA**

Chairman and  
Managing Director  
(DIN-07246738)

25 April 2024

Gurugram

Executive Director - Finance  
& Control and CFO  
(DIN-10044338)

**PRAMOD KUMAR RAI**

Company Secretary  
Membership No.-FCS4676  
PAN-ABVPR5131P

## STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

	Financial Year (Fifteen Months) ended 31 March 2024	(₹ in million) Financial Year (Twelve Months) ended 31 December 2022
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	52,888.7	32,559.7
Adjustments for :		
Depreciation and Amortisation expense	5,377.8	4,030.1
Impairment loss on property, plant and equipment	299.7	294.3
Deficit/ (Surplus) on property, plant and equipment sold/scrapped written off (net)	(66.6)	(62.6)
Interest income	(1,479.6)	(1,010.0)
Interest on bank overdraft and others	16.1	20.4
Interest on lease liabilities	243.9	160.7
Allowance for impairment on financial assets	(6.8)	39.3
Unrealised exchange differences	(48.9)	55.8
<b>Cash generated from operations before Working Capital and other changes</b>	<b>57,224.3</b>	<b>36,087.7</b>
Adjustments for:		
Decrease/(increase) in trade receivables	(1,088.1)	(275.1)
Decrease/(increase) in inventories	(1,605.9)	(3,361.2)
Decrease/(increase) in loans, other financial assets & other assets	(212.5)	(295.4)
Increase/(decrease) in trade payable	3,098.3	1,776.3
Increase/(decrease) in other financial liabilities & other liabilities	700.1	1,775.6
Increase/(decrease) in provision for contingencies	(1,015.9)	1,144.3
Increase/(decrease) in provision for employee benefits	(2,364.8)	(1,066.4)
<b>Cash generated from operations</b>	<b>54,735.5</b>	<b>35,785.8</b>
Income taxes paid (net of refunds)	(12,987.6)	(8,411.5)
<b>Net cash generated from operating activities</b>	<b>41,747.9</b>	<b>27,374.3</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment including Capital work in progress	(18,826.7)	(5,499.2)
Proceeds from sale of property, plant and equipment	43.7	92.2
Proceeds from sale / redemption / maturity of Investments	-	171.1
Proceeds from redemption of Tax Free Bonds and Investments	2,837.9	83.7
Amount received from Insurance Pension Plan - Separations	1,898.1	1,287.6
Net decrease/(increase) in loans to employees	2.4	(13.4)
Interest received on bank deposits, investments, tax free bonds, employee loans etc.	1,670.4	1,031.4
Adjustment in net assets of Pet Food Business	-	350.6
Net consideration paid for Acquisition of Pet Food Business	-	(1,421.3)
<b>Net cash used in investing activities</b>	<b>(12,374.2)</b>	<b>(3,917.3)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of deferred VAT liabilities under state government schemes	(45.9)	(66.5)
Receipt of deferred VAT liabilities under state government schemes	38.0	-
Interest on bank overdraft and others	(16.1)	(20.4)
Interest on lease liabilities	(243.9)	(160.7)
Principal payment of lease liabilities	(999.5)	(732.5)
Dividends paid	(30,081.8)	(20,247.3)
<b>Net cash generated used in financing activities</b>	<b>(31,349.2)</b>	<b>(21,227.4)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(1,975.5)</b>	<b>2,229.6</b>



## STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

	Financial Year (Fifteen Months) ended 31 March 2024	(₹ in million) Financial Year (Twelve Months) ended 31 December 2022
Cash and cash equivalents (Refer note 14)	9,265.5	7,185.3
Current investments (Refer note 7)	698.5	549.1
<b>Total cash and cash equivalents at the beginning of the year (as per Ind AS 7)</b>	<b>9,964.0</b>	<b>7,734.4</b>
Cash and cash equivalents (Refer note 14)	7,588.7	9,265.5
Current investments (Refer note 7)	399.8	698.5
<b>Total cash and cash equivalents at the end of the year (as per Ind AS 7)</b>	<b>7,988.5</b>	<b>9,964.0</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,975.5)</b>	<b>2,229.6</b>

Disclosure of non-cash transactions as per Ind AS 7:  
(Changes in Liabilities arising from Financing activities is as under)

	As at 31 December 2022	Cash flow changes	Non- cash changes	(₹ in million) As at 31 March 2024
Deferred VAT liabilities	300.3	(7.9)	19.0	311.4
Deferred Government Grants	173.5	-	(18.9)	154.6
Lease liabilities	2,404.9	(1,243.4)	1,972.4	3,133.9
	<b>2,878.7</b>	<b>(1,251.3)</b>	<b>1,972.5</b>	<b>3,599.9</b>

	Year ended 31 December 2021	Cash flow changes	Non-cash changes	(₹ in million) Year ended 31 December 2022
Deferred VAT liabilities	340.6	(66.5)	26.2	300.3
Deferred Government Grants	199.7	-	(26.2)	173.5
Lease liabilities	2,324.0	(893.2)	974.1	2,404.9
	<b>2,864.3</b>	<b>(959.7)</b>	<b>974.1</b>	<b>2,878.7</b>

### Notes:

The above Statement of Cash flows has been prepared under the "Indirect Method" as set out in Ind AS 7 on 'Statement of Cash Flows'.

As per our report of even date attached For and on behalf of the Board of Directors

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

Firm's Registration No. - 301003E/E300005

**PANKAJ CHADHA**

Partner

Membership No. - 091813

25 April 2024

Gurugram

**SURESH NARAYANAN**

Chairman and  
Managing Director  
(DIN-07246738)

25 April 2024

Gurugram

**SVETLANA BOLDINA**

Executive Director - Finance  
& Control and CFO  
(DIN-10044338)

**PRAMOD KUMAR RAI**

Company Secretary  
Membership No.-FCS4676  
PAN-ABVPR5131P

# STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

A) EQUITY SHARE CAPITAL	Notes	(₹ in million)
Balance as at 31 December 2021	16	964.2
Movement during the year		-
Balance as at 31 December 2022	16	964.2
Movement during the fifteen months		-
Balance as at 31 March 2024	16	964.2

B) OTHER EQUITY <sup>(1)</sup>	Reserves and Surplus				Items of Other Comprehensive Income		Total
	General Reserve	Share Based Payment Reserve	Capital Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	Effective portion of Cash Flow Hedges	
Balance as at 31 December 2021	8,374.3	-	(250.8)	10,694.9	(330.0)	11.2	18,499.6
Profit after tax	-	-	-	23,905.2	-	-	23,905.2
Other comprehensive income	-	-	-	1,139.2	(17.7)	(2.1)	1,119.4
<b>Total comprehensive income</b>	-	-	-	<b>25,044.4</b>	<b>(17.7)</b>	<b>(2.1)</b>	<b>25,024.6</b>
Transfer of Equity Instruments through other comprehensive income to Retained Earnings	-	-	-	(347.7)	347.7	-	-
Dividend (Refer note 43)	-	-	-	(20,247.3)	-	-	(20,247.3)
Share Based Payment Expense	-	143.7	-	-	-	-	143.7
Recognition of liability towards Share Based Payments	-	(143.7)	-	-	-	-	(143.7)
Other changes in net assets of Pet Food Business	-	-	350.6	-	-	-	350.6
Balance as at 31 December 2022	8,374.3	-	99.8	15,144.3	-	9.1	23,627.5
Profit after tax	-	-	-	39,328.4	-	-	39,328.4
Other comprehensive income	-	-	-	(429.0)	-	(0.4)	(429.4)
<b>Total comprehensive income</b>	-	-	-	<b>38,899.4</b>	-	<b>(0.4)</b>	<b>38,899.0</b>
Transfer of General Reserve to Retained Earnings*	(8,374.3)	-	-	8,374.3	-	-	-
Dividend (Refer note 43)	-	-	-	(30,081.8)	-	-	(30,081.8)
Share Based Payment Expense	-	206.8	-	-	-	-	206.8
Recognition of liability towards Share Based Payments	-	(206.8)	-	-	-	-	(206.8)
Balance as at 31 March 2024	-	-	99.8	32,336.2	-	8.7	32,444.7

\*The Shareholders of the Company had, at the Court Convened Meeting held on 25<sup>th</sup> July 2022, approved the Scheme of Arrangement ('Scheme') which envisages transfer of the entire balance of ₹ 8,374.3 million standing to the credit of the General Reserves to Retained Earnings. The Company had accordingly filed a petition for sanction of the Scheme with the Hon'ble National Company Law Tribunal, New Delhi Bench ('Hon'ble NCLT'). The Hon'ble NCLT, vide its order dated 15<sup>th</sup> September 2023 ('Order'), has sanctioned the Scheme. The Appointed Date as fixed in the Scheme is 1<sup>st</sup> January 2022. The Scheme has been made effective on and upon filing of the certified copy of the Order with the Registrar of Companies

<sup>(1)</sup> Description of purpose of each reserve within Other Equity has been disclosed under Note 17.

As per our report of even date attached For and on behalf of the Board of Directors

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

Firm's Registration No. - 301003E/E300005

**PANKAJ CHADHA**

Partner

Membership No. - 091813

25 April 2024

Gurugram

**SURESH NARAYAN SVETLANA BOLDINA**

Chairman and  
Managing Director  
(DIN-07246738)

25 April 2024

Gurugram

Executive Director - Finance  
& Control and CFO  
(DIN-10044338)

**PRAMOD KUMAR RAI**

Company Secretary

Membership No.-FCS4676  
PAN-ABVPR5131P

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

## 1. CORPORATE INFORMATION

Nestlé India Limited (“the Company”) is a Company domiciled in India, with its registered office situated at 100/101, World Trade Centre, Barakhamba Lane, New Delhi – 110 001. The Company has been incorporated in 1959 under the provisions of Indian Companies Act and its equity shares are listed on the BSE Limited and NSE Limited in India. (Listing on NSE is effective from and after 1<sup>st</sup> August, 2023). The Company is primarily involved in Food business which incorporates product groups viz. Milk Products and Nutrition, Prepared dishes and Cooking aids, Powdered and Liquid Beverages and Confectionery.

## 2. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies used in preparation of the financial statements have generally been included in the relevant notes to the financial statements.

### A BASIS OF PREPARATION AND MEASUREMENT

#### a Statement of compliance

The financial statements of the Company have been prepared in accordance with and to comply in all material aspects with the Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Act, as applicable.

#### b Basis of measurement

The financial statements have been prepared on accrual and going concern basis under the historical cost convention except for certain class of financial assets/ liabilities, share based payments and net liability for defined benefit plans that are measured at fair value. The accounting policies have been consistently applied by the Company unless stated otherwise.

#### c Financial Year

The Company had opted the period of 1<sup>st</sup> day of January to 31<sup>st</sup> day of December, each year as its financial year for the purpose of preparation of financial statements under the provisions of Section 2(41) of the Companies Act, 2013, which the Company Law Board had allowed.

The Board of Directors on 27<sup>th</sup> July 2023 have approved the change of financial year of the Company to uniform financial year commencing on 1<sup>st</sup> April of every year and ending on 31<sup>st</sup> March of the following year. Consequently, as a transitional arrangement, the current financial year of the Company is for a period of 15 months from 1<sup>st</sup> January 2023 and ended 31<sup>st</sup> March 2024 while the previous financial year was of 12 months from 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022.

#### d Functional and Presentation Currency

The financial statements have been prepared and presented in Indian Rupees (₹), which is also the Company’s functional currency.

#### e Rounding off

All amounts in the financial statement and accompanying notes are presented in ₹ million and have been rounded-off to one decimal place unless stated otherwise.

#### f Current and Non-current Classification

The Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities. This is based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents.

#### g Measurement of Profit from Operations

For better understanding of the financial performance, the Company has chosen to present Profit from Operations as an additional information in the Statement of Profit and Loss. Profit from Operations is derived from Profit before Exceptional Items & Tax less Other Income and adding back Finance Costs (Including Interest Cost on Employee Benefit Plans) and Corporate Social Responsibility Expense.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

### h Use of Estimates and Judgement

The preparation of financial statements requires management to exercise judgement and make estimates and assumptions that affects the reported amounts of revenue, expenses, assets and liabilities. These estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the results are known/materialise.

The areas involving significant estimates and judgement include determination of useful life of property, plant and equipment (Refer note 6), measurement of lease liabilities and right of use assets (Refer note 6), measurement of defined benefit obligations (Refer Note 32), recognition and measurement of provisions and contingencies (Refer note 34) and recognition of deferred tax assets / liabilities (Refer Note 36).

### i Approval of financial statements

The financial statements of the Company were approved for issue by the Board of Directors on 25 April 2024.

## B FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are initially recorded in the functional currency i.e. Indian Rupees (₹) using the exchange rate at the date of transaction.

Monetary items (i.e. receivables, payables) denominated in foreign currency are reported using the closing exchange rate as on each balance sheet date.

The exchange difference arising on the settlement or reporting of monetary items at rates different from rates at which these were initially recorded / reported in previous financial statements, are recognised in the statement of profit and loss in the period in which they arise.

Also refer to accounting policy on 'Derivatives and Hedge accounting'. (Refer Note 37)

## C PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions for Contingencies/ Contingent liabilities are recognised/disclosed after evaluation of facts and legal aspects of the matter involved, in line with Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets and Ind AS 12 on Income Tax. Provisions are recognised when the Company has a present obligation (legal/constructive) and on management judgement as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be accrued/ realised.

## D BORROWING COSTS

Borrowing costs directly attributable to acquisition or construction of items of qualifying assets of property, plant and equipment which take substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. All other borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

## E EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

On and from the Record Date of 5<sup>th</sup> January 2024, the equity shares of the Company have been sub-divided, such that 1 (one) equity share having face value of ₹10/- (₹ ten only) each, fully paid-up, stands sub-divided into 10 (ten) equity shares having face value of ₹ 1/- (₹ one only) each, fully paid-up, ranking pari-passu in all respects. The Earnings per share for the prior periods have been restated considering the face value of ₹ 1/- each in accordance with Ind AS 33 - "Earnings per share".

### F EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

All material events occurring after the balance sheet date upto the date of approval of financial statements by the Board of Directors on 25 April 2024, have been considered, disclosed and adjusted, wherever applicable, as per the requirements of Ind AS 10 - Events after the Reporting Period.

### 3. RECENT ACCOUNTING PRONOUNCEMENTS

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on 31<sup>st</sup> March, 2023 amending:

- (a) Ind AS 1, 'Presentation of Financial Statements' - This amendment requires companies to disclose their material accounting policies rather than their significant accounting policies.
- (b) Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - This amendment has introduced a definition of 'accounting estimates' and includes guidance to help distinguish changes in accounting policies from changes in accounting estimates.
- (c) Ind AS 12 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies account for deferred tax on transactions such as leases

These are applicable from Financial Year beginning on or after 1<sup>st</sup> April 2023 (Thus for us will be applicable from 1<sup>st</sup> April 2024).

Based on a preliminary evaluation, the Company does not expect any material impact on the financial statements resulting from the implementation of these amendments.

### 4. EXCEPTIONAL ITEMS

Exceptional Items as disclosed in the Statement of Profit and Loss Account for 15 months ended 31 March 2024 comprise of the following, in aggregate:

- i. Charge of ₹ 972.2 million (previous year nil) towards past service cost and settlement loss recognised on account of change in cost of servicing the defined pension benefit under the Company's unfunded Defined Benefit pension plan following the decision to transfer the responsibility and administration for payment of the defined pension benefits of plan members upon their retirement, to insurance service provider. This includes a settlement loss of ₹ 306.0 million (previous year nil) on the ₹ 2,556.7 million settlement transaction with insurance service provider towards transferring the responsibility and administration for payment of defined pension benefits to existing pensioners effective 1<sup>st</sup> April 2024.

The exceptional past service cost of ₹ 666.2 million (previous year nil) included in the defined benefit obligation as at 31 March 2024, has been computed by the Company's actuaries based on expected annuity purchase price at the time of retirement, using projected unit credit method (refer note 32).

- ii. Write-back of provision of ₹ 1,015.9 million (previous year nil) made in earlier years for an indirect tax matter upon the settlement of dispute with concerned state Government authority.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

## 5. BUSINESS COMBINATION

### A. BUSINESS COMBINATION UNDER COMMON CONTROL

- Pursuant to the business transfer agreement dated 18<sup>th</sup> August 2022, the Company had acquired Pet Food Business from Nestlé Business Services India Private Limited (Formerly known as Purina PetCare India Private Limited) with effect from 1<sup>st</sup> October 2022, as a going concern on slump sale basis. Nestlé S.A., the ultimate holding Company, has 100% ownership of Nestlé Business Services India Private Limited (Formerly known as Purina PetCare India Private Limited) and 62.76% ownership of Nestlé India Limited. Therefore, Nestlé Business Services India Private Limited (Formerly known as Purina PetCare India Private Limited) and Nestlé India Limited being subsidiaries of Nestlé S.A., Switzerland are related parties. As a result, the transaction has been accounted in accordance with "Pooling of Interest Method" laid down by Appendix C (Business Combinations of Entities under Common Control) of Indian Accounting Standard 103 (Ind AS 103), notified under the Companies' Act, 2013.

The Company has acquired Pet Food Business from Nestlé Business Services India Private Limited (Formerly known as Purina PetCare India Private Limited) for a total cash consideration of ₹ 1,421.3 million, determined at arms' length basis fair value of the business acquired. As per the "Pooling of Interest Method" referred above, the assets and liabilities of the acquired business have been recorded in the books of the Company at their pre-acquisition carrying amounts and no adjustments have been made to reflect fair values (of tangible/intangible assets acquired by the Company). Also, as required by the Appendix C to Ind AS103, there is no recognition of any new asset (tangible/intangible) or liability arising from this business combination irrespective of their market/fair values on the acquisition date. The retained earnings of the Pet Food Business have been merged with the retained earnings of the Company. The difference between the consideration paid and the net assets acquired as adjusted by the retained earnings amount, has been adjusted in the "Capital Reserve" as required by Appendix C to Ind AS 103 irrespective of the fair value of the net assets/liabilities acquired.

As required under Ind AS 103, the accounting period ended 31<sup>st</sup> December 2022 presented in the financial statements of the Company and accompanying notes have been prepared by including the accounting effects of the acquisition of the business, as stated above, as if the purchase had occurred from the beginning of the comparative period of the preceeding year in the financial statements, i.e. January 1, 2021.

#### Following are the assets & liabilities taken over by the Company on 1<sup>st</sup> October 2022

(₹ in million)

Particulars	As at 1 October 2022
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, Plant and Equipment	0.3
Loans	0.1
	0.4
<b>Current assets</b>	
Inventories	169.1
Trade receivables	8.0
Loans	0.2
Other current assets	116.6
	293.9
<b>Total Assets</b>	<b>294.3</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

	(₹ in million)
Particulars	As at 1 October 2022
<b>LIABILITIES</b>	
<b>Non-current liabilities</b>	
Provisions	7.8
	7.8
<b>Current liabilities</b>	
Trade payables	
Total outstanding dues of micro enterprises and small enterprises	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	24.6
Other financial liabilities	27.4
Provisions	2.8
Other current liabilities	0.0
	54.8
<b>Total Liabilities</b>	<b>62.6</b>
	<b>NET ASSETS</b>
	<b>231.7</b>

Details of profit and loss for Nine months ended 30 September 2022 of Nestlé Business Services India Private Limited (Formerly known as Purina PetCare India Private Limited), which has been included in the statement of profit and loss for the year ended 31 December 2022 of the Company.

	(₹ in million)		
	For the Year ended 31 Dec 2022		
Particulars	Before effect of Business Combination	Effect of Business Combination (9 Months)	Revised balance post effect of Business Combination
<b>A INCOME</b>			
<b>Sale of products</b>	167,576.3	319.0	167,895.3
Other operating revenues	1,074.3	-	1,074.3
<b>i Revenue from operations</b>	168,650.6	319.0	168,969.6
<b>ii Other Income</b>	1,010.0	-	1,010.0
<b>Total Income</b>	169,660.6	319.0	169,979.6
<b>B EXPENSES</b>			
<b>i Cost of materials consumed</b>	76,521.1	-	76,521.1
<b>ii Purchases of stock-in-trade</b>	3,340.4	139.8	3,480.2
<b>iii Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>	(2,627.0)	124.3	(2,502.7)
<b>iv Employee benefits expense</b>	16,298.7	55.9	16,354.6
<b>v Finance costs (including interest cost on employee benefit plans)</b>	1,543.3	2.4	1,545.7
<b>vi Depreciation and Amortisation</b>	4,025.9	4.2	4,030.1
<b>vii Other expenses</b>	36,819.5	151.0	36,970.5
<b>viii Impairment loss on property, plant and equipment</b>	294.3	-	294.3
<b>ix Net provision for contingencies - Others</b>	162.3	0.6	162.9
<b>x Corporate social responsibility expense</b>	563.2	-	563.2
<b>Total Expenses</b>	136,941.7	478.2	137,419.9

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

(₹ in million)

Particulars	For the Year ended 31 Dec 2022		
	Before effect of Business Combination	Effect of Business Combination (9 Months)	Revised balance post effect of Business Combination
<b>C PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (A-B)</b>	32,718.9	(159.2)	32,559.7
D Exceptional items	-	-	-
<b>E PROFIT BEFORE TAX (C-D)</b>	32,718.9	(159.2)	32,559.7
F Tax expense			
Current tax	8,686.1	-	8,686.1
Deferred tax	(31.6)	-	(31.6)
<b>G PROFIT AFTER TAX (E-F)</b>	24,064.4	(159.2)	23,905.2

- (2) The Board of Directors have approved slump sale of Nestlé Business Services ('NBS') Division of the Company to Nestlé Business Services India Private Limited (Formerly known as Purina PetCare India Private Limited), which is a related party, being a 100% subsidiary of Nestlé S.A, for an aggregate consideration of ~ ₹ 798 million. The transaction shall be effective from 1<sup>st</sup> July 2024, subject to customary closing conditions.

Non Current Assets - ₹ 63.4 million reported in Property Plant and Equipment and Capital Work in Progress and ₹ 37.9 million reported in Right of Use Assets pertaining to assets to be transferred as a result of the transaction.

### B. BUSINESS COMBINATION - OTHERS

The Board of Directors have approved investment by the Company in the joint venture (JV Company) with Dr Reddy's Laboratories Limited (Dr Reddy's), for the purposes of manufacturing, developing, promoting, marketing, selling, distributing, and commercializing products in the field of medical nutrition, specialized nutrition, nutraceuticals, and supplements in India and other geographies as may be agreed by the Parties. Dr Reddy's will hold 51% and the Company will hold 49% in the JV Company with proportionate shareholder rights to voting, dividend distribution, and other economic rights as enshrined in the definitive agreement. Nestlé India will have a call option to increase shareholding upto 60% after six years at a Fair Market Value. Dr Reddy's shall continue to hold at least 40% of the shareholding after the Company exercises its call option.

### 6. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(₹ in million)

	As at 31 March 2024	As at 31 December 2022
Owned Assets	30,556.7	27,058.1
Capital work-in-progress	17,417.1	3,583.6
Right of Use Assets	4,045.8	3,378.9
	<b>52,019.6</b>	<b>34,020.6</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

### Property, Plant and Equipment - Owned

Items of property, plant & equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost is inclusive of freight, duties, taxes or levies (net of recoverable taxes) and any directly attributable cost of bringing the assets to their working condition for intended use.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Profit or loss on disposal / scrapping / write off / retirement from active use of an item of property, plant and equipment is recognised in the statement of profit and loss.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

### Depreciation / Amortization

The Company has assessed the useful lives of property, plant and equipment as required by Schedule II to the Companies Act, 2013. Accordingly, depreciation has been computed on useful lives based on technical evaluation of relevant class of assets including components thereof. Useful lives and residual values are reviewed annually. Depreciation is provided as per the straight line method computed basis useful lives of property, plant and equipment as follows:

Category	Useful Life
Leased Assets	Lower of lease term or useful life
Buildings	25 - 40 years
Plant & Equipments	5 - 25 years
Office Equipments	5 years
Furniture and fixtures	5 years
Vehicles	5 years
Information Technology (IT) equipment	3 - 5 years

Freehold land is not depreciated.

### Impairment of Property, Plant and Equipment

At each balance sheet date, the Company reviews whether there is any indication that an item of property, plant and equipment including capital work in progress, right of use assets or intangible assets (asset / cash generating unit) may be impaired. For the purpose of assessing impairment, assets are grouped at the levels for which there are separately identifiable cash flows (cash generating unit). If any impairment indicator exists, estimate of the recoverable amount of the property, plant and equipment /cash generating unit to which the asset belongs is made. An impairment loss is recognised in the statement of Profit and Loss whenever the carrying amount of an asset/ cash generating unit exceeds its recoverable amount. The recoverable amount is the greater of the fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount rate.

Reversal of impairment losses recognised in earlier years is recorded when there is an indication that the impairment losses recognised for the asset/cash generating unit no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for that asset/cash generating unit in earlier years.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

### Property, Plant and Equipment - Right of Use Assets

The Company's leases mainly comprises of land, buildings, plant & machinery and vehicles. The Company leases land and buildings primarily for offices, manufacturing facilities and warehouses.

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognises a Right of Use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments with a corresponding adjustment to the carrying value of right-of-use assets.

Lease liability and right-of-use assets are separately presented in the Balance Sheet and lease payments are classified as financing cash flows in the Cash Flow Statement.

The Company recognizes lease payments as other expense on a straight line basis over the period of lease for short term leases or leases of low value assets .

(₹ in million)

Particulars	GROSS CARRYING VALUE			DEPRECIATION/ AMORTISATION					NET CARRYING VALUE	
	Cost as at 31 December 2022	Additions	Deletions / Adjustments	Cost as at 31 March 2024	As at 31 December 2022	For the year	Impairment loss	On deletions / Adjustments	As at 31 March 2024	As at 31 March 2024
<b>6A. Owned Assets</b>										
Freehold land	175.2	-	-	175.2	-	-	-	-	-	175.2
Buildings	11,735.2	2,025.2	18.6	13,741.8	2,780.3	603.9	0.1	16.3	3,368.0	10,373.8
Plant and equipment	35,245.5	5,505.8	290.1	40,461.2	18,214.3	3,218.1	299.6	289.0	21,443.0	19,018.2
Furniture and fixtures	644.1	45.2	12.6	676.7	519.7	42.0	-	12.5	549.2	127.5
Office equipment	432.3	84.4	7.4	509.3	188.6	86.5	-	7.0	268.1	241.2
IT equipment	1,292.4	361.7	101.6	1,552.5	764.7	271.3	-	101.5	934.5	618.0
Vehicles	23.6	3.0	1.8	24.8	22.6	1.2	-	1.8	22.0	2.8
<b>Total Owned Assets</b>	<b>49,548.3</b>	<b>8,025.3</b>	<b>432.1</b>	<b>57,141.5</b>	<b>22,490.2</b>	<b>4,223.0</b>	<b>299.7</b>	<b>428.1</b>	<b>26,584.8</b>	<b>30,556.7</b>
<b>6B. Capital work-in-progress</b>	<b>3,583.6</b>	<b>13,833.5*</b>	<b>-</b>	<b>17,417.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,417.1</b>
<b>6C. Right of Use Assets</b>										
Leasehold land	1,240.5	92.4	-	1,332.9	93.0	17.7	-	-	110.7	1,222.2
Buildings	3,586.8	1,678.3	798.8	4,466.3	1,592.6	1,064.0	-	750.5	1,906.1	2,560.2
Plant and Equipment	211.1	9.2	0.6	219.7	28.1	29.1	-	0.4	56.8	162.9
Vehicles	153.3	91.8	68.7	176.4	99.1	44.0	-	67.2	75.9	100.5
<b>Total Right of Use Assets</b>	<b>5,191.7</b>	<b>1,871.7</b>	<b>868.1</b>	<b>6,195.3</b>	<b>1,812.8</b>	<b>1,154.8</b>	<b>-</b>	<b>818.1</b>	<b>2,149.5</b>	<b>4,045.8</b>
<b>Total (6A + 6B + 6C)</b>	<b>58,323.6</b>	<b>23,730.5</b>	<b>1,300.2</b>	<b>80,753.9</b>	<b>24,303.0</b>	<b>5,377.8</b>	<b>299.7</b>	<b>1,246.2</b>	<b>28,734.3</b>	<b>52,019.6</b>

\*Net of amount capitalized and commissioned during the year

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

(₹ in million)

Particulars	GROSS CARRYING VALUE				DEPRECIATION/ AMORTISATION					NET CARRYING VALUE
	Cost as at 31 December 2021	Additions	Deletions / Adjustments	Cost as at 31 December 2022	As at 31 December 2021	For the year	Impairment loss	On deletions/ Adjustments	As at 31 December 2022	As at 31 December 2022
<b>6D. Owned Assets</b>										
Freehold land	175.2	-	-	175.2	-	-	-	-	-	175.2
Buildings	11,367.4	375.8	8.0	11,735.2	2,326.0	449.5	12.3	7.5	2,780.3	8,954.9
Plant and equipment	32,658.0	2,923.9	336.4	35,245.5	15,761.7	2,480.4	282.0	309.8	18,214.3	17,031.2
Furniture and fixtures	651.4	121.6	128.9	644.1	623.0	25.2	-	128.5	519.7	124.4
Office equipment	230.8	210.7	9.2	432.3	145.9	51.0	-	8.3	188.6	243.7
IT equipment	976.4	402.9	86.9	1,292.4	674.2	176.2	-	85.7	764.7	527.7
Vehicles	25.0	-	1.4	23.6	23.5	0.5	-	1.4	22.6	1.0
<b>Total Owned Assets</b>	<b>46,084.2</b>	<b>4,034.9</b>	<b>570.8</b>	<b>49,548.3</b>	<b>19,554.3</b>	<b>3,182.8</b>	<b>294.3</b>	<b>541.2</b>	<b>22,490.2</b>	<b>27,058.1</b>
<b>6E. Capital work-in-progress</b>	<b>2,462.3</b>	<b>1,119.8*</b>	<b>(1.5)</b>	<b>3,583.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,583.6</b>
<b>6F. Right of Use Assets</b>										
Leasehold land	1,240.5	-	-	1,240.5	79.8	13.2	-	-	93.0	1,147.5
Buildings	3,485.8	875.5	774.5	3,586.8	1,514.4	776.3	-	698.1	1,592.6	1,994.2
Plant and Equipment	211.1	-	-	211.1	7.0	21.1	-	-	28.1	183.0
Vehicles	165.8	18.9	31.4	153.3	85.2	36.7	-	22.8	99.1	54.2
<b>Total Right of Use Assets</b>	<b>5,103.2</b>	<b>894.4</b>	<b>805.9</b>	<b>5,191.7</b>	<b>1,686.4</b>	<b>847.3</b>	<b>-</b>	<b>720.9</b>	<b>1,812.8</b>	<b>3,378.9</b>
<b>Total (6D + 6E + 6F)</b>	<b>53,649.7</b>	<b>6,049.1</b>	<b>1,375.2</b>	<b>58,323.6</b>	<b>21,240.7</b>	<b>4,030.1</b>	<b>294.3</b>	<b>1,262.1</b>	<b>24,303.0</b>	<b>34,020.6</b>

\*Net of amount capitalized and commissioned during the year

(1) The Company incurred ₹ 75.1 million (2022: ₹ 10.6 million) for the fifteen months ended 31 March 2024 towards expenses related to short term leases, leases of low value assets & variable leases.

### (a) Details regarding CWIP ageing schedule as at 31 March 2024

(₹ in million)

Particulars	Amount in CWIP for a period of				Total
	Less Than 1 Year	1 - 2 Years	2 - 3 Years	More Than 3 Years	
(i) Projects in progress	16,565.2	835.6	16.3	-	17,417.1
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Capital work-in-progress</b>	<b>16,565.2</b>	<b>835.6</b>	<b>16.3</b>	<b>-</b>	<b>17,417.1</b>

### Details regarding CWIP ageing schedule as at 31 December 2022

(₹ in million)

Particulars	Amount in CWIP for a period of				Total
	Less Than 1 Year	1 - 2 Years	2 - 3 Years	More Than 3 Years	
(i) Projects in progress	3,172.8	270.0	124.1	16.7	3,583.6
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Capital work-in-progress</b>	<b>3,172.8</b>	<b>270.0</b>	<b>124.1</b>	<b>16.7</b>	<b>3,583.6</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

(b) Details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2024

(₹ in million)

Particulars	To be completed in				Total
	Less Than 1 Year	1 - 2 Years	2 - 3 Years	More Than 3 Years	
(i) Projects in progress					
Project 1 at Ponda Factory	229.6	-	-	-	229.6
Project 1 at Moga Factory	178.4	-	-	-	178.4
Project 1 at Nanjangud Factory	159.0	-	-	-	159.0
Project 1 at Bicholim Factory	92.9	-	-	-	92.9
Project 2 at Ponda Factory	64.4	-	-	-	64.4
Project 2 at Nanjangud Factory	56.4	-	-	-	56.4
Project 3 at Ponda Factory	52.9	-	-	-	52.9
Project 1 at Tahliwal Factory	50.2	-	-	-	50.2
Others	440.9	-	-	-	440.9
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,324.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,324.7</b>

Details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan as at 31 December 2022

(₹ in million)

Particulars	To be completed in				Total
	Less Than 1 Year	1 - 2 Years	2 - 3 Years	More Than 3 Years	
(i) Projects in progress					
Project at Ponda Factory	76.3	-	-	-	76.3
Project at Tahliwal Factory	67.1	-	-	-	67.1
Project at Najnangud Factory	63.9	-	-	-	63.9
Others	441.4	-	-	-	441.4
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>648.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>648.7</b>

For contractual commitment with respect to property, plant and equipment refer Note 40 (ii)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

		(₹ in million)	
		As at 31 March 2024	As at 31 December 2022
<b>7. INVESTMENTS</b>			
<b>A. Non Current Assets</b>			
<b>At amortised cost</b>			
<b>Quoted</b>			
Tax free Bonds		4,238.9	5,601.9
		4,238.9	5,601.9
Market value of quoted investments		4,488.7	5,918.6
Aggregate amount of impairment in value of investment		-	-
<b>B. Current Assets</b>			
<b>At amortised cost</b>			
<b>Quoted</b>			
Treasury Bills - Government Securities		399.8	698.5
Current portion of Long term tax free bonds		-	1,475.0
		399.8	2,173.5
Considered as 'Cash and cash equivalents' for the purpose of 'Statement of Cash Flows' in line with the requirements of Ind AS-7		399.8	698.5
Market value of quoted investments		399.8	2,204.0
Aggregate amount of impairment in value of investment		-	-
<b>TOTAL INVESTMENTS (A + B)</b>		4,638.7	7,775.4
<b>8. LOANS</b>			
<b>A. Non Current Assets</b>			
<b>Unsecured, considered good</b>			
Loans to employees		80.1	90.0
		80.1	90.0
<b>B. Current Assets</b>			
<b>Unsecured, considered good</b>			
Loans to employees		110.1	102.6
		110.1	102.6
<b>TOTAL LOANS (A + B)</b>		190.2	192.6
<b>9. OTHER FINANCIAL ASSETS</b>			
<b>A. Non Current Assets</b>			
<b>Unsecured, considered good</b>			
Security deposits		565.1	468.3
		565.1	468.3
<b>B. Current Assets</b>			
Recoverable from related parties (Refer Note 41)		156.2	163.0
Derivative assets - forward contracts		4.8	29.8
Interest accrued on bank deposits/ tax free long term bonds etc.		168.3	359.1
Others		70.4	15.2
<b>Unsecured, considered good</b>			
Security deposits		63.0	15.5
<b>Unsecured, credit impaired</b>			
Security deposits		1.4	10.1
Less: Allowance for impairment		(1.4)	(10.1)
		462.7	582.6
<b>TOTAL OTHER FINANCIAL ASSETS (A + B)</b>		1,027.8	1,050.9

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

	As at 31 March 2024	(₹ in million) As at 31 December 2022
<b>10. DEFERRED TAX ASSETS / LIABILITIES (NET) <sup>(1)</sup></b>		
<b>Deferred tax assets / (liabilities)</b>		
Property, plant and equipment	(1,364.3)	(1,378.1)
Contingencies	764.0	1,181.2
Employee benefits - compensated absences and gratuity	346.2	349.4
ROU assets & Lease liabilities	81.0	52.5
Allowances for credit impaired assets and Trade receivables	44.9	38.2
Other items deductible on payment basis	10.7	16.0
Financials Instruments	(2.9)	(3.1)
<b>NET DEFERRED TAX ASSETS / LIABILITIES (NET)</b>	<b>(120.4)</b>	<b>256.1</b>
<sup>(1)</sup> Refer note 36		
<b>11. OTHER ASSETS</b>		
<b>A. Other Non-Current Assets</b>		
Investment in Insurance plan <sup>(1)</sup>	10,534.1	12,338.8
Capital advances	1,586.9	815.2
Prepaid expense	15.7	15.0
Payments under protest with government authorities	1,243.0	1,280.0
	<u>13,379.7</u>	<u>14,449.0</u>
<b>B. Other Current Assets</b>		
Investment in Insurance plan <sup>(1)</sup>	1,702.4	850.6
<b>Unsecured, considered good</b>		
Advances given to suppliers, employees etc.	274.1	129.7
Balances with government authorities	94.6	108.3
Prepaid expenses	216.8	292.1
	<u>585.5</u>	<u>530.1</u>
<b>Unsecured, credit impaired</b>		
Advances given to suppliers, Balances with government authorities etc.	102.6	53.6
Less: Allowance for doubtful advances	(102.6)	(53.6)
	<u>2,287.9</u>	<u>1,380.7</u>
<b>TOTAL OTHER ASSETS (A + B)</b>	<b><u>15,667.6</u></b>	<b><u>15,829.7</u></b>

<sup>(1)</sup>Investment represents 'Reimbursement Rights' as defined under Ind AS 19 Employee Benefits to cover the defined benefit obligations under the 'Future Ready Plan'. (Refer Note 32).

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

### 12. INVENTORIES

Inventories are stated at cost or net realisable value, whichever is lower. However, raw materials, packing materials and other supplies held for use in the production of inventories are not written down below cost if the finished goods in which they will be included are expected to be sold at or above cost.

Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

The basis of determining cost for various categories of inventories are as follows:

Raw and packing material	: First-in-first out
Stock-in-trade (Goods purchased for resale)	: Weighted average
Stores and spare parts	: Weighted average
Work-in-progress and finished goods	: Material cost plus appropriate share of production overheads, wherever applicable

	As at 31 March 2024	As at 31 December 2022
Raw materials {Includes in transit ₹ 434.0 million (2022 : ₹ 509.7 million)}	7,402.2	6,400.2
Packing materials {Includes in transit : ₹ 2.3 million (2022: ₹ 22.5 million)}	835.9	943.2
Work-in-progress	3,616.7	2,322.8
Finished goods	6,814.1	7,634.8
Stock-in-trade (goods purchased for resale) {Includes in transit ₹ 223.3 million (2022: ₹ 140.1 million)}	785.6	802.0
Stores and spares {Includes in transit ₹ 28.6 million (2022: ₹ 6.6 million)}	1,439.1	1,184.7
	<b>20,893.6</b>	<b>19,287.7</b>

During the fifteen months, an amount of ₹ 1,323.0 million (net of reversals) [PY 2022: ₹ 831.9 million] was charged to the statement of profit and loss on account of obsolete, damage and slow moving inventories.

### 13. TRADE RECEIVABLES

(Unsecured unless otherwise stated)

Trade Receivables considered good <sup>(1)</sup>	3,075.8	1,990.1
Trade Receivables Credit Impaired	3.2	2.2
	<b>3,079.0</b>	<b>1,992.3</b>
Less: Loss allowance	(3.2)	(2.2)
Less: General Allowance for Expected Credit Loss (Refer Note 37)	(71.2)	(71.2)
	<b>3,004.6</b>	<b>1,918.9</b>

<sup>(1)</sup>Includes receivables from related parties (Refer Note 41)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

Ageing for Trade receivables from the due date of payment for each of the category as at 31 March 2024

(₹ in million)

Particulars	Not Due	Outstanding for following periods from the due date of payment					Total
		Less Than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More Than 3 Years	
(i) Undisputed Trade Receivables Considered Goods	2,589.6	420.5	40.7	20.8	1.9	2.3	3,075.8
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables Credit Impaired	-	0.3	-	0.8	0.1	2.0	3.2
(iv) Disputed Trade Receivables Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant Increase in Credit Risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables Credit Impaired	-	-	-	-	-	-	-
<b>Total Trade Receivables</b>	<b>2,589.6</b>	<b>420.8</b>	<b>40.7</b>	<b>21.6</b>	<b>2.0</b>	<b>4.3</b>	<b>3,079.0</b>

Ageing for Trade receivables from the due date of payment for each of the category as at 31 December 2022

(₹ in million)

Particulars	Not Due	Outstanding for following periods from the due date of payment					Total
		Less Than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More Than 3 Years	
(i) Undisputed Trade Receivables Considered Goods	1,724.0	175.8	40.8	41.9	5.2	2.4	1,990.1
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables Credit Impaired	-	0.1	0.1	0.1	-	1.9	2.2
(iv) Disputed Trade Receivables Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant Increase in Credit Risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables Credit Impaired	-	-	-	-	-	-	-
<b>Total Trade Receivables</b>	<b>1,724.0</b>	<b>175.9</b>	<b>40.9</b>	<b>42.0</b>	<b>5.2</b>	<b>4.3</b>	<b>1,992.3</b>

There are no unbilled receivables as at 31 March 2024 and 31 December 2022.

There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

### 14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include bank balances, cheques and drafts on hand including remittances in transit, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included as a component of cash and cash equivalents for the purpose of Statement of Cash flows.

