

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:JK: 13:2025-26

3rd June 2025

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,
Dalal Street,
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 66th Annual General Meeting ("66th AGM") and Annual Report for the financial year ended 31st March 2025; and**
- 2. Intimation of cut-off date of 19th June 2025 to determine the eligibility of the members to cast their vote through remote e-Voting and e-Voting during the 66th AGM.**
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Dear Madam/ Sir,

This is further to our letter no. PKR:SG:JK: 5:2025-26 dated 24th April 2025 regarding convening of the 66th AGM of the Company on Thursday, 26th June 2025 through Video Conferencing/ Other Audio-Visual Means (VC/ OAVM) facility.

Please find enclosed herewith the electronic copy of the Notice of the 66th AGM, and the Annual Report for the financial year ended 31st March 2025 including Business Responsibility and Sustainability Report, which is being sent by email to those members whose email address is registered with the Company/ Depository Participant(s). Further, in accordance with Regulation 36(1)(b) of the Listing Regulations, a letter containing the web-link of the website of the Company from where the Annual Report for the financial year ended 31st March 2025 can be accessed, is being dispatched to those members whose email address is not registered with the Company/ Depository Participant(s).

Notice of the 66th AGM and the Annual Report for the financial year ended 31st March 2025 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 Thursday, 19th June 2025 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 66th AGM.

Please take the same on record.

Thanking you,

Yours truly,

NESTLÉ INDIA LIMITED

PRAMOD KUMAR RAI

COMPANY SECRETARY AND COMPLIANCE OFFICER

Encl.: as above

NESTLÉ INDIA LIMITED

(CIN: L15202DL1959PLC003786)

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

Email: investor@in.nestle.com | Website: www.nestle.in | Phone: 011 - 2341 8891

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTY SIXTH ANNUAL GENERAL MEETING ("66th AGM") OF THE MEMBERS OF NESTLÉ INDIA LIMITED ("the Company") will be held on Thursday, 26th June 2025 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: a) the audited standalone financial statements of the Company for the financial year 2024-25 including Balance Sheet as at 31st March 2025, the Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date and the Reports of the Board of Directors and Auditors' thereon; and b) the audited consolidated financial statements of the Company for the financial year 2024-25 including Balance Sheet as at 31st March 2025, the Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date and the Report of the Auditors' thereon.
2. To confirm payment of two Interim Dividends and declare final dividend on equity shares for the financial year ended 31st March 2025.
3. To appoint a Director in place of Mr. Satish Srinivasan (DIN: 10173407), who retires by rotation and being eligible, offers himself 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 the recommendation of the Audit Committee, M/s. Ramanath Iyer & Co., Cost Accountants (Firm Registration No.: 000019), appointed as the Cost Auditor 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 2025-26, be paid a remuneration of ₹ 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 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Prathivadibhayankara Rajagopalan Ramesh (DIN: 01915274), Independent Non-Executive Director, 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 re-appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, with effect from 1st July 2025, to hold office for a second term of five consecutive years i.e. from 1st July 2025 to 30th June 2030.

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

RESOLVED that pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the rules, circulars, orders and notifications issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, and on the recommendation of the Nomination and Remuneration

Committee and the Board of Directors of the Company, approval of the members be and is hereby accorded for the appointment of Mr. Manish Tiwary (DIN: 02572830), as a “non-retiring Director” and “Managing Director” of the Company for a term of five consecutive years effective from 1st August 2025 to 31st July 2030, on the terms and conditions of appointment and remuneration as contained in the draft agreement, material terms of which are set out in the Explanatory Statement to this Notice of the 66th Annual General Meeting and the Board of Directors be and is hereby authorized to alter and vary such terms and conditions of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Act, as may be agreed to by the Board of Directors and Mr. Manish Tiwary.

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

RESOLVED that pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relevant circulars issued by SEBI (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws, if any, approval of the members of the Company be and is hereby accorded for the appointment of M/s. S. N. Ananthasubramanian & Co., Practicing Company Secretaries (Firm Registration No. P1991MH040400), as the Secretarial Auditors of the Company, for a term of five consecutive years, to hold office from the conclusion of this Annual General Meeting till the conclusion of 71st Annual General Meeting to be held in the year 2030, covering the period from the financial year ending 31st March 2026 till the financial year ending 31st March 2030, at such remuneration as may be determined by the Board of Directors of the Company (including its Committees thereof), from time to time, in consultation with the Secretarial Auditors.

Date : 24th April 2025

Place : Nanjangud, Karnataka

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

(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 of the 66th Annual General Meeting (“Notice”), is annexed hereto and forms part of this Notice. The Board of Directors of the Company at its meeting held on 24th April 2025 considered that the special business under Item Nos. 4 to 7 being considered unavoidable, be transacted at the 66th Annual General Meeting (66th AGM) of the Company through Video Conferencing/ Other Audio-Visual Means (“VC/ OAVM”).
2. The Ministry of Corporate Affairs, Government of India (“MCA”) vide its General Circular Nos. 14/2020, 20/2020, 02/2021, 19/2021, 21/2021, 02/2022, 10/2022, 09/2023 and 09/2024 dated 8th April 2020, 5th May 2020, 13th January 2021, 8th December 2021, 14th December 2021, 5th May 2022, 28th December 2022, 25th September 2023 and 19th September 2024, respectively, and other circulars issued in this respect (“MCA Circulars”) allowed, *inter-alia*, to conduct AGM through VC/ OAVM facility 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/2024/133 dated 3rd October 2024 has provided certain relaxations from compliance with certain regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). In compliance with aforesaid MCA Circulars, aforesaid SEBI Circular, provisions of the Act and the Listing Regulations, the 66th 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 66th AGM shall be the Registered Office of the Company.
3. In terms of the MCA Circulars and SEBI Circular dated 3rd October 2024, the Notice of the 66th AGM and Annual Report for the financial year ended 31st March 2025 (“Annual Report for the financial year 2024-25”), 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, physical attendance of members has been dispensed with 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 66th 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 facility, for participation in the 66th AGM through VC/ OAVM facility and e-Voting during the 66th AGM. As the 66th AGM is being held through VC/ OAVM facility, the Route Map is not annexed to this Notice of the 66th AGM.
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 66th AGM and facility for those members participating in the 66th AGM to cast their vote through remote e-Voting system during the 66th AGM. The members, whose names appear in the Register of Members/ List of Beneficial Owners as on 19th June 2025, are entitled for e-Voting on the resolutions set forth in this Notice of the 66th AGM. For this purpose, NSDL will be providing facility for participation at the 66th AGM through VC/ OAVM facility and remote e-Voting during the 66th AGM. Members may note that NSDL may use third party service provider for providing service for participation of the members through VC/ OAVM facility.
6. Members may join the 66th 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 scheduled start time of the 66th AGM and the Company may close the window for joining the VC/ OAVM facility 30 minutes after the scheduled start time of the 66th AGM. To comply with the provisions of Regulation 44 of Listing Regulations, the Company is also providing one way live webcast facility of the proceedings of 66th AGM which can be viewed on the website of the Company at www.nestle.in.
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, Stakeholders Relationship Committee and Nomination and Remuneration Committee, auditors, etc. will be able to attend the 66th AGM without any restriction on account of first-come-first-serve basis.
8. Attendance of the members participating in the 66th 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 66th AGM, *inter-alia*, indicating the process and manner of electronic voting ("e-Voting") and electronic copy of the Annual Report for the financial year 2024-25 are being sent to all the members whose e-mail address is registered with the Company/ Depository Participant(s) for communication purposes.

