

## 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: 011-23418891



Good Food, Good Life

### Postal Ballot Notice

[Pursuant to Section 110 and Section 108 of the Companies Act, 2013, Rule 22 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and applicable Circulars issued by the Ministry of Corporate Affairs, Government of India]

<b>E-VOTING COMMENCES ON:</b>	<b>E-VOTING CONCLUDES ON:</b>
<b>Thursday, 18<sup>th</sup> April 2024 at 9:00 A.M. (IST)</b>	<b>Friday, 17<sup>th</sup> May 2024 at 5:00 P.M. (IST)</b>

Dear Member(s),

**NOTICE** is hereby given that pursuant to the provisions of Section 110 and Section 108 of the Companies Act, 2013 (**"the Act"**), including any statutory modification(s) or re-enactment(s) thereof for the time being in force and other applicable provisions, if any, of the Act read with Rule 22 and Rule 20 of the Companies (Management and Administration) Rules, 2014 (**"the Rules"**) and the General Circular Nos. 14/2020 dated 8<sup>th</sup> April 2020, 17/2020 dated 13<sup>th</sup> April 2020, 9/2023 dated 25<sup>th</sup> September 2023 and other relevant circulars issued by the Ministry of Corporate Affairs, Government of India (**"MCA"**) (hereinafter collectively referred to as **"MCA Circulars"**), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**), Secretarial Standard on General Meetings (**"SS-2"**) issued by the Institute of Company Secretaries of India (**"ICSI"**), each as amended and pursuant to other applicable laws and regulations, resolutions as set out in this Postal Ballot Notice (**"Notice"**), are proposed to be passed by the members of Nestlé India Limited (**"the Company"**) through postal ballot (**"Postal Ballot"**) only by way of remote e-voting (**"remote e-Voting"**) facility.

In compliance with MCA Circulars, this Notice is being sent only through electronic mode to those members whose e-mail address is registered with the Company/ Depository Participant(s) as on Friday, 12<sup>th</sup> April 2024 (**"Cut-off date"**). If any member's e-mail address is not registered or updated with the Company/ Depository Participant(s), they may follow the process provided in the Notes hereunder to receive the Notice, login ID and password for remote e-Voting. Members are requested to read the instructions given in the Notes under the section "Voting through Electronic Means" of the Notice. The communication of the assent or dissent of the members would only take place through the remote e-Voting facility.

An Explanatory Statement pursuant to Section 102, 110 and other applicable provisions of the Act read with the Rules, pertaining to the resolutions setting out the material facts and the reasons/ rationale thereof, is appended and forms part of the Notice. Pursuant to Rule 22(5) of the Rules, the Board of Directors (**"Board"**) of the Company, vide resolution dated 5<sup>th</sup> April 2024, has appointed Mr Abhinav Khosla, Chartered Accountant (Membership No. 087010), Partner of M/s. SCV & Co. LLP, Chartered Accountants, as the Scrutinizer (**"Scrutinizer"**) for conducting the Postal Ballot through remote e-Voting process in a fair and transparent manner.

The remote e-Voting period commences at 9:00 A.M. (IST) on Thursday, 18<sup>th</sup> April 2024 and concludes at 5:00 P.M. (IST) on Friday, 17<sup>th</sup> May 2024, thereafter, the remote e-Voting module will be disabled and voting shall not be allowed beyond the said time.

#### SPECIAL BUSINESS

1. 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"**) read with 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), 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"**), the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Ms Suneeta Reddy (DIN: 00001873), who was appointed as an Additional Director and Independent Non-Executive Director of the Company with effect from 5<sup>th</sup> April 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 she 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 proposing her candidature for the office of Director, be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, with effect from 5<sup>th</sup> April 2024, to hold office for a term of five consecutive years i.e. upto 4<sup>th</sup> April 2029.

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

RESOLVED that pursuant to Regulation 23 and other applicable provisions, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"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 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 not exceeding 5.25%, 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"**), 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 effective from 1<sup>st</sup> July 2024, 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.