	As at 31 March 2024	As at 31 December 2022
Balances with banks		
on current accounts	1,427.2	731.7
on deposit accounts	6,123.5	8,523.1
Cheques, drafts on hand including remittances in transit	38.0	10.7
	<u>7,588.7</u>	<u>9,265.5</u>

(₹ in million)

### 15. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

#### Earmarked Balances with Banks

Unpaid dividend accounts	199.8	190.0
	<u>199.8</u>	<u>190.0</u>

### 16. EQUITY SHARE CAPITAL

#### Authorised

	As at 31 March 2024		As at 31 December 2022	
	No. of shares	Amount (₹ in million)	No. of shares	Amount (₹ in million)
Equity shares of face value ₹ 1 each as on 31 <sup>st</sup> March 2024* (Equity shares of face value ₹ 10 each as on 31 <sup>st</sup> December 2022)*	<u>1,000,000,000</u>	<u>1,000.0</u>	<u>100,000,000</u>	<u>1,000.0</u>

#### Issued, subscribed and fully paid up

Equity shares of face value ₹ 1 each* (Equity shares of face value ₹ 10 each as on 31 <sup>st</sup> December 2022)*	<u>964,157,160</u>	<u>964.2</u>	<u>96,415,716</u>	<u>964.2</u>
---	--------------------	--------------	-------------------	--------------

#### a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year

Shares outstanding as at the beginning of the year	96,415,716	964.2	96,415,716	964.2
Increase in shares on account of split*	867,741,444	Not applicable	-	-
<b>Shares outstanding as at the end of the year</b>	<u>964,157,160</u>	<u>964.2</u>	<u>96,415,716</u>	<u>964.2</u>

\*On and from the Record Date of 5<sup>th</sup> January 2024, the equity shares of the Company have been sub-divided, such that 1 (one) equity share having face value of ₹10/- (₹ ten only) each, fully paid-up, stands sub-divided into 10 (ten) equity shares having face value of ₹ 1/- (₹ one only) each, fully paid-up, ranking pari-passu in all respects. The Earnings per share for the prior periods have been restated considering the face value of ₹ 1/- each in accordance with Ind AS 33 - "Earnings per share".

#### b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares with face value of ₹ 1 each, ranking *pari passu*.

#### c) Equity shares held by holding companies

Nestlé S.A.	330,513,990	33,051,399
Maggi Enterprises Limited (Subsidiary of Nestlé S.A.) (Ultimate holding Company being Nestlé S.A.)	274,636,800	27,463,680

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

### d) Shareholders holding more than 5% of equity shares

Serial No.	Name of the shareholder	No. of shares	% of holding	No. of shares	% of holding
1	Nestlé S.A.	330,513,990	34.28	33,051,399	34.28
2	Maggi Enterprises Limited	274,636,800	28.48	27,463,680	28.48

### e) Shareholdings by the Promoter's of the Company

#### Nestlé S.A.

	As at 31 March 2024	As at 31 December 2022
Number of Shares at the beginning of the year	33,051,399	33,051,399
Increase in shares on account of split*	297,462,591	-
Number of Shares at the end of the year	330,513,990	33,051,399
% of Total shares	34.28	34.28
% of change during the year	-	-

#### Maggi Enterprises Limited

	As at 31 March 2024	As at 31 December 2022
Number of Shares at the beginning of the year	27,463,680	27,463,680
Increase in shares on account of split*	247,173,120	-
Number of Shares at the end of the year	274,636,800	27,463,680
% of Total shares	28.48	28.48
% of change during the year	-	-

(₹ in million)

### 17. OTHER EQUITY

	As at 31 March 2024	As at 31 December 2022
General reserve	-	8,374.3
Retained earnings	32,336.2	15,144.3
Capital Reserve	99.8	99.8
Items of Other Comprehensive Income		
Effective portion of cash flow hedges	8.7	9.1
	<b>32,444.7</b>	<b>23,627.5</b>

### Nature and description of reserve

- (i) **General Reserve** - General reserve are free reserves of the Company which are kept aside out of Company's profits to meet the future requirements as and when they arise. The Company had transferred a portion of the profit after tax (PAT) to general reserve pursuant to the earlier provisions of the erstwhile Companies Act, 1956. It is not mandatory to transfer the profit to reserve under the provisions of the Companies Act, 2013 ("Act").

The Shareholders of the Company had, at the Court Convened Meeting held on 25<sup>th</sup> July 2022, approved the Scheme of Arrangement ('Scheme') which envisages transfer of the entire balance of ₹ 8,374.3 million standing to the credit of the General Reserves to Retained Earnings. The Company had accordingly filed a petition for sanction of the Scheme with the Hon'ble National Company Law Tribunal, New Delhi Bench ('Hon'ble NCLT'). The Hon'ble NCLT, vide its order dated 15<sup>th</sup> September 2023 ('Order'), had sanctioned the Scheme. The Appointed Date as fixed in the Scheme is 1<sup>st</sup> January 2022 and the Scheme became effective from 19<sup>th</sup> October, 2023, the date on which certified copy of the order filed with the concerned Registrar of Companies.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

- (ii) **Retained Earnings** - Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.
- (iii) **Capital Reserve** - Capital Reserve is a reserve arising on business combination under common control due to difference between carrying amount of net assets acquired and consideration paid (as adjusted for amount recognized in retained earnings). The amount is not available for distribution to shareholders.
- (iv) **Effective portion of cash flow hedges** - The Company uses forward contracts to hedge its risks associated with foreign currency transactions relating to firm commitments and highly probable forecast transactions. This reserve represents the cumulative changes in fair value of forward contracts that are designated as Cash Flow Hedges. These will be reclassified to statement of profit and loss upon occurrence of the underlying forecasted transactions.

		(₹ in million)	
		As at 31 March 2024	As at 31 December 2022
<b>18. BORROWINGS</b>			
<b>A. Non Current Liabilities</b>			
<b>Unsecured loans</b>			
Deferred VAT liabilities		254.8	266.6
		<b>254.8</b>	<b>266.6</b>
<b>B. Current Liabilities</b>			
<b>Unsecured loans</b>			
Deferred VAT liabilities		56.6	33.7
		<b>56.6</b>	<b>33.7</b>
<b>TOTAL BORROWINGS (A + B)</b>		<b>311.4</b>	<b>300.3</b>

Represents Interest free loan from the state of Karnataka (repayable after 7 years from the date of disbursement in 10 equal installments commencing from the year 2021) and Interest free loan from the state of Himchal Pradesh (repayable after 8 years from the year of deferment commencing from year 2021).

<b>19. LEASE LIABILITIES</b>			
A. Non Current Lease Liabilities		2,559.2	1,906.5
B. Current Lease Liabilities		574.7	498.4
<b>TOTAL LEASE LIABILITIES (A + B)</b>		<b>3,133.9</b>	<b>2,404.9</b>

### Movement of Lease Liabilities

Balance at the beginning of the year		2,404.9	2,317.6
Add: Increase due to new Leases		1,779.1	913.4
Add: Interest accrued during the period		243.9	160.6
Less: Lease payments		(1,243.4)	(893.2)
Less: Decrease due to early termination		(50.6)	(93.5)
<b>BALANCE AT THE END OF THE YEAR</b>		<b>3,133.9</b>	<b>2,404.9</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

	As at 31 March 2024		As at 31 December 2022	
<b>20. PROVISIONS</b>				
<b>A. Non Current Liabilities</b>				
<b>Employee benefits:</b>				
Pension (Refer note 32)	17,703.5		19,796.5	
Other incentives and welfare benefits <sup>(1)</sup>	1,743.7	19,447.2	1,834.6	21,631.1
Contingencies (Refer note 34)		9,724.8		10,420.5
		<u>29,172.0</u>		<u>32,051.6</u>
<b>B. Current Liabilities</b>				
<b>Employee benefits:</b>				
Pension and Gratuity (Refer note 32)	2,378.6		1,016.2	
Other incentives and welfare benefits <sup>(1)</sup>	237.6	2,616.2	270.6	1,286.8
Contingencies (Refer note 34)		-		320.2
		<u>2,616.2</u>		<u>1,607.0</u>
<b>TOTAL PROVISIONS (A + B)</b>		<u>31,788.2</u>		<u>33,658.6</u>

<sup>(1)</sup>Includes compensated absences, restricted stock unit plans/ performance share unit plans, long service awards and ceremonial gifts.

### 21. OTHER NON-CURRENT LIABILITIES

Deferred Government Grants	154.6	173.5
	<u>154.6</u>	<u>173.5</u>

### 22. TRADE PAYABLES

Total outstanding dues of micro enterprises and small enterprises	3,532.6	2,856.6
Total outstanding dues of creditors other than micro enterprises and small enterprises <sup>(1)</sup>	18,846.3	16,481.5
	<u>22,378.9</u>	<u>19,338.1</u>

<sup>(1)</sup> Includes payables to related parties (Refer Note 41)

### AGEING OF TRADE PAYABLE

#### Ageing for Trade Payables as at 31 March 2024

(₹ in million)

Particulars	Unbilled Dues / Not Due	Outstanding for the following periods from due date of payment				Total
		Less Than 1 Year	1 - 2 Years	2 - 3 Years	More Than 3 Years	
(i) MSME	3,384.3	148.3	-	-	-	3,532.6
(ii) Others	17,861.9	937.6	27.2	11.7	7.9	18,846.3
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Trade Payables</b>	<b>21,246.2</b>	<b>1,085.9</b>	<b>27.2</b>	<b>11.7</b>	<b>7.9</b>	<b>22,378.9</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

Ageing for Trade Payables as at 31 December 2022

(₹ in million)

Particulars	Unbilled Dues / Not Due	Outstanding for the following periods from due date of payment				Total
		Less Than 1 Year	1 - 2 Years	2 - 3 Years	More Than 3 Years	
(i) MSME	2,813.2	43.4	-	-	-	2,856.6
(ii) Others	5,589.4	10,855.3	29.3	1.8	5.7	16,481.5
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Trade Payables</b>	<b>8,402.6</b>	<b>10,898.7</b>	<b>29.3</b>	<b>1.8</b>	<b>5.7</b>	<b>19,338.1</b>

(₹ in million)

### 23. OTHER FINANCIAL LIABILITIES

	As at 31 March 2024	As at 31 December 2022
Customers' credit balances and payables	2,894.9	2,157.2
Employee costs and reimbursements	2,870.8	2,327.1
Unpaid dividends <sup>(1)</sup>	199.8	190.0
Security deposits	68.8	83.2
Derivative liabilities - forward contracts	5.3	22.6
Book Overdraft	2.3	29.0
	<b>6,041.9</b>	<b>4,809.1</b>

<sup>(1)</sup>No amount due and outstanding to be credited to Investor Education and Protection Fund.

### 24. OTHER CURRENT LIABILITIES

Advance from customers*	158.0	1,140.6
Statutory liabilities	1,147.3	629.0
Others	463.8	540.1
	<b>1,769.1</b>	<b>2,309.7</b>

\*Goods to be supplied in the next financial year

### 25 REVENUE FROM OPERATIONS

#### a) Sale of products

Revenue from sale of goods is recognised on transfer of control of goods to the buyer. Revenue is measured at the price charged to the customer and are recorded net of returns (if any), trade discounts, rebates, other pricing allowances to trade/consumer, when it is probable that the associated economic benefits will flow to the Company. Accumulated experience is used to estimate the accruals and provisions for discounts and rebates.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

The Performance obligation in contracts is considered as fulfilled in accordance with the terms agreed with the respective customers, which is mainly upon arrival at the customer.

Revenue from sale of goods is presented net of Goods and Services Tax (GST).

	Financial Year (Fifteen Months) ended 31 March 2024		Financial Year (Twelve months) ended 31 December 2022	
			( <b>₹ in million</b> )	
Domestic	233,006.2		160,976.0	
Export	9,748.6	242,754.8	6,919.3	167,895.3

### Class-Wise Details of Sales of Products

Product groups	Financial Year (Fifteen Months) ended 31 March 2024		Financial Year (Twelve months) ended 31 December 2022	
	Quantity (MT)	Amount (₹ in million)	Quantity (MT)	Amount (₹ in million)
			( <b>₹ in million</b> )	
<b>Milk Products and Nutrition</b> (includes dairy whitener, condensed milk, UHT milk, yoghurt, maternal and infant formula, baby foods, health care nutrition)	168,143	98,687.2	134,034	68,157.3
<b>Prepared Dishes and Cooking Aids</b> (includes noodles, sauces, seasonings, pasta, cereals, pet food)	442,827	73,914.4	348,225	53,005.7
<b>Powdered and Liquid Beverages</b> (includes instant coffee, instant tea, ready to drink beverage)	38,039	30,206.5	28,020	20,187.8
<b>Confectionery</b> (includes bar countlines, tablets, sugar confectionery)	85,934	39,946.7	62,401	26,544.5
<b>Sale of products</b>	<b>734,943</b>	<b>242,754.8</b>	<b>572,680</b>	<b>167,895.3</b>

### Reconciliation of Revenue from Sale of Products With the Contracted Price

	Financial Year (Fifteen Months) ended 31 March 2024	Financial Year (Twelve Months) ended 31 December 2022
	( <b>₹ in million</b> )	
<b>Contracted Price</b>	250,535.1	173,159.5
Less: Rebates, discounts, allowances etc.	7,780.3	5,264.2
<b>Sale of products</b>	<b>242,754.8</b>	<b>167,895.3</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

### b) Other Operating Revenue

Government Grants in relation to revenue and expenses are recognized when there is reasonable assurance that the entity will comply with the attached conditions and that the grant will be received. Such grants are recognized in Other operating revenues on a systematic basis.

Government grant in relation to property, plant and equipment is treated as deferred income and is recognised in the statement of profit and loss over the useful life of the asset.

	Financial Year (Fifteen Months) ended 31 March 2024	(₹ in million) Financial Year (Twelve Months) ended 31 December 2022
Government Grants (Export Incentive and Production Linked Incentives)	646.5	654.4
Other operating income (includes scrap sales)	537.6	419.9
	<u>1,184.1</u>	<u>1,074.3</u>

### 26. OTHER INCOME

Interest income is recognised using effective interest rate (EIR) method.

Interest on bank deposits, investments and employee loans etc.	938.6	507.7
Interest on tax free long term bonds	541.0	502.3
	<u>1,479.6</u>	<u>1,010.0</u>

### 27. COST OF MATERIALS CONSUMED

Raw materials	86,637.4	63,124.0
Packing materials	15,531.4	13,397.1
	<u>102,168.8</u>	<u>76,521.1</u>

### 28. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

#### Opening stock

Finished goods	7,634.8	5,961.9
Work-in-progress	2,322.8	1,786.7
Stock-in-trade	802.0	508.3
	<u>10,759.6</u>	<u>8,256.9</u>

#### Closing Stock

Finished goods	6,814.1	7,634.8
Work-in-progress	3,616.7	2,322.8
Stock-in-trade	785.6	802.0
	<u>11,216.4</u>	<u>10,759.6</u>

<b>Net (increase)/ decrease in opening and closing stock</b>	<u>(456.8)</u>	<u>(2,502.7)</u>
--	----------------	------------------

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

	Financial Year (Fifteen Months) ended 31 March 2024	(₹ in million) Financial Year (Twelve Months) ended 31 December 2022
<b>29. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages, bonus, pension, performance incentives etc. (Refer note - 32)	20,550.1	14,284.6
Contribution to provident and other funds	1,363.1	988.7
Share based payments (Refer note - 33)	206.8	143.7
Staff welfare expenses	1,240.6	937.6
	<b>23,360.6</b>	<b>16,354.6</b>
<b>30. FINANCE COSTS</b>		
Interest cost on employee benefit plans (Refer Note 32)	812.4	683.4
Interest on finance lease	243.9	160.7
Interest on bank overdraft and others (including interest on litigation cases)	398.6	701.6
	<b>1,454.9</b>	<b>1,545.7</b>
<b>31. OTHER EXPENSES</b>		
Finished goods handling, transport and distribution	10,572.5	7,921.4
Advertising and sales promotion	12,876.8	6,955.9
Power and fuel	6,748.3	5,726.1
General licence fees (net of taxes)	10,846.5	7,498.7
Information technology and management information systems	1,938.9	1,272.4
Maintenance and repairs	1,691.8	1,147.1
Rates and taxes	97.2	75.1
Travelling	1,508.1	887.5
Contract manufacturing charges	1,208.3	756.5
Consumption of stores and spare parts	922.5	734.1
Training	102.7	324.6
Withholding tax on general licence fees	1,087.6	750.1
Laboratory (quality testing)	402.2	297.6
Market research	645.0	360.0
Milk collection and district development	122.7	171.2
Security charges	238.2	180.0
Exchange difference (net)	24.1	126.3
Loss/(Profit) on Property, Plant & Equipment sold/scrapped/ written off (net)	(66.6)	(62.6)
Insurance	179.3	110.2
Miscellaneous	3,258.6	1,738.3
	<b>54,404.7</b>	<b>36,970.5</b>



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

## 32. EMPLOYEE BENEFIT PLANS

- (i) The Company makes contributions to Provident Fund, Employee State Insurance, National Pension System etc. for eligible employees and these contributions are charged to statement of profit and loss on accrual basis. Under these plans, the Company is required to contribute a specified percentage of payroll costs. The Company has recognised ₹1,363.1 million (Previous year ₹ 988.7 million) as expense in the statement of profit and loss during the fifteen months towards contribution to these funds.

Out of the total contribution made for Provident Fund, ₹ 78.9 million (Previous year ₹ 350.8 million) is made to the Nestlé India Limited Employees Provident Fund Trust. The members of the Provident Fund Trust are entitled to the rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return. Effective 01<sup>st</sup> February 2023, Nestlé India Limited Employees Provident Fund Trust was surrendered to the Regional Provident Fund and members balances including interest upto 31<sup>st</sup> January 2023 as per the audited financial statements of the said trust amounting to ₹ 5,477.8 million (Previous year ₹ 5,186.4 million) were transferred to Regional Provident Fund. All Provident Fund contributions effective 01<sup>st</sup> February 2023 onwards are made with the Regional Provident Fund.

During the period of operation of Trust, Trustees of Nestlé India Limited Employees Provident Fund Trust were responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and the relevant provisions prescribed under the law. Pattern of investment followed by the Trust was in accordance with the rules prescribed by the Government of India.

- (ii) Other Employee Benefits: Short term employee benefits including performance incentives, are charged to statement of profit and loss on an undiscounted, accrual basis during the period of employment.
- (iii) Pension and Gratuity Plans: The Company provides pension and gratuity to eligible employees under defined benefit plans.

The gratuity plan provides for a lump sum payment to employees upon vesting at retirement, death while in employment or on termination of employment. Gratuity vesting occurs upon completion of five years of service. The Company makes contributions to the Nestlé India Limited Employees' Gratuity Trust Fund. The Trustees of Nestlé India Limited Employees Gratuity Trust Fund are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and the relevant provisions prescribed under the law. Pattern of investment followed by the Gratuity Trust fund is in accordance with the rules prescribed by the Government of India. The Company aims to keep annual contributions to the trust relatively stable at a level such that no significant gap arises between plan assets and liabilities.

Defined benefit pension plans are discretionary and consist of an unfunded defined benefit pension plan and a funded defined benefit pension plan (known as 'Future Ready Plan'). The unfunded defined benefit plan exposes the Company to risks, such as interest rate risk, inflation risk, price risk, longevity risk etc.

Liability for defined benefit plans i.e. gratuity and 'unfunded pension plan' is determined based on the actuarial valuation carried out by an independent actuary as at the year-end. As these liabilities are relatively long term in nature, the actuarial assumptions take into account the requirements of the relevant Ind AS coupled with a long-term view of the underlying variables / trends, wherever required.

For funded defined benefit pension plan, the Company has made investments in appropriate Investment product of an Insurance Company to cover the obligations. The amount and timing of the defined benefits payable under the Future Ready Plan match with the amounts recoverable from the Investment product. The accumulated investment balance shall be utilised to purchase pension annuities from the Insurance Company for the employees as per the 'Future Ready Plan'. The plan exposes the Company to risks such as credit risk etc. Also, refer note 4 to the financial statements for description of pension plan amendment and settlement.

Liability for funded defined benefit pension plan (Future Ready Plan) has been determined in 2021 based on actuarial valuation carried out by an independent actuary for past period of services and frozen. The obligation so determined is invested in an appropriate investment product of an Insurance Company and is recognized as having 'reimbursement rights' as per Ind AS 19 Employee Benefits. This investment will earn interest and the corresponding defined benefit liability will be increased with this interest amount. The amount recoverable from the investment product would be utilized for payment of the defined benefits payable under the Future Ready Plan. Also refer to Note 4 of the financial statements.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

Service cost and net interest cost on the defined benefit liabilities/assets are recognized in the statement of profit and loss as employee benefit expense and finance costs respectively. Gains and losses on remeasurement of defined benefits liabilities/plan assets arising from changes in actuarial assumptions and experience adjustments are recognised in the other comprehensive income and are included in retained earnings in the balance sheet.

Long term employee benefits such as compensated absences and long service awards are charged to statement of profit and loss on the basis of an actuarial valuation carried out by an independent actuary as at the year-end. Actuarial gains and losses are recognised in full in the statement of profit and loss during the year in which they occur.

### a) MOVEMENT IN DEFINED BENEFIT OBLIGATIONS AND PLAN ASSETS

	Financial Year (Fifteen Months) ended 31 March 2024			Financial Year (Twelve Months) ended 31 December 2022		
	Gratuity Scheme Funded Plan	Pension Scheme Funded Future Ready Plan	Pension Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Pension Scheme Funded Future Ready Plan	Pension Scheme Unfunded Plan
(₹ in million)						
<b>(i) Change in defined benefit obligation (DBO):</b>						
Present Value of obligation, as at the beginning of the year	2,615.3	13,189.4	7,521.9	2,627.8	13,614.2	8,483.4
Current service cost	207.6	-	414.6	169.8	-	407.1
Past service cost	-	-	1,109.8	-	-	-
Settlement Cost	-	-	306.0	-	-	21.2
Interest cost	223.2	1,175.8	669.3	169.6	920.4	551.9
Actuarial loss/(gain)	296.4	-	345.1	(121.0)	-	(1,485.9)
Actual benefits paid	(304.4)	(2,128.7)	(272.4)	(230.9)	(1,345.2)	(275.6)
Settlement to Insurance Company for Pensioners	-	-	(2,556.7)	-	-	(180.2)
<b>Present Value of obligation, as at the end of the year</b>	<b>3,038.1</b>	<b>12,236.5</b>	<b>7,537.6</b>	<b>2,615.3</b>	<b>13,189.4</b>	<b>7,521.9</b>
<b>(ii) Change in plan assets:</b>						
Plan assets, as at the beginning of the year	2,513.9	-	-	2,325.5	-	-
Expected return on plan assets	224.3	-	-	160.8	-	-
Contribution by the Company	228.0	-	-	343.0	-	-
Return on plan assets, greater/(lesser) than expected return	68.3	-	-	(84.5)	-	-
Actual benefits paid	(304.4)	-	-	(230.9)	-	-
<b>Plan assets, as at the end of the year</b>	<b>2,730.1</b>	<b>-</b>	<b>-</b>	<b>2,513.9</b>	<b>-</b>	<b>-</b>
<b>Net Liability recognised in the balance Sheet</b>	<b>308.0</b>	<b>12,236.5</b>	<b>7,537.6</b>	<b>101.4</b>	<b>13,189.4</b>	<b>7,521.9</b>
<i>of which accounted as:</i>						
Non-current provisions	-	10,534.1	7,169.4	101.4	12,338.7	7,356.4
Current provisions	308.0	1,702.4	368.2	-	850.7	165.5

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

	Financial Year (Fifteen Months) ended 31 March 2024			Financial Year (Twelve Months) ended 31 December 2022		
	Gratuity Scheme Funded Plan	Pension Scheme Funded Future Ready Plan	Pension Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Pension Scheme Funded Future Ready Plan	Pension Scheme Unfunded Plan
	(₹ in million)					
<b>(iii) Re-imbursment Rights</b>						
Opening Balance as at the beginning of the year	-	13,189.4	-	-	13,614.2	-
Investments during the year	-	-	-	-	-	-
Return on Investments	-	1,175.8	-	-	920.4	-
Benefit Payments	-	(2,128.7)	-	-	(1,345.2)	-
<b>Investments as at the end of the year</b>	<b>-</b>	<b>12,236.5</b>	<b>-</b>	<b>-</b>	<b>13,189.4</b>	<b>-</b>
<b>(iv) Constitution of plan assets</b>						
<b>Quoted</b>						
Corporate Bonds	-	-	-	860.7	-	-
Government of India securities	-	-	-	38.9	-	-
State Government/State Government guaranteed securities	-	-	-	1,184.4	-	-
Mutual funds	-	-	-	286.4	-	-
Funding with insurance Companies	2,703.2	-	-	143.1	-	-
<b>Unquoted</b>						
Cash at bank and receivables	26.9	-	-	0.4	-	-
<b>Total plan assets</b>	<b>2,730.1</b>	<b>-</b>	<b>-</b>	<b>2,513.9</b>	<b>-</b>	<b>-</b>
<b>(v) Cost recognised in the statement of profit and loss</b>						
Current service cost	207.6	-	414.5	169.8	-	407.1
Past service cost <sup>(1)</sup>	-	-	1,109.8	-	-	-
Settlement Cost <sup>(1)</sup>	-	-	306.0	-	-	21.2
Interest cost <sup>(2)</sup>	223.2	1,175.8	669.3	169.6	920.4	551.9
Expected return on plan assets/ reimbursement rights	(224.4)	(1,175.8)	-	(160.8)	(920.4)	-
<b>Net cost</b>	<b>206.4</b>	<b>-</b>	<b>2,499.6</b>	<b>178.6</b>	<b>-</b>	<b>980.2</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

	Financial Year (Fifteen Months) ended 31 March 2024			Financial Year (Twelve Months) ended 31 December 2022		
	Gratuity Scheme Funded Plan	Pension Scheme Funded Future Ready Plan	Pension Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Pension Scheme Funded Future Ready Plan	Pension Scheme Unfunded Plan
<b>(vi) Re-measurements recognised in other comprehensive income</b>						
Actuarial loss/(gain)						
Change in financial assumptions	(63.0)	-	386.0	(124.6)	-	(814.9)
Change in demographic assumptions	131.0	-	433.8	-	-	-
Experience adjustments	228.5	-	(474.6)	3.6	-	(671.0)
Return on plan assets, (greater)/lesser than expected return	(68.4)	-	-	84.5	-	-
<b>Net cost</b>	<b>228.1</b>	<b>-</b>	<b>345.2</b>	<b>(36.5)</b>	<b>-</b>	<b>(1,485.9)</b>

(1)As mentioned in Note 4, an amount of H 972.2 million (previous year nil) included in past service cost and settlement cost is shown under exceptional items during the January 2023-March 2024 reporting period.

(2)Total Interest cost on employee benefit plans recognised in statement of profit and loss is H 812.4 million (Previous year H 683.4 million). This includes H 668.1 million (Previous year H 560.7 million) towards pension and gratuity and balance amount H 144.3 million (Previous year H 122.7 million) towards compensated absences and long service awards.

### b) KEY ACTUARIAL ASSUMPTIONS

	Financial Year (Fifteen Months) ended 31 March 2024		Financial Year (Twelve Months) ended 31 December 2022	
	Gratuity Scheme Funded Plan	Pension Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Pension Scheme Unfunded Plan
Discount Rates (%)	7.00	7.00	7.25	7.25
Expected rate of salary increases (%) <sup>(1)</sup>				
First 5 years		3.8 to 15.9		5.0 to 14.1
Beyond five years		2.3 to 13.5		3.6 to 9.2
Expected rate of Pension increases (%)	-	3.50	-	3.50

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

	Financial Year (Fifteen Months) ended 31 March 2024		Financial Year (Twelve Months) ended 31 December 2022	
	Gratuity Scheme Funded Plan	Pension Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Pension Scheme Unfunded Plan
			(₹ in million)	
Mortality assumptions				
in service	Indian Assured Lives Mortality (modified 2006-08) Ultimate rates	Indian Assured Lives Mortality (modified 2006-08) Ultimate rates	Indian Assured Lives Mortality (modified 2006-08) Ultimate rates	Indian Assured Lives Mortality (modified 2006-08) Ultimate rates
in retirement (for pension scheme)		Indian Individual Annuitant's Mortality Table (2012-15) with 10% past improvement and 0.5% future mortality improvement		Indian Individual Annuitant's Mortality Table (2012-15)

<sup>(1)</sup>Refers to range of average salary escalation rates for different category of employees.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, performance, promotion and other relevant factors such as demand and supply in the employment market.

As defined benefits obligations are of relatively long term in nature, the actuarial assumptions take in account the requirements of the relevant Ind AS coupled with a long term view of the underlying variables / trends, wherever required.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

### c) SENSITIVITY ANALYSIS

Sensitivity of the defined benefit obligation to changes in key actuarial assumptions

	Financial Year (Fifteen Months) ended 31 March 2024		Financial Year (Twelve Months) ended 31 December 2022	
	Gratuity Scheme Funded Plan	Pension Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Pension Scheme Unfunded Plan
	(₹ in million)			
<b>Present Value of obligation - Reported</b>	<b>3,038.1</b>	<b>7,537.6</b>	2,615.3	7,521.9
<b>Discount rates</b>				
Increase of 50 basis point	2,890.7	7,057.2	2,479.9	6,815.6
Decrease of 50 basis point	3,198.5	8,071.2	2,763.3	8,336.8
<b>Expected rate of salary increases</b>				
Increase of 50 basis point	3,145.7	8,144.2	2,735.1	8,039.2
Decrease of 50 basis point	2,901.1	6,985.4	2,503.5	7,054.7
<b>Expected rate of Pension increases</b>				
Increase of 50 basis point	-	7,930.2	-	7,905.2
Decrease of 50 basis point	-	7,180.1	-	7,170.7
<b>Life expectancy</b>				
Increase by 1 year	-	7,546.9	-	7,640.8
Decrease by 1 year	-	7,530.2	-	7,401.4

Sensitivities are calculated using the same actuarial method as applied for the calculation of present value of the defined benefit obligation. Sensitivity calculations are based on change in the respective assumption while keeping other assumptions constant.

	Financial Year (Fifteen Months) ended 31 March 2024			Financial Year (Twelve Months) ended 31 December 2022		
	Gratuity Scheme Funded Plan	Pension Scheme Funded Future Ready Plan	Pension Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Pension Scheme Funded Future Ready Plan	Pension Scheme Unfunded Plan
<b>d) WEIGHTED AVERAGE DURATION OF THE DEFINED BENEFIT OBLIGATION</b>	12.0 years	9.2 years	14.0 years	12.0 years	9.6 years	22.7 years
<b>e) EXPECTED CONTRIBUTION TO THE TRUST (₹ in million)</b>	308.0	-	-	350.0	-	-

### 33. RESTRICTED STOCK UNIT (RSU) / PERFORMANCE SHARE UNIT (PSU) PLAN

The Company participates in the Nestlé Restricted Stock Unit (RSU) / Performance Share Unit (PSU) Plan of Nestlé S.A., whereby select employees are granted non-tradable units with the right to obtain Nestlé S.A. shares or cash equivalent. Restricted Stock Units (RSU) / Performance Share Units (PSU) granted to employees vest, subject to certain conditions, after completion of three years. Upon vesting Nestlé S.A. determines, whether shares, free of charge or cash equivalent to the value of shares, is to be transferred to the employee. The fair value of these units is charged to the statement of profit and loss over the vesting period. The Company has to pay Nestlé S.A. an amount equivalent to the value of Nestlé S.A. shares on the date of vesting, delivered to the employee.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

The details are as under:

	Financial Year (Fifteen Months) ended 31 March 2024	(₹ in million) Financial Year (Twelve Months) ended 31 December 2022
Outstanding, non-vested RSU / PSU grants as at year end	180.3	309.7
RSU / PSU grants vested during the year	336.1	241.9
Recognised in statement of profit and loss	206.8	143.7

The details on number of grants is as under:

	31 March 2024	31 December 2022
Outstanding, non-vested RSU/ PSU grants as at beginning of the year	62,903	62,083
RSU / PSU grants granted during the year	44,775	20,517
RSU / PSU grants vested/reversed during the year	48,235	19,697
Outstanding, non-vested RSU / PSU grants as at year end	59,443	62,903
Share price used for valuation of grants at year end (₹)	8,816	9,589

### 34. NET PROVISION FOR CONTINGENCIES

The Company has created a contingency provision of ₹ 1,010.2 million (Previous year ₹ 1,309.4 million) for various contingencies resulting mainly from matters, which are under litigation / related disputes and other uncertainties requiring management judgement. The Company has also reversed/utilised contingency provision of ₹ 2,026.1 million (Previous year ₹ 156.9 million) due to the settlement of certain litigations and settlement of obligations for which provision is no longer required.

The movement of provisions is given below:

Description	Financial Year (Fifteen Months) ended 31 March 2024				Financial Year (Twelve Months) ended 31 December 2022			
	Litigations and related disputes		Others	Total	Litigations and related disputes		Others	Total
	Indirect Taxes	Other Litigations			Indirect Taxes	Other Litigations		
<b>Opening balance</b>	3,975.6	5,752.3	1,012.8	10,740.7	3,783.8	4,766.1	1,038.3	9,588.2
Transfer In / Out	-	-	-	-	-	110.7	(110.7)	-
New provisions	159.5	715.5	135.2	1,010.2	226.3	875.5	207.6	1,309.4
Reversals / Utilisation during the year	(1,511.1)	(91.4)	(423.6)	(2,026.1)	(34.5)	-	(122.4)	(156.9)
<b>Closing balance</b>	2,624.0	6,376.4	724.4	9,724.8	3,975.6	5,752.3	1,012.8	10,740.7

- Litigations and related disputes** - represents estimates made mainly for probable claims arising out of litigations / disputes pending with authorities under various statutes (i.e. Excise Duty, Service Tax, Entry tax, Income Tax, Labour Laws, Value Added Tax, Sales and Purchase Tax, Goods and Service Tax etc.). This includes positions taken on matters under dispute involving judgements and assumptions to determine the possible outcome. The probability and the timing of the outflow with regard to these matters depend on the ultimate settlement /conclusion with the relevant authorities
- Others** - represents estimates for other uncertainties requiring management judgement. The timing and probability of outflow with regard to these matters will depend on the external environment and the consequent decision/ conclusion by the Management.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

	Financial Year (Fifteen Months) ended 31 March 2024	(₹ in million) Financial Year (Twelve Months) ended 31 December 2022
<b>35. CORPORATE SOCIAL RESPONSIBILITY EXPENSE</b>		
(a) Prescribed CSR expenditure as per Section 135 of the Companies Act, 2013	597.6	557.9
(b) Actual expenditure incurred during the financial year	685.8	563.2
(c) Excess spent available for set off in succeeding financial years	88.2	-
(d) Paid in Cash <sup>(i)</sup>		
- Pertaining to Current Financial Year	685.8	563.2
- Pertaining to Previous Financial Year	-	-
(e) Expenditure incurred during the financial year and remaining unpaid	-	-
(f) At Nestlé India, under CSR we focus our efforts in society on the overarching ambitions that make an impact in the area of nutrition awareness, water, sanitation, education, enhancing livelihood, rural development projects, ensuring environment sustainability and disaster management including relief, covid.		
(g) Above does not include any related party transactions.		
(h) The Company did not wish to carry forward any excess amount spent during the previous financial year ending Dec 2022.		

<sup>(i)</sup>Includes amount paid for acquisition/ construction of assets : Nil (Previous Year : Nil)

### 36. (a) TAX EXPENSE

Income tax expense comprises of current tax and deferred tax. Income tax expense is recognised in the statement of profit and loss, except when it relates to items recognised in the other comprehensive income or items recognised directly in the equity. In such cases, the income tax expense is also recognised in the other comprehensive income or directly in the equity as applicable. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation or under dispute with authorities and establishes provisions where appropriate.

Provision for current tax for the period comprises of:

- (a) estimated tax expense which has accrued on the profit for the period 1 January 2023 to 31 March 2024 and,
- (b) the residual tax expense for the period 1 April 2022 to 31 March 2023 arising out of the finalisation of fiscal accounts (Assessment Year 2023-2024), under the provisions of the Indian Income tax Act, 1961.

Deferred taxes are recognised basis the balance sheet approach on temporary differences, being the difference between the carrying amount of assets and liabilities in the Balance Sheet and its corresponding tax base, that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent it is probable that future taxable profits will be available against which such assets can be utilized.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

	Financial Year (Fifteen Months) ended 31 March 2024	(₹ in million) Financial Year (Twelve Months) ended 31 December 2022
<b>i Recognised in the statement of profit and loss</b>		
Current Tax	13,156.8	8,686.1
Deferred Tax	403.5	(31.6)
	13,560.3	8,654.5
<b>ii Recognised in other comprehensive income</b>		
Current Tax	(117.4)	348.6
Deferred Tax	(27.0)	33.9
	(144.4)	382.5
<b>Of which:</b>		
on re-measurement of retiral defined benefit plans	(144.3)	383.2
on changes in fair value of cash flow hedges	(0.1)	(0.7)
<b>Total Taxes</b>		
Current Tax	13,039.5	9,034.7
Deferred Tax	376.5	2.3
	13,416.0	9,037.0

**iii Reconciliation of tax expense recognised in the statement of profit and loss with Profit before tax (PBT) multiplied by the Statutory tax rate:**

	Financial Year (Fifteen Months) ended 31 March 2024	(₹ in million) Financial Year (Twelve Months) ended 31 December 2022
<b>Profit before Tax</b>	52,888.7	32,559.7
Statutory Income tax rate	25.17%	25.17%
Tax expense @ Statutory Income tax rate	13,311.0	8,194.6
<b>Tax effect of permanent adjustments made for computing taxable income</b>		
Non-deductible expenses	156.2	303.20
Provision for contingencies	480.8	283.10
Income exempt from tax	(136.2)	(126.40)
Other Adjustments (Including Adjustments for base period)	(251.5)	-
<b>Tax expense recognised in the statement of profit and loss</b>	13,560.3	8,654.5

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

### (B) MOVEMENT IN DEFERRED TAXES

As at 31 March 2024

Particulars				(₹ in million)
	Opening balance	Recognised in the statement of profit and loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax assets / (liabilities)</b>				
Property, plant and equipment	(1,378.1)	13.8	-	(1,364.3)
Contingencies	1,181.2	(417.2)	-	764.0
Employee benefits- compensated absences and gratuity	349.4	(30.1)	26.9	346.2
ROU assets & Lease liabilities	52.5	28.5	-	81.0
Allowance for credit impaired assets and Trade receivables	38.2	6.7	-	44.9
Other items deductible on payment basis	16.0	(5.3)	-	10.7
Financial Instruments	(3.1)	0.1	0.1	(2.9)
<b>Net deferred tax assets / (liabilities)</b>	<b>256.1</b>	<b>(403.5)</b>	<b>27.0</b>	<b>(120.4)</b>

As at 31 December 2022

Particulars				(₹ in million)
	Opening balance	Recognised in the statement of profit and loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax assets / (liabilities)</b>				
Property, plant and equipment	(1,341.6)	(36.5)	-	(1,378.1)
Contingencies	1,074.8	106.4	-	1,181.2
Employee benefits- compensated absences and gratuity	451.0	(67.0)	(34.6)	349.4
ROU assets & Lease liabilities	34.1	18.4	-	52.5
Allowance for credit impaired assets and Trade receivables	25.6	12.6	-	38.2
Other items deductible on payment basis	13.0	3.0	-	16.0
Financial Instruments	1.5	(5.3)	0.7	(3.1)
<b>Net deferred tax assets / (liabilities)</b>	<b>258.4</b>	<b>31.6</b>	<b>(33.9)</b>	<b>256.1</b>

### 37. FINANCIAL INSTRUMENTS

#### a) RECOGNITION AND INITIAL MEASUREMENT

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs in relation to financial assets and financial liabilities, other than those carried at fair value through profit or loss (FVTPL), are added to the fair value on initial recognition. Transaction costs in relation to financial assets and financial liabilities which are carried at fair value through profit or loss (FVTPL), are charged to the statement of profit and loss.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

### b) CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS

For the purpose of subsequent measurement, financial assets in the nature of debt instruments are classified as follows:

**Amortised cost** - Financial assets that are held within a business model whose objective is to hold the asset in order to collect contractual cash flows that are solely payments of principal and interest are subsequently measured at amortised cost less impairments, if any. Interest income calculated using effective interest rate (EIR) method and impairment loss, if any are recognised in the statement of profit and loss.

**Fair value through other comprehensive income (FVOCI)** - Financial assets that are held within a business model whose objective is achieved by both holding the asset in order to collect contractual cash flows that are solely payments of principal and interest and by selling the financial assets, are subsequently measured at fair value through other comprehensive income. Changes in fair value are recognized in the other comprehensive income (OCI) and on derecognition, cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit and loss. Interest income calculated using EIR method and impairment loss, if any are recognised in the statement of profit and loss.

**Fair value through profit or loss (FVTPL)** - A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss. Changes in fair value and income on these assets are recognised in the statement of profit and loss.

### c) CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL LIABILITIES

For the purpose of subsequent measurement, financial liabilities are classified as follows:

**Amortised cost** - Financial liabilities are classified as financial liabilities at amortised cost by default. Interest expense calculated using EIR method is recognised in the statement of profit and loss.

**Fair value through profit or loss (FVTPL)** - Financial liabilities are classified as FVTPL if it is held for trading, or is designated as such on initial recognition. Changes in fair value and interest expense on these liabilities are recognised in the statement of profit and loss.