In case any member is desirous of obtaining hard copy of the Annual Report for the financial year 2024-25 they may send a request from the registered e-mail address to the Company's e-mail address at investor@in.nestle.com mentioning their Folio no./ DP ID and Client ID.

Additionally, in accordance with Regulation 36(1)(b) of the Listing Regulations, the Company is also sending a letter to members whose e-mail address is not registered with Company/ Depository Participant providing the exact web-link of Company's website from where the Annual Report for financial year 2024-25 can be accessed.

10. Members whose KYC details (i.e. postal address with PIN code, mobile number, bank account details, PAN linked with Aadhaar etc.) or e-mail address is not registered/ updated with the Company or with their respective Depository Participant(s) ['DPs'], and who wish to receive the Notice of the 66th AGM, the Annual Report for the financial year 2024-25 and all other future communications sent by the Company from time to time, can get their KYC details and e-mail address 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 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:
 - i. if e-mail address is registered - by sending an e-mail at investor@in.nestle.com from their registered e-mail address followed by mandatorily sending the physical copy of the same through post at the Registered Office of the Company or directly sending the Form ISR-1 along with the supporting documents to the Registrar and Share Transfer Agents, Alankit Assignments Limited (RTA); and

- ii. if e-mail address is not registered - by sending the physical copy of the same through post at the Registered Office of the Company or directly to the RTA.
- b. Members holding shares in demat form may update their KYC details and e-mail address with their Depository Participant(s).

The Company strongly urges the members to register their e-mail address with the Company / Registrar and Share Transfer Agents or the Depository Participant(s), if you hold shares in physical form or demat form respectively.

Communication with regard for updation of KYC has been sent to all members holding shares in physical form at their registered address from time to time.

Members may refer to Frequently Asked Questions, 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/faqs>.

- 11. For members holding shares in physical form, 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., postal address with PIN code, mobile number, bank account details, PAN linked with Aadhaar etc.). In case any of the aforesaid documents/details are not available in the record of the RTA, the member shall not be eligible to lodge grievance or avail any service request from the RTA until they furnish complete KYC details. Further, with effect from 1st April 2024, any payment of dividend shall only be made in electronic mode to such members. The Company has made relevant intimations to the members from time to time.

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.

- 12. After the sub-division of equity shares of the Company on 6th January 2024, the Company issued and dispatched consolidated share certificate(s), representing shares held by the shareholders who held shares in physical form. If the share certificates were returned undelivered, the Company issued reminder letters dated 2nd September 2024, 1st October 2024, 30th October 2024 and 2nd December 2024 to such shareholders requesting them to claim the share certificates from the Company. Please note that as per the provisions of the Listing Regulations, consolidated share certificate, if remains unclaimed, is liable to be transferred to the Unclaimed Suspense Account of the Company after following due process prescribed. The members concerned are given a final reminder to claim their consolidated share certificate(s). The Company will proceed with transfer of such shares to the Unclaimed Suspense Account if the shares are not claimed by 26th June 2025.
- 13. 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 or website of the RTA. Members holding shares in demat form may approach their respective Depository Participants to complete the nomination formalities.
- 14. Online Dispute Resolution (ODR) Portal was 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.
- 15. 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) electronically or any other means, by sending scanned copy of the following details/ documents to the Company at investor@in.nestle.com latest by 4th July 2025:

- 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.

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

16. The Board of Directors has recommended final dividend of ₹ 10.00 per equity share of face value of ₹1.00 each for the financial year 2024-25 that is proposed to be paid on and from 24th July 2025, subject to the approval of the members at the 66th AGM. The record date fixed for determining the entitlement of the members to the final dividend is 4th July 2025. For information of the members, during the financial year 2024-25, two Interim Dividends of ₹2.75 and ₹14.25 per equity share of face value of ₹1.00 each were paid on and from 6th August 2024 and 27th February 2025, respectively.
17. 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 the rates applicable as per the IT Act read with tax treaty as may be applicable. In order to enable compliance with TDS requirements, members are requested to complete and/ or update their Residential Status, PAN details linked with Aadhaar, Category with their Depository Participant(s) or in case shares are held in physical form, with the Company by sending e-mail to the Company's e-mail address at investor@in.nestle.com or RTA's e-mail address at rta@alankit.com from the e-mail address registered with the Company / RTA. For details, members may refer to the "Communication regarding Tax Deducted at Source (TDS) on Dividend Distribution" appended to this Notice of the 66th AGM. Please refer "Annexure-I" to this Notice of the 66th AGM for details.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, as may be applicable, subject to providing necessary documents, i.e., No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, and any other document which may be required to avail the tax treaty benefits by sending an e-mail to the Company's e-mail address at investor@in.nestle.com or RTA's e-mail address at rta@alankit.com from the e-mail address registered with the Company / RTA before the date prescribed in the Notice of the 66th AGM.

