

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

15th 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 65th Annual General Meeting ("65th AGM") and the Annual Report for the fifteen months financial year ended 31st March 2024 ("Annual Report 2023-24"); and**
- 2. Intimation of cut-off date of 1st July 2024 to determine the eligibility of the members to cast their vote through remote e-Voting and e-Voting during the 65th AGM.**

Dear Madam/ Sir,

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

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

In conformity with the applicable regulatory requirements, electronic copy of the Notice of the 65th 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 65th AGM and the Annual Report 2023-24 are also being uploaded on the website of the Company at www.nestle.in and National Securities Depository Limited at 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 1st 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 65th AGM to be convened on Monday, 8th July 2024 through VC/ OAVM facility.

This is for your information and record.

Thanking you,

Yours truly,

NESTLÉ INDIA LIMITED

PRAMOD Digitally signed by
PRAMOD KUMAR RAI
KUMAR RAI Date: 2024.06.15
23:16:31 +05'30'

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, Website: www.nestle.in

Phone: 011 - 2341 8891

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTY FIFTH ANNUAL GENERAL MEETING ("65TH AGM") OF THE MEMBERS OF NESTLÉ INDIA LIMITED ("the Company") will be held on Monday, 8th 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 31st March 2024 including Balance Sheet as at 31st 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 31st 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 55th Annual General Meeting of the Company held on 12th 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 12th 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 12th June 2024, to hold office for a term of five consecutive years i.e. upto 11th 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 8th 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 : 12th June 2024

Place : Gurugram

Registered Office:

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

Email: investor@in.nestle.com Website: 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 25th April 2024 and 12th June 2024 considered that the special business under Item Nos. 4 to 7 being considered unavoidable, be transacted at the 65th Annual General Meeting (65th 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 5th May 2020, 28th December 2022 and 25th 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 7th 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 65th 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 65th AGM shall be the Registered Office of the Company.
3. In terms of the MCA Circulars, the Notice of the 65th AGM and Annual Report for the fifteen months financial year ended 31st March 2024, will be available on the Company's website (www.nestle.in); BSE Limited (www.bseindia.com); National Stock Exchange of India Limited (www.nseindia.com); and National Securities Depository Limited ("NSDL") (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 65th 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 65th AGM through VC/ OAVM facility and e-Voting during the 65th AGM. As the 65th 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 65th AGM and facility for those members participating in the 65th AGM to cast vote through remote e-Voting system during the 65th AGM. For this purpose, NSDL will be providing facility for voting through remote e-Voting, for participation and remote e-Voting in the 65th AGM through VC/ OAVM facility and remote e-Voting during the 65th 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 65th 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 65th AGM and the Company may close the window for joining the VC/ OAVM facility 30 minutes after the scheduled time to start the 65th 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 65th AGM without any restriction on account of first-come-first-serve basis.
8. Attendance of the members participating in the 65th 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 65th 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 31st 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 31st March 2024 may send a request to the Company's email address at 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 65th AGM, the Annual Report for the fifteen months financial year ended 31st 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 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 7th May 2024 read with SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated 10th 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 1st 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 11th 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 latest by Monday, 15th 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 31st March 2024 that is proposed to be paid on and from 6th August 2024, subject to the approval of the members at the 65th AGM. The record date for determining the entitlement of the members to the final dividend is 16th July 2024. For information of the members, during the fifteen months financial year ended 31st 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 8th May 2023, 16th November 2023 and 5th 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. For details, members may refer to the "Communication on Tax Deducted at Source (TDS) on Dividend Distribution" appended to this Notice of the 65th 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 31st 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. 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 31st 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 65th 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 65th 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 65th AGM. During the 65th 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 65th AGM, forms an integral part of the Notice of the 65th AGM. Requisite declarations have been received from the Directors seeking appointment/ re-appointment.
23. General instructions for accessing and participating in the 65th 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 5th July 2024 (9:00 A.M. IST) and end on 7th 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. 1st 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 65th 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 9th 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>Users registered for NSDL IDeAS facility:</p> <ol style="list-style-type: none"> Visit the e-Services website of NSDL i.e. https://eservices.nsdl.com 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. 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. 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 & voting during the meeting. <p>Users not registered for NSDL IDeAS facility:</p> <p>Option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>e-Voting website of NSDL</p> <ol style="list-style-type: none"> 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. 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. 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 & voting during the meeting. <p>e-Voting mobile application of NSDL</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>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>

Type of Members	Login Methods
Individual members holding securities in demat mode with CDSL	<p>Existing users who have opted for Easi/ Easiest</p> <ol style="list-style-type: none"> Login through their User ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest is www.cdslindia.com and click on login icon & My Easi New (Token) tab, and then use their existing Easi/ Easiest username & password. 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>Users not registered for Easi/ Easiest</p> <p>Option to register is available at www.cdslindia.com and click on login & My Easi New (Token) tab and then click on registration option</p> <p>Visit the e-Voting website of CDSL</p> <ol style="list-style-type: none"> Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. 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.
Individual members (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> Members can also login using the login credentials of their demat account through their Depository Participant registered with NSDL/ CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository website after successful authentication, wherein you can see e-Voting feature. 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

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 evoting@nsdl.com 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 helpdesk.evoting@cdslindia.com 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:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
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.
 - ii. "Physical User Reset Password?" (If you are holding shares in physical form) option available on 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 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.nsdl.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.nsdl.com or send a request to Ms Pallavi Mhatre, Senior Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, at the designated email address: evoting@nsdl.com or 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.