### d) DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows including risks and rewards of ownership.

A financial liability is derecognised when the obligation under the liability is discharged or expires.

### e) IMPAIRMENT OF FINANCIAL ASSETS

Financial assets (debt instruments) that are carried at amortised cost and fair value through other comprehensive income (FVOCI) are assessed for possible impairments basis expected credit losses taking into account the past history of recovery, risk of default of the counterparty, existing market conditions etc. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For Trade receivables, the Company provides for expected credit losses based on a simplified approach as per Ind AS 109 – Financial Instruments. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset.

### f) DERIVATIVES AND HEDGE ACCOUNTING

Derivative instruments used by the Company include forward contracts. The Company formally establishes a hedge relationship between such forward contracts ('hedging instrument') and recognized financial asset/liabilities ('hedged item') through a formal documentation at the inception of the hedge. Forward contracts are designated as hedging instruments against changes in fair value of recognised assets and liabilities (fair value hedges) and against highly probable forecast transactions (cash flow hedges). The effectiveness of hedge instruments is assessed at the inception and on an ongoing basis.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

Derivatives instruments such as forward contracts are initially measured at fair value. When a forward contract is designated as a cash flow hedge, the effective portion of change in the fair value of the contract is recognised in the other comprehensive income and accumulated in other equity under "effective portion of cash flow hedges". Amount recognised in other equity is subsequently reclassified to the statement of profit and loss upon occurrence of the related forecasted transaction. Any ineffective portion of the change in the fair value of the contract is recognised immediately in the statement of profit and loss.

Changes in fair value of forward contracts designated as fair value hedge are recognised in the statement of profit and loss.

### g) FAIR VALUE MEASUREMENT

Fair value of financial assets and liabilities is normally determined by references to the transaction price or market price. If the fair value is not reliably determinable, the Company determines the fair value using valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### h) FINANCIAL INSTRUMENTS BY CATEGORY

		(₹ in million)	
	Note	As at 31 March 2024	As at 31 December 2022
<b>Financial assets</b>			
<b>(i) Measured at Amortised Cost</b>			
Investments			
Long Term Tax free Bonds - Non Current Portion	7	4,238.9	5,601.9
Treasury Bills - Government Securities	7	399.8	698.5
Long Term Tax free Bonds - Current portion	7	-	1,475.0
Trade receivables	13	3,004.6	1,918.9
Cash and cash equivalents	14	7,588.7	9,265.5
Bank Balances other than cash and cash equivalents	15	199.8	190.0
Loans	8	190.2	192.6
Other financial assets	9	1,023.0	1,021.1
		16,645.0	20,363.5
<b>(ii) Measured at Fair Value through Profit &amp; Loss</b>			
Derivative assets - forward contracts	9	4.8	29.8
		4.8	29.8
<b>Total Financial assets (i+ii)</b>		16,649.8	20,393.3
<b>Financial Liabilities</b>			
<b>(i) Measured at Amortised Cost</b>			
Borrowings	18	311.4	300.3
Lease liabilities	19	3,133.9	2,404.9
Trade payables	22	22,378.9	19,338.1
Payables for capital expenditure		5,741.2	1,871.3
Others financial liabilities	23	6,036.6	4,786.5
		37,602.0	28,701.1
<b>(ii) Measured at Fair Value through Profit &amp; Loss</b>			
Derivative liabilities - forward contracts	23	5.3	22.6
		5.3	22.6
<b>Total Financial liabilities (i+ii)</b>		37,607.3	28,723.7

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

### i) FAIR VALUE HIERARCHY

	As at 31 March 2024	(₹ in million) As at 31 December 2022
<b>(i) Financial assets/liabilities at amortised cost</b>		
The carrying amount of financial assets and financial liabilities measured at amortised cost are a reasonable approximation of their fair values except Investments for which the fair value are as follows:		
Fair value of Investments measured at amortised cost (Level 1)	4,888.5	8,122.6
<b>(ii) Financial assets at fair value through other comprehensive income</b>		
Investment in Equity Shares (Level 3)	-	-
<b>(iii) Financial assets at fair value through profit &amp; loss</b>		
Investment in Mutual Funds (Level 1)	-	-
Derivative assets - forward contracts (Level 2)	4.8	29.8
<b>(iv) Financial liabilities at fair value through profit &amp; loss</b>		
Derivative liabilities - forward contracts (Level 2)	5.3	22.6

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

*Level 1:* The fair value of financial instruments that are quoted in active markets are determined on the basis of quoted price for identical assets or liabilities.

*Level 2:* The fair value of financial instruments that are not traded in an active market are determined using valuation techniques based on observable market data.

*Level 3:* The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). Fair value of investment in unquoted equity shares is determined using discounted cash flow technique.

There are no transfers between different fair value hierarchy levels in fifteen months 2023-24 and in the financial year 2022.

### j) FINANCIAL RISK MANAGEMENT

In the course of its business, the Company is exposed to a number of financial risks: liquidity risk, credit risk and market risk. This note presents the Company's objectives, policies and processes for managing its financial risk.

#### (i) Liquidity risk

Liquidity risk refers to risk that the Company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled in cash or other financial assets. The Company regularly monitors the rolling forecasts to ensure that sufficient liquidity is maintained on an ongoing basis to meet operational needs. The Company manages the liquidity risk by planning the investments in a manner such that the desired quantum of funds could be made available to meet any of the business requirements within a reasonable period of time. In addition, the Company also maintains flexibility in arranging the funds by maintaining committed credit lines with various banks to meet the obligations.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

### Maturities of financial liabilities:

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

	Carrying amount	Undiscounted Amount		
		Less than 1 year	Beyond 1 year	Total
(₹ in million)				
<b>As at 31 March 2024</b>				
Borrowings	311.4	56.6	391.2	447.8
Lease liabilities	3,133.9	753.7	3,194.5	3,948.2
Trade payables	22,378.9	22,378.9	-	22,378.9
Payables for capital expenditure	5,741.2	5,741.2	-	5,741.2
Others financial liabilities	6,036.6	6,036.6	-	6,036.6
Derivative liabilities - forward contracts	5.3	5.3	-	5.3
	<b>37,607.3</b>	<b>34,972.3</b>	<b>3,585.7</b>	<b>38,558.0</b>

	Carrying amount	Undiscounted Amount		
		Less than 1 year	Beyond 1 year	Total
(₹ in million)				
<b>As at 31 December 2022</b>				
Borrowings	300.3	33.7	423.3	457.0
Lease liabilities	2,404.9	627.5	2,446.3	3,073.8
Trade payables	19,338.1	19,338.1	-	19,338.1
Payables for capital expenditure	1,871.3	1,871.3	-	1,871.3
Others financial liabilities	4,786.5	4,786.5	-	4,786.5
Derivative liabilities - forward contracts	22.6	22.6	-	22.6
	<b>28,723.7</b>	<b>26,679.7</b>	<b>2,869.6</b>	<b>29,549.3</b>

### (ii) Credit risk

Credit risk refers to risk of financial loss to the Company if a customer or a counter-party fails to meet its contractual obligations. The Company has following categories of financial assets that are subject to credit risk evaluation:

#### Investments

The Company has made investments in tax free long term bonds, treasury bills, deposit with banks etc. Funds are invested in accordance with the Company's established Investment policy that includes parameters of safety, liquidity and post tax returns. The Company avoids the concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis. Based on historical experience and credit profiles of counterparties, the Company does not expect any significant risk of default.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

### Trade receivables

Credit risk arising from trade receivables is managed in accordance with the Company's established policy with regard to credit limits, control and approval procedures. The Company provides for expected credit losses on trade receivables based on a simplified approach as per Ind AS 109. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset. This allowance is measured taking into account credit profile of the customer, geographical spread, trade channels, past experience of defaults, estimates for future uncertainties etc.

Movement in expected credit loss allowance on trade receivables:

	As at 31 March 2024	(₹ in million) As at 31 December 2022
Balance as at the beginning of the year	71.2	44.0
Movement during the year	-	27.2
<b>Balance as at the end of the year</b>	<b>71.2</b>	<b>71.2</b>

### Other financial assets

Other financial assets include employee loans, security deposits etc. Based on historical experience and credit profiles of counterparties, the Company does not expect any significant risk of default.

The Company's maximum exposure to credit risk for each of the above categories of financial assets is their carrying values as at the reporting dates.

### (iii) Market Risk

#### Interest rate risk

Interest rate risk refers to risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market interest rates. The Company is not exposed to any significant interest rate risk as its investments are primarily in fixed rate instruments. Also, there are no significant borrowings as at the balance sheet date.

#### Price risk

Price risk refers to risk that the fair value of a financial instrument may fluctuate because of the change in the market price. The Company is exposed to the price risk mainly from investment in equity instruments. However, equity investments are not significant as at the balance sheet date.

#### Foreign currency risk

Foreign currency risk refers to risk that the fair value of future cash flows of an exposure may fluctuate due to change in the foreign exchange rates. The Company is exposed to foreign currency risk arising out of transactions in foreign currency. Foreign exchange risks are managed in accordance with Company's established policy for foreign exchange management. The Company enters into forward contracts as per the hedging policy to hedge against its foreign currency exposures.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

The foreign currency exposure of the Company as at the year end basis the closing exchange rates is as under:

	Currency	(₹ in million)			
		As at 31 March 2024		As at 31 December 2022	
		Hedged <sup>(1)</sup>	Unhedged	Hedged <sup>(1)</sup>	Unhedged
Against exports	USD	1,992.7	-	1,850.7	-
	EUR	-	6.8	-	-
	CHF	-	2.0	-	85.5
Against imports (Including Capital imports)	USD	694.9	659.2	450.4	368.9
	EUR	553.0	2,165.3	192.0	815.1
	AUD	217.0	14.5	159.6	49.5
	CHF	-	695.4	-	91.9
	GBP	-	322.5	-	67.0
	SGD	-	74.2	-	57.5
	MYR	-	2.2	-	-
	JPY	-	85.8	-	126.3
	NZD	-	19.8	-	-

<sup>(1)</sup>All the forward contracts are for hedging foreign currency exposures relating to the underlying transactions and firm commitments or highly probable forecast transactions.

### Sensitivity analysis:

The impact of strengthening/weakening of foreign currencies on the outstanding exposure remaining unhedged at the year end is as under :

	Currency	(₹ in million)				
		As at 31 March 2024		As at 31 December 2022		
		Gain on appreciation	Loss on depreciation	Gain on appreciation	Loss on depreciation	
5% appreciation/depreciation in Indian Rupees	USD	33.0	(33.0)	18.4	(18.4)	
	EUR	107.9	(107.9)	40.8	(40.8)	
	AUD	0.7	(0.7)	2.5	(2.5)	
	CHF	34.7	(34.7)	0.3	(0.3)	
	GBP	16.1	(16.1)	3.3	(3.3)	
	SGD	3.7	(3.7)	2.9	(2.9)	
	MYR	0.1	(0.1)	-	-	
	JPY	4.3	(4.3)	6.3	(6.3)	
		NZD	1.0	(1.0)	-	-



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

### k) DERIVATIVE FINANCIAL INSTRUMENTS

Derivative instruments used by the Company include forward contracts. All the forward contracts entered into are for the purpose of hedging foreign currency exposures relating to the underlying transactions and firm commitments or highly probable forecast transactions.

	As at 31 March 2024	(₹ in million) As at 31 December 2022
(i) Fair value of cash flow hedges		
Derivative assets	4.8	29.8
Derivative liabilities	5.3	22.6
(ii) Notional value of cash flow hedges	3,527.8	2,681.0
(iii) Movement in respect of designated cash flow hedges is summarised below:		
Balance as at the beginning of the year	9.1	11.2
Add : Gains/ (loss) recognised in other comprehensive income	26.7	(102.6)
Less: Gains/ (loss) reclassified to statement of profit and loss	27.2	(99.8)
Less: Net deferred taxes on the movement	(0.1)	(0.7)
Balance as at the end of the year	8.7	9.1

### 38. CAPITAL MANAGEMENT

The Company's capital management objective is to ensure that a sound capital base is maintained to support long term business growth and optimise shareholders value. Capital includes equity share capital and other equity reserves.

The Company's operations are funded primarily through internal accruals. Return to shareholders through dividend is monitored as per the laid down dividend distribution policy.

### 39. AUDITORS REMUNERATION<sup>(1)</sup>

{included under Miscellaneous expense (Refer Note-31)}

	Financial Year (Fifteen Months) ended 31 March 2024	(₹ in million) Financial Year (Twelve Months) ended 31 December 2022
(i) Statutory auditors' remuneration and expenses in respect of:		
a) Statutory audit and limited review	17.7	15.8
b) Audit of accounts for fiscal year and tax audit	3.6	4.3
c) Certifications	1.8	2.6
d) Audit of employee trust accounts	0.3	0.3
e) Out of pocket expenses for statutory audit and other matters	1.0	0.6
	24.4	23.6
(ii) Cost auditors' remuneration and expenses in respect of:		
a) Cost audit fees	0.2	0.2
b) Certifications	-	-
	0.2	0.2

<sup>(1)</sup>excluding applicable taxes

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

	As at 31 March 2024	(₹ in million) As at 31 December 2022
<b>40. CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>(i) Contingent liabilities</b>		
Claims against the Company not acknowledged as debts:		
Indirect Taxes	38.7	36.1
<b>(ii) Capital Commitments</b>		
Capital expenditure commitments remaining to be executed and not provided for [net of advances ₹ 1,586.9 million (previous year ₹ 815.2 million)]	13,100.4	7,865.7

### 41. RELATED PARTY DISCLOSURES UNDER IND AS 24

#### a) RELATED PARTY AND THEIR RELATIONSHIP

##### (i) Holding Companies

Nestlé S.A (Ultimate holding Company)  
Maggi Enterprises Limited

##### (ii) Fellow subsidiaries with whom the Company had transactions

Nestlé Bangladesh Ltd.	Nestlé Middle East FZé
Centre De Recherche Et De	Nestlé Middle East Manufacturing
Cereal Partners (Malaysia) Sdn. Bhd.	Nestlé Nederland B.V.
Cereal Partners Gida Ticaret	Nestlé Nigeria Plc.
CPW S.A.	Nestlé Operational Services Worldwide S.A.
Dongguan Hsu Chi Food Co. Ltd.	Nestlé Philippinés, Inc.
Nespresso Nederland B.V.	Nestlé Polska S.A.
Nestec York Ltd.	Nestlé Portugal, Unipessoal, Lda
Nestlé (South Africa) (Pty) Ltd.	Nestlé Product Technology
Nestlé (Thai) Ltd.	Nestlé Products Sdn Bhd
Nestlé Aséan (Malaysia) Sdn. Bhd.	Nestlé Purina Petcare
Nestlé Australia Ltd.	Nestlé R&D Center (Pte) Ltd.
Nestlé Brasil Ltd.	Nestlé R&D Center, Inc.
Nestlé Business Services Lisbon	Nestlé R&D Centre India Private Ltd.
Nestlé Céntral And Wést Africa	Nestlé Regional Service Centre
Nestlé Chile S.A.	Nestlé ROH (Thailand) Ltd.
Nestlé Cote D'Ivoire	Nestlé Rossiya LLC
Nestlé Déutschland A.G.	Nestlé Singapore (Pte) Ltd.
Nestlé Dubai Manufacturing LLC	Nestlé Suisse S.A.
Nestlé Enterprises S.A.	Nestlé Turkiye Gida Sanayi A.S.
Nestlé Espana, S.A.	Nestlé UK Limited
Nestlé Francé S.A.S.	Nestlé USA Inc.
Nestlé Ghana	Nestlé Vietnam Ltd.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

Nestlé Global Services Italy Srl	Nestlé Waters Management & Technology
Nestlé Japan Ltd.	Nestrade S.A.
Nestlé Jordan	NESTRADE S.A., MALAYSIA B
Nestlé Kenya Limited	PT Nestlé Indonesia
Nestlé Lanka PLC	Quality Coffee Products Ltd.
Nestlé Manufacturing (Malaysia)	SMA Nutrition India Private Limited
Nestlé Mexico, S.A. de C.V.	Société des Produits Nestlé S.A.

### (iii) Entities controlled by Key Management Personnel with whom the Company had transactions

Piramal Enterprises Limited  
The Advertising Standards Council of India

### (iv) Key Management Personnel

#### Executive Directors

Suresh Narayanan, Chairman and Managing Director  
David Steven McDaniel, Executive Director - Finance & Control and CFO (upto 28<sup>th</sup> Feb 2023)  
Svetlana Boldina, Executive Director - Finance & Control and CFO (w.e.f 1<sup>st</sup> March 2023)  
Matthias Christoph Lohner, Executive Director-Technical (Upto 30<sup>th</sup> June 2023)  
Satish Srinivasan, Executive Director-Technical (w.e.f 1<sup>st</sup> July 2023)

#### Independent Non-Executive Directors

P R Ramesh  
R. V. Kanoria  
Swati A. Piramal (upto 31<sup>st</sup> March 2024)  
Rama Bijapurkar (upto 30<sup>th</sup> April 2022)  
Roopa Kudva (upto 31<sup>st</sup> May 2022)  
Anjali Bansal (w.e.f 1<sup>st</sup> May 2022)  
Alpana Parida (w.e.f 1<sup>st</sup> June 2022)

### (v) Employees benefit trusts where control exists

Nestlé India Limited Employees Provident Fund Trust (upto 31<sup>st</sup> Jan 2023)  
Nestlé India Limited Employees Gratuity Trust Fund

## b) NATURE OF TRANSACTIONS

The transactions with the related parties have been entered in the ordinary course of business and are at arm's length.

Particulars	(₹ in million)	
	Financial Year (Fifteen Months) ended 31 March 2024	Financial Year (Twelve Months) ended 31 December 2022
<b>Holding companies:</b>		
(a) Dividends		
- Nestlé S.A.	10,312.0	6,940.8
- Maggi Enterprises Limited (Subsidiary of Nestlé S.A.)	8,568.7	5,767.4
(b) Expenses incurred		
- Nestlé S.A.	336.1	241.9

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

Particulars	(₹ in million)	
	Financial Year (Fifteen Months) ended 31 March 2024	Financial Year (Twelve Months) ended 31 December 2022
<b>Fellow subsidiaries:</b>		
(a) Sale of finished and other goods <sup>(4)</sup>		
- Nestlé Enterprises S.A.	5,108.3	3,206.6
- Nestrade S.A.	-	416.6
- Nestlé Bangladesh Limited	680.5	407.9
- Others	4.7	7.1
(b) Sale of Property, Plant & Equipment		
- Dongguan Hsu Chi Food Co. Ltd.	-	24.9
- Others	-	1.7
(c) Purchase of raw and packing materials		
- Nestrade S.A.	80.0	96.9
- Nestlé Enterprises S.A.	553.1	318.1
- Others	0.6	-
(d) Purchase of finished goods		
- Nestlé Lanka PLC	822.6	667.4
- Nestrade S.A.	-	121.6
- Nestlé Enterprises S.A.	1,135.4	747.8
- Others	1.1	-
(e) General licence fees (net of taxes)		
- Société des Produits Nestlé S.A.	10,827.6	7,490.6
- CPW S.A.	18.9	8.1
(f) Expenses recovered <sup>(1)</sup>		
- Nestlé Operational Services Worldwide S.A.	231.5	122.4
- Nestlé S.A.	6.5	66.2
- Nestlé Lanka PLC	122.2	88.8
- Nestlé Bangladesh Ltd	75.1	65.7
- Nestlé R&D Centre India Private Limited	92.0	45.0
- Société des Produits Nestlé S.A.	88.2	24.3
- Others	185.0	118.8
(g) Expenses incurred		
- Société des Produits Nestlé S.A.	64.4	13.6
- Nestlé R & D Center (Pte) Limited	75.8	45.1
- Nestlé Enterprises S.A.	36.3	-
- Nestlé Bangladesh Limited	43.6	-
- Nestlé Operational Services Worldwide S.A.	54.0	41.1
- Others	119.4	102.1
(h) Information technology and management information systems		
- Nestlé Australia Ltd.	1,295.9	884.1
(i) Purchase of Pet Food Business		
- Nestlé Business Services India Private Limited (Formerly known as Purina PetCare India Private Limited)	-	1,421.3

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

Particulars	(₹ in million)	
	Financial Year (Fifteen Months) ended 31 March 2024	Financial Year (Twelve Months) ended 31 December 2022
<b>Entities Controlled by Key Management Personnel:</b>		
Purchase of raw and packing materials		
- The Advertising Standard council of India	12.7	-
- Piramal Enterprises Limited	-	17.6
<b>Remuneration to Key Management personnel <sup>(2)</sup></b>		
Executive directors		
- Short term employee benefits	436.8	275.1
- Post employment benefits	9.3	6.2
- Share based payments	84.7	43.3
Non - Executive directors		
- Short term employee benefits (Sitting fee & Commission)	27.7	18.3
<b>Contribution to Employee related trusts</b>		
- Nestlé India Limited Employees Provident Fund Trust	78.9	350.8
- Nestlé India Limited Employees Gratuity Trust Fund	228.0	343.0
<b>Balance outstanding as at the year end<sup>(3)</sup></b>		
- Receivables from fellow subsidiaries <sup>(4)</sup>	843.0	856.5
- Payables to fellow subsidiaries	1,740.5	1,308.5
- Payables to entities controlled by Key Managerial Personnel	-	-
- Payables to Key management personnel	18.8	70.3
- Payables to Employees Provident Fund Trust	-	26.1

<sup>(1)</sup>Inclusive of Goods & Service Tax, wherever applicable.

<sup>(2)</sup>As the liabilities for defined benefit obligations are provided based on actuarial valuation for the Company as a whole, the amount pertaining to Key management personnel has not been included.

<sup>(3)</sup>Amounts are interest free as receivable / payable in short term.

<sup>(4)</sup>Excludes variable consideration- discounts and rebates accrued on sales of finished goods but not yet to be passed on to the customer. (Already netted off from revenue reported in Note 25 as per Ind AS 115)

### 42. SEGMENT REPORTING

Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within a single operating segment, namely Food. The food business incorporates product groups viz. Milk Products and Nutrition, Prepared Dishes and Cooking aids, Powdered and Liquid Beverages and Confectionery (Refer Note 25).

#### a) Information by Geographies

- (i) Revenue from external customers

	(₹ in million)	
	Financial Year (Fifteen Months) ended 31 March 2024	Financial Year (Twelve Months) ended 31 December 2022
India	233,006.2	160,976.0
Outside India	9,748.6	6,919.3
	<b>242,754.8</b>	<b>167,895.3</b>

- (ii) The Company has business operations only in India and does not hold any assets outside India.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

### b) Revenue from major customers

There is no single customer that accounts for more than 10% of the Company's revenue for the fifteen months ended 31 March 2024 and year ended 31 December 2022. The other disclosure requirements of Ind AS 108 are not applicable.

	Financial Year (Fifteen Months) ended 31 March 2024	(₹ in million) Financial Year (Twelve Months) ended 31 December 2022
<b>43. DIVIDENDS</b>		
<b>a) Dividend paid during the year</b>		
Interim Dividend of ₹ 167 per share (Face Value ₹ 10) and ₹ 7 per share (Face Value ₹ 1) for 15 months Jan 23-Mar 2024 [for 2022: ₹ 145 per share (Face Value ₹ 10)]	22,850.6	13,980.3
Final Dividend of ₹ 75 per share for 2022 (Face Value ₹ 10) [for 2021: ₹ 65 per share] (Face Value ₹ 10)	7,231.2	6,267.0

### b) Proposed Final Dividend

The Board of Directors have recommended a final dividend of ₹ 8.50 per equity share (Face Value of ₹ 1 per share) amounting to ₹ 8,195.3 million for the year 2023-24 after the balance sheet date. The same is subject to approval by the shareholders at the ensuing Annual General Meeting of the Company and therefore proposed final dividend has not been recognised as a liability as at the balance sheet date in line with Ind AS 10 on 'Events after the Reporting Period'.

On and from the Record Date of 5<sup>th</sup> January 2024, the equity shares of the Company have been sub-divided, such that 1 (one) equity share having face value of ₹10/- (₹ ten only) each, fully paid-up, stands sub-divided into 10 (ten) equity shares having face value of ₹1/- (₹ one only) each, fully paid-up, ranking *pari-passu* in all respects.

## 44. DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro Small Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

	Financial Year (Fifteen Months) ended 31 March 2024	(₹ in million) Financial Year (Twelve Months) ended 31 December 2022
(i) Principal amount remaining unpaid	4,094.0	3,104.1
(ii) Interest due thereon remaining unpaid	-	-
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(v) Interest accrued and remaining unpaid	-	-
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

### 45. RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company has balance with the below-mentioned companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956:

(₹ in million)					
S. No.	Name of Struck off Company	Nature of Transactions	Relationship with Struck off Company	Balance outstanding	
				As at 31 March 2024	As at 31 December 2022
1	Shivam Distributors Private Limited	Sale of Goods	Customer	NA	(0.6)
2	Vaishno Enterprises Private Ltd.	Sale of Goods	Customer	(0.1)	(0.2)
3	Ganpati Enterprises Private Limited	Sale of Goods	Customer	NA	(0.1)
4	Emerald Distributor Pvt. Ltd.	Sale of Goods	Customer	NA	(0.5)
5	Atlantic Industries Limited	Sale of Goods	Customer	(0.1)	NA
6	Simran Enterprises (India) Limited	Sale of Goods	Customer	(0.1)	NA
7	KCL Foods Private Limited	Sale of Goods	Customer	0.1	NA
8	Rahul Enterprises Private Limited	Sale of Goods	Customer	*	NA
9	Southern Star Private Limited.	Purchase of Services	Supplier	(0.2)	(0.1)
10	Evince Advertising Private Limited	Purchase of Services	Supplier	*	*
11	Ananya Outsourcing Services Private Limited	Purchase of Services	Supplier	*	*
12	Popular Stock & Share Services Ltd	Shares held	Shareholder	NA	NA
13	AES Engineering Co. Pvt. Ltd.	Shares held	Shareholder	NA	NA
14	Unicon Fincap Private Limited	Shares held	Shareholder	NA	NA
15	Siddha Papers Private Limited	Shares held	Shareholder	NA	NA
16	Tashi Dake Investments Pvt Ltd.	Shares held	Shareholder	NA	NA
17	Tower Capital and Financial Services Pvt Ltd.	Shares held	Shareholder	NA	NA
18	Integra Micro Systems Pvt Ltd.	Shares held	Shareholder	NA	NA
19	Salasar Industrial Services Limited	Shares held	Shareholder	NA	NA

\*represents amounts payable/ recoverable less than ₹ 50,000 as on reporting date

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

### 46. ACCOUNTING RATIOS

S. No.	Ratio	Numerator	Denominator	Financial Year (Fifteen Months) ended 31 March 2024	Financial Year (Twelve Months) ended 31 December 2022	% Variance	Reason for variance
I	Current Ratio (in times)	Current Assets	Current Liabilities	0.9	1.1	-20%	
II	Debt-Equity Ratio (in times)	Total Debt (Note 1)	Equity	0.1	0.1	3%	
III	Debt Service Coverage Ratio (in times)	Earnings Available for Debt Service (Note 2)	Total Debt Service (Note 3)	35.5	30.0	18%	
IV	Return on Equity Ratio (in percentage)*	Profit after Tax	Average Shareholder Equity	108.5%	108.5%	0%	
V	Inventory Turnover Ratio (in times)*	Net Sales	Average Inventory	9.7	9.5	2%	
VI	Trade Receivables Turnover Ratio (in times)*	Net Sales	Average Trade Receivables	78.9	93.8	-16%	
VII	Trade Payables Turnover Ratio (in times)*	Purchases (Note 4)	Average Trade Payables	4.2	6.4	-35%	Average trade payables increasing at higher rate than purchases.
VIII	Net Capital Turnover Ratio (in times)*	Net Sales	Working Capital (Note 5)	(42.1)	40.9	-203%	Negative working capital on 31.03.2024
IX	Net Profit Ratio (in percentage)*	Profit after Tax	Net Sales	16.2%	14.2%	14%	
X	Return on Capital Employed (in percentage)*	Earning before Interest and Taxes (Note 6)	Capital Employed (Note 7)	114.4%	122.4%	-7%	
XI	Return on Investment (in percentage)	Earnings from Invested Funds (Note 8)	Average Invested Funds (Note 9)	8.7%	10.4%	-16%	

\*Current Period ratios have been annualised on a time proportion basis as the financial year is for a fifteen month period.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

### Notes

1	Total Debt	Borrowings + Lease Liabilities
2	Earnings Available for Debt Service	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
3	Total Debt Service	Finance Costs + Lease Payments + Principal Repayments
4	Purchases	Cost of materials consumed + Purchases of stock-in-trade + Changes in inventories of Raw Material, Packing Material and Stores and Spares
5	Working Capital	Current Assets - Current Liabilities
6	Earning before Interest and Taxes	Profit before Exceptional Items and Tax + Finance Costs - Other Income
7	Capital Employed	Equity + Total Debt + Deferred Tax Liability (Deferred Tax Assets)
8	Earnings from Invested Funds	Interest on Bank Deposits + Interest on Tax Free Long Term Bonds + Dividend on Mutual Funds (if any)
9	Invested Funds	Non-Current Investments + Current Investments + Balances with Banks on Deposit Accounts

### 47 OTHER STATUTORY INFORMATION

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and previous financial year.
- (iv) The Company does not have any such transactions which has not been recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (v) The Company has not been declared as wilful defaulter by any bank of financial institution or other lender.
- (vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries), or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received funds from any person(s) or entity(ies), including foreign entities, with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, (a) lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party, or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (vii) Quarterly returns or statements of current assets filed by the Company with the banks in connection with the working capital limited sanctioned are in agreement with the books of accounts.
- (viii) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR (FIFTEEN MONTHS) ENDED 31 MARCH 2024

### 48 NEW LABOUR CODES

The Indian Parliament has passed and approved the Code on Social Security 2020. While the effective date of the code and complete clarity on the rules/interpretations are still awaited, as a consequence, the impact of the same will be assessed and accounted for post notification of the relevant provisions. The Company has been taking cognizance of the changes and salary structures have been suitably designed to be compliant and accordingly, there are no material impacts foreseen on the financial statements of the Company.

### 49 REGROUPING / RECLASSIFICATION

Previous year's figures have been regrouped / reclassified, where necessary, to conform to the current year's classification.

As per our report of even date attached For and on behalf of the Board of Directors

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

Firm's Registration No. - 301003E/E300005

#### **PANKAJ CHADHA**

Partner

Membership No. - 091813

25 April 2024

Gurugram

#### **SURESH NARAYANAN SVETLANA BOLDINA**

Chairman and

Managing Director

(DIN-07246738)

25 April 2024

Gurugram

Executive Director - Finance

& Control and CFO

(DIN-10044338)

#### **PRAMOD KUMAR RAI**

Company Secretary

MembershipNo.-FCS4676

PAN-ABVPR5131P

## ANNEXURE - 1 TO THE BOARD'S REPORT

### REPORT ON CORPORATE GOVERNANCE FOR THE FIFTEEN MONTHS FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2024

#### NESTLÉ'S PHILOSOPHY ON CODE OF GOVERNANCE

Nestlé India Limited ("the Company"), as a part of Nestlé Group, Switzerland has over the years followed best practices of Corporate Governance by adhering to practices of the Nestlé Group. The significant documents from Nestlé Group, which define the standard of behaviour of the Company, are "The Nestlé Corporate Business Principles", "The Nestlé Management and Leadership Principles" and "The Nestlé India Code of Business Conduct".

The Company's business objective and that of its management and employees is to manufacture and market the Company's products in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees, business partners and the national economy. Your Company is conscious of the fact that the success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, the Company endeavours to ensure that the highest standards of ethical and responsible conduct are met throughout the organisation. Our governance procedures, which aim to maintain an efficient, knowledgeable, and impartial Board, are a reflection of this belief. We continuously assess our governance procedures and compare them to the best practices. The Board of Directors ("the Board") is in charge of the Company's management, general affairs, strategic direction and performance and is supported by the Board Committees, Managing Director, Key Managerial Personnel and the Management Committee.

#### BOARD OF DIRECTORS

**Composition and category of Directors, attendance of each Director at the Board Meetings and the last Annual General Meeting, number of other Board of Directors or Committees in which a Director is a member or chairperson, name of the other listed companies where such director is a Director and category of Directorship**

Above information as on 31<sup>st</sup> March 2024 or for the fifteen months financial year ended 31<sup>st</sup> March 2024, as applicable, is tabulated hereunder:

Director - Category	DIN	No. of Board Meetings attended	Attendance at the last AGM held on 12 <sup>th</sup> April 2023	No. of outside Directorship held <sup>A</sup>	No. of Membership/ Chairpersonship in other Board Committees <sup>B</sup>		Category of Directorship and name of the other listed companies as on 31 <sup>st</sup> March 2024
					Member	Chairperson	
<b>Executive</b>							
Mr. Suresh Narayanan	07246738	11	Yes	1	Nil	Nil	<b>Independent Director</b> - Asian Paints Limited
Ms. Svetlana Boldina <sup>C</sup>	10044338	8	Yes	Nil	Nil	Nil	-
Mr. Satish Srinivasan <sup>D</sup>	10173407	5	NA*	Nil	Nil	Nil	-
Mr. David Steven McDaniel <sup>E</sup>	08662504	3	NA*	Nil	Nil	Nil	-
Mr. Matthias Christoph Lohner <sup>E</sup>	08934420	6	Yes	Nil	Nil	Nil	-
<b>Independent Non-Executive</b>							
Dr. Swati A. Piramal <sup>F</sup>	00067125	9	Yes	5	Nil	Nil	<b>Executive Director</b> - Piramal Enterprises Limited

Director - Category	DIN	No. of Board Meetings attended	Attendance at the last AGM held on 12 <sup>th</sup> April 2023	No. of outside Directorship held <sup>A</sup>	No. of Membership/ Chairpersonship in other Board Committees <sup>B</sup>		Category of Directorship and name of the other listed companies as on 31 <sup>st</sup> March 2024
					Member	Chairperson	
Mr. Rajya Vardhan Kanoria	00003792	11	Yes	7	4	3	<b>Executive Director</b> - Kanoria Chemicals and Industries Limited <b>Non-Independent Non-Executive Director</b> - Ludlow Jute & Specialties Limited <b>Independent Director</b> - J K Paper Limited
Mr. Prathivadibhayankara Rajagopalan Ramesh	01915274	11	Yes	9	7	4	<b>Independent Director</b> - Cipla Limited - Crompton Greaves Consumer Electricals Limited - Tejas Networks Limited - Larsen and Toubro Limited
Ms. Anjali Bansal	00207746	11	Yes	5	3	Nil	<b>Independent Director</b> - Piramal Enterprises Limited - The Tata Power Company Limited - Voltas Limited
Ms. Alpana Parida	06796621	11	Yes	6	2	1	<b>Independent Director</b> - FSN E-Commerce Ventures Limited - Cosmo First Limited

A Directorship in companies registered under the Companies Act, 2013 ("the Act") or any earlier enactments, excluding companies under Section 8 of the Act.

B Only covers Membership/Chairpersonship of Audit Committee and Stakeholders Relationship Committee of public limited companies except Nestlé India Limited.

C Ms. Svetlana Boldina (DIN: 10044338) was appointed as Whole-time Director designated as "Executive Director - Finance & Control and Chief Financial Officer" for a term of five consecutive years with effect from 1<sup>st</sup> March 2023.

D Mr. Satish Srinivasan (DIN: 10173407) was appointed as Whole-time Director designated as "Executive Director - Technical" for a term of five consecutive years with effect from 1<sup>st</sup> July 2023.

E Mr. David Steven McDaniel (DIN: 08662504), Executive Director - Finance & Control and Chief Financial Officer and Mr. Matthias Christoph Lohner (DIN: 08934420), Executive Director - Technical, relinquished their office of Whole-time Director with effect from close of business hours on 28<sup>th</sup> February 2023 and 30<sup>th</sup> June 2023, respectively.

F Dr. Swati A. Piramal ceased to be an Independent Non-Executive Director of the Company with effect from close of business hours on 31<sup>st</sup> March 2024 upon completion of her second term of five consecutive years.

NA\* Not Applicable

The Board of Directors of your Company has a good and diverse mix of Executive Directors and Non-Executive Directors with majority of the Board Members comprising Independent Non-Executive Directors and the same is in line with the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). As on 31<sup>st</sup> March 2024, the Board of Directors consisted of eight Directors comprising of one Executive Chairman, five Independent Non-Executive Directors, including three women Directors, and two Executive Directors. None of the Independent Non-Executive Directors of the Company serves as Independent Non-Executive Director in more than seven listed companies and where any Independent Non-Executive Director is serving as a whole-time director in any listed company, such director is not serving as Independent Non-Executive Director in more than three listed companies.

All Directors are expected to attend each Board Meeting and each Committee Meeting of which they are members, unless there are reasons preventing them from participating. Other Directors who are not members of the Committees are also invited to attend such Committee Meetings at their discretion.

During the fifteen months financial year ended 31<sup>st</sup> March 2024, the Board met eleven times on 20<sup>th</sup> January 2023, 15<sup>th</sup> February 2023, 16<sup>th</sup> February 2023, 12<sup>th</sup> April 2023, 25<sup>th</sup> April 2023, 1<sup>st</sup> June 2023, 27<sup>th</sup> July 2023, 24<sup>th</sup> August 2023, 19<sup>th</sup> October 2023, 19<sup>th</sup> January 2024 and 7<sup>th</sup> February 2024. The Directors participated in the meetings of the Board and Committees held during the fifteen months financial year ended 31<sup>st</sup> March 2024 either in-person or through Video Conferencing/ Other Audio-Visual Means (VC/ OAVM) facility. All Directors attended all the meetings of the Board except Dr. Swati A. Piramal who was granted leave of absence for the meetings held on 19<sup>th</sup> January 2024 and 7<sup>th</sup> February 2024. The meetings and agenda items taken up during the meetings complied with the requirement of the Act and Listing Regulations read with various circulars issued by the Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI"). The maximum gap between any two Board Meetings was less than one hundred and twenty days. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board of Directors as prescribed under Part-A of Schedule II of sub-regulation 7 of Regulation 17 of the Listing Regulations.

A secured cloud based Board Portal is used by the Company which gives the Directors immediate access to the board books and other meeting materials through any standard web browser or through any device with internet access.

### Independent Directors

The Company has familiarisation programme for Independent Non-Executive Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarisation programme along with details of the same imparted to the Independent Non-Executive Directors during the period under review are available on the website of the Company at <https://www.nestle.in/investors/directorsandofficers/familiarisation-programme>.

During the fifteen months financial year ended 31<sup>st</sup> March 2024, a separate meeting of the Independent Non-Executive Directors was held on 15<sup>th</sup> February 2023 without the attendance of Non-Independent Directors and members of the management. All Independent Non-Executive Directors attended meeting in-person while Dr. Swati A. Piramal and Ms. Alpana Parida, attended the said meeting through VC/ OAVM facility.

None of the Independent Non-Executive Directors held any equity share(s) or convertible instrument(s) of the Company during the fifteen months financial year ended 31<sup>st</sup> March 2024. Further, none of the Directors had any relationships *inter-se*. The Independent Non-Executive Directors provided an annual confirmation that they meet the criteria of independence. Further, the Independent Directors confirmed that they have enrolled themselves in the Independent Directors' Database maintained by the Indian Institute of Corporate Affairs.

Based on the confirmations/ disclosures received from the Independent Non-Executive Directors in terms of Regulation 25(9) of the Listing Regulations and a certificate from M/s. S.N. Ananthasubramanian & Co., Practising Company Secretary (Registration No. 1774), Secretarial Auditors of the Company, the Board of Directors is of the opinion that the Independent Non-Executive Directors fulfil the criteria or conditions specified under the Act and under the Listing Regulations and are independent of the Management.

The Company issues formal letter of appointment to the Independent Non-Executive Directors at the time of their appointment/ re-appointment. The terms and conditions of the appointment of Independent Non-Executive Directors are available on the Company's website at <https://www.nestle.in/investors/directorsandofficers>. The Independent Non-Executive Directors have confirmed that they will devote the time as required to discharge their duties as an Independent Non-Executive Directors of the Company.

Dr. Swati A. Piramal (DIN: 00067125), Independent Non-Executive Director, retired as a Director of the Company with effect from close of business hours on 31<sup>st</sup> March 2024 upon completion of her second term of five consecutive years.

During the period under review, none of the Independent Non-Executive Director(s) of the Company resigned before the expiry of their tenure.