18. 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).
19. Except for shares held in physical form, where KYC details (i.e. postal address with PIN code, mobile number, bank account details, PAN details linked with Aadhaar etc.) or e-mail address 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 any 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.
20. 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 is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. During the financial year ended 31st March 2025, the Company had transferred to the IEPF, unpaid or unclaimed dividend amounts of ₹ 74,64,682.00 (Rupees seventy four lakhs sixty four thousand six hundred and eighty two only) pertaining to Final Dividend 2016 & First Interim Dividend 2017; ₹ 31,19,100.00 (Rupees thirty one lakhs nineteen thousand and one hundred only) pertaining to Second Interim Dividend 2017; and ₹ 52,59,309.00 (Rupees fifty two lakhs fifty nine thousand three hundred and nine only) pertaining to Third Interim Dividend 2017.

21. The Company has been sending reminder letters to members having unpaid/ unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/ unclaimed dividend are also uploaded on the Company's website at www.nestle.in. Members who have not encashed Final Dividend 2017 & First Interim Dividend 2018 or any subsequent dividend(s) declared by the Company, are advised to write to the Company at investor@in.nestle.com with their registered e-mail address immediately.
22. 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, 63,380 equity shares pertaining to Final Dividend 2016 & First Interim Dividend 2017; 79,740 equity shares pertaining to Second Interim Dividend 2017; and 32,910 pertaining to Third Interim Dividend 2017 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 financial year ended 31st March 2025, 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 are advised to claim the same. In case a 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.
23. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company/ RTA of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holding may be obtained from the concerned Depository Participant, and holdings should be verified from time to time.
24. Documents referred to in the accompanying Notice of the 66th AGM and the Explanatory Statement shall be available at the Registered Office of the Company for inspection without any fee during normal business hours i.e. from 9:00 A.M. to 5:00 P.M. (IST) on all working days except Saturday, up to and including the date of the 66th AGM of the Company.
25. 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 66th AGM. During the 66th AGM, members may access the scanned copy of these documents, upon Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.
26. 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 66th AGM, forms an integral part of the Notice of the 66th AGM. Requisite declarations have been received from the Directors seeking appointment/ re-appointment.
27. General instructions for accessing and participating in the 66th 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 23rd June 2025 (9:00 A.M. IST) and end on 25th June 2025 (5:00 P.M. IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on 19th June 2025 ("Cut-off Date"), 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 66th 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 form is given below:

Type of Members	Login Methods
Individual members holding securities in demat form with NSDL.	<p>Users registered for NSDL IDeAS facility:</p> <p>For OTP based login:</p> <ol style="list-style-type: none">You can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp.You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP.Enter the OTP received on registered e-mail id/mobile number and click on login.After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.Click on company name i.e. Nestle India Limited 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>Users name & password:</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.

Type of Members	Login Methods
	<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 or joining virtual meeting & voting during the meeting.</p> <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> <p> App Store  Google Play</p> <div style="display: flex; justify-content: space-around;">   </div>
Individual members holding securities in demat mode with CDSL	<p>Existing users who have opted for Easi/ Easiest</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 www.cdslindia.com and click on login icon & My Easi New (Token) tab, and then use their existing Easi/ Easiest username & 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>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> <p>a) 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.</p> <p>b) After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual members (holding securities in demat mode) login through their depository participants	<p>a) Members can also login using the login credentials of their demat account through their Depository Participant registered with NSDL/ CDSL for e-Voting facility.</p> <p>b) Upon logging in, you will be able to see e-Voting option.</p> <p>c) Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository website after successful authentication, wherein you can see e-Voting feature.</p> <p>d) Click on the Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting</p>

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

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

Login type	Helpdesk details
Individual members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at 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

- 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, 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

- 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***

- Password details for members other than individual members are given below:
 - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - 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.
 - How to retrieve your "initial password"?

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 from your mailbox. Open the e-mail 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 e-mail address is not registered, please follow steps mentioned below in process for those members whose e-mail 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., 3rd Floor, Naman Chamber, Plot C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051, at the designated e-mail address: evoting@nsdl.com or pallavid@nsdl.com or at telephone no.: 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 e-mail address investor@in.nestle.com.

Process for those members whose e-mail address is not registered with the depositories for procuring User ID and password and registration of e-mail address for e-Voting for the resolutions set out in this Notice of the 66th AGM:

- 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 e-mail 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 e-mail 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 e-mail address correctly in their demat account in order to access e-Voting facility.

A. Instructions for members for participating in the 66th AGM through VC/ OAVM are as under:

- a) The members will be provided with a facility to attend the 66th 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 66th 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 of the 66th AGM, 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 66th AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID / folio number and mobile number, to reach the Company's e-mail address at investor@in.nestle.com at least 48 hours in advance before the start of the meeting i.e. by 24th June 2025, 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 66th AGM with regard to the financial statements or any other matter to be placed at the 66th AGM, need to pre-register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/ folio number and mobile number, to reach the Company's e-mail address at investor@in.nestle.com at least 48 hours in advance before the start of the meeting i.e. by 24th June 2025, 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 66th 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 66th AGM.
- g) Institutional investors who are members of the Company, are encouraged to participate in the 66th 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 66th 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 66th AGM are as under:

- a) Members may follow the same procedure for e-Voting during the 66th AGM as mentioned above for remote e-Voting.
- b) Only those members, who will be present in the 66th 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 66th AGM.
- c) Members who have cast their vote by remote e-Voting prior to the 66th AGM can participate in the 66th 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 66th 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., 3rd Floor, Naman Chamber, Plot C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051, at the designated e-mail 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 e-mail 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.
- b) Any person, who acquires shares of the Company and becomes member of the Company after the Company sends the Notice of the 66th AGM by e-mail and holds shares as on the Cut-off Date, may obtain the User ID and password by sending a request to the Company's e-mail 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 66th AGM.
- d) During the 66th AGM, the Chairman shall, after response to the questions raised by the members in advance or as a speaker at the 66th AGM, formally propose to the members participating through VC/ OAVM facility to vote on the resolutions as set out in the Notice of the 66th 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 66th 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 66th AGM, first download the votes cast at the 66th 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

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 Auditor is required to be ratified by the members of the Company.