RESOLVED FURTHER that the Board of Directors of the Company (including its Committee 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 5.25%, 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 1<sup>st</sup> July 2024.

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

By Order of the Board  
For Nestlé India Limited

Sd/-

**Pramod Kumar Rai**  
**Company Secretary & Compliance Officer**  
(Membership No.: F4676)

**Place:** Gurugram

**Date:** 5<sup>th</sup> April 2024

**Registered Office:**

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

**Email:** investor@in.nestle.com **Website:** www.nestle.in

**CIN:** L15202DL1959PLC003786

#### NOTES:

1. The explanatory statement (“Explanatory Statement”) pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out all material facts concerning the proposed Resolutions in the accompanying Notice, is annexed hereto.
2. In conformity with the applicable regulatory requirements and MCA Circulars, the Notice is being sent only through electronic mode to those members whose names appear in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories, as on Friday, 12<sup>th</sup> April 2024 (“Cut-off date”) and who have registered their e-mail address with the Company or Depository Participant(s). Members may note that this Notice will also 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).
3. In compliance with Section 110 and Section 108 of the Act and Rules made thereunder, the Company has appointed NSDL to provide the remote e-Voting facility to the members to exercise their votes electronically. The instructions for electronic voting are annexed to this Notice.
4. Voting rights of the members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on the Cut-off date. Only those members whose names appear in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date will be entitled to cast their votes by remote e-Voting.
5. The remote e-Voting period commences at 9:00 A.M. (IST) on Thursday, 18<sup>th</sup> April 2024 and concludes at 5:00 P.M. (IST) on Friday, 17<sup>th</sup> May 2024 (“remote e-Voting period”), thereafter remote e-Voting module will be disabled by NSDL, and e-Voting shall not be allowed beyond the said time. During this remote e-Voting period, members of the Company holding shares either in physical form or in demat form, as on the Cut-off date may cast their vote electronically. Once members cast their vote on the resolutions, they will not be allowed to change it subsequently.
6. Members who have not registered/ updated their e-mail address with the Company or Depository Participant(s), may complete the e-mail registration process as detailed below:
  - i) Members holding shares in physical form and whose KYC details including e-mail address are not registered/ updated with the Company, may register/ update their KYC details including e-mail address 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 (such as Aadhaar Card, Driving Licence, Election Identity Card, Passport etc.) in support of the address of the member and such other documents as prescribed in the Form ISR-1, by sending an e-mail at investor@in.nestle.com followed by sending the physical copy of the same through post at the Registered Office of the Company; and
  - ii) Members holding shares in demat form can update their e-mail address with their Depository Participant(s).
7. All documents referred to in the accompanying Notice and the 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, up to the closure of remote e-Voting period i.e., Friday, 17<sup>th</sup> May 2024.
8. 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 to ensure that votes cast through the remote e-Voting module are in a fair and transparent manner.
9. 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, on or before Monday, 20<sup>th</sup> May 2024. The declared Results along with the Scrutinizer’s Report will be submitted to BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”); 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. NSDL, engaged by the Company to facilitate remote e-Voting, will also display the Results on its website at www.evoting.nsdl.com.
10. Resolution passed by the members through Postal Ballot is deemed to have been passed as if the same was passed at a general meeting of the members convened in that regard on the last date specified for remote e-Voting period i.e., Friday, 17<sup>th</sup> May 2024.
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/2023/70 dated 17<sup>th</sup> May 2023, as amended from time to time, has mandated furnishing of PAN linked with Aadhaar, KYC details (i.e., postal address with PIN code, e-mail address, mobile number, bank account details, etc.) and nomination by holders of securities. 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 Documents and effective from 1<sup>st</sup> April 2024 any payment of dividend shall only be made in electronic mode to such members. For members who hold shares in demat form, they should keep their bank details, e-mail address, postal address, contact number and nomination details updated in their demat account(s) maintained with Depository Participant(s).