## Skills/ Expertise/ Competencies Matrix

During the period under review, the matrix of core skills/ expertise/ competencies as identified by the Board of Directors and as required in the context of the Company's business(es) and sector(s) for it to function effectively and those actually available with the Board of Directors are given below:

Key Skill Area	Skills/ Expertise/ Competencies	Mr. Suresh Narayanan	Dr. Swati A. Piramal	Mr. Rajya Vardhan Kanoria	Mr. P.R. Ramesh	Ms. Anjali Bansal	Ms. Alpana Parida	Ms. Svetlana Boldina	Mr. Satish Srinivasan
Business & Strategy	Consumer insight & marketing	Y		Y			Y		
	Technical & R&D (including nutrition & food science)		Y						Y
	Economic issues/ Macro Economic Trends/ Interpreting national policies	Y	Y	Y	Y	Y	Y	Y	
	E-commerce, digital & new technologies and M&A	Y			Y	Y	Y	Y	Y
Operations	Sales & Customer Management	Y	Y	Y			Y		
	Operation Management & Risk Mitigation	Y		Y	Y			Y	Y
	Finance Treasury & Audit			Y	Y	Y	Y	Y	
	Information technology					Y		Y	
Environment	Sustainability (water, sanitation, community development, nutrition) under Creating Shared Value/ CSR	Y	Y	Y		Y	Y	Y	Y
	Scientific & Regulatory Affairs		Y		Y				Y
	Media, local interaction & environment assessment	Y	Y				Y		Y
	Climate change	Y	Y			Y			Y
Other enablers	Innovation Management		Y			Y	Y		Y
	Human Resource & Talent	Y	Y	Y	Y	Y	Y	Y	Y
	Communications	Y	Y	Y	Y		Y	Y	Y
	Board Governance & General Management	Y	Y	Y	Y	Y	Y	Y	Y

## Board membership criteria and selection process

The Nomination and Remuneration Committee (hereinafter referred as "NRC") is responsible for identifying and evaluating a suitable candidate for the Board, based on the criteria laid down in the Nomination and Remuneration Policy as available on Company's website at <https://www.nestle.in/investors/policies>. For the purpose of identifying suitable candidates from different sources, the NRC evaluates the Board's composition and diversity to ensure that the Board and its committees have an appropriate mix of skills, knowledge, experience on the Board, independence, wide range of backgrounds, having regard to the diversity, and the ability to fulfil required time commitments. On identifying a suitable candidate, the NRC recommends his/ her appointment to the Board of Directors for their approval. Based on the recommendation of the NRC, the Board of Directors considers and recommends the appointment of such director to the members of the Company for their approval.

In accordance with the provisions of the Act, all the Directors, except the 'Chairman and Managing Director' and 'Independent Non-Executive Directors', of the Company, are liable to retire by rotation at the Annual General Meeting ("AGM") each year and, if eligible, offer their candidature for re-appointment. The Executive Directors on the Board have been appointed as per the provisions of the Act and serve in accordance with the terms of employment with the Company. The period of office of the whole-time directors shall be liable to determination by retirement of directors by rotation. If the whole-time director(s) is re-appointed as a director, immediately on retirement by rotation, he/ she shall continue to hold office as whole-time director(s) and such re-appointment as director shall not be deemed to constitute break in his/ her appointment as a whole-time director.

## Training of Board members

All new independent non-executive directors inducted to the Board are introduced to the Company's culture through comprehensive orientation sessions. They are also introduced to the organization structure, services, Nestlé Group's structure and constitution, Board procedures, matters reserved for the Board, major risks and risk management strategy, Nestlé Corporate Business Principles, Nestlé Code of Business Conduct and other policies of the Company. The Company has familiarisation programme for all independent non-executive directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc., executive directors and senior management provide an overview of operations and familiarize the new independent non-executive directors on matters related to the Company's values and commitments.

Regular updates are given to the Directors from time to time on business-related issues and new initiatives. Training and awareness programmes are conducted for the Directors on the topics such as ethics, transparency, human rights and code of conduct through on-line/ off-line mode.

## Succession planning

Succession planning at Nestlé is a meticulous process that focuses on the smooth transition of roles so as to ensure the stability and future leadership of the Company. Nestlé India follows the Nestlé's global principles of Functional Leadership and Strategic Management. It is a collaborative approach involving various key corporate functions and leadership roles. Also, the NRC collaborates with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in senior management. During the period under review, the Board and the NRC have discussed and reviewed Board composition and succession planning to ensure that the successors for key leadership roles are identified and their performance are also assessed. The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavor to introduce new perspectives while maintaining experience and continuity.

## Compliance with the Code of Conduct

The Company has adopted the 'Nestlé India Code of Business Conduct' ("the Code"). The Code is available on the website of the Company at <https://www.nestle.in/investors/policies>.

The Board Members and Senior Management Personnel are expected to adhere to the Code, and have accordingly, affirmed compliance of the same during fifteen months financial year ended 31<sup>st</sup> March 2024.

The declaration of Chairman and Managing Director affirming compliance of the Code by the Board Members and Senior Management Personnel of the Company during fifteen months financial year ended 31<sup>st</sup> March 2024, is enclosed as "Annexure – I" and forms an integral part of this Report.

## Compliance Monitoring Tool

The Company has proper online systems to enable the Board of Directors to review on a half yearly basis compliance report of all laws applicable to the Company, as prepared by the Company as well as to assess the steps taken by the Company to rectify instances of non-compliances, if any. Such system is adequate and operating effectively.

## COMMITTEES OF THE BOARD

### AUDIT COMMITTEE

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Section 177 of the Act and Regulation 18 of the Listing Regulations, as applicable, besides other terms as referred by the Board of Directors.

The powers include investigating any activity within its terms of reference as specified by the Board of Directors and seeking information from any employee, obtain professional advice from external sources, secure attendance of outsiders with relevant expertise, if required and have full access to information contained in the records of the Company.

The role includes oversight of the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment, re-appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors; reviewing with the management quarterly results and annual financial statements before submission to the Board of Directors for approval; approval or any subsequent modification of any transactions of the Company with related parties; review and monitor the auditor's independence and performance and effectiveness

of audit process; scrutiny of inter-corporate loans and investments, if any; evaluation of internal financial controls and risk management system; reviewing the functioning of the vigil mechanism/ whistle blower policy; reviewing the internal controls to ensure compliance with the applicable provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), verifying that the system for internal control under PIT Regulations are adequate and are operating effectively and such other roles as prescribed under the Act and Listing Regulations.

The Audit Committee mandatorily reviews information such as internal audit reports related to internal control weakness, management discussion and analysis of financial condition and result of operations, management letters/ letters of internal control weaknesses issued by the statutory auditors; the appointment, removal and terms of remuneration of the internal auditor and such other matters as prescribed under the Act and Listing Regulations.

As on 31<sup>st</sup> March 2024, the Audit Committee comprised of Mr. Prathivadibhayankara Rajagopalan Ramesh as the Chairman, Mr. Rajya Vardhan Kanoria and Ms. Alpana Parida as Members, all Independent Non-Executive Directors. All members of the Audit Committee are financially literate and have related financial management expertise by virtue of their comparable experience and background. The Company Secretary of the Company acts as the Secretary to the Audit Committee. The Executive Director - Finance & Control and CFO and Head of Accounting are permanent invitees to the meetings of the Audit Committee. The Chief Internal Auditor, the concerned partners/ authorized representatives of Statutory Auditors and the Cost Auditors were invited to the meetings of the Audit Committee. The Secretarial Auditors were also invited to the meeting of the Audit Committee to present the Secretarial Audit Report and their findings.

During the fifteen months financial year ended 31<sup>st</sup> March 2024, the Audit Committee met five times on 15<sup>th</sup> February 2023, 24<sup>th</sup> April 2023, 26<sup>th</sup> July 2023, 18<sup>th</sup> October 2023 and 6<sup>th</sup> February 2024 and members of the Audit Committee participated in the aforesaid meetings in-person or through VC/ OAVM facility. All members attended all the meetings of the Audit Committee except Ms. Alpana Parida who was granted leave of absence for the meeting held on 15<sup>th</sup> February 2023.

The maximum gap between any two meetings of the Audit Committee was less than one hundred and twenty days. On 15<sup>th</sup> February 2023, the Audit Committee had a meeting with the Internal Auditors and Statutory Auditors without the presence of anyone else.

## **NOMINATION AND REMUNERATION COMMITTEE**

The powers, role and terms of reference of the Nomination and Remuneration Committee (hereinafter referred as "NRC") covers the areas as contemplated under Section 178 of the Act and Regulation 19 of the Listing Regulations, besides other terms as referred by the Board of Directors. The role includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board of Directors a policy relating to the nomination and remuneration for the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Independent Non-Executive Directors and the Board as a whole; devising a policy on diversity of Board of Directors; and identification of persons who are qualified to become directors and who may be appointed in the senior management in accordance with the criteria laid down, and recommending to the Board of Directors their appointment, removal and noting their cessation; recommendation on extension or continuation of the terms of appointment of the independent non-executive directors; recommendation to the Board of Directors of all remuneration, in whatever form, payable to the senior management; and evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required for appointment of an independent non-executive director and recommending to the Board.

As on 31<sup>st</sup> March 2024, the NRC comprised of Mr. Rajya Vardhan Kanoria as Chairman, Mr. Prathivadibhayankara Rajagopalan Ramesh and Ms. Anjali Bansal as Members, all Independent Non-Executive Directors. The Company Secretary of the Company acts as the Secretary to the Nomination and Remuneration Committee. The Chairman and Managing Director and Head of Human Resources are the permanent invitees to the meetings of the NRC.

During the fifteen months financial year ended 31<sup>st</sup> March 2024, the NRC met six times on 15<sup>th</sup> February 2023, 24<sup>th</sup> April 2023, 1<sup>st</sup> June 2023, 26<sup>th</sup> July 2023, 18<sup>th</sup> October 2023 and 6<sup>th</sup> February 2024 and members of the Committee participated in the aforesaid meetings either in-person or through VC/ OAVM facility. All members attended all the meetings of the NRC.

## **Performance Evaluation**

In terms of the requirement of the Act and the Listing Regulations, an annual performance evaluation of the Board, its Committees and the Directors was undertaken which included the evaluation of the Board as a whole, Board Committees and peer evaluation of the Directors. The criteria for performance evaluation cover the areas relevant to



the functioning of the Board and Board Committees such as its composition and operations, Board as whole and group dynamics, oversight and effectiveness, performance, skills and structure etc. The performance of individual directors was evaluated on the parameters such as preparation, participation, flow of information, conduct, independent judgement and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation of the Directors, the Directors being evaluated had not participated. An independent global HR and Risk advisory firm conducted an online survey to capture inputs from the Directors, compiled and provided analysis of the results of the annual performance evaluation. As an outcome of the evaluation, it was noted that Board as a whole has a composition that is diverse in experience, skills, expertise, competence, gender balance, and fosters lively, free expression and constructive debates and that the Board is provided with adequate competitive and industry information to keep the members upto date with industry landscape. The presentations made from time to time, during the meeting of the Board and Committee by the Senior Management and their teams continue to provide an insight at a deeper level and exposure to segments. It was also noted that the Board Committees functions professionally and smoothly and besides the Board Committee's terms of reference as mandated by law, important issues are brought up and discussed in the respective Board Committees.

The Board of Directors provided their inputs, *inter-alia*, on further strengthening on-boarding process for the directors, optimal use of virtual format for the meetings, focus on right issues that influences the Company's performance and future success, opportunity to focus on risk and security issues and to bring members on the Board with expertise in core areas of business. Further, feedback was provided by the Directors on focus around assessment of the inherent risks to the business and significant environmental changes that could impact the business of the Company in future.

### Remuneration of Directors

(for the fifteen months financial year ended 31<sup>st</sup> March 2024)

(₹ in millions)

Name of the Director	Sitting fees	Salaries and allowance	Perquisites	Company's Contribution to PF	Commission and performance linked incentive	Total <sup>#</sup>
Mr. Suresh Narayanan <sup>1</sup>	N.A.	183.93 <sup>^</sup>	68.31	4.96	36.81	294.01
Ms. Svetlana Boldina <sup>1</sup> <sup>§</sup>	N.A.	73.27 <sup>^</sup>	11.35	1.52	9.71	95.86
Mr. Satish Srinivasan <sup>1</sup> <sup>§</sup>	N.A.	9.33	9.84	1.09	5.81	26.07
Mr. David Steven McDaniel <sup>1</sup> <sup>*</sup>	N.A.	19.46 <sup>^</sup>	23.90	0.24	0.74	44.34
Mr. Matthias Christoph Lohner <sup>1</sup> <sup>*</sup>	N.A.	46.79 <sup>^</sup>	18.99	0.61	4.12	70.51
Dr. Swati A. Piramal <sup>*</sup>	1.05	-	-	-	3.75 <sup>@</sup>	4.80
Mr. Rajya Vardhan Kanoria	2.15	-	-	-	3.75 <sup>@</sup>	5.90
Mr. Prathivadibhayankara	2.15	-	-	-	3.75 <sup>@</sup>	5.90
Rajagopalan Ramesh						
Ms. Anjali Bansal	1.85	-	-	-	3.75 <sup>@</sup>	5.60
Ms. Alpna Parida	1.70	-	-	-	3.75 <sup>@</sup>	5.45

<sup>1</sup>The Company enters into service contracts with all Executive Directors for a period of 5 years. The notice period is of three months and the severance fee is the sum equivalent to remuneration for the notice period or part thereof in case of a shorter notice.

<sup>^</sup>Includes cost recharge for Employer Pension Scheme.

<sup>#</sup>The Remuneration is for the fifteen months financial year ended 31<sup>st</sup> March 2024, due to change in financial year of the Company.

<sup>@</sup>Represents Commission for the fifteen months financial year ended 31<sup>st</sup> March 2024 (due to change in financial year), which will be paid after adoption of the accounts by the shareholders at the ensuing Annual General Meeting, subject to deduction of applicable tax.

<sup>§</sup>Appointed as Executive Director of the Company (Ms. Svetlana Boldina w.e.f. 1<sup>st</sup> March 2023 and Mr. Satish Srinivasan w.e.f. 1<sup>st</sup> July 2023).

<sup>\*</sup>Mr. David Steven McDaniel (DIN: 08662504), Executive Director - Finance & Control and Chief Financial Officer and Mr. Matthias Christoph Lohner (DIN: 08934420), Executive Director - Technical, relinquished their office of Whole-time Director with effect from close of business hours on 28<sup>th</sup> February 2023 and 30<sup>th</sup> June 2023, respectively. Dr. Swati A. Piramal ceased to be an Independent Non-Executive Director of the Company with effect from close of business hours on 31<sup>st</sup> March 2024 upon completion of her second term of five consecutive years.

Sitting fee indicated above also includes payment for Board-level Committee meetings.

The above remuneration of Executive Directors does not include provision for incremental liability on account of gratuity, compensated absences and long service awards since actuarial valuation is done for the Company as a whole. The terms of employment of Executive Directors are governed by the applicable policies of the Company at the relevant point in time. Commission is subject to adequate profits being earned. A fair portion of the Executive Director's Performance Linked Incentive is linked to the Company's performance. This creates alignment with the strategy and business priorities to enhance shareholder's value. The total reward package for executive directors is intended to be market competitive with strong linkage to performance in line with Company's Nomination and Remuneration Policy which is available on the website of the Company at <https://www.nestle.in/investors/policies>.

The non-executive directors are paid remuneration based on their contribution and current trends. Sitting fee is paid for attending each meeting of the Board and Committees thereof. Additionally, the non-executive directors are entitled to remuneration upto an aggregate limit of one percent per annum of the net profits of the Company, provided that none of the non-executive directors shall receive individually a sum exceeding ₹1,00,00,000/- (Rupees one crore only) in a financial year, as approved by the members at the Annual General Meeting held on 12<sup>th</sup> April 2023. Within the aforesaid limit, the commission payable is determined by the Board of Directors and equal amount of commission is payable to Independent Non-Executive Directors. During the period under review, remuneration of Independent Non-Executive Directors was approved by the Board of Directors with the interested Independent Non-Executive Directors, not participating and voting, as per the terms approved by the shareholders at the Annual General Meeting. Further, none of the Non-Executive Directors had any material pecuniary relationship or transaction *vis-a-vis* the Company during the period under review, other than payment of sitting fee and commission, as mentioned in the table above.

The Company does not have any stock option scheme. The Company participates in the Performance Share Unit Plan/ Restricted Stock Unit Plan of Nestlé S.A., whereby selected employees are granted non-tradable Performance Share Units/ Restricted Stock Unit of Nestlé S.A. Perquisites of the Whole-time/ Managing Director include, *inter-alia*, Leave Travel and payments for the Restricted Stock Units/ Performance Stock Units of Nestlé S.A. vested during the financial year equal to the market value of the underlying shares on the date of vesting.

A brief profile and other particulars of the directors seeking appointment and re-appointment is given in the Notice of the 65<sup>th</sup> AGM and forms part of the Report.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee (hereinafter referred as "SRC") oversees, *inter-alia*, redressal of shareholder and investor grievances, transmission/ transposition of shares, non-receipt of annual report or declared dividend, issue of letter of confirmation in lieu of duplicate shares, exchange of new design share certificates, reviewing dematerialization of shares and related matters. The roles and responsibilities of the SRC are as prescribed under Section 178 of the Act and Regulation 20 of the Listing Regulations, as amended.

During the fifteen months financial year ended 31<sup>st</sup> March 2024, the SRC was re-constituted as Ms. Svetlana Boldina, Executive Director – Finance & Control and CFO was appointed as member of the SRC with effect from 1<sup>st</sup> March 2023, in place of Mr. David Steven McDaniel, Executive Director – Finance & Control and CFO, who ceased as member of the SRC upon relinquishment of the office of Whole-time Director of the Company with effect from close of business hours on 28<sup>th</sup> February 2023.

As on 31<sup>st</sup> March 2024, the SRC comprised of Mr. Rajya Vardhan Kanoria as Chairman, Ms. Alpana Parida and Ms. Svetlana Boldina as Members. The Company Secretary of the Company acts as the Secretary and Compliance Officer to the Stakeholders Relationship Committee.

During the fifteen months financial year ended 31<sup>st</sup> March 2024, the SRC met five times on 15<sup>th</sup> February 2023, 24<sup>th</sup> April 2023, 26<sup>th</sup> July 2023, 18<sup>th</sup> October 2023 and 6<sup>th</sup> February 2024. Members of the SRC participated in the aforesaid meetings in-person or through VC/ OAVM facility. Mr. David Steven McDaniel attended SRC meeting held on 15<sup>th</sup> February 2023 and thereafter, he ceased as member of the SRC. All members attended all the meetings of the SRC except Ms. Alpana Parida who was granted leave of absence for the meeting held on 15<sup>th</sup> February 2023.

During the fifteen months financial year ended 31<sup>st</sup> March 2024, sixteen complaints were received from the shareholders. All the complaints have been resolved to the satisfaction of the complainants and no investor complaint was pending at the beginning or at the end of the fifteen months financial year.

### RISK MANAGEMENT AND SUSTAINABILITY INITIATIVES COMMITTEE

The roles and responsibilities of the Risk Management and Sustainability Initiatives Committee (hereinafter referred as "RMSI Committee") are as prescribed under Regulation 21 of the Listing Regulations and includes formulating a detailed Risk Management Policy, monitoring and reviewing of risk management plan and reporting the same to the Board of Directors periodically as it may deem fit, in addition to any other terms as may be referred by the Board of Directors from time to time. The terms of reference of the RMSI Committee include review of the Company's sustainability initiatives and how its long term strategy relates to its ability to create shared value. The RMSI Committee also oversees compliance of all the policies and disclosures requirements under Listing Regulations for the purpose of Business Responsibility and Sustainability Reporting.

During the fifteen months financial year ended 31<sup>st</sup> March 2024, the RMSI Committee was re-constituted as Ms. Svetlana Boldina, Executive Director – Finance & Control and CFO, was appointed as member of the RMSI Committee with effect from 1<sup>st</sup> March 2023, in place of Mr. David Steven McDaniel, Executive Director - Finance & Control and CFO who ceased as member of the RMSI Committee upon relinquishment of the office of Whole-time Director of the Company with effect from close of business hours on 28<sup>th</sup> February 2023.

As on 31<sup>st</sup> March 2024, RMSI Committee comprised of Mr. Suresh Narayanan as Chairman, Mr. Prathivadibhayankara Rajagopalan Ramesh, Ms. Anjali Bansal, Dr. Swati A. Piramal and Ms. Svetlana Boldina, as Members. The Company Secretary of the Company acts as the Secretary to the RMSI Committee.

During the fifteen months financial year ended 31<sup>st</sup> March 2024, the RMSI Committee met five times on 15<sup>th</sup> February 2023, 24<sup>th</sup> April 2023, 26<sup>th</sup> July 2023, 18<sup>th</sup> October 2023 and 6<sup>th</sup> February 2024. Mr. David Steven McDaniel attended the RMSI Committee meeting held on 15<sup>th</sup> February 2023, thereafter, he ceased as member of the RMSI Committee. All the members attended these meetings in-person or through VC/ OAVM facility except, Ms. Anjali Bansal who was granted leave of absence for the meeting held on 24<sup>th</sup> April 2023 and Dr. Swati A. Piramal who was granted leave of absence for all meetings of the RMSI Committee held during the fifteen months financial year ended 31<sup>st</sup> March 2024.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (“CSR”) Committee oversees, *inter-alia*, corporate social responsibility and other related matters as may be referred by the Board of Directors and discharges the roles as prescribed under Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, (“CSR Rules”), which includes formulating and recommending to the Board of Directors, a CSR Policy indicating the activities to be undertaken by the Company, as per Schedule VII to the Act; the amount of expenditure to be incurred; and monitoring the CSR Policy of the Company. The CSR Committee had formulated an Annual Action Plan for the fifteen months financial year ended 31<sup>st</sup> March 2024 pursuant to the CSR Rules and the CSR Policy of the Company and recommended the amendments therein from time to time.

During the period under review, the CSR Committee was re-constituted as Ms. Svetlana Boldina, Executive Director - Finance & Control and CFO, was appointed as member of the CSR Committee with effect from 1<sup>st</sup> March 2023 in place of Mr. David Steven McDaniel, Executive Director - Finance & Control and CFO, who ceased as member of the CSR Committee upon relinquishment of the office of Whole-time Director of the Company with effect from close of business hours on 28<sup>th</sup> February 2023.

As on 31<sup>st</sup> March 2024, the CSR Committee comprised of Dr. Swati A. Piramal as Chairperson, Ms. Anjali Bansal, Mr. Suresh Narayanan and Ms. Svetlana Boldina, as Members of the CSR Committee. The Company Secretary of the Company acts as the Secretary to the CSR Committee.

During the fifteen months financial year ended 31<sup>st</sup> March 2024, the CSR Committee met five times on 15<sup>th</sup> February 2023, 25<sup>th</sup> April 2023, 26<sup>th</sup> July 2023, 18<sup>th</sup> October 2023 and 6<sup>th</sup> February 2024. Mr. David Steven McDaniel attended the CSR Committee meeting held on 15<sup>th</sup> February 2023, thereafter, he ceased as member of the CSR Committee. All the members attended these meetings in-person or through VC/ OAVM facility.

## Particulars of executive directors and senior management of the Company as on 31<sup>st</sup> March 2024

Name	Functional Head/ Area of responsibility
Mr. Suresh Narayanan	Chairman and Managing Director
Ms. Svetlana Boldina	Executive Director - Finance & Control and CFO
Mr. Satish Srinivasan	Executive Director - Technical
Mr. Anurag Patnaik	Human Resources
Mr. Arpindarjit Chadha	Exports
Mr. Chandan Mukherji	Strategy & Marketing Communication
Mr. Gopichandar Jagatheesan	Dairy
Ms. Krishna Guha Roy	IS/IT and Nestlé Business Excellence
Ms. Mansi Khanna	Nestlé Health Science
Ms. Pallavi Anand	Pet Foods
Mr. Rajat Jain	Foods
Ms. Rupali Rattan	Confectionery
Mr. Sandeep Sethi	Business Services
Mr. Sanjay Khajuria	Corporate Affairs & Sustainability
Mr. Saurabh Makhija	Nestlé Professional
Mr. Sunayan Mitra	Coffee & Beverages
Mr. Sushrut Nallulwar	Sales
Mr. TS Venkateswaran	Legal
Mr. Varun Gupta	Supply Chain
Mr. Varun Sethuraman	Cereals
Mr. Vineet Singh	Nutrition
Mr. Pramod Kumar Rai	Company Secretary and Compliance Officer

During the fifteen months financial year ended 31<sup>st</sup> March 2024, Mr. Ashish Pande, Mr. Kumar Gaurav Kwatra and Mr. Mehernosh Malia were part of the senior management of the Company.

## GENERAL BODY MEETINGS

Required details of last three Annual General Meetings (AGMs), are as below:

AGM	Date & Time	Venue	Special Resolution(s)
64 <sup>th</sup>	12 <sup>th</sup> April 2023 at 10:00 A.M. (IST)	Through Video Conferencing / Other Audio-Visual Means	Payment of remuneration under Section 197 of the Companies Act, 2013 to the non-executive directors, a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, subject to the condition that none of the aforesaid directors shall receive individually a sum exceeding ₹1,00,00,000/- (Rupees one crore only) in a financial year, commencing from 1 <sup>st</sup> January 2023.
63 <sup>rd</sup>	12 <sup>th</sup> April 2022 at 10:00 A.M. (IST)		Appointment of Ms. Anjali Bansal (DIN: 00207746) as an Independent Non-Executive Director of the Company, with effect from 1 <sup>st</sup> May 2022, to hold office for a term of five consecutive years i.e. upto 30 <sup>th</sup> April 2027.
62 <sup>nd</sup>	7 <sup>th</sup> May 2021 at 10:00 A.M. (IST)		No Special Resolution was passed in this meeting.

## POSTAL BALLOT

During the fifteen months financial year ended 31<sup>st</sup> March 2024, no special resolution was passed through postal ballot.

The Board of Directors had, on the recommendation of the Nomination and Remuneration Committee, at its meeting held on 5<sup>th</sup> April 2024 appointed Ms. Suneeta Reddy (DIN: 00001873) as an Additional Director and Independent Non-Executive Director of your Company with effect from 5<sup>th</sup> April 2024 for a term of five consecutive years, subject to approval of the Members. Pursuant to the provisions of Listing Regulations, the Board of Directors had at the said meeting recommended the appointment of Ms. Suneeta Reddy as an Independent Non-Executive Director of the Company to the members by way of Special Resolution through Postal Ballot by electronic mode and the e-Voting on the Special Resolution is under process.<sup>&</sup>

The Board of Directors had appointed Mr. Abhinav Khosla (Membership No. 087010 & Firm Registration No 000235N/N500089) Partner, M/s. SCV & Co. LLP, Chartered Accountants, as Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner and National Securities Depository Limited (NSDL) for providing remote e-Voting facility to the members of the Company.

The Scrutinizer shall, immediately after the conclusion of voting through remote e-Voting, unblock the votes cast through remote e-Voting and make a Scrutinizer's Report of the total votes cast in favor and against, if any, and submit his report to the Chairman of the Company or any person authorised by him. The declared Results along with the Scrutinizer's Report will be submitted to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (together referred to as "Stock Exchanges"); displayed on the Notice Board of the Company at its Registered Office; and will be available on the Company's website at [www.nestle.in](http://www.nestle.in). and website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

## MEANS OF COMMUNICATION

Your Company follows various channels of communication with shareholders and other stakeholders for ensuring fair disclosure and comprehensive and transparent reporting of the Company's performance and activities to safeguard shareholders' and other stakeholders interests.

The quarterly/ annual financial results of the Company were widely published in leading newspapers such as Financial Express and Jansatta and also displayed on the website of the Company at <https://www.nestle.in/investors/stockandfinancials/financialresults>. The quarterly/ annual financial results were also sent to the members of the Company, individually to their email address registered with the Company/ depository participant(s). All official press releases, presentations made to analysts and institutional investors and other general information about the Company are also available on the Investor Relation Section of the website of the Company.

The presentations made to the analysts and institutional investors, if any, were not communicated individually to the members of the Company. However, such presentations were uploaded in advance on the website of the Company at <https://www.nestle.in/investors/analystsmeet> and were also submitted to Stock Exchanges for further dissemination.

## GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting®

Day, Date and Time	Friday, 5 <sup>th</sup> July 2024 at 10:30 A.M. (IST)
Venue	Annual General Meeting through Video Conferencing/ Other Audio-Visual Means (VC/ OAVM facility) [Deemed Venue for the meeting: Registered Office: 100/ 101, World Trade Centre, Barakhamba Lane, New Delhi-110001]

### Financial Calendar, 2024-25

The Board of Directors had at its meeting held on 27<sup>th</sup> July 2023, approved the change in Financial Year of the Company from existing "1<sup>st</sup> January to 31<sup>st</sup> December" cycle to "1<sup>st</sup> April to 31<sup>st</sup> March" cycle. Consequently, the current Financial Year of the Company comprised of fifteen months period from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024 and thereafter from 1<sup>st</sup> April every year to 31<sup>st</sup> March of the subsequent year.

The tentative dates of meeting of Board of Directors for consideration of financial results during the financial year 2024-25 are as follows:

First Quarter Results	:	25 <sup>th</sup> July 2024
Second Quarter and Half-yearly Results	:	17 <sup>th</sup> October 2024
Third Quarter Results	:	First/ Second week of February 2025 (tentative)
Annual Results	:	Third/ Fourth week of April 2025 (tentative)

**Dividend payments®:** Final Dividend of ₹8.50 per equity share of face value of ₹1/- each has been recommended by the Board of Directors and subject to the approval of the members of the Company at the forthcoming 65<sup>th</sup> Annual General Meeting, is proposed to be paid on and from 2<sup>nd</sup> August 2024 ("Payment Date"), to the members of the Company as on 15<sup>th</sup> July 2024 ("Record Date" for the purpose of determining entitlement of the Members to the Final Dividend for the fifteen months financial year ended 31<sup>st</sup> March 2024)

For the fifteen months financial year ended 31<sup>st</sup> March 2024, the first interim dividend of ₹27.00 per equity share, second interim dividend of ₹140.00 per equity share on the face value of ₹10/- each and third interim dividend of ₹7 per equity share on the face value of ₹1/- each, were paid on and from 8<sup>th</sup> May 2023, 16<sup>th</sup> November 2023 and 5<sup>th</sup> March 2024, respectively.

### Shareholders' Rights

Your Company has "Investor Grievance and Redressal Policy" which provides mechanism for redressal of investor complaints/ grievances received by the Company/ RTA/ SEBI Complaints Redressal System (SCORES)/ Stock Exchanges. The status of receipt, redressal and pendency of all the investors complaints as recorded are placed before the Stakeholders Relationship Committee and the Board of Directors of the Company. The said Policy is available on the website of the Company at <https://www.nestle.in/investors/policies>.

Your Company has Online Dispute Resolution (ODR) Portal in place, which is in addition to the existing SCORES 2.0 platform which can be utilized by the investors and the Company for dispute resolution. The link to access the same are available on the website of the Company at <https://www.nestle.in/investors/investorservices>.

### Memorandum and Articles of Association

During the period under review, the Company had sub-divided its equity shares from 1 (one) equity share having a face value of ₹10/- (Rupees ten only) each, fully paid-up into 10 (ten) equity shares having a face value of ₹1/- (Rupee one only) each, fully paid-up. Consequently, the existing Capital Clause of the Memorandum of Association of the Company was altered. During the period under review, there were no changes in the Articles of Association also provided under the Articles of Association.

The rights of the shareholders are also provided under the Articles of Association. Shareholder(s) representing at least one-tenth of the paid-up share capital of the Company of all the shareholders having a right to vote at general meetings may, request the Board to convene an extra-ordinary general meeting by requisition, by stating the general nature of the business to be dealt at a general meeting and depositing the signed requisition at the registered office of the Company for the attention of the Company Secretary in hard copy form, within the timelines as stipulated in law. A copy of updated Memorandum of Association and Articles of Association are available on the website of the Company at [www.nestle.in](http://www.nestle.in).

## Listing on the Stock Exchanges and Stock Code/Symbol

Shares of the Company are listed on the following stock exchanges:

- BSE Limited ("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001. The Company's Stock Code is 500790.
- National Stock Exchange of India Limited\* ("NSE"), Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. The Company's Symbol is 'NESTLEIND'.

\* The equity shares of your Company were allowed to be traded at NSE under the 'Permitted to Trade' category in Cash market and Futures & Options market segment; and was an integral part of NSE flagship Index - Nifty 50. During the period under review, your Company got listed the said equity shares on the NSE with effect from 1<sup>st</sup> August 2023 under the NSE symbol "NESTLEIND".

The ISIN of Nestlé India Limited on both the National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] changed from INE239A01016 to INE239A01024 on account of sub-division/ split of equity shares of the Company from 1 (one) equity share having a face value of ₹ 10/- (Rupee ten only) each, fully paid-up into 10 (ten) equity shares having a face value of ₹ 1/- (Rupee one only) each, fully paid-up.

Market Price Data: High/Low in each month of fifteen months financial year ended 31<sup>st</sup> March 2024 on BSE and NSE, is specified below:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
January 2023	20,185.00	18,930.15	20,189.00	18,929.00
February 2023	19,799.95	18,458.70	19,799.85	18,460.15
March 2023	19,750.00	17,888.00	19,751.90	17,880.00
April 2023	21,850.00	19,374.75	21,849.60	19,364.95
May 2023	22,295.95	21,256.35	22,300.00	21,275.00
June 2023	23,200.00	21,582.35	23,175.25	21,572.80
July 2023	23,390.00	22,081.75	23,395.35	22,076.05
August 2023	22,936.25	21,452.75	22,938.15	21,450.00
September 2023	23,098.95	21,650.00	23,062.90	21,632.50
October 2023	24,735.50	22,260.85	24,745.00	22,255.15
November 2023	24,591.10	23,772.80	24,589.90	23,773.10
December 2023	26,661.00	24,146.00	26,650.00	24,138.65
January 2024*	27,707.45	2,445.80	27,693.00	2,446.00
February 2024*	2,607.10	2,409.70	2,606.20	2,409.10
March 2024*	2,653.00	2,467.70	2,653.65	2,468.15

[Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)]

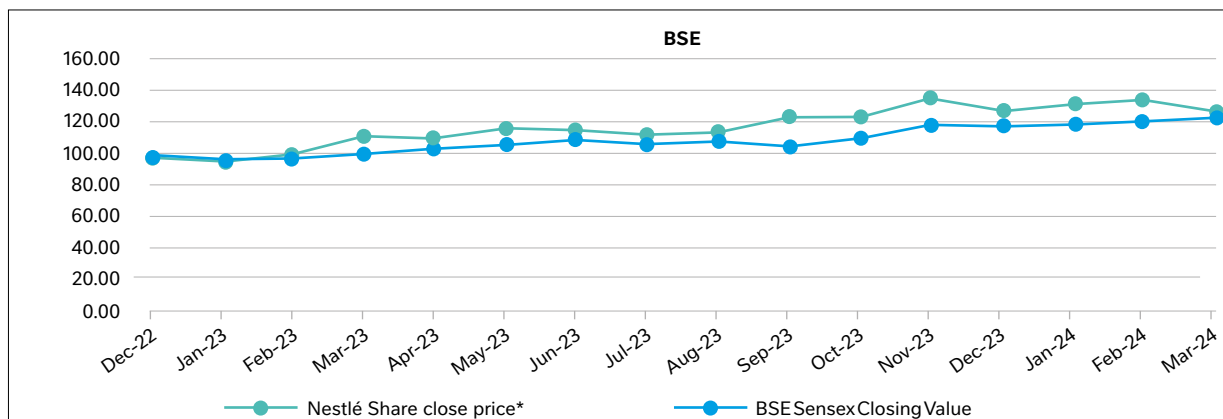
\*Each equity share of face value of ₹10/- each has been sub-divided into 10 equity shares of face value of ₹1/- each with effect from 5<sup>th</sup> January 2024 (record date for the purpose of sub-division).

The Company had paid Annual Listing Fees to both the Stock Exchanges for the Financial Year 2023-2024.

## Performance in comparison to BSE Sensex

(Closing value of Nestlé share price vs BSE Sensex on the last trading day of the fifteen months financial year ended 31<sup>st</sup> March 2024 )

Base is considered to be 100 as at 31<sup>st</sup> December 2022.



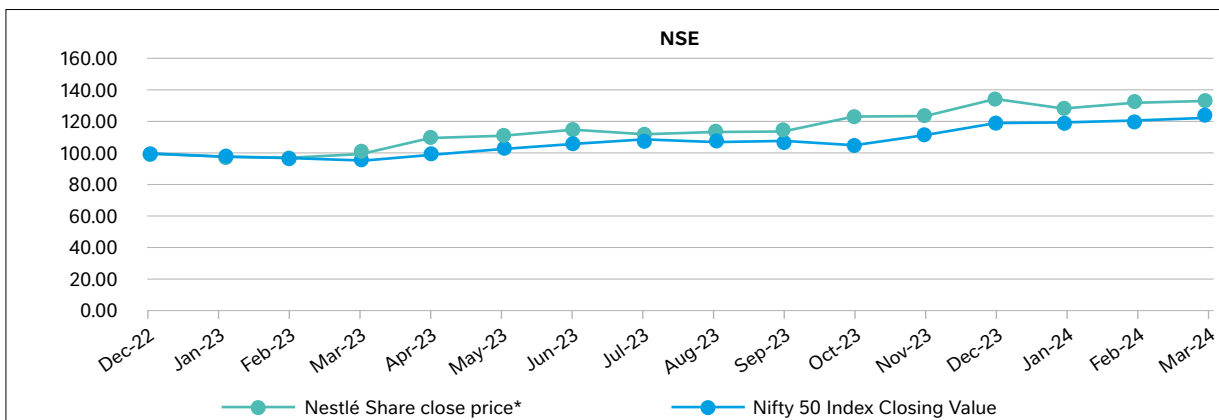
[Source: [www.bseindia.com](http://www.bseindia.com)]

\*Nestlé's equity share close price has been adjusted for sub-division/ split.

## Performance in comparison to Nifty 50

(Closing value of Nestlé share price vs Nifty 50 on the last trading day of the fifteen months financial year ended 31<sup>st</sup> March 2024)

Base is considered to be 100 as at 31<sup>st</sup> December 2022.



[Source: [www.nseindia.com](http://www.nseindia.com)]

\*Nestlé's equity share close price has been adjusted for sub-division/ split.

## Shareholding Pattern as on 31<sup>st</sup> March 2024

Category of Shareholder	Number of Shares	Percentage of Total Shares
<b>Promoter and Promoter Group (A)</b>	<b>605,150,790</b>	<b>62.76</b>
<b>Public Shareholding</b>	<b>359,006,370</b>	<b>37.24</b>
Mutual Funds	42,867,665	4.45
Alternate Investment Fund	898,292	0.09
Foreign Portfolio Investor	116,695,181	12.10
Financial Institutions/ Banks	6,246,201	0.65
Insurance Companies	36,744,779	3.81
Central/ State Government(s)	20,150	0.00
Individuals	126,074,656	13.08
NBFCs	442,065	0.05
Any Other		
- Bodies Corporate	15,053,968	1.56
- Overseas Corporate Body	5,000	0.00
- NRIs	8,686,331	0.90
- Trust	226,151	0.02
- IEPF Authority	1,266,950	0.13
- HUF	2,335,860	0.24
- Clearing Members	1,442,081	0.15
- Unclaimed or Suspense or Escrow Account	1,040	0.00
<b>Total Public Shareholding (B)</b>	<b>359,006,370</b>	<b>37.24</b>
<b>Total Shareholding (A + B)</b>	<b>964,157,160</b>	<b>100.00</b>

## Distribution of shareholding as on 31<sup>st</sup> March 2024

Category (Shares)	Number of Shareholders	Number of Shares	Percentage of total shares
1 - 500	399,575	16,955,472	1.76
501 - 1000	8,833	7,049,510	0.73
1001 - 2000	5,762	8,850,937	0.92
2001 - 3000	2,176	5,610,409	0.58
3001 - 4000	1,365	4,892,948	0.51
4001 - 5000	1,021	4,699,491	0.49
5001 - 10000	2,161	15,641,552	1.62
10001 - 20000	999	14,045,892	1.46
20001 and above	1,454	886,410,949	91.94
<b>TOTAL</b>	<b>423,346</b>	<b>964,157,160</b>	<b>100</b>

## Top 10 Shareholders as on 31<sup>st</sup> March 2024

Name of the Shareholder	No. of shares	% of total shares
Nestlé S.A.	330,513,990	34.28
Maggi Enterprises Ltd	274,636,800	28.48
Life Insurance Corporation of India	20,936,578	2.17
SBI Nifty 50 ETF	6,416,972	0.67
Mira Pradeep Singh	6,321,000	0.66
Government of Singapore	5,544,790	0.58
Vanguard Total International Stock Index Fund	4,927,296	0.51
Axis ELSS Tax Saver Fund	4,859,456	0.50
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	4,811,666	0.50
SBI S&P BSE Sensex ETF	4,572,767	0.47

## Registrar & Share Transfer Agent

Name: M/s. Alankit Assignments Limited  
Address: 4E/2, Jhandewalan Extension, New Delhi-110055.  
Email: [rta@alankit.com](mailto:rta@alankit.com)  
Telephone: + 91-11-4254 1234, + 91-11-2354 1234  
Website: [www.alankit.com](http://www.alankit.com)

## Share Transfer System

In terms of the Listing Regulations, transfer, transmission and transposition of equity shares of the Company shall be effected only in dematerialised form. Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. NSDL and CDSL, within the statutory time limit from the date of receipt of share certificates/ letter of confirmation after due verification.

As per the notifications/ circulars/ guidelines issued by SEBI from time to time, the Company shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, exchange/ sub-division/ split/ consolidation of securities, transmission/ transposition etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholder fails to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat Account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat Account on submission of necessary documentation.



Details of shares transferred to/ released from Suspense Escrow Demat account during the fifteen months financial year ended 31<sup>st</sup> March 2024 are as under:

Particulars	No. of shareholders	No. of shares
Shares lying as on 1 <sup>st</sup> January 2023	Nil	Nil
Shares transferred during fifteen months financial year ended 31 <sup>st</sup> March 2024	1	104
Shares claimed back during fifteen months financial year ended 31 <sup>st</sup> March 2024	Nil	Nil
Shares lying as on 31 <sup>st</sup> March 2024	1	1040*

\* change in the number of shares is due to sub-division of Equity Shares of the Company from 1 (one) equity share having a face value of ₹ 10/- (Rupees ten only) each, fully paid-up into 10 (ten) equity shares having a face value of ₹ 1/- (Rupee one only) each, fully paid-up.

The Company has not transferred any equity shares to any other demat suspense account or unclaimed suspense account.