M/s. Ramanath Iyer & Co. is a leading firm of Cost Accountants operating out of New Delhi since 1978. It was established by Late Shri A.R. Ramanathan, a Fellow Member of both the Institute of Cost Accountants of India and the Institute of Company Secretaries of India, author of many books on management accounting and cost audit and one of the first members of the erstwhile Company Law Board and Central Regulatory Commission.

M/s. Ramanath Iyer & Co. is an expert in the areas of Cost Audit (both Statutory as well as Voluntary) and Cost and Management Accounting. Their clients are in various industries including manufacturing and service sector and belong to the private as well as public sector, across India. The team comprises of five partners (all Fellow members of the Institute of Cost Accountants of India (ICMAI)), expert associates, and a team of 20 cost executives who possess the necessary knowledge, experience and expertise to serve their clients across various industries.

On the recommendation of the Audit Committee, the Board of Directors, at its meeting held on 24th April 2025, approved the appointment of M/s. Ramanath Iyer & Co., Cost Accountants, New Delhi (Firm Registration No.: 000019), as Cost Auditor 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 2025-26 at a remuneration of ₹ 2,40,000/- (Rupees two lakhs forty thousand only) plus out of pocket expenses and applicable taxes, which is same as last year's remuneration. Considering the limited scope of cost audit, time and resources deployed by the cost auditors, and in the opinion of the Board of Directors, the proposed remuneration payable would be fair and reasonable and do not in any way impair the independence and judgement of the Cost Auditor.

The Company has received written consent from M/s. Ramanath Iyer & Co. confirming their eligibility and willingness to be appointed as the Cost Auditor of the Company. They have also confirmed that they meet the requirements to be appointed as Cost Auditor in accordance with the provisions of the Act and that they are not disqualified for appointment under the Act, the Cost and Works Accountants Act, 1959 (23 of 1959) and the rules or regulations made thereunder. They also confirmed that there are no pending proceedings against the audit firm or any partner of the audit firm with respect to professional matters of conduct. The appointment, if made, complies with the applicable provisions of the Act.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 4 of the accompanying Notice of the 66th AGM. Accordingly, the Board of Directors recommends the aforesaid appointment and remuneration to the members for their approval by way of Ordinary Resolution as set out at Item No. 4 of the accompanying Notice of the 66th AGM.

Item No. 5

Mr. Prathivadibhayankara Rajagopalan Ramesh (DIN: 01915274) ("Mr. PR Ramesh") was appointed as an Independent Non-Executive Director with effect from 1st July 2020 for a period of five consecutive years i.e. up to 30th June 2025, not liable to retire by rotation, by the members of the Company at the 61st AGM held on 19th June 2020. Mr. PR Ramesh is the Lead Independent Director of the Company, Chairman of the Audit Committee and a Member of the Nomination and Remuneration Committee and Risk Management and Sustainability Initiatives Committee of the Board of Directors of the Company. The Company has received a notice under Section 160(1) of the Companies Act, 2013 (the "Act") proposing his candidature for the office of Independent Director of the Company.

Mr. PR Ramesh, aged about 70 years, graduated in Commerce from Osmania University, Hyderabad and is a Fellow Member of the Institute of Chartered Accountants of India ('ICAI'). He is an expert in the field of audit and accounts, risk management, governance, strategic matters etc. A detailed profile of Mr. PR Ramesh is available on the website of the Company at <https://www.nestle.in/about-us/our-leadership-team>.

Mr. PR Ramesh, as an Independent Non-Executive Director, has provided his expertise in risk management, accounting and financial reporting, audits, internal controls, and enhancing the governance framework of the Company. Mr. PR Ramesh does not hold by himself or for any other person on a beneficial basis, any equity shares of the Company. He attended all the nine Board Meetings of the Company held during the financial year 2024-25.

During the financial year 2024-25, sitting fee amounting to ₹ 19.5 lakhs was paid to Mr. PR Ramesh for attending the Board and Committee Meetings of the Company. A commission of ₹ 36 lakhs is payable for the financial year 2024-25 after the adoption of Audited Financial Statements at the 66th AGM of the Company. As an Independent Non-Executive Director, Mr. PR Ramesh will continue to be entitled to remuneration by way of commission on net profits and sitting fee 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.

Mr. PR Ramesh holds directorship of Cipla Limited, Crompton Greaves Consumer Electricals Limited, Larsen and Toubro Limited, Tejas Networks Limited and ITC Hotels Limited (listed companies), Air India Limited, Air India Express Limited, NSE Investments Limited (unlisted public companies) and Forum for Indian Accounting Research. Mr. PR Ramesh also holds Chairmanship/ Membership of the Committees of the following companies: Audit Committee and Risk Management Committee of Crompton Greaves Consumer Electricals Limited; Audit Committee and Investment and Risk Management Committee of Cipla Limited; Audit Committee, Nomination and Remuneration Committee and Risk Management Committee of Tejas Networks Limited; Audit Committee of Larsen & Toubro Limited; Audit Committee, Nomination and Remuneration Committee and Independent Directors Committee of ITC Hotels Limited; Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of NSE Investments Limited; and Audit Committee and Nomination and Remuneration Committee of Air India Limited. In the past three years, Mr. PR Ramesh has resigned as a Director from Butterfly Gandhimathi Appliances Limited, a listed company.

Mr. PR Ramesh has given his consent to act as a Director in Form DIR-2 and confirmed in writing that (i) he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and, (ii) he is not disqualified from being appointed as an Independent Director.

Further, in terms of Regulation 25(8) of the Listing Regulations, Mr. PR Ramesh 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. PR Ramesh has confirmed that he is not disqualified from being appointed as Director under the provisions of Section 164 of the Act and 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. PR Ramesh 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. The Company has received a confirmation that he will continue to devote the time required to discharge his roles, duties and responsibilities as an Independent Non-Executive Director of the Company. In the opinion of the Board of Directors, Mr. PR Ramesh is a person of integrity and fulfils the conditions specified under the Act read with Rules thereunder and the Listing Regulations for his re-appointment as an Independent Non-Executive Director of the Company and his re-appointment as an Independent Non-Executive Director is in the interest of the Company.