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

Members may refer to SEBI Master Circular, relevant Investor Service Request 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. SEBI vide its Master Circular SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated 11<sup>th</sup> August 2023, has introduced Online Dispute Resolution (ODR), which is in addition to the existing SCORES platform which can be utilized by the investors and the Company for dispute resolution. Please note that the investors can initiate dispute resolution through the ODR portal only after exhausting the option to resolve dispute with the Company and on the SCORES platform.

## VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Section 110 and Section 108 of the Act, Rule 22 and Rule 20 of the Rules, Regulation 44 of the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December 2020 and SS-2 issued by the ICSI, the Company is pleased to provide remote e-Voting facility to all its members, to enable them to cast their votes electronically. The Company has engaged the services of NSDL.

The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Access to NSDL e-Voting system.

Step 2: Cast your vote electronically on NSDL e-Voting system.




**Details on Step 1 are given below:**

### A) Login method for e-Voting for Individual members holding securities in demat form

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 equity shares in demat form is given below:

Type of members	Login Method
Individual members holding securities in demat form with NSDL	<p><b>Users registered for NSDL IDeAS facility:</b></p> <ol style="list-style-type: none"> <li>a) Visit the e-Services website of NSDL i.e., <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> on the web browser either on a personal computer or on a mobile device. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section.</li> <li>b) 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 section. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page.</li> <li>c) 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.</li> </ol> <p><b>Users not registered for NSDL IDeAS facility:</b> Option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p><b>e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>a) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.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 “<b>Login</b>” which is available under ‘<b>Shareholder/ Member</b>’ section.</li> <li>b) 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 website wherein you can see e-Voting page.</li> <li>c) 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.</li> </ol> <p><b>e-Voting mobile application of NSDL</b></p> <p>Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p>

	<p><b>NSDL Mobile App is available on</b></p>   
Individual members holding securities in demat form with Central Depository Services (India) Limited ("CDSL")	<p><b>Existing users who have opted for CDSL Easi/ Easiest facility</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 facility</b> 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 an e-Voting link available on <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; e-mail as recorded in the demat Account.</p> <p>b) After successful authentication, user will be able to see the e-Voting option 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 form) login through their Depository Participant(s)	<p>a) Members can also login using the login credentials of their demat account through their Depository Participant(s) registered with NSDL/ CDSL for e-Voting facility.</p> <p>b) 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.</p> <p>c) 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.</p>

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

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

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

**B) Login method for members other than individual members holding securities in demat form and members holding securities in physical form.**

**How to Log-in to NSDL e-Voting website?**

- For login to the e-Voting website of NSDL, open web browser by typing the URL: [www.evoting.nsdl.com](http://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, your Password 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 ID and Password, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.
- Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a. 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*****
b. 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*****
c. For members holding shares in physical form	EVEN Number followed by Folio Number registered with the Company For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001***

5. Your password details for members other than Individual shareholder are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. 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 by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c. How to retrieve your 'initial password'?
    - i. If your e-mail address is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail address. Trace the e-mail sent to you from NSDL (evoting@nsdl.com) in your mailbox, open the e-mail and open the .pdf attachment. The password to open the PDF attachment is your 8 digits 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 attachment file contains your 'User ID' and your 'initial password'.
    - ii. In case you have not registered your e-mail address with the Company/Depositories, please follow instructions mentioned below in **process for those members whose e-mail address is not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a. Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
  - b. Click on "**Physical User Reset Password?**" (If you are holding shares in physical form) option available on www.evoting.nsd.com.
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d. Members can also use the OTP (One-Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 are given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle are active.
2. Select "EVEN" of Nestlé India Limited.
3. Now you are ready for e-Voting as the voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You have an option to take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**Process for procuring user ID and password for e-Voting for those members whose e-mail address is not registered with the Company/ Depositories:**

1. In case shares are held in physical form, please provide folio number, name of the 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) by e-mail to investor@in.nestle.com.
2. In case shares are held in demat form, please provide DP ID and Client ID (16-digit DP ID + Client ID or 16-digit beneficiary ID), name of member, client master list or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) by e-mail to investor@in.nestle.com. If you are an individual member holding securities in demat form, you are requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-Voting for individual members holding securities in demat form.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. 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 required to update their mobile number and e-mail address correctly in their demat account to access e-Voting facility.