The Company Secretary of the Company is authorized by the Board of Directors to approve issuance of letter of confirmation in lieu of duplicate share certificates.

Your Company has filed with the stock exchanges a Certificate from a Company Secretary in Practice confirming that the requirements under Regulation 40(9) of the Listing Regulations to the effect that all certificates have been issued within the stipulated timelines from the date of lodgement for transfer/ transmission/ sub-division/ consolidation/ renewal/ exchange as the case may be.

#### Dematerialisation of shares and liquidity

99.66% equity shares of the Company are in dematerialised form as on 31<sup>st</sup> March 2024. The Company's shares are liquid and actively traded on both the recognized stock exchanges in India i.e. BSE and NSE, Mumbai.

#### Outstanding ADRs/ GDRs/ Warrants or any convertible instruments, conversion date and likely impact on equity

No GDRs/ ADRs/ Warrants or any convertible instruments have been issued by the Company during the fifteen months financial year ended 31<sup>st</sup> March 2024.

#### Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any exposure hedged through commodity derivatives. During the fifteen months financial year ended 31<sup>st</sup> March 2024, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note No. 37 to the Audited Financial Statements for the fifteen months financial year ended 31<sup>st</sup> March 2024.

#### Plant Locations

The Company's plants are located at Moga, Samalkha, Nanjangud, Choladi, Ponda, Bicholim, Pantnagar, Tahliwal and Sanand. Your Company is in the process of setting up a food processing unit at Mundaamba, Block - Jankia in the district of Khordha (Odisha).

#### Address for correspondence

Nestlé India Limited

Investor Relations Department

100/ 101, World Trade Centre, Barakhamba Lane, New Delhi - 110001

Telephone No.: 011-23418891.

Designated e-mail address for Investor Services: [investor@in.nestle.com](mailto:investor@in.nestle.com)

Designated Person for Investor Services: Ms. Priyansha Bajpai

Contact Number: +91-74280 85563

For queries on IEPF related matters: [nodal.officer@in.nestle.com](mailto:nodal.officer@in.nestle.com)

Website: [www.nestle.in](http://www.nestle.in)

All correspondence by Members related to investor service request may be forwarded to M/s. Alankit Assignments Limited, the Registrar and Share Transfer Agent of the Company or to the Investor Service Department at the Registered Office of the Company at the addresses mentioned above.

**SEBI toll-free helpline service for investors:** 1800 22 7575 or 1800 266 7575 (available on all days from 9:00 A.M. to 6:00 P.M. excluding declared holidays)\*.

**SEBI investors' contact for feedback and assistance:** Tel. No.: 022-26449000, e-mail: [sebi@sebi.gov.in](mailto:sebi@sebi.gov.in)\*. For investors' contact and feedback and assistance, you may kindly submit your query/ suggestion at <https://www.sebi.gov.in/contact-us.html>.

\*Source: [www.sebi.gov.in](http://www.sebi.gov.in)

### Credit Rating

The Company has been awarded AAA credit rating for its bank credit facilities by CRISIL. It is the highest rating and indicates a stable outlook for the Company. The rating reflects that the Company has serviced its financial obligations on time. As regards to the short-term facility provided by the bank, the Company has been awarded the credit rating of A1+. The rated instrument reflects strong degree of safety and lowest credit risk. The details of the Credit Rating are available on the website of the Company at <https://www.nestle.in/investors/stockandfinancials/credit-rating>.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Despite a challenging global landscape, India's economy stayed resilient. India solidified its position as the world's fifth-largest economy, showcasing its significant economic strength and becoming one of the fastest growing major economies.

The Reserve Bank of India (RBI) in its annual report stated that in the face of headwinds from protracted geopolitical tensions and volatile global financial markets, the Indian economy exhibited resilience during 2023-24 with real GDP growth improving to 7.6% from 7.0% in 2022-23. Manufacturing and services sectors were the main contributors to this growth, while agriculture slowed down due to unfavorable weather conditions. Food and beverages inflation averaged 7.0% in 2023-24, higher than 6.7% a year ago. India's exports showed positive momentum with a value of USD 119.10 billion during the January-March 2024 quarter.

The International Monetary Fund (IMF) highlighted the strength of domestic demand and a rising working-age population as key factors contributing to India's economic robustness. In the 54<sup>th</sup> Annual Meeting of the World Economic Forum in January 2024, highlighted that India's large and young population, often referred to as a "demographic dividend," can be a tremendous asset for economic growth, when combined with further investments in upskilling that can lead to increased productivity and innovation.

However, while the overall economy displayed promising signs of growth, consumer spending particularly in rural areas remained sluggish. Private consumption was supported by urban demand while the rural sector faced challenges due to the uneven monsoon and elevated food inflation, resulting in subdued rural income in 2023.

Increased adoption of mobile wallets, internet banking, has made online transactions for FMCG purchases smoother and more secure. This surge has further fueled e-commerce growth in the sector, providing wider access to FMCG products.

India has the second-largest online market globally and has one of the cheapest data rates in the world, making internet more accessible for consumers. India's digital payments ecosystem continued to witness remarkable growth. The Unified Payments Interface (UPI) network processed a record-breaking 13.44 billion transactions in March 2024.. The vast online ecosystem offers access to a wider range of products and brands for both urban and rural consumers. This digitalization fosters inclusivity by bringing more options to a wider population and potentially enabling more informed and democratized purchase decisions.

India boasts the third-largest number of unicorns globally. This signifies a thriving startup ecosystem with immense potential for innovation and economic growth.

### Strengths, Challenges, Opportunities and Threats

**Strengths:** Some of the strengths are low operational cost, strong supply chain, deep roots in local culture, presence in urban as well as in rural areas and consumer oriented.

**Challenges:** Some of the challenges are counterfeit products, and growing competitive landscape and complexity in the supply chain.

**Opportunities:** Some of the opportunities are e-commerce, untapped/ unexplored rural areas, large domestic market and export potential.

**Threats:** Some of the threats are removal of import restrictions, social media, health and wellness substitutes.

For more details on Risk and Opportunities, please refer to page no. 62 which forms an integral part of this Report.

### CEO/ CFO CERTIFICATION

The Chairman and Managing Director and the Executive Director- Finance & Control and CFO of the Company have certified to the Board of Directors, *inter-alia*, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the fifteen months financial year ended 31<sup>st</sup> March 2024.

## DISCLOSURES

During the fifteen months financial year ended 31<sup>st</sup> March 2024, the Company had no materially significant related party transaction, which is considered to have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note No. 41 to the Audited Financial Statements for the fifteen months financial year ended 31<sup>st</sup> March 2024. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The said Policy is also available on the website of the Company at <https://www.nestle.in/investors/policies>.

The equity shares of the Company are listed on BSE and NSE, Mumbai and the Company has complied with all the applicable Regulations of capital markets. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

During the fifteen months financial year ended 31<sup>st</sup> March 2024, no securities of the Company were suspended from trading.

The standard of behaviour of Nestlé India is governed by significant documents "The Nestlé Corporate Business Principles", "The Nestlé Management and Leadership Principles" and "The Nestlé India Code of Business Conduct". Employees can report to the Company Secretary, on a confidential basis, any practices or actions believed to be inappropriate or illegal under Nestlé India Code of Business Conduct ("the Code"). The Company has established vigil mechanism/ whistle blower policy ("Policy"), which is available on the website of the Company at <https://www.nestle.in/investors/policies>.

The Code/ Policy provides for adequate safeguards against victimization of director(s)/ employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. It is affirmed that no person has been denied access to the Audit Committee. Your Company provides an independent third party operated free phone and web-based Platform, namely, "Speak-Up", to all internal and external stakeholders including directors and employees with a dedicated communication channel for reporting potential instances of non-compliance with Nestlé Corporate Business Principles or for reporting, on a confidential basis, any practices or actions believed to be inappropriate or illegal under the Code. Link to "Speak-Up Platform" is available on the website of the Company at <https://www.nestle.com/aboutus/businessprinciples/report-your-concerns>.

Further, your Company has appointed Ombudsman for Infant Code, under which employees can report Infant Code violations directly to the Ombudsman, with adequate safeguard to protect the employee reporting.

Your Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.

During the fifteen months financial year ended 31<sup>st</sup> March 2024, your Company has obtained a certificate from M/s. S.N. Ananthasubramanian & Co., Company Secretary in Practice (Registration No. 1774), Secretarial Auditors of the Company, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the SEBI/ MCA or any such Statutory Authority. The said Certificate is enclosed as "Annexure – II" and forms an integral part of this Report.

During the fifteen months financial year ended 31<sup>st</sup> March 2024, total fees for all services has been paid by the Company to the Statutory Auditors, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, and all the entities forming part of the same network, aggregated to ₹ 24.4 million.

During the fifteen months financial year ended 31<sup>st</sup> March 2024, the Board of Directors accepted all recommendations of the Committees of the Board of Directors, which were mandatorily required to be made.

As per the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH"), the Company has a policy which is available on its website at <https://www.nestle.in/investors/policies> and robust mechanism in place to redress complaints reported under it. The Company has complied with provisions relating to the constitution of Internal Committee under POSH. The Internal Committee is comprised of internal members and an external member who has extensive experience in the field. During the fifteen months financial year ended 31<sup>st</sup> March 2024, the Company has received six complaints on sexual harassment, the said complaints were investigated and resolved as per the provisions of the POSH and as on 31<sup>st</sup> March 2024, no complaint was pending for investigation and resolution.

During the fifteen months financial year ended 31<sup>st</sup> March 2024, the Company has not provided any loans and advances in the nature of loans to firms/companies in which directors are interested.

The Company does not have any subsidiary company.

The Company has *inter-alia* complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub - regulation (2) of Regulation 46 of the Listing Regulations.

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

The Corporate Governance Report of the Company for the fifteen months financial year ended 31<sup>st</sup> March 2024 or as on 31<sup>st</sup> March 2024 is in compliance with all applicable requirements of Listing Regulations.

The status of adoption of the discretionary requirements as specified in sub - regulation 1 of Regulation 27 of the Listing Regulations are as follows:

(a) The Board: The Company has an Executive Chairman; (b) Shareholder Rights: Half-yearly and other quarterly financial results are published in newspapers, uploaded on the website of the Company at www.nestle.in and sent to the members individually through email to their email address registered with the Company/ depository participant(s); (c) Modified Opinion(s) in audit report: The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements; (d) Reporting of Internal Auditor: The Chief Internal Auditor of the Company administratively reports to the Executive Director - Finance & Control and CFO with functional independence and has direct access to the Audit Committee.

**On behalf of the Board of Directors**

Date : 25<sup>th</sup> April 2024

Place : Gurugram

**Suresh Narayanan**

Chairman and Managing Director

### **Postal Ballot**

The members of your Company had approved with requisite majority the appointment of Ms Suneeta Reddy (DIN: 00001873) as an Independent Non-Executive Director of the Company w.e.f. 5<sup>th</sup> April 2024 for a term of five consecutive years i.e. upto 4<sup>th</sup> April 2029. The members voted on the special resolution proposed through Postal Ballot by way of remote e-Voting between 18<sup>th</sup> April 2024 to 17<sup>th</sup> May 2024, and thereafter, the results of the e-Voting were announced on 17<sup>th</sup> May 2024.

For administrative reasons, the Company postponed the 65<sup>th</sup> AGM; the Record Date and Payment Date for Final Dividend. Accordingly, the relevant information has been updated in the **"GENERAL SHAREHOLDER INFORMATION"** section of the Corporate Governance Report for the fifteen months financial year ended 31<sup>st</sup> March 2024:

### **Annual General Meeting**

Day, Date and Time	Monday, 8 <sup>th</sup> July 2024 at 10:30 A.M. (IST)
Venue	Annual General Meeting through Video Conferencing/ Other Audio-Visual Means (VC/OAVM facility) [Deemed Venue for the meeting: Registered Office: 100/ 101, World Trade Centre, Barakhamba Lane, New Delhi-110001]

Dividend payments: Final Dividend of ₹8.50 per equity share of face value of ₹1.00 each has been recommended by the Board of Directors and subject to the approval of the members of the Company at the forthcoming 65<sup>th</sup> Annual General Meeting, is proposed to be paid on and from 6<sup>th</sup> August 2024 ("Payment Date"), to the members of the Company as on 16<sup>th</sup> July 2024 ("Record Date" for the purpose of determining entitlement of the Members to the Final Dividend for the fifteen months financial year ended 31<sup>st</sup> March 2024).

For the fifteen months financial year ended 31<sup>st</sup> March 2024, the first interim dividend of ₹27.00 per equity share, second interim dividend of ₹140.00 per equity share on the face value of ₹10.00 each and third interim dividend of ₹7.00 per equity share on the face value of ₹1.00 each, were paid on and from 8<sup>th</sup> May 2023, 16<sup>th</sup> November 2023 and 5<sup>th</sup> March 2024, respectively.

**On behalf of the Board of Directors**

Date : 12<sup>th</sup> June 2024

Place : Gurugram

**Suresh Narayanan**

Chairman and Managing Director

**Declaration of compliance with Nestlé India Code of Business Conduct**

I, Suresh Narayanan, Chairman and Managing Director of the Company do hereby confirm that all the Board Members and Senior Management Personnel of the Company have complied with the Nestlé India Code of Business Conduct during the fifteen months financial year ended 31<sup>st</sup> March 2024.

This declaration is based on and is in pursuance of the individual affirmations received from the Board Members and the Senior Management Personnel of the Company.

Date: 25<sup>th</sup> April 2024

Place: Gurugram

**Suresh Narayanan**

Chairman and Managing Director

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To,  
The Members of  
**Nestlé India Limited**  
**CIN: L15202DL1959PLC003786**  
100/101, World Trade Centre, Barakhamba Lane, New Delhi -110001

We have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents') as submitted by the Directors of **Nestlé India Limited** ('the Company') bearing **CIN: L15202DL1959PLC003786** and having its registered office at 100/101, World Trade Centre, Barakhamba Lane, New Delhi - 110001, to the Board of Directors of the Company ('the Board') for the Financial Year from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024 and Financial Year ending 31<sup>st</sup> March 2025 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the Financial Year from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024, have been debarred or disqualified from being appointed or continuing as Directors of Companies, by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

S. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment	Date of Cessation
01.	Mr. Suresh Narayanan	07246738	01-08-2015	-
02.	Mr. David Steven McDaniel	08662504	01-03-2020	28-02-2023
03.	Ms. Svetlana Boldina	10044338	01-03-2023	-
04.	Mr. Matthias Lohner	08934420	01-11-2020	30-06-2023
05.	Mr. Satish Srinivasan	10173407	01-07-2023	-
06.	Mr. Rajya Vardhan Kanoria	00003792	13-05-2014	-
07.	Mr. Prathivadibhayankara Rajagopalan Ramesh	01915274	01-07-2020	-
08.	Ms. Anjali Bansal	00207746	01-05-2022	-
09.	Ms. Alpana Parida	06796621	01-06-2022	-
10.	Dr. Swati Ajay Piramal	00067125	02-08-2010	31-03-2024
11.	Ms. Suneeta Reddy	00001873	05-04-2024	-

This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024.

For **S. N. ANANTHASUBRAMANIAN & Co.**

Company Secretaries

ICSI Unique Code: P1991MH040400

Peer Review Cert. No.: 5218/2023

**S. N. Ananthasubramanian**

Founding Partner

FCS: 4206 I COP No. : 1774

ICSI UDIN: F004206F000232357

Date: 25<sup>th</sup> April 2024

Place: Thane

# CORPORATE GOVERNANCE CERTIFICATE

[Pursuant to Regulation 34(3) and Schedule V Para E of Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members of  
**Nestlé India Limited**  
**CIN: L15202DL1959PLC003786**  
100/101, World Trade Centre,  
Barakhamba Lane,  
New Delhi – 110001

## 1. Background

We have been approached by Nestlé India Limited (“the Company”) to examine the compliance with the conditions of Corporate Governance by the Company, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”), as amended from time to time, for the financial year from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024.

## 2. Management’s Responsibility

The Compliance of conditions of Corporate Governance stipulated in the Listing Regulations is the responsibility of the management. The management shall devise adequate systems, internal controls and processes to monitor and ensure the same.

## 3. Our Responsibility

Our responsibility is limited to conduct an examination of the systems, internal controls and processes adopted by the Company and implementation thereof to monitor and ensure with the conditions of Corporate Governance and report thereon.

## 4. Methodology

- 4.1. In order to conduct our examination, we were provided with the relevant documents and information including explanations, wherever required.
- 4.2. Our examination was conducted in a manner which provided us with a reasonable basis for evaluating the systems, internal controls and processes adopted by the Company to monitor and ensure compliance with the conditions of Corporate Governance and to certify thereon.

## 5. Opinion

Based on our examination as aforesaid, the information, explanations and representations provided by the management, we certify that, the Company has complied with the conditions of the Corporate Governance stipulated in the Listing Regulations, for the Financial Year from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024.

## 6. Disclaimer

- 6.1. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 6.2. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs.

For **S. N. ANANTHASUBRAMANIAN & Co.**  
Company Secretaries  
ICSI Unique Code: P1991MH040400  
Peer Review Cert. No.: 5218/2023

**S. N. Ananthasubramanian**  
Founding Partner  
FCS: 4206 I COP No. : 1774  
UDIN: F004206F000232161

Date: 25<sup>th</sup> April 2024  
Place: Thane

## ANNEXURE - 2 TO THE BOARD'S REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

#### 1. Brief outline on CSR Policy of the Company

Driven by the purpose, 'We unlock the power of food to enhance quality of life for everyone, today and for generations to come', the Company is mindful of the needs of the communities and strives to make a positive difference and create maximum value for the society. The Company's initiatives in society are focussed on the three pivotal ambitions of enabling healthier and happier lives for individuals and families, on helping develop thriving and resilient communities, and on stewarding the planet's natural resources for future generations. It is firmly rooted in a robust set of principles and values based on respect.

Your Company believes that the biggest opportunity is partnerships. It continues to engage with stakeholders including communities, academia, civil society, expert organisations and takes up such CSR activities that are in line with national priorities such as health, nutrition, education, livelihood, water and sanitation, environment etc.

Your Company's commitment to the society is sincere and longstanding. The CSR Policy of the Company is available on the website ([www.nestle.in/investors/policies](http://www.nestle.in/investors/policies)). While the focus of CSR efforts will be in the areas around Company operations, the Company also undertakes projects where societal needs are high or in special situations (such as in the case of natural calamities/ disasters including Covid relief, etc.).

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year <sup>^</sup>	Number of meetings of CSR Committee attended during the year <sup>^</sup>
1.	Dr. Swati Ajay Piramal*	Chairperson (Independent Non – Executive Director)	5	5
2.	Ms. Suneeta Reddy**	Chairperson (Independent Non – Executive Director)	-	-
3.	Mr. Suresh Narayanan	Member (Chairman & Managing Director)	5	5
4.	Ms. Anjali Bansal	Member (Independent Non – Executive Director)	5	5
5.	Mr. David S McDaniel***	Member (Executive Director – Finance & Control and CFO)	1	1
6.	Ms. Svetlana Boldina****	Member (Executive Director – Finance & Control and CFO)	4	4

\*Retired as an Independent Non-Executive Director w.e.f. close of business hours on 31<sup>st</sup> March 2024 upon completion of her second term of five consecutive years.

\*\* Appointed as an Independent Non-Executive Director and Chairperson of CSR Committee w.e.f. 5<sup>th</sup> April 2024 (after closure of the financial year).

\*\*\* Demitted his office effective from close of business hours on 28<sup>th</sup> February 2023 for taking new assignments with Nestlé Affiliate.

\*\*\*\*Appointed as an Executive Director – Finance & Control and CFO and member of CSR Committee w.e.f. 1<sup>st</sup> March 2023.

<sup>^</sup> Year refers to the fifteen months financial year period ended 31<sup>st</sup> March 2024.

#### 3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

Keeping with the intent of CSR Policy, the Company has a tradition of executing CSR projects that achieve demonstrable outcomes having a significant impact on society. The projects include nutrition, health and breastfeeding awareness programmes; plastic waste management awareness; creating access to hand-on science education, providing access to clean drinking water and sanitation; enhancing the livelihood of street food vendors and the initiative of village adoption for sustainable development. Building on these efforts, your Company joined hands with credible NGOs, implementing partners and authorities engaged in providing relief efforts in the communities across various states in India.

The web-links are as follows:

- Composition of CSR Committee: <https://www.nestle.in/investors/directorsandofficers>
- CSR Policy and Projects: <https://www.nestle.in/investors/policies>



4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable

The Company in line with the provision of the Companies Act, 2013 ("the Act") sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, conducted impact assessment through an independent agency during the fifteen months financial year ended 31<sup>st</sup> March 2024 for the applicable projects.

Your Company's flagship initiative 'Nestlé Healthy Kids Programme' that has been developed with a focus to raise nutrition awareness and active lifestyle among adolescents was assessed for Impact Assessment. The impact assessment study was carried by an external agency KPMG. Your Company's societal initiatives Project Hilldaari, Project Serve Safe Food, Water and Sanitation were also assessed for impact.

The complete Social Impact Assessment Report is available on your Company's website at <https://www.nestle.in/csv>

5. a) Average net profit of the Company as per sub-section (5) of section 135 of the Act: ₹ 29,882.3 million
- b) Two percent of average net profit of the sub-section (5) of section 135 of the Act: ₹ 597.6 million
- c) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years: Nil
- d) Amount required to be set-off for the Financial Years, if any: Nil
- e) Total CSR obligation for the Financial Years [(b)+(c)-(d)]: ₹ 597.6 million
6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 643.7 million
- b) Amount spent in Administrative Overheads: ₹ 34.3 million
- c) Amount spent on Impact Assessment, if applicable: ₹ 7.8 million
- d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 685.8 million
- e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the fifteen months financial year ended 31 <sup>st</sup> March 2024 (₹ in million)	Amount Unspent (₹ in million)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135 of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135 of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
685.8	Not Applicable				

f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (₹ in million)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135 of the Act	597.6
(ii)	Total amount spent for the Financial Year	685.8
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	88.2
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	88.2

**Note:** Details provided under clause 6(a) to (f) are for the fifteen months financial year ended 31<sup>st</sup> March 2024.

**7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 of the Act (₹ in million)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 of the Act (₹ in million)	Amount Spent in the Financial Year (₹ in million)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135 of the Act, if any		Amount remaining to be spent in succeeding Financial Years (₹ in million)	Deficiency, if any
					Amount (₹ in million)	Date of transfer		
NOT APPLICABLE								

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

Yes  No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the property or asset(s)	Date of creation	Amount of CSR spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
NOT APPLICABLE							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

**9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135 of the Act.**

NOT APPLICABLE

**On behalf of the Board of Directors**

Date: 25<sup>th</sup> April 2024

**Suneeta Reddy**  
Chairperson – Corporate Social Responsibility Committee

**Suresh Narayanan**  
Chairman and Managing Director

# Business Responsibility and Sustainability Report

## Section A

General Disclosures

## Section B

Management and Process Disclosures

## Section C

Principle wise Performance Disclosure

### Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable

### Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe

### Principle 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

### Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders

### Principle 5

Businesses should respect and promote human rights

### Principle 6

Businesses should respect and make efforts to protect and restore the environment

### Principle 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### Principle 8

Businesses should promote inclusive growth and equitable development

### Principle 9

Businesses should engage with and provide value to their consumers in a responsible manner

# Section A

## General Disclosures

### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Company	L15202DL1959PLC003786
2.	Name of the Company	Nestlé India Limited
3.	Year of Incorporation	28 <sup>th</sup> March 1959
4.	Registered office address	100 / 101, World Trade Centre, Barakhamba Lane, New Delhi – 110001, India
5.	Corporate office address	“Nestlé House”, Jacaranda Marg, ‘M’ Block, DLF City, Phase - II, Gurugram - 122 002, Haryana, India
6.	E-mail id	<a href="mailto:investor@in.nestle.com">investor@in.nestle.com</a>
7.	Telephone	011-23418891
8.	Website	<a href="http://www.nestle.in">www.nestle.in</a>
9.	Financial year for which reporting is being done	For fifteen months financial year ended 31 <sup>st</sup> March 2024
10.	Name of the Stock Exchange(s) where shares are Listed	BSE Limited National Stock Exchange of India Limited (with effect from 1 <sup>st</sup> August 2023)
11.	Paid-up capital (In ₹)	964,157,160
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Mr. Sanjay Khajuria Head - Corporate Affairs and Sustainability <a href="mailto:Sanjay.Khajuria@in.nestle.com">Sanjay.Khajuria@in.nestle.com</a> 011-23418891
13.	Reporting boundary	The disclosures made in this report are on a standalone basis.
14.	Name of Assurance Provider (BRSR Core)	Grant Thornton Bharat LLP (“GTBLLP”), LLP ID: AAA-7677 Name of Assurer: Abhishek Tripathi Designation: Partner Date of signing: 25 <sup>th</sup> April 2024
15.	Type of Assurance Obtained	Reasonable Assurance as per ISAE3000

### II. Products/services

#### 1. Details of business activities (accounting for 90% of the turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1.	Food Processing Industry	Food Processing Industry	100%

#### 2. Products/Services sold by the entity (accounting for 90% of the turnover):

S.No.	Product/Service	NIC Code	% of Total Turnover Contributed
1	Milk Products and Nutrition	10509	40.7%
2	Prepared dishes and cooking aids	10750	30.4%
3	Confectionery	10732 & 10733	16.5%
4	Powdered and Liquid Beverages	10792	12.4%

### III. Operations

#### 3. Number of locations where plants and/or operations/offices of the entity are situated.

Location	Number of Plants	Number of Offices	Total
National	9	4 Sales Branches 1 Head office, 1 Registered Office	15
International	Not Applicable	-	-

Your Company's nine manufacturing facilities are located at Moga (Punjab), Choladi (Tamil Nadu), Nanjangud (Karnataka), Samalkha (Haryana), Ponda (Goa), Bicholim (Goa), Pantnagar (Uttarakhand), Tahliwal (Himachal Pradesh) and Sanand (Gujarat). Your Company is in the process of setting up a food processing unit at Mundaamba, Odisha.

The Registered Office of the Company is located at New Delhi. Four Sales Branch located at Gurugram, Mumbai, Chennai and Kolkata help facilitate the sales and marketing activities of the Company. The Head Office is located at Gurugram, Haryana.

#### 4. Markets served by the entity

##### a. Number of locations

Location	Number
National (No. of States)	Pan-India 36 (28 States/8 UTs)
International (No. of Countries)	25*

\* Your Company exported products to 25 countries during the 15 month financial period ended 31<sup>st</sup> March 2024

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

15 Months FY ended 31 <sup>st</sup> March 2024	~4%
--	-----

##### c. A brief on types of customers

With nine factories and a large number of co-packers, co-manufacturers and trade partners, your Company provides consumers in India with products of international standards.

Your Company works to build relationships that ensure long-term business for everyone. Your Company constantly reviews the product portfolio along with evolving consumer needs and looks to optimize the product portfolio that is offered to the consumers.

Customers brief: Your Company reaches consumers through its wide network of distributors, traditional and organized trade, e-commerce, canteen stores and pharmacies. Through its Direct-to-Consumer (D2C) e-commerce platform [www.mynestle.com](http://www.mynestle.com), Nestlé products manufactured in India are available in selected towns of National Capital Region (NCR).

### IV. Employees

#### 5. Details as at the end of Financial Year: [15 Months FY ended 31<sup>st</sup> March 2024]

##### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	3,980	2,971	74.6%	1,009	25.4%
2.	Other than Permanent (E)	220	152	69.1%	68	30.9%
3.	<b>Total employees (D + E)</b>	<b>4,200</b>	<b>3,123</b>	<b>74.4%</b>	<b>1,077</b>	<b>25.6%</b>
<b>WORKERS</b>						
1.	Permanent (F)	4,756	4,530	95.2%	226	4.8%
2.	Other than Permanent (G)	11,449	10,471	91.5%	978	8.5%
3.	<b>Total workers (F + G)</b>	<b>16,205</b>	<b>15,001</b>	<b>92.6%</b>	<b>1,204</b>	<b>7.4%</b>

Note: Definition of employee clustering is as under:

Permanent Employees include white collar employees • Other than Permanent Employees include Temporary, Contractual and Third-party employees.

Permanent Workers include technicians, associates, staff, and collaborators • Other than Permanent Workers include Contractual Labour, Temporary Fixed Term Contractual.

## b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	13	12	92%	1	8%
2.	Other than Permanent (E)	12	9	75%	3	25%
3.	<b>Total differently abled employees (D + E)</b>	<b>25</b>	<b>21</b>	<b>84%</b>	<b>4</b>	<b>16%</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	26	23	88%	3	12%
5.	Other than Permanent (G)	3	3	100%	0	-
6.	<b>Total differently abled workers (F + G)</b>	<b>29</b>	<b>26</b>	<b>90%</b>	<b>3</b>	<b>10%</b>

## 6. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	%(B/A)
Board of Directors	8	4	50%
Key Managerial Personnel (KMP)*	1	0	0

\*KMP other than Members of the Board of Directors

## 7. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	15 Months FY ended 31 <sup>st</sup> March 2024 (Turnover rate in current FY)			FY 2022 Jan 2022 to Dec 2022 (Turnover rate in previous FY)			FY 2021 Jan 2021 to Dec 2021 (Turnover rate in the year to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8.6%	15.0%	10.2%	13.2%	25.9%	16.5%	8%	16.3%	10%
Permanent Workers	1.0%	7.4%	1.6%	0.37%	8.7%	0.8%	0.16%	11.6%	0.6%

Note: The trends indicate that the attrition amongst female workforce was higher due to personal and contextual reasons such as marriage, re-location, etc. The 15-month turnover has been annualized.

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 8. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the Holding/ Subsidiary/ Associate Companies/ Joint Ventures (A)	Indicate Whether Holding/ Subsidiary/ Associate/ Joint Venture	% of Shares Held by Listed Entity	Does the Entity Indicated at Column A, Participate in the Business Responsibility Initiatives of the Listed Entity? (Yes/No)
1	Nestlé SA	Holding	34.28	No
2	Maggi Enterprises Limited	Holding	28.48	No

Note: The policies have been derived and adopted from the Nestlé Global Policies and are aligned as per local requirements to safeguard the interests of all its stakeholders.

## VI. CSR Details

### 24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes

(ii) Turnover (in ₹): 242,754.8 million

(iii) Net worth (in ₹): 33,408.9 million

**Note:** Figures in (ii) and (iii) are for 15 Months FY ended 31<sup>st</sup> March 2024

## VII. Transparency and Disclosures Compliances

### 25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC).

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)  (If Yes, then provide web-link for grievance redress policy)	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to Mar 2024) Current Financial Year			FY 2022 (Jan 2022 to Dec 2022) Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. Weblinks*	0	0	-	0	0	-
Investors (other than shareholders)	Yes. Weblinks*	0	0	-	0	0	-
Shareholders	Yes. Weblinks*	16	0	-	14	0	-
Employees and workers	Yes. Weblinks*	17	5	-	29	3	-
Customers	Yes. Email: <a href="mailto:wecare@in.nestle.com">wecare@in.nestle.com</a>	8,376	0	-	5,338	0	-
Value Chain Partners	Yes. Weblinks*	16	3	-	30	3	-
Others (please specify)	-	-	-	-	-	-	-

\* Weblink: Policy: [www.nestle.in/investors/policies](http://www.nestle.in/investors/policies); Vigil mechanism: [www.nestle.com/about/how-we-do-business/report-compliance-concerns](http://www.nestle.com/about/how-we-do-business/report-compliance-concerns)

### 26. Overview of the entity's material responsible business conduct issues.

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or Negative implications)
1	Renewable Fuel and Renewable Power	Opportunity	Reduction of emissions and protection of the environment	Move to renewable sources of energy across the manufacturing locations. Your Company is installing biomass boilers at factories in Nanjangud, Moga and Sanand and moving from Furnace Oil to Natural Gas in Nanjangud that will help in reducing GHG emissions per annum.	Initially because of capital expenditure and operational expenditure, this will be negative, but in medium to long term it is expected to be positive.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or Negative implications)
2	Plastic (laminated used for packaging)	Risk and Opportunity	<p>Risk: Limited recycling infrastructure</p> <p>Non availability of segregated plastics as the % segregation for recyclable and non-recyclable plastics is low. These challenges impact the efficiency of the recycling process.</p> <p>Opportunity: Reduce plastic consumption using interventions</p> <ul style="list-style-type: none"> <li>● Size reduction /Elimination (where possible)</li> <li>● Use of alternate material which is easy to recycle</li> </ul>	Move to mono layer laminate to mitigate impact. Increase use of recycled content, as permitted by regulations.	Change to mono-layer laminate will be negative. Reduced plastic usage will be positive.
3	Social responsibility towards society	Opportunity	Your Company's commitment to the society is sincere and longstanding and the focus is on areas where societal needs are high. The initiatives include nutrition awareness; plastic waste management; creating access to clean drinking water and sanitation; training street food vendors on food safety and hygiene and village adoption.	Details are appended in Annexure-2 that forms an integral part of Annual Report.	Your Company's initiatives are in line with national priorities and SDGs. Your Company strives to make a positive impact and create maximum value for the society.



## Section B

### Management and Process Disclosures

The National Guidelines for Responsible Business Conduct [NGRBC] as brought out by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	@	@	@	@	@	@	@	@	@
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<p>Your Company's manufacturing facilities and office premises have well defined Environment, Health, Safety and Quality Management systems in place with stringent internal standards and are also certified with international standards ISO 45001: 2018: Occupational Health and safety Management system; ISO 14001: 2015: Environmental Management system, ISO 9001: 2015: Quality Management system. Additionally, manufacturing facilities are certified with ISO/IEC 17025:2017 (Testing and Calibration Laboratories Accreditation), BIS and FSSC 22000 (Food Safety System Certification).</p> <p>Your Company works with suppliers/farmers and sourcing ingredients adhering to certifications for key commodities like, 4C and Rainforest Alliance (RFA) for Coffee; Bonsucro for Sugar and Roundtable for Sustainable Palm Oil for Palm, UTZ and RFA for Cocoa.</p>								

<p>5. Specific commitments, goals and targets set by the entity with defined timelines, if any.</p>	<p>Your Company is one of the key markets of Nestlé group is also committed to reduce the emissions and accelerating the sustainability journey.</p> <p>By 2025, as part of the global commitment, Nestlé aims to reduce the emissions by 20% by 2025 and by 50% by 2050. As a part of the global commitment Nestlé aims to source 50% of the ingredients from regenerative agriculture by 2030 will help to do so, as will investing in sustainable logistics, packaging, and manufacturing activities. Our approach to net zero is designed to mitigate emissions across our value chain and help address impacts on natural ecosystems, communities and food systems.</p>
<p>6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</p>	<p>One of the key climate commitments made by the Company is to be net zero by 2050. To achieve this, your Company has implemented various initiatives to reduce its greenhouse gas emissions across its value chain. Your Company India has invested in renewable energy sources which has helped in reducing its reliance on fossil fuels, along with improving energy efficiency in its manufacturing processes, resulting in reduced emissions.</p> <p>In addition to reducing scope 1 and scope 2 emissions, your Company has also taken steps to promote sustainable agriculture and reduce emissions in its supply chain (scope 3). Your Company has collaborated with farmers and key suppliers to promote sustainable farming practices.</p>

#### Governance, leadership and oversight

<p>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).</p> <p>Your Company’s vision is to be seen as ‘Leaders in Sustainability’ and as ‘Solution provider’, by the consumers, employees, partners, society and other stakeholders.</p> <p>At Nestlé, sustainability inspires and guides everything the Company does. Your Company is committed to environmentally sustainable business practices across its value chain making the right choices to protect the future by integrating environmental considerations into its business planning. Preserving the planet is weaved into the Purpose of your Company - “We unlock the power of food to enhance quality of life for everyone, today and for generations to come”.</p> <p>Your Company has accelerated the sustainability journey by working across 4 focus areas related to climate change, plastics and packaging, responsible sourcing and water management. Its efforts encompass the entire value chain, where it actively engages with farmers, suppliers, employees and consumers to increase awareness about the planet. Your Company has made substantial progress in the sustainability journey towards reducing overall emissions. The key projects cut across 4 focus areas:</p> <ul style="list-style-type: none"> <li>● <b>Sourcing the ingredients sustainably:</b> especially raw materials where your Company is working closely with farmers to educate / build sustainability practices.</li> <li>● <b>Manufacturing sustainably:</b> By increasing usage of renewable sources of energy.</li> <li>● <b>Optimizing use of water:</b> By conserving, limiting usage, facilitating re-use.</li> <li>● <b>Building sustainable packaging options:</b> Reducing overall use of virgin plastic material, design for recycle.</li> </ul> <p>Your Company is committed to being open and transparent, and to listening to the views of other stakeholders as it moves forward towards sustainable development.</p>
---

<p>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).</p>	<p>At the highest level, the Board of Directors of your Company, led by the Chairman and Managing Director, has the primary role to protect and assess the Business Responsibility (BR) performance of your Company.</p> <p>The Risk Management and Sustainability Initiatives (RMSI) Committee reviews amongst other things, your Company’s Business Responsibility and Sustainability agenda including the measures which ensure the Company’s sustainability commitment and how its long-term strategy relates to its ability to create shared value.</p> <p>The RMSI Committee, inter-alia, reviews Company’s plan and actions with regard to climate change, plastics and packaging, water management and responsible sourcing. The RMSI Committee also oversees compliance of all the policies and disclosures under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) for the purpose of Business Responsibility and Sustainability Reporting requirements.</p>
<p>9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</p>	<p>Yes, the Board of Directors has entrusted RMSI Committee to oversee the sustainability initiatives of your Company. The Committee meets once in a quarter. The Committee comprises of two executive directors and three independent non-executive directors of your Company.</p> <p>Your Company has also set up a Governance Council to provide oversight, direction and support on Sustainability, headed by the Chairman and Managing Director. The Council also includes the key members of the management committee as well as leads of the task forces that have been set up to drive and deliver key projects. The five task force are Sustainable Sourcing, Sustainable Packaging, Manufacturing &amp; Logistics, Brands, Recipes &amp; Portfolio and Advocacy &amp; Communication.</p> <p>The Governance Council meets regularly and reviews progress of the sustainability projects undertaken by the task forces. The Governance Council reports the progress to the RMSI Committee and the Board of Directors of the Company.</p>

**Note:** The policies have been derived and adopted from the Nestlé Global Policies and are aligned as per local requirements to safeguard the interests of all its stakeholders.

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	C^	C^	C^	C^	C^	C^	C^	C^	C^	A*	A*	A*	A*	A*	A*	A*	Q#	A*
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	C^	C^	C^	C^	C^	C^	C^	C^	C^	A*	A*	A*	A*	A*	A*	A*	Q#	A*

A\* - Annually, C^ - Committee of the Board: Q# - Quarterly

Note: There were no follow-up actions by the Committee of the Board.

**11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	N	N	N	N	N	N	N	N	N

**12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:**

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

@Weblink of the Policies:

**Principle 1 Ethics, Transparency and Accountability: Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable.**

- **Nestlé Corporate Business Principles**

<https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/corporate-governance/corporate-business-principles-en.pdf>

- **Nestlé India Code of Business Conduct**

<https://www.nestle.in/sites/g/files/pydnoa451/files/2019-11/nestle-india-code-of-business-conduct-22-11-19.pdf>

**Principle 2: Product Life Cycle Sustainability: Businesses should provide goods and services in a manner that is sustainable and safe**

- **Nestlé Quality Policy**

[https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/suppliers/quality\\_policy\\_nestle.pdf](https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/suppliers/quality_policy_nestle.pdf)

**Principle 3: Employee Well Being: Businesses should respect and promote the well-being of all employees, including those in their value chains**

- **Whistle Blower Policy**

<https://www.nestle.in/investors/policies>

- **Equal Opportunity Policy**

<https://www.nestle.in/jobs/equal-opportunity-policy>

- **Nestlé Corporate Business Principles**

<https://www.nestle.in/aboutus/report-your-concerns/nestl%C3%A9%27s-corporate-business-principles>

- **ISO 45001: 2018: Occupational Health and Safety Management System**

**Principle 4: Stakeholder Engagement: Businesses should respect the interests of and be responsive to all its stakeholders**

- **Nestlé Corporate Business Principles**

<https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/corporate-governance/corporate-business-principles-en.pdf>

**Principle 5: Businesses should respect and promote human rights**

- **Nestlé Responsible Sourcing Standard**

<https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/suppliers/nestle-responsible-sourcing-standard-english.pdf>

- **Fostering a culture of business ethics**

<https://www.nestle.com/csv/what-is-csv/ethical-business/human-rights>

**Principle 6: Environment: Businesses should respect and make efforts to protect and restore the environment**

- **Nestlé Responsible Sourcing Standard**

<https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/suppliers/nestle-responsible-sourcing-standard-english.pdf>

- **Safety, Health & Environmental Sustainability Policy**

<https://www.nestle.in/sites/g/files/pydnoa451/files/asset-library/publishingimages/csv/pdf/shandepolicy.pdf>

- **The Nestlé Policy on Environmental Sustainability**

[https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/environmental\\_sustainability/nestl%C3%A9%20policy%20on%20environmental%20sustainability.pdf](https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/environmental_sustainability/nestl%C3%A9%20policy%20on%20environmental%20sustainability.pdf)

**Principle 7: Policy Advocacy: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

- **Nestlé Corporate Business Principles**

[https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/corporate\\_governance/corporate-business-principles-en.pdf](https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/corporate_governance/corporate-business-principles-en.pdf)

- **Antitrust Law Policy**

[https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/about\\_us/nestle-group-antitrust-law-policy-september-2016.pdf](https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/about_us/nestle-group-antitrust-law-policy-september-2016.pdf)

- **Transparency on advocacy, lobbying and industry associations (nestle.com)**

<https://www.nestle.com/sustainability/responsible-business/leadership-advocacy>

**Principle 8: Inclusive Growth: Businesses should promote inclusive growth and equitable development**

- **Nestlé Corporate Social Responsibility Policy**

[www.nestle.in/investors/policies](http://www.nestle.in/investors/policies)

**Principle 9: Customer/Consumer Value: Businesses should engage with and provide value to their consumers in a responsible manner**

- **Nestlé Marketing Communication to Children Policy**

[https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/corporate\\_social\\_responsibility/nestle-marketing-communication-children-policy.pdf](https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/corporate_social_responsibility/nestle-marketing-communication-children-policy.pdf)

- **Nestlé Consumer Communication Principle**

[http://www.nestle.com/asset-library/documents/library/documents/about\\_us/communication-principles.pdf](http://www.nestle.com/asset-library/documents/library/documents/about_us/communication-principles.pdf)

# Section C

## Principle wise Performance Disclosure

### Principle 1

**Ethics, Transparency and Accountability:** Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### Essential Indicator

#### 1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total Number of Training and Awareness Programmes held	Topics/Principles Covered Under the Training and its impact	% of Persons in Respective Category Covered by the Awareness Programmes
Board of Directors (online mode)	1	Ethics, transparency, human rights	100%
Key Managerial Personnel	1	Integrity, ethics, transparency	100%
Employees other than BoD and KMPs	2,855	All principles	71.8%
Workers	424	Integrity, ethics, transparency	61.5%

Your Company's business practices have been governed by integrity, honesty, fair dealing and full compliance with all the applicable laws. Nestlé employees have upheld and lived this commitment in their everyday responsibilities ever since, and Nestlé's reputation remains one of the Company's most important assets today. The *Nestlé Corporate Business Principles* prescribe certain values and principles which Nestlé has committed to globally. The *Code of Business Conduct* specifies and helps the continued implementation of the Corporate Business Principles by establishing certain non-negotiable minimum standards of behaviour in key areas. Considering the importance, all employees are regularly trained on the principles and values that the organization is committed to via multiple different trainings in online and offline format covering the tenets of ethics, transparency and responsibility, and it's ensured that they are well aware of them.