Based on the recommendation of the Nomination and Remuneration Committee ("NRC") and considering his eligibility, extensive knowledge, skills, experience, time commitment, availability, attendance and contributions in Board and Committee Meetings, and annual performance evaluation reports, the Board of Directors has approved and recommended the re-appointment of Mr. PR Ramesh as an Independent Non-Executive Director for the second term of five consecutive years from 1st July 2025 to 30th June 2030 (both days inclusive), not liable to retire by rotation, to the members for approval by way of a Special Resolution.

Electronic copy of the draft letter of re-appointment of Mr. PR Ramesh as an Independent Non-Executive Director setting out the terms and conditions of his re-appointment shall be available for inspection in the Investor Section of the Company's website at www.nestle.in and will be available for inspection without any fee by the members at the Registered Office of the Company during business hours i.e. from 9:00 A.M. to 5:00 P.M. (IST), on any working day, excluding Saturday, upto the date of declaration of the results of the 66th AGM.

Except Mr. PR Ramesh, being an appointee, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution as set out at Item No. 5 of the accompanying Notice of the 66th AGM. Mr. PR Ramesh is not related to any Director of the Company and is independent of the Management. Accordingly, the Board of Directors recommends the aforesaid re-appointment of Mr. PR Ramesh to the members for their approval by way of a Special Resolution as set out at Item No. 5 of the accompanying Notice of the 66th AGM.

This Explanatory Statement together with the accompanying Notice of the 66th AGM may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of the ICSI.

Item No. 6

On the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board of Directors of the Company, at its meeting held on 17th October 2024, approved the appointment of Mr. Manish Tiwary (DIN: 02572830) as a "non-retiring Director" and "Managing Director" of the Company, subject to necessary approvals, for a period of five consecutive years effective from 1st August 2025 upto 31st July 2030. The appointment followed an intimation by Nestlé S.A. under Article 106 and 118A of the Articles of Association of the Company nominating Mr. Tiwary as the Managing Director of the Company with effect from 1st August 2025. Mr. Tiwary will succeed Mr. Suresh Narayanan, who will take a well-deserved retirement from his office as Managing Director of the Company at the close of business hours on 31st July 2025.

As part of the transition plan approved by the Board of Directors, Mr. Manish Tiwary joined the Company on 1st February 2025 as Managing Director (Designate) and was appointed as Key Managerial Personnel of the Company w.e.f. 24th April 2025.

Mr. Manish Tiwary, aged 55 years, is a distinguished business executive with nearly three decades of experience in leading large-scale operations and strategic initiatives within the e-commerce and consumer goods sectors. Mr. Tiwary holds a B. Tech degree in Computer Science and an MBA from the Indian Institute of Management, Bangalore. Before joining the Company, Mr. Tiwary briefly worked at Nestlé S.A. as a Special Project Manager for Zone - Asia Oceania and Africa (AOA). Prior to this role, he spent over eight years as the Country Manager at Amazon India. His tenure at Amazon India followed a distinguished twenty-year career at Unilever, where he held various positions in sales, marketing, and general management across multiple categories and channels in India, the Gulf, and North Africa.

The Board of Directors of the Company has recommended to the members the appointment of Mr. Manish Tiwary (DIN: 02572830) as the Managing Director of the Company for a period of five consecutive years with effect from 1st August 2025 at the 66th Annual General Meeting. Accordingly, approval of the members is being sought to the terms, conditions and stipulations for the appointment of Mr. Tiwary as the Managing Director and the remuneration payable to him. The terms and conditions proposed (fixed by the Board of Directors at its meeting held on 24th April 2025, based on the recommendation of NRC) are keeping in line with the remuneration package that is necessary to attract and encourage good professional managers with a sound career record to an important position as that of the Managing Director.

The material terms of appointment and remuneration as contained in the draft agreement are given below:

1. Salary, Allowances and Commission (hereinafter referred to as "Remuneration"):

a) Salary comprising:

(i) Basic salary: At the rate not exceeding ₹ 4.5 million per month; and

(ii) Allowances: Not exceeding three times the Basic salary,

with increments as per the Company's policy and as may be determined by the Board of Directors, from time to time, on the recommendations of the NRC, subject to a ceiling on increment of 30% in a year (following April to March cycle) over the existing Basic salary and Allowances, as on 1st April every year, commencing from 1st April 2026. The recommendation of NRC will be based on the Company's performance and individual performance.

b) Commission and Performance linked incentive:

On net profits of the Company determined in accordance with the relevant provisions of the Companies Act, 2013 as per the criteria and rate to be determined by the Board of Directors, from time to time, but not exceeding an amount equivalent to the Salary in 1(a) above, for the relevant period. The payment may be made on a pro-rata basis every month or on an annual basis or partly monthly and partly on an annual basis at the discretion of the Board of Directors. Commission may include elements of fixed remuneration payable based on net profits as per Rules of the Company. The performance linked incentive shall also be linked to the performance during the relevant year. In addition to the above, a lump sum payout of ₹ 71.03 million, subject to applicable tax to be deducted at source, shall be payable to Mr. Tiwary as part of the compensation for long term incentives loss, after the completion of the first and second year of his employment with the Company, subject to the satisfactory performance in the preceding period and recommendations of the NRC.

2. Perquisites:

I. In addition to the Remuneration as stated above, Mr. Tiwary shall be entitled, as per Rules of the Company, to perquisites like:

- a. Rent-free furnished residential accommodation with free use of all the facilities and amenities, such as air conditioners, geysers etc. In case no accommodation is provided by the Company, he shall be entitled to House Rent Allowance as per policy of the Company.
- b. Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization.
- c. Personal accident insurance premium.
- d. Air/ sea passage and/or leave travel allowance for self and members of his family residing in India and for visit to India of the members of his family not residing in India.
- e. Subscription to clubs.
- f. Use of Company maintained cars with drivers for business and personal use.
- g. Use of communication devices for business and personal use.
- h. Education allowance for children, whether in India or abroad.
- i. Encashment of leave at the end of his tenure as per policy of the Company.
- j. Contributions to provident fund, superannuation or annuity fund and any other retirement benefits or any the re-charge cost(s) thereof.
- k. Terminal benefits: air/ sea passage together with cost of transportation of household belongings to such places as may be approved by the Board of Directors at the time of leaving the service of the Company.
- l. Expenses on shifting of residence.