**General Guidelines for Members**

- i. 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 to reset the password.
- ii. 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 <https://www.evoting.nsd.com> or call on no.: 022 - 4886 7000 or send a request at evoting@nsdl.co.in. In case of any grievances connected with facility for e-Voting, please contact Ms Pallavi Mhatre, Senior Manager, NSDL, 4<sup>th</sup> Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Members may also write to the Company Secretary at the Company's email address at investor@in.nestle.com.

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

### Item No. 1:

Based on the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board of Directors at its Meeting held on 5<sup>th</sup> April 2024, approved the appointment of Ms Suneeta Reddy (DIN: 00001873) 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 5<sup>th</sup> April 2024 to 4<sup>th</sup> April 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"). Ms Reddy has been nominated as the Chairperson of the Corporate Social Responsibility Committee and a member of Risk Management and Sustainability Initiatives Committee effective from 5<sup>th</sup> April 2024.

Pursuant to Regulation 17(1C) of Listing Regulations, Ms Reddy shall hold office until the date of next General Meeting or for a period of three months from the date of her appointment, whichever is earlier. Ms Reddy is eligible to be appointed as an Independent Non-Executive Director for a term of upto five consecutive years. In terms of Section 160(1) of the Act, the Company has received a Notice from a member in writing proposing her candidature for the office of Director. The Company has also received from Ms Reddy (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 she is not disqualified from being appointed as a Director in terms of Section 164 of the Act; (iii) a declaration to the effect that she 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 she would be able to devote time required to discharge her roles, duties and responsibilities as an Independent Non-Executive Director of the Company.

Ms Reddy, aged 65 years, received her Bachelor of Arts degree in Public Relations, Economics and Marketing from Stella Maris College in Chennai. She holds a Diploma in Financial Management from the Institute of Financial Management and Research, Chennai and has completed the Owner/ President Management Program at Harvard Business School, Boston, USA ("HBS").

Ms Reddy is the Managing Director of Apollo Hospitals Enterprise Limited. A member of the founding family, Ms Reddy started working with Apollo Hospitals in 1989. Spearheading the finance and strategy functions, Ms Reddy was instrumental in bringing the first FDI into healthcare in India and subsequently in taking the organization to international equity markets through a successful GDR. It has been her deep domain knowledge and foresight that has guided Apollo's emergence as a formidable, financially sound hospital enterprise. In her extensive career, she has overseen several Greenfield and Brownfield projects.

Ms Reddy also serves on the Board of several Apollo Hospitals' Group companies. In recognition of Apollo Hospitals delivering outstanding medical care during the COVID-19 outbreak, she was awarded the Economic Times Businesswoman of the Year award. For the last 5 years, Ms Reddy was featured among the top ten in Fortune India's list of Most Powerful Women, which recognizes women in business who are making an impact by virtue of their business acumen, social and cultural influence. In 2023, Ms Reddy was conferred an Honorary Doctorate by the Xavier Institute of Management, XIM University Bhubaneswar. She also received the Best CEO award from Business Today that year. In 2024, she was recognized among 50 global women Changemakers by CNBC for being among women who are impacting society, challenging established business practices and driving industry-wide change.

Ms Reddy is a member of the CII National Council, Healthcare Council and Family Business Council. She is also a member of CNBC International's Global Sustainability Forum, one of only two members from India. She is a member of the Harvard Business School - India Advisory Board (IAB) and the HBS South Asia Advisory Board. She has served as a member of the Harvard Medical School Advisory Board. She currently serves as the Sr. Vice President of AIMA (All India Management Association), the apex body for management in India. She also represents Apollo Hospitals as a founding member of the Global Parity Alliance of the World Economic Forum in India, working for diversity, equity and inclusion. Ms Reddy is a Director on the Board of Chennai International Centre (CIC), and a member of the Governing Body of Sai University. She is a Patron of the International Chamber of Commerce, India and was its President in 2022-23. She is a member of the PHD Chamber of Commerce and Industry.