#### 2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/Law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

During the fifteen months financial year ended 31<sup>st</sup> March 2024, no material fines/ penalties/ punishment/ award/ compounding fees/ settlement amount was paid in proceedings (by the entity or by directors/ KMPs) with regulators/ Law enforcement agencies/ judicial institutions.

During the year under review, following are the events disclosed to the stock exchanges, without any application of guidelines for materiality, under Regulation 30 read with Para A of Part A of Schedule III to the Listing Regulations:

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Principle 1	Additional Commissioner, Office of the Principal Commissioner, Central Goods & Services	4,65,29,173/-	Order in Original for demand of: (i) tax under Section 73(9) the CGST/ SGST Act, 2017, amounting to ₹ 46,40,41,370/-;	Yes

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
		Tax & Central Excise Commissionerate Chandigarh, C.R. Building, Sector-17C, Chandigarh		(ii) applicable interest; and (iii) imposing penalty amounting to ₹ 4,65,29,173/-.	
		Deputy Commissioner of State Tax, Patliputra, Central, Bihar	1,50,195/-	Order in Original for demand of: (i) tax under Section 73(9) the CGST/ SGST Act, 2017, amounting to ₹ 15,01,942/-; (ii) applicable interest; and (iii) imposing penalty amounting to ₹ 1,50,195/-.	Yes
		Commissioner (Appeals), Office of the Commissioner (Appeals), CGST & Customs, Goa	13,38,790/-	Order-in-appeal upholding demand confirmed in Order-in-original passed by Joint Commissioner vide its Order dated 11 <sup>th</sup> November 2022 for demand of: (i) tax under Section 73(1) the CGST/ SGST Act, 2017, amounting to ₹ 1,33,87,905/-; (ii) applicable interest; and (iii) imposing penalty amounting to ₹ 13,38,790/-.	Yes
		Additional Commissioner of Customs, Office of the Commissioner of Customs, Chennai-II (Import), Custom House, No. 60, Rajaji Salai, Chennai - 600 001	Fine- 2,00,000/- Penalty- 5,00,000/-	Order-in-original passed by Additional Commissioner of Customs, Chennai in relation to the classification of imports and demand of differential Customs duty: (i) amounting to ₹ 16,55,548/- under Section 28AA of Customs Act, 1962 along with applicable interest; (ii) imposing fine amounting to ₹ 5,00,000/- under Section 111(m) and 111(o) of Customs Act, 1962 for redemption of goods liable for confiscation; and (iii) imposing penalty amounting to ₹ 2,00,000/- under Section 112(a) of Customs Act, 1962.	Yes
		Joint Commissioner of Commercial Taxes, [Appeal-06] TTMC Complex, Shantinagara, Bangalore-560027	2,15,914/-	Appeal Order for the demand of: (i) tax under IGST/ CGST/ SGST Act, 2017, amounting to ₹ 21,59,140/-; (ii) applicable interest; and (iii) imposing penalty amounting to ₹ 2,15,914/-.	Yes
Settlement	Not Applicable	Not Applicable	Nil	Not Applicable	Not Applicable
Compounding Fee	Not Applicable	Not Applicable	Nil	Not Applicable	Not Applicable

Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Not Applicable	Not Applicable	Nil	Not Applicable	Not Applicable
Punishment	Not Applicable	Not Applicable	Nil	Not Applicable	Not Applicable

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Nil

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	Not Applicable

4. Does the entity have an anti-corruption or anti bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The *Nestlé Corporate Business Principles (NCBP)* prescribe certain values and principles which Nestlé has committed to worldwide. Other significant documents from the Nestlé Group, which define the standard of behaviour of the Company, are *Nestlé Purpose and Values* and *Nestlé Responsible Sourcing Standard*.

The *Nestlé Code of Business Conduct* specifies and helps the continued implementation of the *Corporate Business Principles* by establishing certain non-negotiable minimum standards of behaviour in key areas, one of which is anti-corruption and bribery. The *Code of Business Conduct* guidelines in detail the prescribed behavior pertaining to the area. Part of it states, "The Employees must never, directly or through intermediaries, offer or promise any personal or improper financial or other advantage in order to obtain or retain a business or other advantage from a third party, whether public or private. Nor must they accept any such advantage in return for any preferential treatment of a third party. Moreover, employees must refrain from any activity or behaviour that could give rise to the appearance or suspicion of such conduct or the attempt there of." The link of the *NCBP* is provided hereunder: [www.nestle.in/sites/g/files/pydnoa451/files/investors/documents/nestle\\_india\\_code\\_of\\_business\\_conduct\\_.pdf](http://www.nestle.in/sites/g/files/pydnoa451/files/investors/documents/nestle_india_code_of_business_conduct_.pdf)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any Law enforcement agency for the charges of bribery/ corruption:

Nil

Segment	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to Mar 2024) Current Financial Year	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Directors	None	None
KMPs	None	None
Employees	None	None
Workers	None	None

6. Details of complaints with regard to conflict of interest:

Nil

	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to Mar 2024)		FY 2022 Jan 2022 to Dec 2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	0	Not Applicable	0	Not Applicable
Number of complaints received in relation to issues of conflict of interest of the KMPs	0	Not Applicable	0	Not Applicable

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, or cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables (Accounts payable \*365) / Cost of goods/services procured) in the following format:

Segment	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to Mar 2024) Current Financial Year	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Number of days of accounts payables	75	87



## 9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	15 Months FY ended 31 <sup>st</sup> March 2024 Jan 2023 to March 2024	FY 2022 Jan 2022 to Dec 2022
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	15%	12%
	b. Number of trading houses where purchases are made from	15	15
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	96%	88%
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	100%	100%
	b. Number of dealers / distributors to whom sales are made	2,122*	2,030*
	c. Sales to top 10 dealers /distributors as % of total sales to dealers/ distributors	15%	14.3%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	2.4%	2.4%
	b. Sales (Sales to related parties / Total Sales)	2.4%	2.4%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d. Investments (Investments in related parties/Total Investments made)	0	0

\*(including General Trade, Chilled, Nestlé Health Science, Organized Trade Indirect, Out-of-home)

## Leadership Indicators

### 1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Your Company facilitates capacity building workshops and awareness sessions for its key value chain partners including farmers, suppliers/vendors, distributors to educate and create awareness on key areas like safety, quality, human rights, labour practices and sustainability.

Value Chain Partner	Total No. of Awareness Programmes held	Topics/ Principles covered under training	% of value chain programme partners covered (by value of business done with such partners) under awareness programmes
Dairy Farmers	690	Environment Sustainability and Responsible Sourcing (Fresh Milk Quality, Food Safety, Animal Nutrition, Animal Health, Cow Comfort and Animal Welfare)	21%
Coffee Farmers	3,700	Sustainability and good agricultural practices	100%
Distribution Centres (DCs)	5,917	Health, Safety and Quality	100%
Rice Farmers	3	Regenerative Agriculture, IPM and Post harvest Management Practices	22%

### 2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. Your Company has adopted the 'The Nestlé India - Code of Business Conduct' ('the Code'). The Code is available on the website of the Company at <https://www.nestle.in/investors/policies>. The Code of Business Conduct requires the Directors, senior management and employees to avoid situations in which their personal interests could conflict with the interests of the Company. Further, the Board of Directors sign-off on the Code of Business Conduct on an annual basis.

The Directors, key managerial personnel and the senior management of the Company are required to disclose to the Board, on an annual basis, whether they, directly or indirectly or on behalf of third parties, have material interest in any transaction or matter directly affecting the Company.

As per the *Nestlé Corporate Business Principles ('NCBP')*, all employees are obligated to disclose any conflict of interest i.e. holding any outside position or employment of relatives or receiving/giving gifts. Your Company has a conflict of interest tool which requires disclosure by employees, upto a certain grade, on an annual basis any existing conflict of interest and also a mechanism to report off cycle, if any, conflict of interest arising subsequently. Any conflict of interest reported by an employee is escalated to the line manager of that employee. Thereafter, the line manager reviews, assesses the situation and act upon the reported conflict of interest. In case the mitigation action plan cannot be agreed with the direct report, the line manager can escalate the case(s) to the Compliance Officer. A ready reckoner has been issued to the line managers to review such situation(s) and decide on mitigation action plan.

## Principle 2

**Product Life Cycle Sustainability:** Businesses should provide goods and services in a manner that is sustainable and safe.

### Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to March 2024)	FY 2022 (Jan to Dec 2022)	Details of improvements in environmental and social impacts
R&D	Refer note below		
Capex*	5.12%	10.56%	Invested towards environment sustainability with the strategy of Reduce, Rethink and Replace. (Reduce and Rethink for Energy and water consumption by process improvements, alternate source of fuels with lower GHG emissions, Replace with new technology and green power).

\* Percentage of total capex incurred during period under review.

While your Company focuses on R&D testing and adaptation to local conditions, as a part of Nestlé Group and under the General License Agreements, it has access to and advantage of drawing from the extensive central R&D efforts and activities of the Nestlé Group. Nestlé Group spends substantial amounts and efforts in R&D and in gaining industrial experiences. It has therefore been possible for your Company to focus its efforts on testing and modification of products for local conditions. Improving and maintaining the quality of certain key raw materials continued to receive close attention. The ability to leverage the R&D expertise and knowledge of Nestlé Group, has helped your Company to innovate and renovate, manufacture high quality and safe products, improve yields, input substitution, sustainable sourcing, packaging and logistics to achieve more efficient operations.

Furthermore, access to Nestlé R&D network helps your Company to use new process technologies that lower emissions and provide guidance on how the product development can achieve lower-carbon recipes by substituting ingredients while maintain key product attributes. Where possible, it also helps in upcycling agriculture by-products to reduce food waste and nutrient loss, while unlocking new revenue streams for the farmers. Consequently, the consumers perceive the products and services of your Company as high value for their money. This gives your Company the unique ability to develop products and solutions that are produced with careful consideration for natural resources and social impacts and for contributing towards environment sustainability.

In addition to the above, the R&D organization helps to discover and develop technologies for more sustainable packaging to meet global commitment for all Nestlé packaging to be recyclable or reusable by 2025. The Nestlé Institute of Packaging Science of Nestlé group works alongside Nestlé R&D network while helping all Nestlé group

move towards paper packaging, increasing use of recycled, bio-degradable content in our packaging, simplifying on packaging, piloting refillable and reusable systems.

During the period under review, energy reduction projects were undertaken by factories of the Company which will result in substantial annualized savings of approximately 50,000 Gigajoules. Some of the projects undertaken at different factory locations include flash steam heat recovery from condensate; automation of burners in boiler operations; heat pump for heat recovery from waste, compressed air optimization.

During the period under review, water reduction projects were initiated in different factories locations. This, inter-alia, resulted in reduction in water consumption and reuse of recycled water in a more efficient manner. The projects undertaken will result in savings of approximately 125,000 m<sup>3</sup> and shall be realized in the coming year. One of the key initiatives contributed to water savings during the period under review was to increase the utilization of treated effluent after passing through high technology Reverse Osmosis (RO) plant.

Initiatives taken at different factory locations includes: use of biomass for steam generation; investments in improving plant efficiencies for generation as well as usage; investments in the solar energy by entering into Solar Power Purchase Agreement (PPA); investment in second stage Reverse Osmosis (RO) plant to increase recovery; and investment in other renewable energy sources and heat recovery projects.

**2. a. Does the entity have procedures in place for sustainable sourcing? Yes/No**

Yes, there are guidelines and procedures in place to encourage sustainable sourcing. The Company selects its suppliers through strictly laid down procedures and engages with them according to the non-negotiable standards described in the *Nestlé Responsible Sourcing Standard*. The requirements of Business Integrity, Human Rights (labour standards), Health and Safety and Sustainable Environmental Standards in their business activities, production processes, services provision, and their own purchasing procedures, as enshrined in the *Nestlé Responsible Sourcing Standard*, apply to all suppliers.

Your Company's sourcing team ensures that the raw and packaging materials and the services sourced have been produced in accordance with the Responsible Sourcing Standard.

Dairy and coffee farmers constitute a vital part of your Company's supply chain and provides a unique opportunity to engage with farmers and help address some of the sustainability challenges confronting them, and at the same time create sustainable and resilient value chains for your Company's businesses. Your Company is engaging with rice, wheat and spice farmers for good agricultural practices, helping them grow safe, high-quality raw materials, and develop resilient, sustainable farms.

Through the NESCAFÉ Plan, MAGGI Spice Plan and partnering with the dairy farmers, your Company collaborates with the farmers on environmental sustainability programmes. The focus of these interventions has been largely around improving farmer livelihoods, increasing agricultural productivity, strengthening water security and addressing the challenge of climate change and enhancing resilience.

**b. If yes, what percentage of inputs were sourced sustainably?**

Your Company's supply chains facilitate optimum utilization of raw materials, and it is strengthening the journey towards sustainably and responsibly sourced inputs.

*Nestlé Responsible Sourcing Standard* enshrines the Company's unwavering focus on fair treatment, human rights, good labour practices, environmental conservation, health and safety. The standard upholds the spirit outlined in the International Labour Organisation Guidelines and United Nations Guiding Principles on Business and Human Rights, and is shared and accepted by all supply chain partners and service providers.

Farmers constitute a vital part of your Company's supply chain. Accordingly, your Company focuses extensively on enhancing the sustainability of its supply chain. Your Company's sustainable supply chains cover the labour standards, health and safety, business ethics and environment as mandatory elements.

During the period under review, about 60-75%\* of inputs were sourced sustainably.

*\*This percentage for responsibly sourced inputs/ supplies varies from month to month and is the best estimate during the financial year.*

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Your Company is working towards a future where none of its packaging ends up in landfill or as litter in the environment. It is taking preventive measures by implementing the reduce-reuse-recycle model.

**REDUCE:** Your Company ensures continuous optimization of packaging by source reduction and value engineering. Your Company launched Ready-to-Drink (RTD) tetrapaks with paper straw replacing plastic straw and continues with 100% paper straw. Your Company has implemented size reduction/value engineering for select brands under Foods and Coffee business.

**RECYCLE:** Your Company encourages the use of recycled material wherever applicable e.g., 50% recycled plastics for secondary packaging for multipack coffee sachets and use of rPET jars for chocolates and confectionary.

**RECOVER:** Your Company achieved Plastic Neutrality in 2020 and continues to be plastic neutral in 2023 through CPCB approved vendors and appropriate channels. This year your Company responsibly managed ~25,600 MT of plastic packaging consumed vis-a-vis ~23,000 MT i.e. EPR target assigned by Central Pollution Control Board as a part of our commitment under Extended Producers' Responsibility (EPR).

Your Company has a robust e-waste management standard operating procedure which ensures compliance to e-waste Management Rules 2016, including filing of requisite annual returns to State Pollution Control Boards (SPCB). Contracts for disposal of e-waste exist with authorized vendors and disposal is done within the stipulated time frames in a responsible manner. Similarly, disposal of hazardous waste, as laid down in the Hazardous Waste Management Rules, is done in line with the stipulated guidelines through authorized vendors and requisite Annual returns are filed with SPCB.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, Extended Producer Responsibility (EPR) is applicable. As a responsible manufacturer of food products, your Company is registered as a Brand Owner in the centralized portal operated by Central Pollution Control Board and has duly filed Annual Returns from time to time as prescribed. Your Company through waste management agency has initiated collection and management of both pre-consumer and post-consumer plastic packaging while ensuring that the processing is done through Central Pollution Control Board registered Plastic Waste Processor. Our Collection network spans across 35 States and Union Territories of India, and with our waste management partners, we have collected and processed ~25,600 MT of plastic packaging vis-a-vis ~23,000 MT i.e. EPR target assigned by Central Pollution Control Board.

**Leadership Indicators**

**1. Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
-	-	-	-	-	-

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.**

Name of Product/ Service taken	Description of the Risk /Concern	Action
-	-	-

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Your Company has introduced use of recycled plastic content in secondary and tertiary packaging for coffee and chocolates & confectionary.

Indicate Input Material	Recycled or used input material to total material	
	15 Months FY ended 31 <sup>st</sup> March 2024 Jan 2023 to March 2024	FY 2022 Jan 2022 to Dec 2022
	Current Financial Year	Previous Financial Year
rPET, rPE	0.7%	-

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.**

	15 Months FY ended 31 <sup>st</sup> March 2024 2024 Jan 2023 to March 2024			FY 2022 Jan 2022 to Dec 2022		
	Current Financial Year			Previous Financial Year*		
	Re-Used	Recycled	Safety Disposed	Re-Used	Recycled	Safety Disposed
Plastics (Including Packaging)	0	8,401	17,248	0	4,911.3	18,476
E-Waste	0	0	0	0	0	0
Hazardous Waste	0	0	0	0	0	0
Other Waste	0	0	0	0	0	0

\*Restated data for FY 2022 to align with reporting requirement

During 15 Months FY ended 31<sup>st</sup> March 2024, your Company collected and responsibly managed approximately 25,600 tonnes of plastic packaging waste (which is above the EPR target assigned by CPCB i.e. ~23,000 MT) generated across 35 States/UTs. Of the approximately 25,600 tonnes of plastic waste collected, ~8,400 tonnes were managed through recycling. 100% of the pre-consumer plastic packaging waste goes into recycling.

**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Not Applicable

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
-	Not Applicable

**Principle 3**

**Employee Wellbeing:** Businesses should respect and promote the well-being of all employees, including those in their value chains.

**Essential Indicators**

**1. a. Details of measures for the well-being of employees:**

Your Company continues to focus on employee well-being underscoring the importance of mental wellbeing by establishing a Mental Health First Aider Network, and by making inclusive policy changes such as introducing mental health benefits as part of health insurance. There have been regular virtual sessions

focusing on overall physical well-being apart from a revised leave policy that understands and promotes the importance of wellness leaves & self-care leaves.

Category	% of Employee covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	2,971	2,971	100%	2,971	100%	-	-	2,971	100%	2,971	100%
Female	1,009	1,009	100%	1,009	100%	1,009	100%	-	-	1,009	100%
<b>Total</b>	<b>3,980</b>	<b>3,980</b>	<b>100%</b>	<b>3,980</b>	<b>100%</b>	-	-	-	-	<b>3,980</b>	<b>100%</b>
<b>Other than Permanent Employees</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-

The well-being of other than permanent employees is managed through contractual terms and conditions including social security benefits and obligations.

**b. Details of measures for the well-being of workers:**

Your Company complies with the relevant laws that apply in the places where the workers are assigned for their welfare.

Category	% of Workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	4,530	4,530	100%	4,530	100%	-	-	4,530	100%	4,530	100%
Female	226	226	100%	226	100%	226	100%	-	-	226	100%
<b>Total</b>	<b>4,756</b>	<b>4,756</b>	<b>100%</b>	<b>4,756</b>	<b>100%</b>	-	-	-	-	<b>4,756</b>	<b>100%</b>
<b>Other than Permanent Workers</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-

The well-being of other than permanent employees is managed through contractual terms and conditions including social security benefits and obligations.

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to March 2024)	FY 2022 (Jan 2022 to Dec 2022)
Cost incurred on well-being measures as a % of total revenue of the Company	0.13%	0.13%

## 2. Details of retirement benefits, for Current FY and Previous Financial Year.

BenefitsW	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to March 2024)			FY 2022 (Jan 2022 to Dec 2022)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	NA
ESI	-	6%	Y	-	6%	Y
Others – please specify	-	-	-	-	-	-

## 3. Accessibility of workplaces

**Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, your Company's premises/offices are accessible to people with disabilities, as per the requirements of the Rights of Persons with Disabilities Act, 2016. Diversity & Inclusion is an integral part of your Company's culture, based on its core values of respect and it is one of the ways we bring our purpose to life. One important aspect of inclusion is inclusion by design and hence your Company started this journey a few years ago by ensuring accessible restrooms and ramps. Your Company is continuously working towards improving infrastructure for eliminating barriers to accessibility.

Your Company has aligned the design of the newly renovated Head Office to ensure that the premises are accessible to everyone. All manufacturing locations have undergone external accessibility audits in 2022 based on the guidelines of the Rights of Persons with Disabilities Act, 2016.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-Link to the policy.

Yes, your Company has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016.

The weblink of the 'Equal Opportunity Policy' is available at <https://www.nestle.in/jobs/equal-opportunity-policy>

With 'Respect for Diversity' being one of the core values, your Company is committed to being an equal opportunity employer. The same is reinforced by the *Nestlé Corporate Business Principles* and Nestlé Code of Business conduct. Your company respects the personal dignity, privacy and personal rights of every employee and is committed to maintaining a workplace free from discrimination and harassment. Therefore, your Company does not discriminate on the basis of origin, nationality, religion, race, disability, gender, age or sexual orientation, or engage in any kind of verbal or physical harassment based on any of the above or any other reason. Your Company is committed to complying with the provisions given in 'The Rights of Persons with Disabilities (RPWD) Act, 2016'.

- Respecting the human rights of people with disabilities;
- Ensuring non-discrimination against persons with disabilities;
- Providing accessibility, reasonable accommodation, and support to people with disabilities; and
- Ensuring no tolerance to any form of harassment, abuse, exploitation, or any other violations of human rights of people with disabilities.

## 5. Return to work and retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to Work Rate	Retention Rate	Return to Work Rate	Retention Rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Your Company's Grievance Redressal Procedure is available to employees and workers. Your Company is committed to a strong compliance culture, as reflected in the *Nestlé Corporate Business Principles*. It is ensured that the Company is managed in line with principles, policies adopted and through internal reporting. Employees, suppliers, and stakeholders are encouraged to report practices or actions believed to be inappropriate or illegal, and all complaints are investigated with impartiality, prohibiting retaliation. Breaches are immediately stopped, and appropriate response measures implemented. Your Company sensitizes all the employees and expects them to be aware of non-compliant or illegal activities occurring in their work environment, especially those related to *Nestlé Code of Business Conduct*.

Your Company's 'Speak Up' platform covers all employees, permanent as well as other stakeholders. It covers our suppliers, vendors and other external stakeholders. Grievance Redressal protocol is established to investigate such matters and submit the report including appropriately responding to the complainant. Issues can also be brought to HR/reporting manager and are taken up accordingly. Any complaint regarding sexual harassment is covered under the PoSH Act 2013 and the internal policy in adherence to that.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Your Company believes that all employees are important stakeholders and it is imperative to build a culture of mutual trust and respect, interdependence, and meaningful engagement. This approach helps in building, strengthening and sustaining harmonious employee relations across the organisation. Your Company believes that in respecting the dignity of the individual and the freedom of employees to lawfully organise themselves into interest groups, independent of supervision by the management. It is ensured that employees are not discriminated against for exercising this freedom in a lawful manner and consistent with the Company's core values.

Category	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to March 2024)			FY 2022 (Jan 2022 to Dec 2022)		
	Total Employees/ Workers in Respective Category (A)	No. of Employees/ Workers in Respective Category, who are part of Association(s) or Union (B)	%(B/A)	Total Employees/ Workers in Respective Category ©	No. of Employees/ Workers in Respective Category, who are part of Association(s) or Union (D)	%(D/C)
<b>Total Permanent Employees</b>	<b>3,980</b>	<b>0</b>	<b>0 %</b>	<b>3,580</b>	<b>0</b>	<b>0%</b>
- Male	2,971	0	0 %	2,721	0	0
- Female	1,009	0	0 %	859	0	0%
<b>Total Permanent Workers</b>	<b>4,756</b>	<b>4,395</b>	<b>92 %</b>	<b>4,537</b>	<b>4,313</b>	<b>95%</b>
- Male	4,530	4,236	94 %	4,346	4,243	98%
- Female	226	159	70 %	191	70	37%

**8. Details of training given to employees and workers**

Your Company has a range of communication and training sessions to drive key focus areas in implementation of safety roadmap. Effective and timely communication - both of successes and of incidents - is important for engaging the employees and for creating a learning culture within the organisation, in which opportunities and good practices are not only shared but also acted upon, both at the local and country level. The approach is being continuously evolved to align with new ways of working being introduced through other continuous improvement programs such as Nestlé continuous excellence (NCE) and Total Productive Maintenance (TPM).



For your Company skill upgradation of employees remains one of the key focus areas. During the period under review, your Company strengthened and democratized learning to empower employees via the launch of LinkedIn Learning which is the largest limitless, learning landscape introduced in the Company. 10,000+ courses, certifications with top institutes, constantly-evolving content, no-limits on courses and seats etc. Most importantly, all features have been made available to all employees. Your Company bolstered relationship-based development through launch of formal mentoring with a network of in-house subject matter experts to help strong talent groom for senior roles or adjust/navigate current role better. Mentees get a chance to interact in a structured format with key leadership and develop from their experiences. For building future ready leaders, the 'Force for Great Leadership' was launched, a seminal intervention with key leadership across the Company. We continued supporting leadership transitions through structured learning interventions designed in-house using blended learning approach, backed by technology and data.

Category	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to March 2024) Current Financial Year					FY 2022 (Jan to Dec 2022) Previous Financial Year				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
- Male	2,971	1,953	66%	2,225	74.9%	2,721	2,721	100%	2,639	97%
- Female	1,009	636	63%	719	71.2%	859	859	100%	838	98%
<b>Total</b>	<b>3,980</b>	<b>2,589</b>	<b>65%</b>	<b>2,944</b>	<b>73.9%</b>	<b>3,580</b>	<b>3,580</b>	<b>100%</b>	<b>3,477</b>	<b>97%</b>
<b>Workers</b>										
- Male	4,530	4,101	91%	2,976	65.7%	4,346	3,023	70%	2,114	49%
- Female	226	223	99%	113	50.0%	191	153	80%	23	12%
<b>Total</b>	<b>4,756</b>	<b>4,324</b>	<b>91%</b>	<b>3,089</b>	<b>64.9%</b>	<b>4,537</b>	<b>3,176</b>	<b>70%</b>	<b>2,137</b>	<b>47%</b>

## 9. Details of performance and career development reviews of employees and workers.

Your Company manages employee performance and development guided by the 'People Development and Performance' cycle steps. Employees are expected to manage their own development and take the ultimate responsibility for it and are empowered to be on the driver seat, supported by People Leaders and HR.

Benefits	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to March 2024) Current Financial Year			FY 2022 (Jan to Dec 2022) Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
- Male	2,971	2,970	100%	2,721	2,721	100%
- Female	1,009	942	93%	859	859	100%
<b>Total</b>	<b>3,980</b>	<b>3,912</b>	<b>98%</b>	<b>3,580</b>	<b>3,580</b>	<b>100%</b>
<b>Workers</b>						
- Male	4,530	4,330	96%	4,346	3,494	80%
- Female	226	209	92%	191	185	97%
<b>Total</b>	<b>4,756</b>	<b>4,539</b>	<b>95%</b>	<b>4,537</b>	<b>3,679</b>	<b>81%</b>

## 10. Health and safety management system:

### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, your Company has implemented ISO 45001:2018 Occupational Health and Safety Management System.

The purpose of an occupational health and safety ("OH&S") management system is to provide a framework for managing OH&S risks and opportunities, which includes prevention of work-related injury and ill health to people and to provide safe and healthy workplaces by eliminating hazards and minimize OH&S risks by taking effective preventive and protective measures. Your Company's sites (includes nine manufacturing locations, sales branch offices, registered office, and Head office Gurugram) are covered under the scope of the ISO 45001: 2018 certification. Nestlé is a company founded on caring: for our consumers, the communities in which we operate, and most fundamentally our people. Your Company believes that sustainable success can be reached

only through people. No other asset in your Company is as important as the people who contribute with their work to the culture and business results. It is for this reason that safety & health is a fundamental value of our Company, and that we take the position that nothing we do at work is worth the risk of getting hurt. This is why we say at Nestlé that “one accident is one too many” and that for work-related injuries and illnesses, our ultimate goal is Zero. Therefore, your Company devotes adequate time and resources to protect employees, contractors and visitors at all its factories and over the past few years, we have expanded the scope of our S&H program beyond Operations, because we believe that we should apply the same standards of care to every employee in Nestlé, regardless of which part of the business they work in. Progressively we will seek to positively influence the S&H of others throughout our value chain, bringing broader benefits to our business and the communities in which we operate.

**b. What are the processes used to identify work related hazards and assess risks on a routine and non-routine basis by the entity?**

Risk assessment is at the very heart of our Nestlé Safety & Health Management System. It is the principal proactive management process, the one by which we identify hazards, determine how to protect people, and prioritize improvement actions. Your Company is constantly improving the performance by designing and adapting processes, work practices and systems in the direction of enhanced safety and health. It identifies that people involvement is indispensable to establish and maintain safety and health in the workplace. Respect of safety principles, standards and procedures is a condition of employment. Employees are responsible for working in a safe manner to prevent injury to themselves, colleagues, and other persons. They are encouraged to become actively involved in programmes to improve health and safety performance in the workplace.

Your Company uses several processes to identify work-related hazards and assess risks in a routine manner, some of which are mentioned below:

1. HIRAO (Hazard identification and Risk Assessment Opportunity) is an element of ISO 45001. This is further enhanced with several specific risk assessments such as
  - Machinery risk assessment
  - Task specific risk assessment.
  - Material Handling Equipment Risk Assessment
  - Facility Risk Assessment
  - Noise assessment
  - Ergonomics risk assessment etc.
2. Permit to work Management system: A management process to identify and mitigate the risk for the routine and non-routine activities involving a high hazard task. More effective management of fatality & serious injury risks remains a top priority, and the permit-to-work process is one of the most important elements in a site's S&H management system. It provides a final opportunity for Nestlé to ensure that high hazard tasks (e.g., work at height, confined space entry) are conducted safely, and is particularly relevant to contractor management and capital projects. This includes a risk prediction tool, which guides the performing authority to consider all risks and mitigating measures before start of the job.
3. Method statements: A process to establish detailed methodological approach of mitigating risk while undertaking a critical non-routine activity. This is particularly useful for capital investment projects where the scope of activities includes large scale civil construction and installation of heavy equipment.
4. ATEX (Atmospheric Explosion prevention management tool): A tool being used to identify the process hazards associated with manufacturing of powders and establishing the risk mitigating measures.
5. PESIS (The preliminary environmental & workplace safety impact study): A tool used for new product development where new processes/equipment changes or added. Identifying the S&H risk and enabling the risk mitigating control.
6. User Requirement specifications in Capital Investment Projects: Specific to the machineries and process Safety, safety Inputs are inbuilt into the User Requirement specifications and duly validated through the process of Factory Acceptance and Site acceptance tests etc.

7. Shift risk prediction tool: Manufacturing lines have the concept of being risk assessed on shift basis using a concept of traffic light (Red, Amber & Green) so that people in the shift are aware of the level of risk associated with the shift.
8. S&H Tagging: A tool for identifying the workplace hazards on a proactive basis.
9. Behavioral Feedback System (BFS): We believe that behaviour is the key to our success. Managers, team leaders and employees understand and are expected to live our S&H values every day. We challenge ourselves more systematically against these expectations and integrate these behaviours into our daily lives. Behavioral observation & feedback programmes will continue to play a key role in supporting behavioral change, so it is important we continue to enhance the quality of our programmes.
10. Contractor Field safety audits: Tool to conduct a joint inspection of project site along with the contractors so that good citizens can be recognized as well as violations can be captured and proactively mitigated to prevent any harm.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes. Various systems and processes are laid down to identify and report work related hazards:

1. Behavioral feedback Sessions (BFS): Primary focus on identification of unsafe conditions, safe & unsafe behaviors, and one-to- one coaching sessions to improve behaviors. The BFS forms are available both in hard copy and digitally in most locations.
2. GEMBA: Gemba is the Japanese term "genchi genbutsu" that is perceived to be comparable to management by walking around. Your Company has systems in place for regular safety tours by top management to the workplace. Primary focus while doing Gemba is on identification of unsafe conditions (through safety walks). This not only complements the process of BFS but also provides an opportunity to the workers to be able to engage with the management and provide feedback regarding any unsafe work conditions.
3. Safety Committee Meetings: The Safety Committee provides a forum for workers and management to work together to resolve health and safety issues. The Safety Committee consists of fair representation of management representatives and workers. Safety Committee meeting is also done with the contractors at most sites to provide them another forum for reporting unsafe conditions.
4. Safety campaigns: Through the safety campaigns, employees and contractors are engaged in different activities for awareness, identification of hazards and rewarding the team. This also provides them an opportunity to share any feedback for workplace safety improvements.
5. 'Speak up' platform for raising concerns.
6. Periodic internal audits/assessments.
7. Through participation in incident investigations; and
8. Daily operations review/weekly operations review meetings.

**d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes, the employees/workers of your Company have access to non-occupational medical and healthcare services. They are insured under the Group Health Insurance Policy (GHIP). A digital medical assistance app is also provided to all eligible employees and their family members.

**11. Details of safety related incidents.**

Detailed investigations are carried out for all accidents to identify the root causes and to understand the measures to prevent recurrence. The learnings from all accidents are disseminated across the organisation, and a formal compliance is also obtained.

Safety Incident/ No	Category*	FY 2023 (Jan 2023 to March 2024) Current Financial Year	FY 2022 (Jan 2022 to Dec 2022) Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.17	0.72
	Workers	0.21	0.33

Safety Incident/ No	Category*	FY 2023 (Jan 2023 to March 2024) Current Financial Year	FY 2022 (Jan 2022 to Dec 2022) Previous Financial Year
Total recordable work-related injuries	Employees	13	15
	Workers	21	11
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	3	1

\*Including in the contract workforce

## 12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Your Company is committed to enhancing the Safety, health, and well-being of its own employees. It works diligently to understand the health risks of its employees to build strategic, targeted and evidence-based interventions. Your Company believes that accidents are preventable and therefore your top leadership message is "one accident is one too many." To advance a strong safety culture that effectively prevents accidents, your Company is committed to perform systematic identification of hazards and to manage them with appropriate risk assessments and subsequent actions to minimize danger.

Emergency and contingency plans are established to deal with residual risks. This approach also minimizes threats to the business, protecting your shareholders' interests.

Following are some of the measures and practices that are being followed by Your Company for ensuring a Safe and Healthy workplace for its employees:

1. Certifying all sites with ISO 45001:2018
2. CARE certification (with elements of SA 8000 certification)
3. Zurich Risk Assessment (Risk management by accredited third parties)
4. Functional Compliance Assessment for safety management system
5. Internal and Market level site assessments
6. Ensuring safety in capital investment projects
7. Management of high hazard tasks
8. Contractor Management Programme
9. Robust Machinery Safety Programme
10. Total Performance Management
11. Engagement and communication Campaigns
12. Early management by ensuring optimum workplace design
13. Task specific trainings and coaching

## 13. Number of complaints on the following made by employees and workers.

Your Company endeavors to provide the safest workplace to all its employees and contractors. Multiple avenues are available to the employees to lodge complaints on health and safety matters such as open access to internal email network, works committee, safety committee and townhalls conducted at regular intervals.

	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to March 2024) (Current Financial Year)			FY 2022 (Jan to Dec 2022) (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Health and safety practices	Nil	Nil	-	Nil	Nil	-
Working Conditions	Nil	Nil	-	Nil	Nil	-

#### 14. Assessments for the year:

Your Company's manufacturing locations are covered under the ISO 45001:2018 specifies requirements for an occupational health and safety (OH&S) management system. ISO 14001:2015 specifies requirements for an environmental management system and ISO 9001:2015 specifies requirements for quality management system. Compliance to safe working conditions is an essential aspect of Safety, Health, and Environment (SHE) management system. The sites are regularly assessed by accredited third parties for validation of the requirements of the ISO certifications as per the requirements of the auditing standards.

	<b>% of your Plants and Offices that were Assessed (by entity or Statutory Authorities or Third Parties)</b>
Health and safety practices	100%
Working Conditions	100%

#### 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

Below are some of the examples highlighting corrective actions to address safety-related incidents.

**Significant Risk** – Pedestrian-MHE interface on site – Due to high movement of the vehicles (Trucks, Tankers, Forklifts) and pedestrians inside the factory, many shared areas are created, thereby creating a collision risk.

**Solution:** Facility risk assessments are conducted to identify shared areas and implement requisite controls by following Hierarchy of Safety control as per OSHA e.g., Elimination, Substitution, Engineering, Administrative and PPEs. Furthermore, the defined actions are implemented as per the agreed timelines.

**Significant Risk** - Management of large capital investment projects.

**Solution:** In any large project, safety is of paramount importance. Your company introduced world class system scaffolding (ring lock type) to ensure that the civil work could be conducted in a safe manner. Method statements were made for all non-routine high hazard tasks and implemented to mitigate any risks. Resolute safety professionals were hired to ensure strict implementation of the S&H protocols.

**Significant Risk-** Driving on roads for business purpose, since the employee must travel for the workplace using their own vehicles / public transports / by company provided vehicles.

**Solution:** Your Company has ensured all the company provided vehicles are meeting the safety requirements as per the Nestlé safe driving standards. Sales Employees undergo defensive driving training and other awareness trainings. Also, clear policies have been set up for road travel for employees.

#### Leadership Indicators

##### 1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes. In the unfortunate event of the death of an employee including workers, your Company extends financial support to family members of the employee. Under the Loss of Life Benefit, the next of kin of the employee is eligible to receive employee's two years' Base Salary. Besides there is additional support extended in terms of compensatory package under the Group Accident Insurance Coverage and education and hospitalization support under Neshield Policy.

##### 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that statutory dues as payable by service providers for their employees are deposited on time and in full, through a process of periodic audits and controls. Your Company has multiple systems in place to ensure compliance to various statutory requirements. For our factories and branches, the Company has agreements in place specifying statutory compliance to be ensured by service providers. Similarly, for the distribution centers and co-manufacturers, statutory dues are specified in the agreements as per applicable statutes. Besides this, as an additional measure, balancing is provided by Internal Controls, internal audits and third-party audits are conducted basis defined frequency and terms of the agreement.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill health/fatalities (as reported in Q11 of Essential Indicators above), who are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

	Total no. of Affected Employees/Workers		No. of Employees/Workers that are Rehabilitated and Placed in Suitable Employment or whose Family Members have been Placed in Suitable Employment	
	15 Months FY ended 31 <sup>st</sup> March 2024	FY 2022	15 Months FY ended 31 <sup>st</sup> March 2024	FY 2022
Employees	0	0	0	0
Workers	3	0	0	0

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes, your Company provides transition assistance to facilitate continued employability in specific cases basis defined applicability criteria through an external service provider. The offering covers different aspects and provides access to resources such as coach/consultant/online tools.

5. Details on assessment of value chain partners on Health and safety practices and Working Conditions

Your Company is committed to continuously raise awareness of supply chain members to comply with applicable laws and regulations related to labour and employment, including gender diversity, human rights, child labour, wages, working hours, bribery & corruption, occupational health, safety and environment.

Nestlé Responsible Sourcing Standard enshrines the Company's unwavering focus on fair treatment, human rights, good labour practices, environmental conservation, health and safety. The standard upholds the spirit outlined in the International Labour Organisation Guidelines and United Nations Guiding Principles on Business and Human Rights and is shared and accepted by all supply chain partners and service providers.

Your Company has a robust process of evaluating its Suppliers and Service Providers before engaging with them, proactively making them aware of its expectations/ requirements, and seeking commitment for compliance through contractual agreements. The Company verifies the compliance with the standard periodically through external audits and assessment mechanisms of international standards.

96% of our supply base falling in the scope of review were audited by external agencies on parameters like "Health and Safety practices, standards of labor (including working conditions, Minimum wages, child labor, forced labor etc.), environmental performance and business ethics.