- m. Joining allowances and other benefits such as compensation for loss of long term incentives, in one or more tranches.
- n. Participation in any/ all employee stock option schemes/ performance stock unit plans of the Company, if any or that of Nestlé S.A.
- o. Such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and Mr. Tiwary.

The value of the perquisites evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, shall be subject to an overall annual ceiling of an amount not exceeding the Salary in 1(a) above for the relevant period. The perquisites mentioned above from (h) to (n) shall be based on actual amounts and excluded from the aforesaid perquisites limit.

- II. The Board of Directors or Committees thereof may, on their discretion, revise/modify any of the terms from time to time, within the limits stipulated.

3. Minimum Remuneration:

Notwithstanding anything herein contained, in the event of loss or inadequacy of profits in any financial year during the period of his office as the Managing Director, the Company will, subject to applicable laws and such sanctions and approvals as may be required, pay remuneration to Mr. Manish Tiwary as provided herein above.

4. Other Terms:

Subject to the superintendence, control and direction of the Board of Directors, Mr. Tiwary shall manage and conduct the business and affairs of the Company. He shall not be paid any sitting fee for attending the meetings of the Board or Committee thereof.

The appointment can be terminated by Mr. Tiwary or the Company, by one party giving to the other 3 (three) calendar months' notice in writing or by payment of a sum equivalent to remuneration for the notice period or part thereof in case of shorter notice or on such other terms as may be mutually agreed.

Given his expertise, knowledge and experience, the Board of Directors considers the appointment of Mr. Manish Tiwary as the Managing Director to be in the interest of the Company and in view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, and Listing Regulations, recommends by way of an Ordinary Resolution as set out in the accompanying Notice of the 66th AGM for the approval of the members of the Company.

The Company has received from Mr. Manish Tiwary (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & 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 he is not debarred from holding the office of a Director by virtue of any order passed by SEBI or any such authority. Mr. Tiwary is not a director or a Committee member of any other company or body corporate in India nor was he a director in any other listed company in India during past three years.

Electronic Copy of the draft agreement referred to in the Resolution setting out the terms and conditions and other documents relating to this item of business shall be available for inspection in the investor section of the Company's website at www.nestle.in and will be available for inspection without any fee by the members at the Registered Office of the Company during business hours i.e. from 9:00 A.M. to 5:00 P.M. (IST), on any working day, excluding Saturday, upto the date of declaration of the results of the 66th AGM.

Except for Mr. Manish Tiwary, being the appointee, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution as set out in the accompanying Notice of the 66th AGM. Mr. Tiwary is not related to any Director or Key Managerial Personnel of the Company. Mr. Tiwary holds 28 equity shares directly and 550 equity shares of the Company through his relative on a beneficial basis. During the financial year 2024-25, Mr. Manish Tiwary was paid a remuneration of ₹ 29.94 million. Additionally, as per the terms agreed by the Board of Directors with Mr. Manish Tiwary, he

was given a lump sum payout of ₹ 151.96 million, with applicable tax deducted at source, at the time of joining the Company to compensate for his long term incentives loss, and in the event Mr. Tiwary's employment is terminated on or before 31st January 2026 for any reason, such payment will be reimbursed to the Company.

The Board of Directors of the Company recommends appointment of Mr. Manish Tiwary (DIN: 02572830) as a "non-retiring Director" and "Managing Director" of the Company for a period of five consecutive years with effect from 1st August 2025 to the members for their approval by way of an Ordinary Resolution as set out in the Item No. 6 of the accompanying Notice of the 66th AGM.

This Explanatory Statement together with the accompanying of the 66th AGM may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of the ICSI

Item No. 7

In accordance with the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, ("the Act") and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), M/s. S.N. Ananthasubramanian & Co., Practicing Company Secretaries (Firm Registration Number - P1991MH040400) has served as Secretarial Auditors of the Company for the financial year 2024-25.

Regulation 24A of the Listing Regulations, *inter alia*, provides that with effect from 1st April 2025, the Company is required to appoint a Practicing Company Secretary for not more than one term of five consecutive years or a firm of Practicing Company Secretaries as Secretarial Auditors for not more than two terms of five consecutive years, with the approval of the members at its Annual General Meeting ("AGM") and such Secretarial Auditor(s) must be a peer reviewed company secretary and should not have incurred any of the disqualifications as specified under the Listing Regulations. Further, as per the said Regulation, any association of the individual or the firm as the Secretarial Auditor(s) of the Company before 31st March 2025 shall not be considered for the purpose of calculating the tenure of the Secretarial Auditor(s).

M/s. S. N. Ananthasubramanian & Co ("SNACO") is a reputed Practicing Company Secretary firm established in 1991 by Mr. S. N. Ananthasubramanian, a Fellow Member and past President of the Institute of Company Secretaries of India ("ICSI"), has a team of experienced and qualified company secretaries led by five partners. Over the years, SNACO has built a diverse client base, serving local, national and international corporates. Its clientele spans companies in the public sector, FMCG sector, insurance firms, market infrastructure institutions, emerging businesses, leading corporates, and not-for-profit organizations. SNACO offers a wide range of services, including secretarial audits, corporate governance consulting, certifications, and regulatory advisory.

Taking into account the above requirements, along with an evaluation of proposals received by the Company and the consideration of factors such as technical skills, independence, industry experience, expertise, audit partners, audit team, quality of audit practices, and past association with the Company, the Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s. S.N. Ananthasubramanian & Co., Practicing Company Secretaries (Firm Registration Number - P1991MH040400) as Secretarial Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of this AGM till the conclusion of 71st AGM of the Company to be held in the Year 2030, covering the period from the financial year ending on 31st March 2026 till financial year ending 31st March 2030, subject to the approval of the members of the Company.