Ms Reddy has over 40 years' experience in Healthcare Industry and her expertise in specific functional areas such as strategy, hospital operations, corporate services viz., finance & accounts, procurement, human resources, legal, internal audit, Management Information System and Enterprise Risk Management .

Further, Ms Reddy holds Directorship of the following Companies:

- Director in Apollo Hospitals Enterprise Limited, Apollo Sindoori Hotels Limited, Indraprastha Medical Corporation Limited, Apollo Multispecialty Hospitals Limited, Apollomedics International Life Sciences Limited, Apollo Hospitals North Limited, Lifetime Wellness Rx International Limited, Garuda Energy Private Limited, Helios Holdings Private Limited, Sindoori Management Solutions Private Limited, Chennai International Centre and PHD Chamber of Commerce and Industry.

Ms Reddy also holds Chairpersonship/ Membership of the Committees of the following Companies:

- Chairperson of Risk Management Committee and Member of Corporate Social Responsibility and Sustainability Committee, Stakeholders Relationship Committee, Share Transfer Committee and Investment Committee of Apollo Hospitals Enterprise Limited.
- Member of Audit Committee and Risk Management Committee of Indraprastha Medical Corporation Limited.
- Member of Corporate Social Responsibility and Sustainability Committee of Sindoori Management Solutions Private Limited.
- Member of Nomination and Remuneration Committee of Apollomedics International Life Sciences Limited.

Ms Reddy had, in the past three years, ceased to be a Director from the Boards of Apeejay Surrendra Park Hotels Limited and Viswambhara Nutriville Private Limited.

Further, in terms of Regulation 25(8) of the Listing Regulations, Ms Reddy has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties as an Independent Non-Executive Director of the Company without any external influence. Ms Reddy has also confirmed that she is not debarred from holding the office of a director by virtue of any Order passed by SEBI or any such authority. Ms Reddy has confirmed that she is in compliance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. Ms Reddy is a person of integrity and fulfils the conditions specified under the Act read with Rules thereunder and the Listing Regulations for her appointment as an Independent Non-Executive Director of the Company and is

independent of the Management. The letter of appointment of Ms Reddy as an Independent Non-Executive Director setting out the terms and conditions is available on the Company's website at [www.nestle.in](http://www.nestle.in).

Ms Reddy does not hold by herself or for any other person on a beneficial basis, any equity shares of the Company.

In the opinion of NRC and the Board of Directors, Ms Reddy fulfils the conditions prescribed under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations, for her appointment as an Independent Non-Executive Director of the Company.

The Board of Directors considers that her association would be of immense benefit to the Company, and it is desirable to avail services of Ms Reddy as an Independent Non-Executive Director for a term of five consecutive years from 5<sup>th</sup> April 2024 to 4<sup>th</sup> April 2029. Ms Reddy would bring with her vast experience to the Company in the specific function area such as strategy, hospital operations, corporate services viz., finance & accounts, procurement, human resources, legal, internal audit, Management Information System and ERM. Accordingly, the Board of Directors, on the recommendation of NRC, recommends her appointment to the members for their approval by way of a Special Resolution as set out at Item No. 1 in the accompanying Postal Ballot Notice.

Except Ms Reddy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution as set out at Item No. 1 in the accompanying Postal Ballot Notice. Ms Reddy is not related to any Director or Key Managerial Personnel of the Company. As an Independent Director, Ms Reddy 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 agreement referred to in the Resolution and all the material documents referred in the 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 closure of remote e-Voting i.e., Friday, 17<sup>th</sup> May 2024.