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	96%
Working Conditions	96%

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Your Company has a structured framework in place with clear process to monitor and close observations and actions as per the *Responsible Sourcing (RS)* audit conducted by external agencies/ third party service providers. As per recommendations from the Company's globally shortlisted audit agencies, the suppliers are strongly advised to close all observations in the assessments and take corrective actions as appropriate within a time bound manner, which would be monitored by the Company in a structured manner. There have been instances where supplier partners have shared the improvements in their Health and Safety practices and standards of labor basis the audits/assessments, which helped to mitigate fire safety hazards at their factory and also helped increase awareness in the neighborhood industrial belt.

## Principle 4

**Stakeholder Engagement:** Businesses should respect the interests of and be responsive to all its stakeholders.

### Essential Indicators

#### 1. Describe the processes for identifying key stakeholder groups of the entity.

Your Company's stakeholder network consists of the people your Company's operations impact and those who influence your Company's activities. Your Company identifies the stakeholders based on the scope of the activities and the need of organization. Stakeholder meetings, workshops and other events help us deepen dialogue and develop our understanding of important societal and environmental issues and regulatory challenges. The interaction helps teams build their capabilities, facilitates collective action and promotes trust and mutual respect. The engagement approach takes into consideration that each stakeholder group is unique and has a distinctive set of priorities. Feedback and insights from stakeholder engagements helps validate the Company's performance and shape new perspectives on the challenges and opportunities.

#### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of Engagement (Annually, Half yearly, Quarterly, Others- Please Specify)	Purpose and Scope of Engagement including Key topics and concerns raised during such engagement
Consumers	No	Websites, Advertisements, Email	As and when required	Your Company engages with consumers for awareness about the products, recipes and nutrition information, ingredients and any other information relevant for consumers.
Farmers	Yes	Email, SMS, Meetings	As and when required	Your Company engages with dairy farmers, coffee farmers, spice farmers and other farmers who form a part of the value chain directly or indirectly for training/awareness on good agricultural practices, helping them grow safe, high-quality raw materials, and develop resilient, sustainable farms.
Distributors & trade partners, Suppliers	No	Email, SMS, Meetings	As and when required	Your Company engages and receives co-operation and unstinted support from the distributors, retailers, stockist, suppliers and others associated with the Company as its trading partners.
Trade Unions	No	Email, SMS, Meetings	As and when required	Your Company engages with trade unions for collective bargaining to ensure smooth operations at the manufacturing facilities and cordial relations with workers.
Government bodies	No	Email, SMS, Meetings	As and when required	Your Company engages with Food Authorities to establish science-based regulations for protecting the health of consumers and development of other best practices in areas of food processing.
Industry associations	No	Email, SMS, Meetings	As and when required	Your Company engages with industry associations for promoting industry positions – that are aligned with Nestlé's viewpoints / proposals with external stakeholders/ policy makers. Topics include Food Regulations, Environment, Plastic Packaging, Governance, Compliance, Corporate Laws, and other Societal activities.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of Engagement (Annually, Half yearly, Quarterly, Others- Please Specify)	Purpose and Scope of Engagement including Key topics and concerns raised during such engagement
Academia experts	No	Email, SMS, Meetings	As and when required	Your Company engages with academia experts that helps in getting specialist knowledge on various topics. Your Company also engages with stakeholders to incorporate their expert advise in societal initiatives for positive impact.
NGOs	No	Email, SMS, Meetings	As and when required	Your Company engages with NGOs to implement the CSR projects under the umbrella of Nutrition, WASH, enhancing livelihood, environment and rural development, disaster management including Covid-19 relief. Key focus includes on-ground implementation, deliverables of the projects, positive impact, budget utilization and adherence to the CSR policy and compliances, Covid-19 precautionary measures etc.

## Leadership Indicators

### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Your Company firmly believes that stakeholder engagement is critical to deepen dialogue and develop our understanding of important business and societal issues. Your Company is part of various platforms where stakeholders engage on issues pertaining to the economic, environmental & social topics. The relevant information is shared with the Board of Directors of the Company.

The Board, through the CSR Committee and Risk Management and Sustainability Initiatives Committee, reviews, monitors and provides strategic direction to the Company's social responsibility obligations and other societal and sustainability practices.

### 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Engaging stakeholders on important issues lies at the heart of how your Company does business. Your Company engages with relevant stakeholder platforms that are used to seek relevant expertise and support to address environment and social topics.

Your Company has put in place systems and procedures to identify, prioritize and address the needs and concerns of its stakeholders across businesses in a continuous, consistent and systematic manner. It has implemented mechanisms to facilitate effective dialogue with all stakeholders across businesses, identify concerns and their resolution in an equitable and transparent manner.

Select examples of how stakeholder inputs have been incorporated into your Company's policies and activities are presented below:

- **Consumers:** Consumers are your Company's core stakeholders. Various tech-enabled avenues have been constructed to constantly receive feedback and ideas from these stakeholders.



- **Communities:** Your Company continues to increase access to basic sanitation facilities, for girl students in schools across all its factory locations which has had a direct impact on the attendance of girls in schools. While the scope of the sanitation projects was largely for girl students, your Company recently expanded the scope to include disabled people based on the requests received from the communities.
- **Industry:** Your Company is committed to achieving 100% Extended Producer Responsibility (EPR) compliance as per the Plastic Waste Management (PWM) Rules 2016 and amendments. Ministry of Environment, Forest and Climate Change (MOEFCC) notified the ban on non-recyclable multilayered packaging in 2018, that would have significantly impacted the product packaging. Through the industry consortium and stakeholder consultation, your Company in collaboration with other industry members showcased that if multi-layer packaging is properly collected and managed can be energy recoverable. This collaboration within industries supported EPR implementation framework.

### 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

Your Company is strongly committed to address the emerging needs of the community. For instance, our commitment to nutritious and safe food goes beyond the safety and quality of our own products. Project 'Serve Safe Food' continued to enhance livelihoods of street food vendors by providing them training on food safety and hygiene. Through our societal initiatives Nestlé Healthy Kids Programme, Project Jagriti and Project Vriddhi, your Company is helping families cultivate kitchen gardens in communities. Our partners on ground motivate and equip adolescent and parents to develop kitchen gardens where their families can grow vegetables for daily consumption. This helps to promote a varied and nutritious diet including organic vegetables and fruits at a relatively reduced cost. We coined the phrases, 'Poshan Vatika' and 'Poshan Bagicha' to make the initiative relatable and easier to understand for the beneficiaries of the program. Kitchen gardens add value to the lives of the beneficiaries by raising the nutrition profile of the food being consumed, especially by the lower-income households, amidst rising costs and make them self-sufficient.

Your Company's key societal initiatives including Project Jagriti and Nestlé Healthy Kids Programme continued to focus on creating an enabling environment for the best health outcomes in the vulnerable/marginalized communities, involving the health care system and stakeholders from the community. Your Company's environment initiative titled 'Hilldaari' continued empowering waste workers by providing them training on how to collect waste with minimum contact, ensure proper sanitation, new ways of collecting and disposing waste such as establishing 4-part segregation (dry waste, wet waste, domestic bio-medical waste and hazardous waste) for collection and proper disposal of waste. Waste workers were also trained to use smartphones and digital monitoring apps, and how to avail relevant government schemes.

Your Company works with farmers in providing training on good agricultural practices, helping them grow safe, high-quality raw materials, and develop resilient, sustainable farms.

## Principle 5

**Human Rights:** Businesses should respect and promote human rights.

### Essential Indicators

#### 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

	FY 2023 (Jan 2023 to March 2024) Current Financial Year			FY 2022 (Jan 2022 to Dec 2022) Previous Financial Year		
	Total (A)	No. of employees workers covered (B)	% (B / A)	Total (C)	No. of employees workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	3,980	2,608	66%	3,580	3,435	96%
Other than permanent	220	20	9%	299	120	40%
<b>Total Employees</b>	<b>4,200</b>	<b>2,628</b>	<b>63%</b>	<b>3,879</b>	<b>3,555</b>	<b>92%</b>

	FY 2023 (Jan 2023 to March 2024) Current Financial Year			FY 2022 (Jan 2022 to Dec 2022) Previous Financial Year		
	Total (A)	No. of employees workers covered (B)	% (B / A)	Total (C)	No. of employees workers covered (D)	% (D / C)
<b>Workers</b>						
Permanent	4,756	2,858	60%	4,537	1,675	37%
Other than permanent	11,449	5,062	44%	6,617	2,784	42%
<b>Total Workers</b>	<b>16,205</b>	<b>7,920</b>	<b>49%</b>	<b>11,154</b>	<b>4,459</b>	<b>40%</b>

## 2. Details of minimum wages paid to employees and workers, in the following format:

Category	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to March 2024) Current Financial Year					FY 2022 (Jan to Dec 2022) Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>										
Male	2,971	NA	NA	2,971	100%	2,721	NA	NA	2,721	100%
Female	1,009	NA	NA	1,009	100%	859	NA	NA	859	100%
<b>Other Than Permanent</b>										
Male	152	NA	NA	152	100%	224	NA	NA	224	100%
Female	68	NA	NA	68	100%	75	NA	NA	75	100%
<b>Workers</b>										
<b>Permanent</b>										
Male	4,530	NA	NA	4,530	100%	4,346	NA	NA	4,346	100%
Female	226	NA	NA	226	100%	191	NA	NA	191	100%
<b>Other Than Permanent</b>										
Male	10,471	2,121	20 %	8,350	80%	5,956	NA	NA	5,956	100%
Female	978	161	16%	817	84%	661	NA	NA	661	100%

## 3. Details of remuneration/salary/wages, in the following format:

### a). Median remuneration/wages

	Male		Female	
	Number	Median Remuneration/ Salary/ Wages of Respective Category (Amount in INR)	Number	Median Remuneration/ Salary/ Wages of Respective Category (Amount in INR)
Board of Directors (BoD)	4	164,297,197	1	97,629,471
Key Managerial Personnel (KMP)	1	22,903,503	-	-
Employees other than BoD and KMP	2,969	1,858,100	1,008	1,314,891
Workers	4,530	864,954	226	247,620

### b). Gross wages paid to females as % of total wages paid by the entity, in the following format:

	15 Months FY ended 31 <sup>st</sup> March 2024 Jan 2023 to March 2024 Current Financial Year	FY 2022 (Jan 2022 to Dec 2022) Previous Financial Year
Gross wages paid to females as % of total wages	15%	13%

## 4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/ No).

Yes. Your Company has a focal point responsible for addressing human rights impacts or issues caused or contributed to by the business that may be raised by internal employees or contractors and caused or contributed to by the business. Your Company's 'Speak Up' platform allows employees/ contractors to report any human rights issue by filing a report on web portal or by calling the hotline operated by an independent third party.

*Nestlé Code of Business Conduct* prohibits retaliation against employees who make reports in good faith. Every complaint is investigated thoroughly and remedial actions are taken if required. The Compliance Officer is the focal point responsible for addressing human rights concerns reported.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

All the grievances related to human rights issue outside the ‘Speak Up’ system, whether received through letter, email, social media are captured in the case management system provided within the ‘Speak Up’ system and are redressed and reported accordingly. It covers your Company’s suppliers, vendors and any other external stakeholder. Grievance Redressal protocol is established to investigate such matters and submit the report including responding to the complainant. Issues can also be brought to HR/reporting manager and are taken up accordingly.

All employees are trained on the awareness of *Nestlé Corporate Business Principles*. CARE Auditors and internal audit department regularly audits the practices against these systems. When assessing your Company’s internal control systems, the external auditors consider how the Corporate Business Principles fit into the overall corporate governance framework of your Company. Significant findings and recommendations are reported to the Audit committee of the Board of Directors by the Compliance Officer.

*Nestlé Code of Business Conduct* prohibits retaliation against employees who make reports in good faith. Every complaint is investigated thoroughly and remedial actions are taken if required.

**6. Number of Complaints on the following made by employees and workers:**

	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to March 2024) Current Financial Year			FY 2022 (Jan to Dec 2022) Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	6	0	-	1	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to March 2024) Current Financial Year	FY 2022 (Jan 2022 to Dec 2022) Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	6	1
Complaints on POSH as a % of female employees / workers	0.3%	0.1%
Complaints on POSH upheld	6	1

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Your Company is committed to a workplace free of harassment, including sexual harassment at the workplace, and has zero tolerance for such unacceptable conduct. Your Company encourages reporting of any harassment concerns and is responsive to complaints about harassment or other unwelcome or offensive conduct. Internal Committee has been constituted across locations to enquire into complaints of sexual harassment and to recommend appropriate action, wherever required.

Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment case are part of Grievance Redressal Process and PoSH Policy. The principles of the process ensure that there is no

victimization. All investigations are carried out in a fair and unbiased manner. Your Company prohibits retaliation against any employee for such complaints made in good faith, while it also protects the rights of the incriminated person. Under the Policy, the Head of Human Resource shall be the person to whom any complaints can be made and in exceptional or appropriate cases, the Managing Director can be directly accessed.

As part of the policy measures of interim relief are defined to prevent any adverse consequences to the complainant, which are as below:

During pendency of the investigation, on a request made by the complainant, the Investigating Committee/ Individual may recommend to the HR/Reporting Manager/ Functional or Business Head as the case may be:

- Assessment of complainant’s work performance by another superior or suspension of assessment.
- Change the reporting of the complainant to any other superior.
- Grant leave to the aggrieved complainant.
- such other relief as may be appropriate.

Regular awareness and training sessions are conducted to ensure that the employees are fully aware of the aspects of sexual harassment and of the redressal mechanism.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes. Due diligence is at the heart of Nestlé’s human rights framework. As an enabler to the Human Rights at Nestlé, the Company has created an enabling pillar of Policies and Control Systems which are leveraged to ensure human rights are embedded throughout the organization. It is ensured that the human rights framework is actively communicated internally and externally through mandatory trainings for the employees/contractors internally and inclusion of human rights clauses in the supplier agreements and contracts. This is further substantiated by facilitating the use of ‘Speak Up’ platform where such issues can be raised by employees or contractors.

**10. Assessments for the year: 15 Months FY ended 31<sup>st</sup> March 2024**

	<b>% of your Plants and Offices that were Assessed (by Entity or Statutory Authorities or Third Parties)</b>
Child Labour	100%
Forced/Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at Workplace	100%
Wages	100%
Others- please specify	-

**11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.**

Basis various assessments conducted at defined frequency, relevant risks are identified and addressed through comprehensive action plans. The action plans are reviewed periodically at a unit as well as function level. No specific corrective actions were required to be taken during the 15 Months FY ended 31<sup>st</sup> March 2024. However, as part of preventive measure, regular awareness and training sessions were conducted during the year to ensure that employees are fully aware of the aspects of child labour, forced/involuntary labor, sexual harassment, discrimination at workplace, wage and work inequality and mechanism to report any concerns or suspected or actual violation of any of such matters.

**Leadership Indicators**

**1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/ complaints.**

Your Company has established a mechanism for addressing grievances and the same has been disseminated to all concerned stakeholders / custodians. ‘Speak Up’ is one such platform available to all employees and external stakeholders including Third Party Resources, Contractors, Vendors, Suppliers, etc. which is operated by an independent third party which also allows complainants to choose to be anonymous and protects confidentiality.

**2. Details of the scope and coverage of any human rights due diligence conducted.**

The Nestlé CARE programme (Compliance Assessment of Human Resources, Occupational Health & Safety, Environment and Business Integrity) verifies, through independent auditors, that your Company's operations comply with the globally defined Nestlé Employee Relations Policy and the social and environmental aspects of the *Nestlé Corporate Business Principles* and that of local legislations. There is a defined frequency to conduct CARE audit every 3 years and the entire spectrum of human rights is covered.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes. Diversity & Inclusion is an integral part of your Company's culture, based on its core values of respect and it is one of the ways we bring our purpose to life. One important aspect of inclusion is inclusion by design and hence your Company started this journey a few years ago by ensuring accessible restrooms and ramps. We are continuously working towards improving infrastructure for eliminating barriers to accessibility.

Your Company has aligned the design of the newly renovated Head Office to ensure that the premises are accessible to everyone. All manufacturing locations have undergone accessibility audits in 2022 based on the guidelines of the Rights of Persons with Disabilities Act, 2016. Keeping in mind the accessibility assessment reports, work is in progress across all our factories for improving infrastructure for eliminating barriers to accessibility.

**4. Details on assessment of value chain partners for Human Rights.**

Your Company is committed to continuously raise awareness of supply chain members to comply with applicable laws and regulations related to labour and employment, including gender diversity, human rights, child labour, wages, working hours, bribery & corruption, occupational health, safety and environment.

96% of our supply base falling in the scope of review were audited by external agencies on parameters like Health and Safety practices, standards of labor (including working conditions, minimum wages, child labor, forced labor etc.), environmental performance and business ethics.

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual Harassment	96%
Discrimination at workplace	96%
Child Labour	96%
Forced Labour/Involuntary Labour	96%
Wages	96%
Others – please specify	-

**5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.**

Your Company has a structured framework in place with clear process to monitor and close observations and actions as per the Responsible Sourcing audit conducted by external agencies/ third party service providers. As a good practice, apart from checking IDs, workers are interviewed at site to see any concerns related to child labor, wage discrepancies etc. and specific measures are taken to ensure that the value chain partners are fully aware about your Company's commitment and adherence to standards protecting and promoting human rights.

## Principle 6

**Environment:** Businesses should respect and make efforts to protect and restore the environment.

### Essential Indicators

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

In the 15 months FY ended 31<sup>st</sup> March 2024, your Company's manufacturing facilities consumed around 4,810 Terra Joules [TJ] of energy. The total absolute energy consumption saw an increase of 22.3%, against volume growth of 25.8% for the reporting period.

Parameter (GJ)	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to March 2024) (Current Financial Year)	FY 2022 (Jan 2022 to Dec 2022) (Previous Financial Year)
<b>From renewable sources (GJ)</b>		
Total electricity consumption (A)	955,852	757,833
Total fuel consumption (B)	724,991	570,184
Energy consumption sources through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>1,680,843</b>	<b>1,328,017</b>
<b>From non-renewable sources (GJ)</b>		
Total electricity consumption (D)	0	8,160
Total fuel consumption (E)	3,129,350	2,595,546
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>3,129,350</b>	<b>2,603,706</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>4,810,193</b>	<b>3,931,723</b>
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations) GJ/million INR	19.82	23.42
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) GJ/million USD @ exchange rate of 83.9	0.24	0.28
<b>Energy intensity in terms of physical Output (GJ/ton)</b>	<b>6.41</b>	<b>6.59</b>
Energy intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

Yes. GTBLLP carried out reasonable assurance as per ISAE3000 for (BRSR Core).

#### 2. Does the entity have any sites/ facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

#### 3. Provide details of the following disclosures related to water, in the following format:

During the period under review, your Company's total water intake was 3.23 million kilo litres.

Parameter (in Kiloliters)	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to March 2024)	FY 2022 (Jan 2022 to Dec 2022)
Water withdrawal by source [in kiloliters]		
[i] Surface water	850,320	742,999
[ii] Groundwater	2,208,244	1,909,408
[iii] Third party water	174,071	147,825
[iv] Seawater/desalinated water	0	0
[v] Others	0	0

Parameter (in Kiloliters)	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to March 2024)	FY 2022 (Jan 2022 to Dec 2022)
<b>Total volume of water withdrawal [in kiloliters] i+ ii+ iii+ iv + v</b>	3,232,635	2,800,232
<b>Total volume of water consumption [in kiloliters]</b>	3,232,635	2,800,232
<b>Water intensity per rupee of turnover</b> [Total water consumption/Revenue from operations] kiloliters/million INR	13.32	16.68
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP) kilolitres/million USD @ treasury rate of 83.9	0.16	0.20
<b>Water intensity in terms of physical Output (kiloliters/ton)</b>	4.30	4.69
Water intensity (optional) –the relevant metric may be selected by the Entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

Yes, GTBLLP carried out reasonable assurance as per ISAE3000 (for BRSR Core). Your Company monitors water consumption and reduction as part of its operational efficiencies and sustainability initiatives. During 15 Months FY ended 31<sup>st</sup> March 2024, your Company's water intake saw an increase of 15.4% against the volume growth of 25.8% for the reporting period. Your Company has invested in 3 factories (Nanjangud, Samalkha and Moga) in water reducing/recycling projects to optimize further the ground water withdrawal enabling an overall reduction in water intensity by 8.3%.

#### 4. Provide the following details related to water discharged:

Parameter	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to March 2024)	FY 2022 (Jan 2022 to Dec 2022)
<b>Water discharge by destination and level of treatment (in kiloliters)</b>		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of Treatment	403,234	426,193
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of Treatment	123,975	71,757
(v) Others		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
<b>Total water discharged (in kiloliters)</b>	<b>527,209</b>	<b>497,950</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

Yes, GTBLLP carried out reasonable assurance as per ISAE3000 (for BRSR Core). Your Company monitors water consumption and reduction as part of its operational efficiencies and sustainability initiatives.

#### 5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Your Company has nine factories and seven factories are zero liquid discharge factories, consuming all the treated effluent within factory for its need of process or land maintenance. All the factories are making efforts to recycle the treated process water to reduce the ground water withdrawal. During the period under review, various water saving projects were executed which resulted in a water savings of 136,213 m<sup>3</sup>. The specific water consumption reduced from 4.69 m<sup>3</sup>/ton to 4.3 m<sup>3</sup>/ton (reduction of 8.3 %).

**6. Please provide details of air emissions (other than GHG emissions) by the entity.**

Parameter	Please Specify Unit	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to March 2024)	FY 2022 (Jan 2022 to Dec 2022)
NOx	kgSOxe	383,882	319,726
Sox	kgSOxe	1,713,246	1,427,963
Particulate Matter (PM)	NA	NA	NA
Persistent Organic Pollutants (POP)	NA	NA	NA
Volatile Organic Compounds (VOC)	NA	NA	NA
Hazardous Air Pollutants (HAP)	NA	NA	NA
Others please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No. GTBLLP carried out reasonable assurance as per ISAE3000 for the Core parameters (for BRSR Core).

Your Company monitors stack emission at all factories by certified agency of the state.

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity in the following format.**

Parameter	Please Specify Unit	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to March 2024)	FY 2022 (Jan to Dec 2022)
<b>Total Scope 1 emissions</b> [Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> if available)	Metric ton of CO <sub>2</sub> Equivalent	231,324	192,678
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> if available)	Metric ton of CO <sub>2</sub> Equivalent	Gross:151,936	Gross: 128,646
<b>Total Scope 1 and Scope 2 emissions intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	kgCO <sub>2</sub> e/ million INR	1,579	1,902
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	kgCO <sub>2</sub> e/ million USD @ Exchange rate of 83.9	18.8	22.7
<b>Total Scope 1 and Scope 2 emission intensity (optional)</b> – the relevant metric may be selected by the entity	kgCO <sub>2</sub> e/t	510	538

Restated data for FY 2022 to align with reporting requirement

The above numbers are excluding the International Renewable Energy Certificates (IRECs) purchased for grid electricity.

Scope 2 emissions including IRECs:

15 Months FY ended 31<sup>st</sup> March 2024: Net: 0 Metric ton of CO<sub>2</sub> Equivalent

2022: Net: 1,571 Metric ton of CO<sub>2</sub> Equivalent

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

Yes. GTBLLP carried out reasonable assurance as per ISAE3000(for BRSR Core). Your Company has internal tool to monitor the GHG emission based on consumption of various fuels and power.

**8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Your Company stresses upon measures for the conservation and optimal utilization of green-house gas emissions in all the areas of operations, including those for energy generation and effective usage of sources/ equipment used for generation. Within your Company's manufacturing locations, there are continuous efforts to improve operational efficiencies, minimizing consumption of natural resources and reducing energy & CO<sub>2</sub> emissions while maximizing production volumes. As a result, in 15 Months FY ended 31<sup>st</sup> March 2024 specific GHG emission reduced from 538 KgCO<sub>2</sub>eq per ton to 510 KgCO<sub>2</sub>eq per ton which is excluding International Renewable Energy Certificates (IRECs) purchased for electricity consumption, a reduction of 5.2%. Including IRECs, GHG emission reduced from 325 KgCO<sub>2</sub>eq per ton to 306 KgCO<sub>2</sub>eq per ton, a reduction of 5.85%.



During the period under review, your Company initiated a major shift in thermal energy production by moving towards biomass boilers for steam generation which reduces 107,000 tons CO<sub>2</sub> & shall be fully realized in coming years.

Following are the key projects initiated during in 15 Months FY ended 31<sup>st</sup> March 2024 that shall be completed in the financial year ending 31<sup>st</sup> March 2025 :

- Biomass boilers in Nanjangud and Moga.
- Replacement of Furnace Oil (FO) with Natural Gas (NG) for air heaters in Moga.

**9. Provide details related to waste management by the entity, in the following format**

Parameter	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to March 2024)	FY 2022 (Jan 2022 to Dec 2022)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	2,489	2,237
E-waste (B)	75	44
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	22	14
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	297	36
Other Non-hazardous waste generated (H). Please specify, if any. [Break-up by composition i.e. by materials relevant to the sector]	76,335*	56,431*
<b>Total [A+B + C + D + E + F + G + H]</b>	<b>79,218</b>	<b>58,762</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated / Revenue from operations) kg/million INR	326	345
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP) kg/million USD @ treasury rate of 83.9	3.89	4.11
<b>Waste intensity in terms of physical output (kg/ton)</b>	<b>105.48</b>	<b>98.45</b>
<b>Waste intensity (optional)</b> – the relevant metric may be selected by the entity	NA	NA
<b>For each category of waste generated, total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)</b>		
<b>Category of Waste</b>		
(i) Recycled	37,131	26,631
(ii) Reused	4,419	2,088
(iii) Other recovery operations	37,668	30,044
<b>Total</b>	<b>79,218</b>	<b>58,763</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

\*This data is inclusive of EPR pre-consumer packaging data

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

Yes. GTBLLP carried out reasonable assurance as per ISAE3000 (for BRSR Core).

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such waste.**

Your Company manages and disposes all the waste and by products complying to Central/State Pollution Control Board requirements. During the period under review, approximately 79.2 Kilo tons of waste was generated across factories. There are continuous efforts to maximize recycling and reusing of waste. The waste generated is segregated at source and sent to common collection point from where it is sent for disposal. Following are the practices we have adopted for disposal of waste:

- Bottom and fly ash from solid fuel boilers is used for brick manufacturing.
- Food waste, organic process waste (Noodles, Chocolate waste, process Floor Sweep waste) is used as animal feed.
- Sludge generated from wastewater treatment is used to make manure or disposed as per Central and State Pollution Control Board guidelines.

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in following format:**

S. No.	Location of operations/offices	Type of Operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

Your Company's existing operations/offices comply with applicable environmental regulations and operate as per Consent to Operate (CTO) conditions from the Central and State Pollution Control Boards.

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable Laws, in the current financial year.**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency	Results communicated in public domain	Relevant Web link
			(Yes / No)	(Yes / No)	
Not Applicable					

**13. Is the entity compliant with the applicable environmental Law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.**

Your Company's existing operations/offices comply with applicable environmental regulations and operate as per Consent to Operate (CTO) conditions from the Central and State Pollution Control Board/s.

**Leadership Indicators**

**1. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters).**

For each facility / plant located in areas of water stress, provide the following information: (i) Name of the area (ii) Nature of operations (iii) Water withdrawal, consumption and discharge in the following format:

Your Company uses internal tool and doing the risk assessment with corrective measure to ensure sustainable operations.

The aggregated water withdrawal, consumption and discharge in areas of water stress is given below for the reporting period of 15 months (January 2023 to March 2024) and 12 months for previous financial year (January 2022 to December 2022):

Parameter	Moga		Samalkha		Nanjangud	
	15 Months FY ended 31 <sup>st</sup> March 2024	FY 2022	15 Months FY ended 31 <sup>st</sup> March 2024	FY 2022	15 Months FY ended 31 <sup>st</sup> March 2024	FY 2022
	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year
<b>Water withdrawal by source (in kiloliters)</b>						
(i) Surface water	0	0	0	0	750,368	655,483
(ii) Groundwater	755,028	636,098	490,375	413,430	0	0
(iii) Third party water	0	0	0	0	0	0
(iv) Seawater/desalinated water	0	0	0	0	0	0
(v) Others	0	0	0	0	0	0

Parameter	Moga		Samalkha		Nanjangud	
	15 Months FY ended 31 <sup>st</sup> March 2024	FY 2022	15 Months FY ended 31 <sup>st</sup> March 2024	FY 2022	15 Months FY ended 31 <sup>st</sup> March 2024	FY 2022
	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year
<b>Total volume of water withdrawal (in kiloliters)</b>	<b>755,028</b>	<b>636,098</b>	<b>490,375</b>	<b>413,430</b>	<b>750,368</b>	<b>655,483</b>
<b>Total volume of water consumption (in kiloliters)</b>	<b>755,028</b>	<b>636,098</b>	<b>490,375</b>	<b>413,430</b>	<b>750,368</b>	<b>655,483</b>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)						
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity (kiloliters/ton)	4.97	5.48	587	6.29	7.75	9.30
<b>Water discharge by destination and level of treatment [in kiloliters]</b>						
(i) Into Surface water						
- No treatment						
- With treatment - please specify level of treatment	403,234	426,193	0	0	0	0
(ii) Into Groundwater						
- No treatment						
- With treatment - please specify level of treatment	0	0	0	0	0	0
(iii) Into Seawater						
- No treatment						
- With treatment - please specify level of treatment	0	0	0	0	0	0
(iv) Sent to third parties						
- No treatment						
- With treatment - please specify level of treatment	0	0	0	0	0	0
(Others)						
- No treatment						
- With treatment - please specify level of treatment	0	0	0	0	0	0
<b>Total water discharged [in kiloliters]</b>	<b>403,234</b>	<b>426,193</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No. GTBLLP carried out reasonable assurance as per ISAE3000 for the Core parameters (for BRSR Core).

Your Company monitors the above data for its operational efficiencies and sustainable operations.

## 2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	15 Months FY ended 31 <sup>st</sup> March 2024 (Current Financial Year)	FY 2022 Previous Financial Year
Total Scope 3 emissions [Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available]	Metric ton of CO <sub>2</sub> equivalent		
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives.

Your Company has undertaken a number of initiatives, and also deployed innovative technologies across its operations for improving resource efficiency and minimizing environmental impact.

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Biomass for boilers in Moga and Nanjangud replacing Coal and furnace oil.	Installation of biomass boilers initiated to reduce the usage for furnace oil to produce steam which reduces GHG emission by around 33%.	Estimated reduction of the GHG emissions by around 70,000 tCO <sub>2</sub> e in the Financial Year 2024-25.
2	RO Polisher for ETP treated Water at Nanjangud.	A polishing step is added after the ETP treated Water to enable the reuse of this water as cooling tower and boiler makeup.	Project savings of around total 48,000 M <sup>3</sup> water in the Financial Year 2024-25.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link

Yes, Company has a Business Continuity Plan (BCP) and Crisis Management Plan (CMP) designed to address the threat of disruptions to business activities or processes.

Business Continuity Planning validates the adequacy of the existing systems and processes to prevent and recover from potential threats. It ensures continuity of delivery of products or services at pre-defined acceptable levels following a disruptive incident. Comprehensive Business Continuity Plans have been made covering all facets of operations and are being tested periodically.

A detailed Business Impact Analysis (BIA) has been carried out considering various risk / threat business or otherwise including IT threats. The Risk assessment and mitigating actions plans are reviewed periodically to ensure necessary actions are in place to mitigate the risks. Your Company has BCP put in places in the critical part of its operations to ensure the operations runs smoothly.

Your Company has a Crisis Management Plan (CMP) which provides guidance to the Crisis Committee to manage crisis. The CMP addresses four stages of issue and crisis management:

Prepare: involves ensuring that relevant teams have all the personnel, resources, and tools in place to manage issues and crises quickly and easily if and when they occur.

Prevent: an ongoing process through which issues are monitored, identified, and prioritized.

Manage: outlines suggested steps during a crisis to ensure that all stakeholders have the necessary information required; and undertake the necessary actions to achieve a successful conclusion.

Improve: teams critically review the handling of the crisis and look at areas for improvement.

During the period under review, as part of governance, the Risk Management and Sustainability Initiatives (RMSI) Committee reviews the BCPs and CMPs designed for different business activities and deep dives into BCPs and CMPs of some business activities to ensure efficiencies.

Your Company regularly conducts trainings to assist members involved in crisis management in managing issues effectively and mitigating crises, including cyber-related ones.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Your Company has *Responsible Sourcing Standard* that enshrines the unwavering focus on fair treatment, human rights, good labour practices, environmental conservation, health and safety. It is shared and accepted by all supply chain partners and service providers.

Your Company, with its diverse and expanding portfolio of businesses, prioritizes embedding sustainability and building resilience in the supply chain as part of its sustainability vision. A robust process of evaluating the Suppliers and Service Providers is followed before engaging with them, proactively making them aware of the expectations/ requirements, and seeking commitment for compliance through contractual agreements. Your Company reserves the right to verify compliance with this standard at any time through appropriate audit and assessment mechanisms.

In addition to working with farmers/suppliers for ingredients sourced through sustainable agriculture practices like regenerative agriculture, working towards sustainable manufacturing, packaging in the 9 factories, your Company is also working towards sustainable logistics. The focus was on reduction in wastage, through alternative mode of transportation such as railways, usage of alternate fuel and optimizing vehicle capacity utilization. It has converted 100% fleets from diesel to CNG to deliver Delhi & Haryana customers and also introduced electric vehicles to strengthen sustainable logistics. Your Company increased usage of bigger size vehicles from 5.9% in 2019 to 10.2% during the 15 months FY ended 31<sup>st</sup> March 2024, increased usage of railways from 0% in 2019 to 6% during the 15 months FY ended 31<sup>st</sup> March 2024 and increased vehicle payload utilization from 90.3% in 2019 to 94% during the 15 months FY ended 31<sup>st</sup> March 2024.

#### 7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Your Company's 96% of supply base within the scope of review were assessed for environmental impact. Your Company is guided by *Responsible Sourcing Standard* and policy on Environmental Sustainability that outlines its commitment to high standards on environment and provides the necessary framework to address the direct environmental impacts of Company's own operations as well as progressively extend the efforts to its supply chain.

Your Company's key value chain partners like third party manufacturers are encouraged to adopt practices detailed under International Standards and your Company's Environmental Sustainability policy. Contract manufacturing agreements provide for compliance with accepted standards on issues related to environment, human rights and labour practices, and third-party manufacturers are periodically assessed to ensure compliance.

Farmers constitute a major portion of the value chain, and accordingly your Company has deployed large scale programmes to address the environmental impacts across its key agri value chains. The Company is committed to increase responsibly sourced ingredients such as fresh milk, palm oil, cocoa, wheat, spices, rice and green coffee.

### Principle 7

**Policy Advocacy:** Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

#### Essential Indicators

##### 1 a. Number of affiliations with trade and industry chambers/associations.

Your Company's stakeholder network consists of the people whom the Company's operations impact and those who influence the activities. Stakeholder meetings, workshops and other events help deepen dialogue and develop Nestlé's understanding of important environmental, regulatory and societal issues. The interaction helps the teams build their capabilities, facilitates collective action, and promotes trust and mutual respect. Your Company's engagement with the relevant authorities is guided by the values of commitment, integrity, transparency and the need to balance the interests of diverse stakeholders. Your Company works with major industry chambers/associations and professional bodies that are engaged in policy advocacy as well as various other forums. During the year, your Company had active affiliations with 7 such trade, industry chambers/associations and professional bodies.

**b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.**

S. No.	Name of the trade and industry chambers/ Associations	Reach of trade and industry chambers/ associations (State/National)
1	The Associated Chambers of Commerce (ASSOCHAM)	National
2	All India Food Processors Association (AIFPA)	National
3	Confederation of Indian Industry (CII)	National
4	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
5	PHD Chamber of Commerce and Industry (PHDCCI)	National
6	Waste Efficient Collection and Recycling Efforts (WeCare)	National
7	The Institute of Company Secretaries of India (ICSI)	National

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
None	Not Applicable	Not Applicable

**Leadership Indicators**

**1. Details of public policy positions advocated by the entity.**

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of review by Board (Annually / Half yearly/ Quarterly/ Others - please specify)	Web Link, if available
1	Your Company works on public health topics such as front of pack labelling (FOPL) with government /regulatory authorities taking into consideration interests of consumers	Your Company engaged with food authorities, industry associations for development of balanced regulations. The Company's engagement with relevant authorities is guided by the values of commitment, integrity, and transparency.	Yes	As and when required	<a href="https://fssai.gov.in/upload/uploadfiles/files/Draft_Notification_HFSS_20_09_2022.pdf">https://fssai.gov.in/upload/uploadfiles/files/Draft_Notification_HFSS_20_09_2022.pdf</a>
2	Your Company works on Plastic Waste Management agenda that includes compliance to the regulations (Plastic Waste Management Rules, 2016), EPR implementation strategies and sustainable packaging	Your Company engaged with government authorities (MoEFCC, & CPCB) and industry associations for development of balanced regulations. The Company's engagement with relevant authorities is guided by the values of commitment, integrity, and transparency.	Yes	As and when required	<a href="https://moef.gov.in">https://moef.gov.in</a>

## Principle 8

**Inclusive Growth:** Businesses should promote inclusive growth and equitable development.

### Essential Indicators

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable Laws, in the current financial year.**

S. No.	Name and details of Project	SIA Notification No.	Date of Notification	Whether conducted by external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Weblink
-	-	-	-	-	-	-

Not Applicable

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity**

S. No.	Name of Project for which R&R is ongoing	State	District	No. Of Project Affected Families (PAFs)	% age of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
-	-	-	-	-	-	-

Not applicable

**3. Describe the mechanisms to receive and redress grievances of the community.**

Creating Shared Value (CSV) is fundamental to how your Company does business. Your Company believes that it will be successful in the long term by creating value for both shareholders and for society. Value creation is only possible with a solid foundation of compliance and a culture of respect, as well as a firm commitment to environmental and social sustainability.

Your Company's societal initiatives are structured in a way to get feedback on the interventions and also understand if communities have any views, issues, complaints and grievances related to these interventions. Your Company's NGO partners/implementing partners for its societal initiatives also have a grievance redressal system in place through which the complaints/feedback from the communities is taken into consideration. During 2022, no grievances were brought to your Company's notice by the NGO partners. Your Company has provided a *Speak Up* platform, an independent third party operated platform where any stakeholder can lodge their grievance. All grievances are recorded, investigated and reported under the *Speak Up* system.

Detailed and structured community engagements are planned periodically to revisit the changing needs of the community and the emerging priorities feed into designing and re-designing of ongoing and new programmes.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.**

Your Company follows business practices that follow inclusive approach and enable the small farmers/local communities and vulnerable groups to be part of our sustainability journey. This is clearly visible in your Company's spend progression of last two years from micro/ medium enterprises and neighborhood communities.

	15 Months FY ended 31 <sup>st</sup> March 2024 (Jan 2023 to March 2024)	FY 2022 (Jan to Dec 2022)
Directly sourced from MSMEs/small producers	29%	24%
Directly from within India	91%	95%

**5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.**

	<b>15 Months FY ended 31<sup>st</sup> March 2024 (Jan 2023 to March 2024)</b>	<b>FY 2022 (Jan to Dec 2022)</b>
Rural	1%	1%
Semi-urban	27%	28%
Urban	19%	19%
Metropolitan	53%	52%

*(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)*

**Leadership Indicators**

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Not Applicable.

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

<b>State</b>	<b>Aspirational District</b>	<b>Amount spent (in INR)</b>
Andhra Pradesh	Vizianagaram, Khammam, Vizag	The total amount spent is part of the Annual Action Plan for the year and the breakup is provided in the Annual Report on CSR activities of the Company provided under Annexure 2 of the Annual Report.
Bihar	Purnea, Katihar, Muzaffarpur, Gaya, Jamui and Khagaria	
Haryana	Nuh	
Himachal Pradesh	Chamba	
Jharkhand	Bokaro, East Singhbhum, Hazaribagh, Ranchi, Sahebganj	
Kerala	Wayanad	
Karnataka	Raichur	
Madhya Pradesh	Vidisha, Khandwa	
Maharashtra	Gadchiroli	
Meghalaya	Ri-Bhoi	
Mizoram	Mamit	
Odisha	Kalahandi, Balangir	
Punjab	Moga, Ferozpur	
Rajasthan	Dhaulpur, Karoli	
Tamil Nadu	Ramanathapuram	
Telangana	Khammam	
Uttarakhand	Haridwar, Udham Singh Nagar	
Uttar Pradesh	Chitrakoot and Bahraich	

The Company in line with the provision of the Companies Act, 2013 (“the Act”) sub rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, conducted impact assessment through an independent agency in the financial year 2022 for the applicable projects.

Your Company’s flagship initiative ‘Nestlé Healthy Kids Programme’ that has been developed with a focus to raise nutrition awareness and active lifestyle among adolescents was assessed for Impact Assessment. The impact assessment study was carried by an external agency KPMG. Your Company’s societal initiatives Project Hildaari, Project Serve Safe Food, Water and Sanitation were also assessed for impact.

**3. a. Do you have preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No):**

While there is no preferential procurement policy, your Company follows business practices that enable the small farmers to be part of its sustainability journey.

Your Company works with farming communities to ensure sustainable production in the long-term and touches the lives of over many farmers and practices a strong preference for local procurement of raw materials. In addition to collecting milk and implementing the Nestlé milk district model successfully to ensure a stable livelihood for local dairy farmers, the Company supports the development of milk farmers by



assisting them to improve milk productivity and quality through technical assistance, providing veterinary services, medicines at no profit basis and promotion of sustainable agricultural practices.