The Board of Directors in consultation with the Audit Committee and SNACO, fixed the remuneration payable for the financial year 2025-26 at ₹ 3,50,000/- (Rupees three lakhs fifty thousand only), plus any out of pocket expenses incurred by them in connection with the audit and other applicable taxes. The above remuneration shall be subject to an annual increase of upto 10% (ten percent) in a financial year.

The Company has received written consent from SNACO confirming their eligibility and willingness to be appointed as the Secretarial Auditors of the Company. They have also confirmed that they meet the requirements to be appointed as Secretarial Auditors in accordance with the provisions of the Act and Listing Regulations, and they hold a valid certificate issued by the Peer Review Board of ICSI and that they have not incurred any of the disqualifications as specified by the SEBI. The partners of SNACO, who are Peer Reviewed Company Secretaries, are authorized to act and sign on behalf of the firm. The appointment, if made, complies with the applicable provisions of the Act and Listing Regulations.

The Board of Directors in consultation with the Audit Committee and SNACO, may alter or vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the accompanying Notice of the 66th AGM. Accordingly, the Board of Directors recommends aforesaid appointment to the members for their approval by way of an Ordinary Resolution as set out at Item No. 7 of the accompanying Notice of the 66th AGM.

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

Re-appointment of Mr. Satish Srinivasan (DIN: 10173407) as a Director (Item No. 3)

In terms of Section 152(6) of the Companies Act, 2013, ("the Act"), Mr. Satish Srinivasan (DIN: 10173407) shall retire by rotation at the 66th AGM and being eligible, offers himself for re-appointment.

Mr. Satish Srinivasan was appointed as a Whole-time Director of the Company designated as "Executive Director- Technical" for a term of five consecutive years with effect from 1st July 2023. As per the terms of his appointment, his re-appointment at the 66th AGM as a director retiring by rotation would not constitute a break in his appointment as a Whole-time Director, designated as "Executive Director –Technical". Mr. Srinivasan is a Permanent Invitee of Risk Management and Sustainability Initiatives Committee and Corporate Social Responsibility Committee of the Company.

Mr. Satish Srinivasan, aged 60 years, joined the Company in the year 1993. Before joining the Company, he was heading the Operations of Dairy Strategic Business Unit of Nestlé, Switzerland. He had worked on various assignments across Nestlé factories in India, Philippines, Sri Lanka, Equatorial Africa Region and Indo China Region with increasing responsibilities. He holds an Engineering Degree and has over 35 years of rich experience. With strong expertise in technical operations, Mr. Srinivasan has made significant contributions to Nestlé Group and is well recognized for driving the operations strategy, capital expenditure optimisation, quality, people-oriented approach, problem-solving skills and speed of execution.

Mr. Srinivasan brings with him a diverse background with solid experience around different Markets and Zones of Nestlé group. Mr. Srinivasan is responsible for, amongst others, the management and conduct with respect to the technical areas of the Company including all existing and future factory locations.

Mr. Srinivasan is not a director or a Committee member of any other company in India nor was he a director in any other company in India during past three years. Mr. Srinivasan attended all nine Board Meetings held during the financial year 2024-25.

Except for Mr. Srinivasan, being the appointee, none of the Directors, Key Managerial Personnel and their relatives are, in any way concerned or interested, financially or otherwise, in the proposed resolution. Mr. Srinivasan is not related to any Director or Key Managerial Personnel of the Company. He does not hold by himself or for any other person on a beneficial basis, any shares of the Company.

Upon his re-appointment as a Director, Mr. Srinivasan shall continue to hold office as a Whole-time Director designated as "Executive Director – Technical". Accordingly, the Board of Directors recommends his re-appointment for approval of the members by way of an Ordinary Resolution as set out at Item No. 3 of the Notice of the 66th AGM.

Re-appointment of Mr. Prathivadibhayankara Rajagopalan Ramesh (DIN: 01915274) as Independent Non-Executive Director of the Company (Item No. 5)

For the details of Mr. Prathivadibhayankara Rajagopalan Ramesh (DIN: 01915274) please refer to the above Explanatory Statement in respect of the Special Business set out at Item No. 5 of the accompanying Notice of the 66th AGM pursuant to Section 102 of the Act.

Appointment of Mr. Manish Tiwary (DIN: 02572830) as "non-retiring Director" and "Managing Director" of the Company (Item No. 6)

For the details of Mr. Manish Tiwary (DIN: 02572830), please refer to the above Explanatory Statement in respect of the Special Business set out at Item No. 6 of the accompanying Notice of the 66th AGM pursuant to Section 102 of the Act.

Date : 24th April 2025

Place : Nanjangud, Karnataka

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
(Membership No.: F4676)

(Refer Note 17 of the Notice of the 66th AGM)

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

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

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

All members are requested to ensure that the below details are completed and/or updated, as applicable, in their respective demat account/s maintained with the Depository Participant/s; or in case of shares held in physical form, with the Company, by 4th July 2025 ("Record Date"). Please note that these details as available on Record Date in the Register of members/ Register of Beneficial Ownership will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:

- I. Valid Permanent Account Number (PAN).
- II. Residential status as per the IT Act i.e. Resident or Non-Resident for FY 2025-26.
- III. Category of the Member:
 - Mutual Fund
 - Insurance Company
 - Alternative Investment Fund (AIF) Category I and II
 - AIF Category III
 - Government (Central/State Government)
 - Foreign Portfolio Investor (FPI) /Foreign Institutional Investor (FII): Foreign Company
 - FPI/FII: Others (being Individual, Firm, Trust, AJP, etc.)
 - Individual
 - Hindu Undivided Family (HUF)
 - Firm
 - Limited Liability Partnership (LLP)
 - Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person (AJP)
 - Trust
 - Domestic company
 - Foreign company.
- IV. Email Address.
- V. Address.