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.
- 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.
- 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 for procuring User ID and password for e-Voting by providing above mentioned documents.
- e) In terms of SEBI Circular dated 9th 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 65th AGM through VC/ OAVM are as under:

- a) The members will be provided with a facility to attend the 65th 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 65th 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 65th 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 at least 48 hours in advance before the start of the meeting i.e. by 6th 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 65th AGM with regard to the financial statements or any other matter to be placed at the 65th 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 at least 48 hours in advance before the start of the meeting i.e. by 6th 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 65th 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 65th AGM.
- g) Institutional investors who are members of the Company, are encouraged to participate in the 65th 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 65th 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 65th AGM are as under:

- a) Members may follow the same procedure for e-Voting during the 65th AGM as mentioned above for remote e-Voting.
- b) Only those members, who will be present in the 65th 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 65th AGM.
- c) Members who have cast their vote by remote e-Voting prior to the 65th AGM can participate in the 65th 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 65th 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, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, at the designated email address: evoting@nsdl.com or 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.

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. 1st 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 65th AGM by email and holds shares as on the cut-off date i.e., 1st July 2024, may obtain the User ID and password by sending a request to the Company's email address at 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.
- 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 65th AGM.
- d) During the 65th AGM, the Chairman shall, after response to the questions raised by the members in advance or as a speaker at the 65th AGM, formally propose to the members participating through VC/ OAVM facility to vote on the resolutions as set out in the Notice of the 65th 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 65th 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 65th AGM, first download the votes cast at the 65th 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 and on the website of NSDL at 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 25th 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 65th AGM for ratification of remuneration payable to the Cost Auditors for the financial year ending 31st 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 65th AGM for approval of the members of the Company.

Item No. 5

The members of the Company at their 55th Annual General Meeting held on 12th 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 65th 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 12th 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 12th June 2024 to 11th 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 12th 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.

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 12th June 2024 to 11th 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 65th 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 65th 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 65th 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 1st 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. 1st 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 1st 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.

- 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. 1st July 2019:

In terms of amended Regulation 23 of the Listing Regulations, the members of the Company had at their 60th Annual General Meeting held on 25th 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 1st 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 24th 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 5th 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 1st July 2024, by way of an Ordinary Resolution ("Royalty Revision Proposal") through Postal Ballot. The members voted on the Ordinary Resolution between 18th April 2024 to 17th May 2024, through remote e-Voting facility provided

by the Company. The e-Voting concluded on 17th May 2024. As per the e-Voting results declared by the Company on 17th 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 65th 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 12th 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.

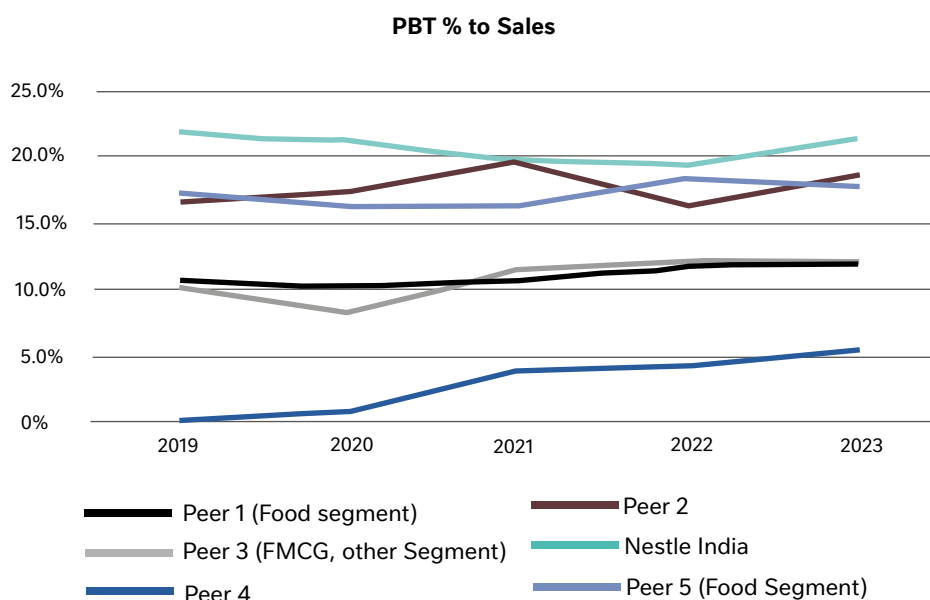
In light of the comprehensive GLAs and incremental benefits, weighted average rate of Nestlé Group's comparable markets (constituting markets such as Malaysia, Nigeria etc.) is over 6.5%.

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 65th 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 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 11th July 2023.