As part of the NESCAFÉ Plan, your Company trains coffee farmers to develop their agricultural practices in terms of quality, productivity and sustainability while supporting them in obtaining 4C (Common Code for the Coffee Community) certification for better coffee prices. The NESCAFÉ Plan sets out to bring about a positive and sustained change in the livelihood of coffee farmers and their families; the sustainable management of landscapes linked to the value chain; and enhanced biodiversity in coffee farms with intercropping.

The NESCAFÉ Plan has three platforms, connecting to farmers, connecting to communities and connecting to the planet, with the objective of ensuring the future of high-quality coffee, to remain available and affordable today and in the future. Your Company regularly reaches out to coffee farmers through trainings, technical assistance, medical camp and soil test activities.

As a part of The MAGGI Spice Plan, your Company sources 8 key spices from suppliers with 'Backward Integration Programs' (BIP) in place [farmer monitoring, focused on practices to ensure Maximum Residue Limit (MRL) compliance-food safety]. Supplier BIP includes field extension support for Integrated Pest Management (IPM) programmes of participating farmers e.g., daily/ weekly visits to farmer fields and data gathering. This provides a good foundation for effective action. Your Company suppliers are key partners in developing responsibly sourced supply chains of spices. Your Company has a dedicated supplier development team that works through the Nestlé – Farmer – Supplier model to create sustainable local sourcing. The team's objectives include less reliance on imports, local sourcing, supporting sustainable quality and creating a wider, more flexible supply base.

**b. From which marginalised/vulnerable groups do you procure?**

Your Company's *Responsible Sourcing Standard* describes the requirements and ways of working that are applied together with the suppliers to ensure the sustainable long-term supply of materials and services to Nestlé. Your Company is committed to collaborate with farmers to make them more sustainable and help build their adaptive capacity and resilience to emerging risks like climate change and water stress and other extreme weather events. It is also working towards raising awareness and work with farmers on crop quality, safety, protection, integrity and traceability, as applicable.

Your Company is committed to increase responsibly sourced ingredients such as fresh milk, palm oil, cocoa, wheat, spices, rice and green coffee.

**c. What percentage of total procurement (by value) does it constitute?**

Your Company engages with small, medium, and micro suppliers under MSME category. About 29% by value is sourced from MSME.

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.**

Not applicable

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not applicable

**6. Details of beneficiaries of CSR Projects:**

S. No	CSR Project/Programme	Number of Persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	Nestlé Healthy Kids Programme (adolescents and parents)	228,900	100%
2	Project Jagriti (direct and indirect)	3,100,000	100%
3	Water	170,000	100%
4	Sanitation	49,000	100%
5	Serve Safe Food	27,000	100%
6	Project Jigyasa	9,500	100%
7	Project Hilldaari	1,100	100%
8	Project Vriddhi	18,000	100%

Your Company's key societal initiatives focus on beneficiaries belonging to vulnerable and marginalized groups, hence almost entire coverage numbers qualify to be included under 'beneficiaries from vulnerable and marginalized groups'.

Your Company operates around the mantra of creating Shared Value and is mindful of the needs of the communities around it. It not only strives to be sustainable with the community but also works to make a positive difference and create maximum value for the society. Your Company has analyzed the value chain and determined that the areas of greatest potential for joint value optimisation with society are Nutrition, Water, Education, Livelihood, Environment and Rural Development. The beneficiaries of societal initiatives from the communities belong to the under privileged sections of the society.

## Principle 9

**Customer/Consumer Value:** Businesses should engage with and provide value to their consumers in a responsible manner.

### Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Your Company has a well-established consumer care and response management system in place to support our consumers with queries, feedback or concerns that they may have. The 24\*7 consumer care set up ensures that your Company is not just meeting the consumer needs at the moment, but also delighting them by building authentic relationships that stand the test of time. Your Company understands that consumers may have different needs, and therefore your Company has created specialized desks with specifically trained people who can manage these requirements related to the products & services. Consumers can reach out at anytime via their preferred channels – phone, email, chat, social media, WhatsApp or website for assistance.

Your Company has adopted Nestlé's consumer contact management policy that helps to deliver a consistent consumer experience across our service channels and geography. Your Company focuses on new technologies, integration and standardization for a delightful consumer experience.

#### 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	60%*
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

\*As a company, we have a large product base with different SKUs. The above figures are reported basis comprehensive review of the key products for the market.

#### 3. Number of consumer complaints in respect of the following:

	15 Months FY ended 31 <sup>st</sup> March 2024 Jan 2023 to March 2024 (Current Financial Year)			FY 2022 Jan to Dec 2022 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	No Data breach incident during the reporting period	0	0	No Data breach incident reported in 2022
Advertising	0	0	No such complaint received during the reporting period	1	0	Observation of the Advertising Standards Council of India was in favour of your Company
Cyber-security	0	0	No such complaint received during the reporting period	0	0	No such complaint received during 2022

	15 Months FY ended 31 <sup>st</sup> March 2024 Jan 2023 to March 2024 (Current Financial Year)			FY 2022 Jan to Dec 2022 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Delivery of essential services	0	0	No such complaint received during the reporting period	0	0	No such complaint received during 2022
Restrictive Trade Practices	0	0	No such complaint received during the reporting period	0	0	No such complaint received during 2022
Unfair Trade Practices	0	0	No such complaint received during the reporting period	0	0	No such complaint received during 2022
Other*	8,376	0	No such complaint pending at the end of the reporting period	5,338	0	No such complaint pending at the end of 2022

\*It includes all consumer queries, product related information & complaints, and services, received through phone, emails, chats, social media or website or Speak Up platform. All complaints are processed as per the internal policies and procedures.

#### 4. Details of instances of product recalls on account of safety issues:

Number of Voluntary recalls	Reason for Voluntary recall	Number of Forced recalls	Reason for Forced recall
Nil	Not Applicable	Nil	Not Applicable

#### 5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, your Company has a cyber security framework in place. In the ever evolving cyber threat landscape, your Company has framework in place that allows the organization to identify, manage & monitor risk based IT controls to protect information and systems. The 'Cyber Security Risk Framework' provides a common set of cyber risk areas to be used across the Nestlé group. Your Company has implemented Information Security Management System that helps to identify, mitigate, monitor and manage risks and controls in cyber space against cyber-attacks, threats and vulnerabilities.

Your Company respects the privacy of individuals and is committed to protect the personal data of its consumers, employees, clients, service providers and other stakeholders. As part of the global initiatives, your Company participates in the following activities:

- The Nestlé Privacy Program and maturity self-assessment;
- Privacy Impact Assessment as part of the privacy-by-design principle;
- Compulsory Data Privacy iLearn module for employees;
- Vendor Privacy Risk Assessment as part of the due diligence;
- Data Ethics as part of the Nestlé Responsible Sourcing Standard;
- Regular internal and external audits.

Your Company is committed to the ethical use of data based on its *Nestlé Corporate Business Principles*: (i) Environmental and Social Wellbeing, (ii) Transparency, (iii) Diversity, Non-Discrimination and Fairness, (iv) Privacy and Security, (v) Accountability and (vi) Technical Robustness. Your Company's commitment to data ethics is reflected in the Nestlé Data Ethics Framework.

Your Company continues to play its part in helping to protect the personal data of its consumers, employees and business partners as per applicable data protection and privacy laws in India, by way of collective actions and engagement with all relevant stakeholders to improve its standards. Your Company takes an active role in the development of the regulations, policies and programs needed to match global standards on Data Privacy and provides awareness and training sessions to the employees from time to time.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

No penalty or action taken by any authority on safety of products/services around issues relating to advertising, cybersecurity and data privacy. Your Company follows global standards and industry best practices to deal with cyber security and data privacy and fully compliant with IT Act, Rules and guidelines thereof; data privacy governance basis existing case laws, guidelines and directions provided from time to time by varied authorities and committed to comply with the Digital Personal Data Protection Act, 2023. Further, cyber incidents reporting as directed by CERT-IN are in place for the organization.

**7. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches
- b. Percentage of data breaches involving personally identifiable information of customers
- c. Impact, if any, of the data breaches

No data breach has been reported during the 15 Months FY ended 31<sup>st</sup> March 2024.

**Leadership Indicators**

**1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Your Company has websites, e-retailers and on ground distribution channels (traditional & Modern trade). Active websites are listed in below table:

Products/Initiative	Link
Corporate Website	<a href="https://www.nestle.in">nestle.in</a>
Brand Website	<a href="https://www.Nescafe.com/IN">Nescafe.com/IN</a>
Brand Website	<a href="https://www.mytoddler.in">mytoddler.in</a>
Brand Website	<a href="https://www.nestle-cereals.com/in">nestle-cereals.com/in</a>
Brand Website	<a href="https://www.nestleprofessional.in">nestleprofessional.in</a>
Brand Website	<a href="https://www.purina.in">purina.in</a>
Brand Website	<a href="https://www.maggi.in">maggi.in</a>
Brand Website	<a href="https://www.enescafe.in">enescafe.in</a>
Brand Website	<a href="https://www.resourcehighprotein.in">resourcehighprotein.in</a>
Brand Website	<a href="https://www.milkmaid.in">milkmaid.in</a>
Brand Website	<a href="https://www.nestlehealthscience.in">nestlehealthscience.in</a>
Direct To Consumer Website*	<a href="https://www.Mynestle.in">Mynestle.in</a>
Corporate Website (Service)	<a href="https://www.Asknestle.in">Asknestle.in</a>

*\*For sale of products manufactured and sold in select geographies of India.*

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Your Company has a 24\*7 consumer service helpline to help inform and educate our consumer on any query or feedback that they may have. All businesses of your Company comply with the regulations and relevant voluntary codes concerning marketing communications, including advertising and promotion. Your Company's communications are aimed at enabling consumers to make informed decisions. Your Company also makes efforts to educate consumers on responsible usage of its products and services.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Your Company has necessary mechanisms in place to inform consumers if any major discontinuation happens which includes information dissemination through website, stock exchange disclosures, publications and social media accounts.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products /services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, your Company provides additional information to help with consumer education and share nutrient profile and other aspects of the product for the benefit of the consumers. While there are mandatory requirements laid down by law to display product related information, your Company takes steps to provide additional information keeping consumer satisfaction and engagement as primary focus. For example, the Guideline Daily Amount (GDA) labelling system is present on front-of-pack of label which provides guidance on the daily energy intake and key defined nutrients to enable consumer to make informed choice at the time of purchase. Additionally, portion guidance is also included on labels to guide consumer on overall responsible consumption of the product as a part of their balanced lifestyle i.e. along with other foods. Your Company also includes "Do not litter" logo as a part of our social responsibility on the packs, to educate consumers. Furthermore, there are wrappers that carry information stating "Designed to be recyclable" to enable a responsible consumer and promote segregation at source.

Your Company continuously carries out consumer surveys to understand consumer feedback, product satisfaction, product preference, brand strength, usage & behavior around categories of interest across consumer segments while measuring their response and satisfaction regularly through the Company's continuous and periodic tracking studies, covering close to 111,000 consumers between the period Jan 2023 to March 2024 through a random sampling approach among target consumers.

## ANNEXURE - 3B TO THE BOARD'S REPORT

### Independent Practitioner's reasonable assurance report on Identified Sustainability Information in Nestle India Limited's Business Responsibility and Sustainability Report (BRSR) for the period January 2023 – March 2024

To the Board of Directors of Nestle India Limited  
Gurugram, Haryana, India

1. We have been engaged to perform a reasonable assurance engagement for Nestle India Limited ('Nestle' or 'the Company') vide our engagement letter dated 10.04.2024, in respect of the agreed sustainability information listed below (the "Identified Sustainability Information") in accordance with the criteria stated below. This Identified Sustainability Information is as included in the Business Responsibility and Sustainability Report (BRSR) of the Company for the period from January 2023 – March 2024.

#### Identified Sustainability Information

2. The Identified Sustainability Information for the period from January 2023 to March 2024 is summarised below:

Attribute	Principle	Key Performance Indicator
Energy footprint	Principle 6 – 1	<ul style="list-style-type: none"> <li>Total energy consumption (in Joules or multiples) and energy intensity</li> <li>% of energy consumed from renewable sources</li> <li>Energy intensity</li> </ul>
Water footprint	Principle 6 – 3	<ul style="list-style-type: none"> <li>Total water consumption</li> <li>Water consumption intensity</li> </ul>
	Principle 6 – 4	<ul style="list-style-type: none"> <li>Water Discharge by destination and levels of Treatment</li> </ul>
Greenhouse (GHG) footprint	Principle 6 – 7	Greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity
Embracing circularity - details related to waste management by the entity	Principle 6 – 9	<ul style="list-style-type: none"> <li>Details related to waste generated by the entity (category wise)</li> <li>Waste intensity</li> <li>Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations</li> <li>For each category of waste generated, total waste disposed by nature of disposal method</li> </ul>
Enhancing Employee Wellbeing and Safety	Principle 3 – 1(c)	Spending on measures towards well-being of employees and workers (including permanent and other than permanent)
	Principle 3 – 11	Safety related incidents: <ul style="list-style-type: none"> <li>Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)</li> <li>Total recordable work-related injuries</li> <li>No. of fatalities</li> <li>High consequence work-related injury or ill-health (excluding fatalities)</li> </ul>
Enabling Gender Diversity in Business	Principle 5 – 3(b)	Gross wages paid to females as % of total wages paid by the entity
	Principle 5 – 7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Attribute	Principle	Key Performance Indicator
Enabling Inclusive Development	Principle 8 – 4	Percentage of input material (inputs to total inputs by value) sourced from suppliers
	Principle 8 – 5	Job creation in smaller towns – Wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the locations, as % of total wage cost
Fairness in Engaging with Customers and Suppliers	Principle 1 – 8	Number of days of accounts payables
	Principle 9 – 7	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events
Open-ness of business	Principle 1 – 9	Details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties

3. Boundary of the report covers Nestle's operations in India which includes the following sites selected for data review and verification:

- (i) Corporate Office, Gurgaon
- (ii) Branch Office at Delhi
- (iii) Branch Office at Mumbai
- (iv) Branch Office at Chennai
- (v) Branch Office at Kolkata
- (vi) Moga, Punjab
- (vii) Choladi, Tamil Nadu
- (viii) Nanjandud, Karnataka
- (ix) Samalkha, Haryana
- (x) Ponda, Goa
- (xi) Bicholim, Goa
- (xii) Pantnagar, Uttarakhand
- (xiii) Tahliwal, Himachal Pradesh
- (xiv) Sananad, Gujarat

4. Our reasonable assurance engagement is with respect to the period from 01 January 2023 to 31 March 2024 information only unless otherwise stated and we have not performed any procedures with respect to earlier periods or any other elements included in the BRSR and, therefore, do not express any opinion thereon.

#### Criteria

5. The criteria used by the Company to prepare the Identified Sustainability Information for the period from 01 January 2023 to 31 March 2024 are the BRSR Core – 'Framework for assurance and ESG disclosures for value chain' and BRSR format, issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') read with SEBI circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023 ("SEBI Circular") and the Guidance note for BRSR read with National Guidelines for Responsible Business Conduct Issued by Ministry of Corporate Affairs ("BRSR Framework") (hereinafter referred to as 'Criteria').

#### Management's Responsibilities

6. The Company's management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations, if any, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the BRSR and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

## Inherent limitations

7. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

## Auditor's Independence and Quality Control

8. We are independent of the Company and have fulfilled our other ethical responsibilities in accordance with the requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants' ('IESBA') and have the required competencies and experience to conduct this assurance engagement.
9. Our firm applies International Standard on Quality Management (ISQM) 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Auditor's Responsibility

10. Our responsibility is to express a reasonable assurance in the form of an opinion on the Identified Sustainability Information based on the procedures we have performed and evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information are prepared, in all material respects, in accordance with the Criteria.
11. A reasonable assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Sustainability Information.
12. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.
13. Given the circumstances of the engagement, in performing the procedures listed above, we:
  - Visited the corporate office at Gurugram and a manufacturing facility at Moga, Punjab for data and document verification;
  - Interviewed senior executives to understand the reporting process, governance, systems and controls in place during the reporting period.
  - Reviewed the records and relevant documentation including information from audited financial statements or statutory reports submitted by the Company to support relevant performance disclosures within our scope.
  - Evaluated the suitability and application of Criteria and that the Criteria have been applied appropriately to the subject matter.
  - Selected key parameters and representative sampling, based on statistical audit sampling tables and agreeing claims to source information to check accuracy and completeness of claims such as source data, meter data, etc.
  - Re-performed calculations to check accuracy of claims,
  - Reviewed data from independent sources, wherever available,
  - Reviewed data, information about sustainability performance indicators and statements in the report.



- Reviewed and verified information/ data as per the BRSR framework;
- Reviewed accuracy, transparency and completeness of the information/ data provided;

#### **Exclusions:**

14. Our reasonable assurance engagement scope excludes the following and therefore we do not express an opinion on the same:
  - Any disclosure other than those mentioned in the Scope section above
  - Data and information outside the defined reporting period
  - Data related to Company's financial performance, strategy and other related linkages expressed in the Report.
  - The Company's statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Company and assertions related to Intellectual Property Rights and other competitive issues.
  - Mapping of the Report with reporting frameworks other than those mentioned in Reporting Criteria above.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

#### **Opinion**

15. Based on the procedures we have performed and the evidence we have obtained, the Identified Sustainability Information included in the BRSR for the period from 01 January 2023 to 31 March 2024 is prepared in all material respects, in accordance with the Criteria.

#### **Restriction on use**

16. Our reasonable assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely, to assist the Company in reporting on the Company's sustainability performance and activities. Accordingly, the Assurance Statement may not be suitable for any other purpose and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any duty of care or liability for any other purpose or to any other party to whom the assurance report is shown or into whose hands it may come without our prior consent in writing.

#### **Grant Thornton Bharat LLP**

Abhishek Tripathi

Partner

Dated: 25<sup>th</sup> April, 2024

Place: Grant Thornton Bharat LLP

Plot No. 19A, 2nd Floor, Sector – 16A,

Noida - 201301,

Uttar Pradesh, India

## Annexure to the reasonable assurance report on BRSR Core

### Final BRSR Core – Jan 2023 to March 2024

#### Principle 6. Question 7 of Essential Indicators

#### 7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric ton of CO <sub>2</sub> Equivalent	231,324	192,678
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric ton of CO <sub>2</sub> Equivalent	Gross: 151,936	Gross: 128,646
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	kgCO <sub>2</sub> e/ million NR	1,579	1,902
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	kgCO <sub>2</sub> e/ million USD @ treasury rate of 83.9	18.8	22.7
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	kgCO <sub>2</sub> e/t	510	538
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity			

Restated data for FY 2022 to align with reporting requirement.

The above numbers are excluding the International Renewable Energy Certificates (IRECs) purchased for grid electricity.

The Scope2 emissions including IRECs:

2023-2024: Net: 0 Metric ton of CO<sub>2</sub>Equivalent

2022: Net: 1,571 Metric ton of CO<sub>2</sub>Equivalent

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. GTBLLP carried out reasonable assurance as per ISAE3000.

#### 3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	850,320	742,999
(ii) Groundwater	2,208,244	1,909,408
(iii) Third party water	174,071	147,825
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal(in kilolitres) (i + ii + iii + iv + v)</b>	<b>3,232,635</b>	<b>2,800,232</b>

Parameter	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
<b>Total volume of water consumption (in kilolitres)</b>	<b>3,232,635</b>	<b>2,800,232</b>
<b>Water intensity per rupee of turnover</b> (Total water consumption / Revenue from operations) kilolitres/million INR	13.32	16.68
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP) kilolitres/million USD @ treasury rate of 83.9	0.16	0.20
<b>Water intensity in terms of physical output</b> - Kiloliters/ton	4.30	4.69
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity		

4. Provide the following details related to water discharged:

Parameter	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of Treatment	403,234	426,193
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of Treatment	123,975	71,757
(v) Others		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
<b>Total water discharged (in kilolitres)</b>	<b>527,209</b>	<b>497,950</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. GTBLLP carried out reasonable assurance as per ISAE3000.

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	955,852	757,833
Total fuel consumption (B)	724,991	570,184
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>1,680,843</b>	<b>1,328,018</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	0	8,160
Total fuel consumption (E)	3,129,350	2,595,546
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non - renewable sources (D+E+F)</b>	<b>3,129,350</b>	<b>2,603,706</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>4,810,193</b>	<b>3,931,723</b>

Parameter	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations) GJ/million INR	19.82	23.42
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) GJ/million USD @ treasury rate of 83.9	0.24	0.28
Energy intensity in terms of physical Output GJ/ton	6.41	6.59
Energy intensity (optional) – the relevant metric may be selected by the entity		

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. GTBLLP carried out reasonable assurance as per ISAE3000.

**9. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
<b>Total Waste generated (in metric tons)</b>		
Plastic waste (A)	2,489	2,237
E-waste (B)	75	44
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	22	14
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	297	36
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	76,335*	56,431*
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>79,218</b>	<b>58,762</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated / Revenue from operations) kg/million INR	326	345
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP) kg/million USD @ treasury rate of 83.9	3.89	4.11
<b>Waste intensity in terms of physical output (kg/ton)</b>	105.48	98.45
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA
<b>For each category of waste generated, total waste recovered through recycling, re-using or</b>		
other recovery operations (in metric ton)		
<b>Category of waste</b>		
(i) Recycled	37,131	26,631
(ii) Re-used	4,419	2,088
(iii) Other recovery operations	37,668	30,044
<b>Total</b>	<b>79,218</b>	<b>58,763</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in</b>		
metric ton)		
<b>Category of waste</b>		
(i) Incineration with energy recovery	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
<b>Total</b>		

\*This data is inclusive of EPR pre-consumer packaging data

**Principle 3 Question 1c)**

**1.c). Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

<b>Parameter</b>	<b>FY 2023 Jan 2023 to March 2024 (Current Financial Year)</b>	<b>FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)</b>
Cost incurred on well- being measures as a % of total revenue of the company	0.13%	0.13%

**11. Details of safety related incidents, in the following format:**

<b>Safety Incident/Number</b>	<b>Category*</b>	<b>FY 2023 Jan 2023 to March 2024 (Current Financial Year)</b>	<b>FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)</b>
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.17	0.72
	Workers	0.21	0.33
Total recordable work-related injuries	Employees	13	15
	Workers	21	11
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	3	1

\*Including in the contract workforce

**Principle 5.**

**3).b) Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	<b>FY 2023 Jan 2023 to March 2024 (Current Financial Year)</b>	<b>FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)</b>
Gross wages paid to females as % of total wages	15%	13%

**7). Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	<b>FY 2023 Jan 2023 to March 2024 (Current Financial Year)</b>	<b>FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)</b>
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	6	1
Complaints on POSH as a % of female employees / workers	0.3%	0.1%
Complaints on POSH upheld	6	1

#### Principle 8.

##### 4) Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Directly sourced from MSMEs/ small Producers	29%	24%
Directly from within India	91%	95%

##### 5) Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Rural	1%	1%
Semi-urban	27%	28%
Urban	19%	19%
Metropolitan	53%	52%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

#### Principle 9.

##### 7. Provide the following information relating to data breaches:

- Number of instances of data breaches :0
- Percentage of data breaches involving personally identifiable information of customers: 0
- Impact, if any, of the data breaches: 0

#### Principle 1.

##### 8. Number of days of accounts payables (Accounts payable \*365) / Cost of goods/services procured) in the following format:

	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Number of days of accounts payables	75	87

## 9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023 Jan 2023 to March 2024 (Current Financial Year)	FY 2022 Jan 2022 to Dec 2022 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	15%	12%
	b. Number of trading houses where purchases are made from	15	15
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	96%	88%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	100%	100%
	b. Number of dealers / distributors to whom sales are made	2122*	2030*
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	15.0%	14.3%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	2.4%	2.4%
	b. Sales (Sales to related parties / Total Sales)	2.4%	2.4%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d. Investments (Investments in related parties / Total Investments made)	0	0

\*(including GT, Chilled, NHS, OT Indirect, NP)

## ANNEXURE - 4 TO THE BOARD'S REPORT

### FORM NO. MR – 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR FROM 1<sup>ST</sup> JANUARY 2023 TO 31<sup>ST</sup> MARCH 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members,**

**Nestlé India Limited**

**CIN: L15202DL1959PLC003786**

100/101, World Trade Centre, Barakhamba Lane, New Delhi -110001

We have conducted Secretarial Audit of compliance with the applicable statutory provisions and adherence to good corporate practices by **Nestlé India Limited** (hereinafter called 'the Company') for the **Financial Year from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books and papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024** complied with statutory provisions listed hereunder and also, that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the **Financial Year from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024** according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **Not applicable to the extent of Overseas Direct Investment and External Commercial Borrowings as there were no reportable events during the financial year under review.**
- (v) The following Regulations and Guidelines prescribed under the **Securities and Exchange Board of India Act, 1992 ('SEBI Act')**:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable as the Company has not issued any shares during the year under review;**
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 – **Not applicable as the Company has not issued any shares/ options to directors/ employees during the year under review;**
  - e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; – **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review;**
  - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – **Not applicable as the Company has not delisted/ proposed to delist its equity shares during the year under review;**
  - g) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 – **Not applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review; and**
  - h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021- **Not Applicable as the Company has not issued and listed Non-convertible securities during the financial year under review.**



- (vi) The management has identified and confirmed the following laws as being specifically applicable to the Company:
- Food Safety and Standards Act, 2006, rules and regulations thereunder;
  - Legal Metrology Act, 2009, rules and regulations thereunder;
  - Infant Milk Substitutes, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Act, 1992 and rules thereunder (Local Infant Code);
  - Bureau of Indian Standards (BIS) Act, 2016;

We have also examined compliance with the applicable clauses/ regulations of the following:

- Secretarial Standards with respect to Meetings of Board of Directors (**SS-1**) and General Meetings (**SS-2**) issued by the Institute of Company Secretaries of India;
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement entered into with the BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with provisions of the Act, Rules, applicable Regulations, Guidelines, Standards etc. mentioned above.

**We report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including Women Directors. The changes in the composition of Board of Directors that took place during the year under review, were carried out in compliance with the provisions of the Act;
- Adequate notice is given to all Directors to schedule Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance before the meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- All the decisions of the Board and Committees thereof were carried through with requisite majority.

**We further report that** based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

**We further report that** during the review period, following events/action having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. above have taken place.

- The equity shares of the Company were listed and admitted to dealing on National Stock Exchange of India Limited (NSE) with effect from 1<sup>st</sup> August 2023;
- The Board of Directors in its meeting held on 27<sup>th</sup> July 2023 approved the change of financial year of Company to a period commencing from 1<sup>st</sup> April and ending on 31<sup>st</sup> March of the following year. Consequently, the current financial year commencing from 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023 was extended for a period of 3 months to end on 31<sup>st</sup> March 2024;
- The Scheme of Arrangement between the Company and its members under the provisions of Sections 230-232 of the Companies Act, 2013 for transfer of entire balance of ₹ 8,374.3 million, standing to the credit of General Reserves to Retained Earnings of the Company, approved by Board of Directors and the Members of the Company, received approval of the National Company Law Tribunal on 15<sup>th</sup> September 2023; and
- Subsequent to the approval of the members of the Company, by means of Postal Ballot on 8<sup>th</sup> December 2023 for the sub-division of 1 (One) fully paid-up equity share of face value of ₹ 10/- (Rupees Ten only) each into 10 (Ten) fully paid-up equity shares of face value of ₹ 1/- (Rupee one only) each, the said sub-division was implemented on 5<sup>th</sup> January 2024.

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

For **S. N. ANANTHASUBRAMANIAN & Co.**  
Company Secretaries  
ICSI Unique Code: P1991MH040400  
Peer Review Cert. No.: 5218/2023

**S. N. Ananthasubramanian**  
Founding Partner

Date: 25<sup>th</sup> April 2024  
Place: Thane

FCS: 4206 I COP No. : 1774  
ICSI UDIN: F004206F000232412

To,  
**The Members,**  
**Nestlé India Limited**  
**CIN: L15202DL1959PLC003786**  
100/101, World Trade Centre, Barakhamba Lane, New Delhi -110001

Our Secretarial Audit Report for the financial year from **1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024** of even date is to be read along with this letter.

### Management's Responsibility:

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility:

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or Records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.
6. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### Disclaimer:

7. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
8. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For **S. N. ANANTHASUBRAMANIAN & Co.**

Company Secretaries  
ICSI Unique Code: P1991MH040400  
Peer Review Cert. No.: 5218/2023

**S. N. Ananthasubramanian**

Founding Partner

FCS: 4206 I COP No. : 1774  
ICSI UDIN: F004206F000232412

Date: 25<sup>th</sup> April 2024

Place: Thane

## ANNEXURE - 5 TO THE BOARD'S REPORT

Information as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 forming part of the Board's Report for the fifteen months financial year ended 31<sup>st</sup> March 2024:

### A CONSERVATION OF ENERGY

#### (a) Steps taken or impact on conservation of energy:

Your Company continued to accelerate its sustainability efforts during the fifteen months financial year ended 31<sup>st</sup> March 2024, even though it was challenging year. Keeping people safe and ensuring consumers have access to the Company's foods and beverages has remained central to your Company's activities across the country. As part of long-term sustainability, your Company ensures that the products, packaging and operations are safe for employees, consumers and the environment. Your Company ensures this with a focus on technologies, processes and improvements that matter for the environment. At Nestlé, sustainability inspires and guides everything your Company does. Moreover, your Company gives highest priority to ensure environmental friendly practices at all factories and offices. These include reduction in power consumption, optimal water consumption, switching to green energy, eliminating excess use of paper and using eco-friendly products.

As in the past, your Company continued to stress upon measures for the conservation and optimal utilisation of energy in all the areas of operations, including those for energy generation and effective usage of sources/equipment used for generation. Within your Company, there are continuous efforts towards improving operational efficiencies, minimizing consumption of natural resources and reducing water, energy & CO<sub>2</sub> emissions while maximizing production volumes.

Your Company has scaled up renewable energy projects across all factories resulting in reduction of emission intensity by 55.9% in last six years (vs 2018 baseline). It has installed biomass boilers in Nanjangud, Moga and Sanand factories for steam generation reducing GHG (Green House Gases) emissions. Your Company has also eliminated usage of coal from eight factories.

Your Company has taken a significant step towards water conservation projects across all factories reducing the water withdrawal intensity by 27.4% vs 2018 baseline. Your Company is harnessing technology and leveraging digital infrastructure to have strong governance on water consumption. Over the years, there has been a huge focus on the reuse and recycle of water within factory, for e.g. recycle of water extracted from milk evaporation has helped to reduce ground water consumption.

At the factories, there has been continuous efforts to minimize consumption of natural resources and water usage, reduction in energy and CO<sub>2</sub> emissions while maximizing production volumes. Over the last 15 years (~2008 - 2024) on an average, for every ton of production, your Company reduced the usage of energy by around 29%, water usage by around 46% generation of wastewater by around 60% and specific direct Green House Gas emissions by 61%.

During the period under review, various energy reduction projects were undertaken by the factories of your Company which will result in substantial annualized savings of approximately 50,000 Gigajoules ("GJ") and expected to be realized in coming years. Some of the projects undertaken at different factory locations include flash steam heat recovery from condensate; automation of burners in boiler operations; steam consumption optimization in steamers; electricity consumption optimization; optimization of compressed air operations.

During the period under review, your Company continued to manage water resources by improving efficiencies and helping to restore natural resources by water reduction projects initiated in different factory locations. These initiatives resulted in reduction in water consumption and reuse of recycled water in a more efficient manner. The projects undertaken will result in savings of approximately 125,000 m<sup>3</sup> and expected to be realized in the coming years. One of the key initiatives contributing to water savings during the fifteen months period ended 31<sup>st</sup> March 2024 was increasing the utilization of treated effluent after polishing through high technology Reverse Osmosis plant. Your Company will continue to work to achieve good water resources management throughout operations. Your Company is supporting regenerative farming that aims to improve soil health and soil fertility, as well as protecting water resources and diversity.

## (b) Additional Investment:

Your Company has been making investments over last many years on energy conservation equipment and to utilize alternate source of energy. Some of the proposals, which are initiated for implementation during the fifteen months financial year ended 31<sup>st</sup> March 2024 in different factory locations are as hereunder:

- Use of biomass for steam generation;
- Investment in improving plant efficiencies for generation as well as usage;
- Investment in the solar energy by entering into Solar Power Purchase Agreement (PPA);
- Investment in second stage Reverse Osmosis plant to increase recovery; and
- Investment in other renewable energy sources and heat recovery projects.

## (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

During the years, at the factories there have been continuous efforts to improve operational efficiencies, minimizing consumption of natural resources and reducing water, energy and CO<sub>2</sub> emissions while maximizing production volumes.

As a result, during the period under review, the specific energy consumption reduced from 6.59 GJ/ton to 6.36 GJ/ton (reduction of 3.34 %) and specific GHG emission reduced from 325 Kg CO<sub>2</sub> eq per ton to 306 Kg CO<sub>2</sub> eq per ton (reduction of 5.85 %). These GHG emission intensity includes the benefit of purchase of International renewable certificates.

During the period under review, your Company initiated a major shift in thermal energy production by moving towards biomass boilers for steam generation which helps reduce 120,000 tons CO<sub>2</sub> & shall be fully realized in coming years. Following are the significant projects initiated during the period under review and progress to be completed by 2024-25:

- Biomass boilers in Nanjangud and Moga.
- Replacement of furnace oil with natural gas for air heaters in Moga.

## (d) Projects planned or initiated for further improvement in energy and water consumption are: Continuous Energy initiatives in different factory locations:

- Plant efficiency improvement for generation as well as usage; and
- Digital tools to optimize compressed air, steam consumptions.

Continuous Water Initiatives in different factory locations:

- Investment in second stage Reverse Osmosis plant to increase recovery; and
- Increase recycling of Effluent Treatment after polishing through RO plant.

Continuous Initiatives to reduce GHG emissions in different factory locations:

The Company plans to reduce around 120,000 Tons of GHG in next two to three years. Some of the key renewable energy projects that contributed to reduction in GHG emissions are:

- Use of biomass for steam generation.
- Replace furnace oil with natural gas for air heaters.

## B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption are furnished below:

### Research and Development (R&D):

#### 1. Specific areas in which R&D carried out by the Company

Your Company, as a part of Nestlé Group and under the General Licence Agreements, has access to and advantage of drawing from the extensive central R&D efforts and activities of the Nestlé Group. The R&D organization of Nestlé Group has over 4000 R&D experts across more than 23 facilities worldwide and Nestlé

Group invests over CHF 1.7 billion every year. It is uniquely placed to advance purpose driven innovation across all product categories of your Company or elsewhere around the world. R&D organisation has an extensive infrastructure and state-of-the-art facilities along with broad and deep expertise in plant science, food science, nutrition, food safety, culinary matters, regulatory matters, manufacturing and packaging.

Nestlé Group, therefore, provides an access to its unique ability to discover, develop, innovate and renovate products and solution that are produced with careful consideration for natural resources and social impacts, contributing towards advancing re-generative food systems at scale while ensuring quality and safety of products.

It has therefore been possible for your Company to focus its efforts on testing and modification of products for local conditions. Improving and maintaining the quality of certain key raw materials also continued to receive close attention.

## 2. *Benefits derived as a result of the above R&D*

The ability to leverage the R&D expertise and knowledge of Nestlé Group, has helped your Company to innovate and renovate, manufacture high quality and safe products, improve yields, input substitution and achieve more efficient operations. Consequently, the consumers perceive the products of your Company as a high value for their money.

## 3. *Future plan of action*

Steps are continuously being taken for innovation and renovation of products including new product development, faster introduction of new products in the market, improvement of packaging and enhancement of product quality/ profile, to offer better products at relatively affordable prices to the consumers.

## 4. *Expenditure on R&D*

Your Company benefits from the extensive centralised R&D activity and expenditure of the Nestlé Group, at an annual outlay of over CHF 1.7 billion. Expenditure incurred by the Company, in the nature of R&D are primarily relating to testing and modifying of products for local conditions, are as under:

	(₹ in millions)
a) Capital	75.6
b) Recurring	402.2
c) <b>Total</b>	<b>477.8</b>
d) Total as a percentage of total turnover	0.28%

Your Company saves significant amount of R&D expenditure by having access to and advantage of drawing from the extensive central R&D efforts and activities of the Nestlé Group under the General Licence Agreements.

## **Technology absorption:**

### 1. *Efforts, in brief, made towards technology absorption*

As a result of the Company's ongoing access to the global technology from Nestlé Group, Switzerland, your Company absorbs and adapts the technologies on a continuous basis to meet its specific needs from time to time.

### 2. *Benefits derived as a result of the above efforts*

Product innovation and renovation, improvement in yield, product quality, input substitution, cost effectiveness, energy conservation and product developed and produced with careful consideration for natural resources and social impacts, contributing towards advancing re-generative food systems at scale, are the some of the major benefits derived.

### 3. *Imported Technology*

All the food products manufactured and/ or sold by the Company are by virtue of the imported technology received on an ongoing basis from the Nestlé Group. Technology transfer has to be an ongoing process and not a one-time exercise, for the Company to remain competitive and offer high quality and value for money products to the consumers. This has been secured by your Company under the General Licence Agreements

with Nestlé Group and provides access for licence to use the technology and improvements thereof, for the product categories, manufactured/ sold by the Company, on a continuous basis.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

*(a) Activities relating to exports; initiatives taken to improve the exports; development of new export market for products and export plans:*

Members are requested to refer page no. 15 which forms an integral part of this Report.

*(b) Total foreign exchange used and earned:*

During the year under review, your Company had earnings from exports of ₹ 9,748.6 million comprising foreign exchange earnings of ₹ 6,216.9 million and export to Nepal and Bhutan in Rupees amounting to ₹ 3,531.7 million.

Foreign exchange outgo of ₹ 46,923.7 million: on account of imports, expenditure on travelling, general licence fees, etc. and remittances made to non-resident shareholders on account of dividend.

**On behalf of the Board of Directors**

**Suresh Narayanan**

Chairman and Managing Director

Date : 25<sup>th</sup> April 2024

Place : Gurugram

## ANNEXURE - 6 TO THE BOARD'S REPORT

### Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i. The ratio of the remuneration of each director<sup>#</sup> to the median remuneration of the employees of the Company for the fifteen months financial year ended 31<sup>st</sup> March 2024:

Name of Director	Designation	Ratio to median remuneration of the employees*
Mr. Suresh Narayanan	Chairman and Managing Director	133:1
Ms. Svetlana Boldina <sup>A</sup>	Executive Director - Finance & Control and CFO	44:1
Mr. Satish Srinivasan <sup>B</sup>	Executive Director -Technical	Not Comparable

\*Employees for the above purpose includes all employees excluding employees governed under collective bargaining.

<sup>A</sup> Appointed w.e.f. 1<sup>st</sup> March 2023.

<sup>B</sup> Appointed w.e.f. 1<sup>st</sup> July 2023.

<sup>#</sup> The details with regard to Independent Non-Executive Directors are not applicable as they have not received any remuneration except sitting fees for attending Board/ Committee meetings and commission.

- ii. The % increase in remuneration of each director<sup>#</sup>, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the fifteen months financial year ended 31<sup>st</sup> March 2024:

Name of Employee	Designation	% increase in remuneration <sup>@</sup>
Mr. Suresh Narayanan	Chairman and Managing Director	16%
Ms. Svetlana Boldina <sup>A</sup>	Executive Director - Finance & Control and CFO	Not Comparable
Mr. Satish Srinivasan <sup>B</sup>	Executive Director -Technical	Not Comparable
Mr. Pramod Kumar Rai	Company Secretary and Compliance Officer	12%

<sup>#</sup> The details with regard to Independent Non-Executive Directors are not applicable as they have not received any remuneration except sitting fees for attending Board/ Committee meetings and commission.

<sup>A</sup> Appointed w.e.f. 1<sup>st</sup> March 2023.

<sup>B</sup> Appointed w.e.f. 1<sup>st</sup> July 2023.

<sup>@</sup>The Company's financial year has been extended upto 31<sup>st</sup> March 2024 i.e. commencing from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024 (a period of 15 months), the percentage increase in the remuneration, wherever mentioned, has been indicated on a 12-months basis, to make it comparable.

- iii. The % increase in the median remuneration of employees in the fifteen months financial year ended 31<sup>st</sup> March 2024: 12%
- iv. The number of permanent employees on the rolls of the Company: 8,736
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: The median percentage increase made in the salaries of employees other than the managerial personnel was 12%. The increases are a function of the Company's market competitiveness within its comparator group as ascertained through the detailed salary benchmarking survey the Company undertakes annually and reflects the Company's reward philosophy.
- vi. The key parameters for any variable component of remuneration availed by the directors: Variable Component is a critical element of Total Rewards and delivers value for employees who deliver tangible results for the business, against agreed targets. Employees including key managerial personnel, annual short-term bonus is linked to both Company and Individual Performance.
- vii. It is hereby affirmed that the remuneration is as per the Nomination and Remuneration Policy of the Company.

**On behalf of the Board of Directors**

Date : 25<sup>th</sup> April 2024  
Place : Gurugram

**Suresh Narayanan**  
Chairman and Managing Director









**Jai Gupta**  
Senior Brand Manager - NESCAFÉ,  
Gurugram



**Pravas Barui**  
Senior Nutrition Officer, Kolkata



**Manoj Upadhyay**  
Manager - Warehouse, Tahliwal



**Harpatap Singh Sindhu**  
Manager - Corporate Affairs,  
Gurugram



**Suyash Shet Tanawade**  
Safety Officer, Ponda



**Francis Gogoi**  
Senior Global Manager - Learning & Technology,  
Gurugram



**Ancy Varghese**  
Lead - Talent Acquisition & Youth,  
Gurugram



**James Shamik Biswas**  
Area Manager - Nutrition, Kolkata