This Explanatory Statement together with the accompanying Postal Ballot 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. 2:**

The existing General Licence Agreements ("GLAs") with the Société des Produits Nestlé S.A., Switzerland ("the Licensor"/ "SPN") enables Nestlé India Limited ("the Company") to continuously access to the bundle of Nestlé Group's intellectual property rights ("IPRs") such as its 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 leading 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, are on the basis of the IPRs provided by the Licensor to the Company under the GLAs and have consistently contributed to the long-term sustainable profitable growth of the Company. The GLAs do not cover Breakfast Cereals products.

Over the last decade, the Licensor has augmented its infrastructure and investments in its global Research, System Technology Centers, Product Technology Centers, Research & Development Centers and the Regional Development Centers strategically located across different locations. This has helped Nestlé Group in driving science and technology from basic nutrition and health research to applied research, innovative system solutions and end-to end R&D, scientific discoveries translating into innovations fueling business growth in category focused technology centers and supporting in the product development focusing on a sub-category or a specific region. The Licensor has expanded its strategic support across different areas such as guidance on brand excellence and quality standards, access to 2,000+ internationally recognised brands, 12,000+ patents, technical and non-technical assistance and capability building, digital data and information technology across all operations, innovation through advance technologies and strategic guidance, know-how and assistance relating to ESG activities aligning with its global commitments. The Licensor has also set up Nestlé Institute of Packaging Sciences to focus innovation in packaging materials and Nestlé Institute of Agricultural Sciences to focus on plant, animal and agricultural system sciences.

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 premiumisation 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.

During the year 2023, the Board of Directors of the Company, as part of their familiarisation programme, had visited the state-of-the-art noodle manufacturing facility of the Company at Sanand, Gujarat; Nestlé Group's Research and Development facility at Manesar, Haryana; Central Nestlé Research Centre ("NRC") at Lausanne; Nestlé Product Technology Centre ("NPTC") at Orbe; Cailleur chocolate manufacturing facility at Broc and Nestlé Head-Quarters ("HQ"), Bergère, (Switzerland) and had an overview of Nestlé operations demonstrating high level of focus in the advanced science and innovation network creation which acts as an engine for growth and Nestlé's commitment to develop innovative products and services that provide nutrition and health for people and pets everywhere, across all their life stages, responsibly. The interaction with the Chairman, the CEO and Executive Management of Nestlé S.A., updates given by the Strategic Business Units (SBUs) viz. Nutrition, Purina, Dairy, Foods, Coffee, Confectionary, Operations, Nestlé Business Services and Marketing & Digitalization journey and initiatives during the visit of the Board of Directors provided an insight on the big picture, the vision and mission Nestlé strives to achieve with increased focus on sustainability commitments of the Nestlé Group; an overview of the global strategy of the SBUs and Functions; their alignment with the global and local markets, success stories, key initiatives etc.; an understanding on the scale, quality of research and development, workforce, infrastructure and various mechanisms of food-consumer interactions covered under bio-analytical science, food science, plant science, nutrition and health, quality and safety, scientific support to the businesses at the NRC and NPTCs; and the progress on Nestlé's commitment to reduce greenhouse gas emissions and water usage, deforestation-free primary supply chain, ingredients sourcing through regenerative agriculture methods, recycling or reusing plastic packaging and other global sustainability initiatives.

In terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), the members of the Company at the Sixtieth Annual General Meeting held on Thursday, 25<sup>th</sup> April 2019, approved continuation of the payment of general licence fees (royalty) by the Company to the Licensor, being a related party, at the rate of 4.50%, net of taxes, of the net sales of the products sold by the Company as per the terms and conditions of the existing GLAs. The resolution was effective from 1<sup>st</sup> July 2019. In view of the Company's commitment to high standards of corporate governance including shareholder rights, the Company had resolved to seek approval of the members every 5 (five) years effective from 1<sup>st</sup> July 2019 in compliance with the applicable laws and regulations.

The Board of Directors of the Company at its meeting held on 24<sup>th</sup> August 2023 had evaluated the continued and enhanced support received from the Licensor under the existing GLAs over the years and also reaffirmed the Company's commitment to seek approval of the members every 5 (five) years for payment of general licence fees (royalty) by the Company to the Licensor, being a related party, as per the terms and conditions of the existing GLAs. Further, for an independent assessment on the value provided by the Licensor over the years under the existing GLAs, the Board of Directors decided to follow the governance process similar to that followed in the year 2012-13. For details on the governance process followed in 2012-13, please refer to the Section "Review of the General Licence Fees" on page no. 38 of the Annual Report 2012 available on the Company's website [www.nestle.in](http://www.nestle.in).

Accordingly, on the request of the Company, the Licensor had shared a copy of the study conducted by a reputed management consulting firm, M/s McKinsey & Company ("MKC"), titled "Assessment of Licensee benefits for Nestlé India" ("MKC Study") for an independent assessment on the value provided by the Licensor over the years under the existing GLAs. Thereafter, the MKC Study was subjected to a fairness review by two independent firms, viz. M/s Bansi S. Mehta & Co., Chartered Accountants ("BSM") and M/s KPMG Assurance and Consulting Services LLP ("KPMG"), engaged by the Company and who provided their fairness opinion on the MKC Study and their findings.

Summary points from the MKC Study to the Licensor i.e. Société des Produits Nestlé S.A. Switzerland:

- Analysis and research carried out for the Report suggests that a gap exists between the value brought by the Licensor under the GLAs and the royalty rate paid by Nestlé India.
- The Intellectual Property Rights ("IPRs") provided under the GLAs, provides access to Nestlé India benefits estimated between 5.90% to 7.70% of net sales. Commonly accepted methods, such as the Income Based Approach, External Benchmarking, Internal Benchmarking and Market Based Approach were considered for the quantification of benefits received by the Company from the Licensor.

Summary points from the Fairness Opinion of KPMG to Nestlé India:

- Used profit-split method based on the principles laid down by OECD and considered role of Nestlé India and the Licensor in the entire value chain. Recommended that the arm's length royalty rate range determined falls between 7.20% to 10.80% of sales.

Summary points from the Fairness Opinion of BSM to Nestlé India:

- In addition to the approach adopted by MKC, BSM used profit-split method and return on investment model and range of their royalty rate is 5.38% to 6.80% of sales.

In consideration of the IPRs granted or to be granted and incremental contribution of the Licensor over the last decade under the existing GLAs; a request received from the Licensor for a fair and reasonable compensation for the value provided under the GLAs consistent with the MKC Study; negotiations with the Licensor on the quantum of general licence fees (royalty) based on the lower value of the ranges arrived at by the independent firms and the period of the revision, the Company proposes to pay to the Licensor, general licence fees (royalty) at the rate not exceeding 5.25%, net of taxes, of the net sales of the products sold by the Company as per the terms and conditions of 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 4.50% per annum effective from 1<sup>st</sup> July 2024.

The Audit Committee of the Board of Directors ("Audit Committee") has reviewed, approved and recommended to the Board of Directors the revision of the general licence fees (royalty) at the rate not exceeding 5.25%, net of taxes, of the net sales of the products sold by the Company as per the terms and conditions of 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 4.50% per annum effective from 1<sup>st</sup> July 2024. Any taxes or charges imposed or payable on such payment in India shall be paid by the Company. 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.

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, approved 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 terms and conditions of 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 4.50% per annum effective from 1<sup>st</sup> July 2024. Under the GLAs, general licence fees (royalty) is paid on third party sales and is net of tax.

The GLAs have contributed significantly to the success story of the Company. For the performance and other related details, please refer to the past years' annual reports and presentation(s) made to institutional investors/ analysts from time to time and available on the Company's website [www.nestle.in](http://www.nestle.in).

Regulation 23(1A) of the Listing Regulations provides that transactions 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. While the bundle of IPRs available under the existing GLAs extends beyond brand usage to include access to patents, technology, know-how and related assistance, in compliance with Regulation 23 of the Listing Regulations and other applicable provisions of law, if any, 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 payment of general licence fees (royalty) to the Licensor at the rate not exceeding 5.25%, net of taxes, of the net sales of the products sold by the Company as per the terms and conditions of 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 4.50% per annum effective from 1<sup>st</sup> July 2024.



As per Regulation 23(4) of the Listing Regulations, none of the related parties shall vote on the Ordinary Resolution as set out in Item No. 2 as set out in the accompanying Postal Ballot Notice.

None of the Directors and the Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 of the accompanying Postal Ballot Notice.

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. Copy of the GLAs and other documents referred in the 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 closure of remote e-Voting i.e., Friday, 17<sup>th</sup> May 2024.

By Order of the Board  
For Nestlé India Limited

Place: Gurugram  
Date : 5<sup>th</sup> April 2024

Registered Office:  
100 / 101, World Trade Centre, Barakhamba Lane, New Delhi – 110 001  
Email: investor@in.nestle.com Website: www.nestle.in  
CIN: L15202DL1959PLC003786

Sd/-  
Pramod Kumar Rai  
Company Secretary & Compliance Officer  
(Membership No.: F4676)

## Annexure-I

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. ("SPN"/ "Licensor"), a wholly owned subsidiary of Nestlé S.A., Switzerland ("NSA").
2. NSA together with Maggi Enterprises Limited (ultimate holding company being NSA) holds 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 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 India, Nepal and Bhutan (hereinafter "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 1<sup>st</sup> July 2024 the Company to pay to the Licensor, during the term of the GLAs, general licence fees (royalty) of 5.25% per annum, payable in a staggered manner over five years period by making an increase of 0.15% per annum over the current general licence fees (royalty) of 4.50%, net of taxes, of the net sales of the products sold by the Company to third parties. Any taxes or charges imposed or payable in India shall be paid 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 licensed. 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 (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 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):

Name of related party: Société des Produits Nestlé S.A., Switzerland ("SPN")

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

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

Payment of general licence fees (royalty) by the Company to the Licensor, being a related party, as per Regulation 2(1)(zb) of the Listing Regulations, at the rate not exceeding 5.25%, net of taxes, of the net sales of the products sold by the Company as per the terms and conditions of 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 4.50% per annum effective from 1<sup>st</sup> July 2024.

d) Value of the proposed transaction:

Payment of general licence fees (royalty) at the rate of 5.25%, net of taxes, of the net sales of the products sold by the Company as per the terms and conditions of 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 4.50% per annum effective from 1<sup>st</sup> July 2024, as detailed hereunder:

S. No.	Period	Payment of general licene fees (royalty) at the rate of:
1	1 <sup>st</sup> July 2024 to 30 <sup>th</sup> June 2025	4.65%
2	1 <sup>st</sup> July 2025 to 30 <sup>th</sup> June 2026	4.80%
3	1 <sup>st</sup> July 2026 to 30 <sup>th</sup> June 2027	4.95%
4	1 <sup>st</sup> July 2027 to 30 <sup>th</sup> June 2028	5.10%
5	1 <sup>st</sup> July 2028 to 30 <sup>th</sup> June 2029	5.25%

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 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at any time.

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

- i. details of the source of funds in connection with the proposed transaction;
- ii. where any financial indebtedness is incurred to make or give loans, inter corporate deposits, advances or investments,
  - nature of indebtedness;
  - cost of funds; and
  - tenure;
- iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
- iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.

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

The existing GLAs with the Licensor continues to allow Nestlé India Limited ("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 specially the incremental contribution of SPN 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 access to the IPRs under the GLAs, is integral for the Company to continue to deliver long term sustainable profitable growth and creating shared value for society and the shareholders. The members have supported the need for GLAs and the payment of general licence fees (royalty) to the Licensor, 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 review the royalty rates and consider payment of fair compensation over and above the current general licence fees of 4.50% (net of taxes) of both domestic and export sales of all product categories, for its incremental contribution under the GLAs over the years. This MKC Study was subjected to fairness review by two Indian firms i.e. M/s Bansi S. Mehta & Co. 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. Summary points on the above reports have been provided as part of the Explanatory Statement to the Postal Ballot Notice.

i) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis: 0.50%.

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.