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

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

I. For Resident members:

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

- iv. **Recognised Provident funds:** No TDS is required to be deducted as per Circular No. 18/2017 subject to specified conditions. Self- attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the IT Act, or Self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees' Provident Funds Act, 1952 needs to be submitted.
- v. **Approved Superannuation fund:** No TDS is required to be deducted as per Circular No. 18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part B of Fourth Schedule to the IT Act needs to be submitted.
- vi. **Approved Gratuity Fund:** No TDS is required to be deducted as per Circular No. 18/2017 subject to specified conditions. Self- attested copy of valid approval granted by Commissioner under Rule 2 of Part C of Fourth Schedule to the IT Act needs to be submitted.
- vii. **National Pension Scheme:** No TDS is required to be deducted as per Sec 197A (1E) of the IT Act.
- viii. **Government (Central/State):** No TDS is required to be deducted as per Sec 196(i) of the IT Act.
- ix. **Any other entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to exemption from TDS needs to be submitted.
- x. **Other resident members:**
 - a) TDS is required to be deducted at the rate of 10% under u/s 194 of the IT Act.
 - b) No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to individual member does not exceed ₹10,000. Normal dividend/s declared in the preceding financial year 2024- 2025 would be considered as the basis to determine applicability of the said threshold for the entire financial year.
 - c) No TDS is required to be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income). Please note that all fields are mandatory to be filled up and the Company may at its sole discretion reject the form if it does not fulfil the requirement of law and company policies. Shareholders should submit fresh declarations for any subsequent tranches of Dividend declared during the year in event of any change to the earlier submitted Form 15G/15H to the Company for the same financial year. In event of no intimation of subsequent change to the Company in following tranches, earlier submitted Form 15G/15H for the applicable financial year will be considered by the Company.
 - d) Please also note that valid Permanent Account Number ('PAN') will be mandatorily required.
 - e) TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar:
 - f) As per Section 139AA of the Income Tax Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply to this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of section 206AA of the Act. The Company will be using functionality of the Income-tax department for the above purpose. Provisions are effective from 1st July 2023. TDS is required to be deducted at the rate of 20% u/s 206AA of the IT Act, if valid PAN of the member is not available.
 - g) TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 197 of the Act, if such valid certificate is provided.

II. For Non-resident members:

- i. **Any entity entitled to beneficial rate / exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by Indian tax authorities) in support of the entity being entitled to beneficial rate / exemption from TDS needs to be submitted.

ii. **Other non-resident members:**

- a) TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) u/s 196D of the IT Act (For FPI and FII) and u/s 195 of the IT Act for other non-resident members.
- b) Member may be entitled to avail lower TDS rate as per Double Taxation Avoidance Agreement (DTAA) between India and the country of tax residence of the member, on furnishing the below specified documents applicable for the relevant period:-
 - 1) Self-attested copy of PAN. In case PAN is not available, provide details as per Rule 37BC of the Income-Tax Rules, 1962;
 - 2) Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the member is a resident;
 - 3) Self-declaration in Form 10F (it should be noted that vide notification number 03/2022 issued by the CBDT, it has been mandated to issue Form 10F electronically for it to be considered valid); and
 - 4) Self-declaration on letterhead of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits (as per Annexure A to this Communication).
- c) TDS is required to be deducted at the rate prescribed in valid lower tax withholding certificate issued u/s 197 of the IT Act, if such valid certificate is provided.

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

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

Section 3: Other general information for the members:

- I. For all self-attested documents, members must mention on the document "certified true copy of the original". For all documents being sent / accepted by e-mail, the Member undertakes to send the original document/s on the request by the Company.
- II. TDS will be deducted based on details of registered member only. Once TDS is deducted in the name of Registered members/ Beneficial Owners as appearing on Record Date, no transfer of such TDS in the name of another person shall be entertained under any circumstances.
- III. TDS deduction certificate will be sent to the members' registered e-mail address in due course. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://www.incometax.gov.in/iec/foportal>.
- IV. Surcharge rates applicable for the financial year 2025 - 26 for non-residents:
 - (i) Individual, HUF, AOP, BOI, AJP, Trust

Dividend Income	Rate
Upto ₹50 lakhs	Nil
Income exceeds ₹ 50 lakhs but does not exceed ₹ 1 crore	10%
Income exceeds ₹ 1 crore	15%

- (ii) Co-operative society or Firm, registered under applicable Indian law

Aggregate Income	Rate
Income exceeds ₹ 1 crore	12%

- (iii) Foreign company

Aggregate Income	Rate
Income exceeds ₹ 1 crore but does not exceed ₹ 10 crores	2%
Income exceeds ₹ 10 crores	5%

- V. Normal dividend(s) declared in the preceding financial year 2024–25 would be considered as the basis to determine applicability of the surcharge rate.
- VI. Health and Education Cess of 4% is applicable for non-residents.
- VII. Shareholders holding shares under multiple accounts under different status/ category (eg. Resident and Non-Resident) and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.
- VIII. Equity shares of the Company, which were transferred by the Company in the name of Investor Education and Protection Fund ('IEPF') in terms of Section 124(6) of the Companies Act 2013 and Rules framed thereunder, the TDS shall be deducted basis the available details of the underlying members.
- IX. Application of TDS rate is subject to necessary due diligence and verification by the Company of the member details as available in Register of members on the Record Date, documents, information available in public domain, etc. In case of ambiguous, incomplete or conflicting information, or the valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.
- X. In case TDS is deducted at a higher rate, an option is still available with the member to file the return of income and claim an appropriate refund, if eligible. Once deducted, no claim shall lie against the company in relation to TDS.
- XI. The Company may make adjustments for the past withholding tax on dividend paid to the shareholder, as may be necessary.
- XII. Income tax rates as per the latest Finance Act shall be used for determining the income-tax payable in respect of the total income of a person (being individual/ HUF/ AOP/ BOI/ AJP). The prescribed rates are applicable to all specified person by default.

The company is required to declare in its TDS return, "if the deductee is opting out of this new regime u/s 115BAC(1A). As a default option, the company will be opting as "No" for all shareholders to whom this section applies. In case, you wish to opt out of this new regime (shift to old tax regime), please provide declaration enclosed as Annexure B. Accordingly, on receipt of declaration with complete details, the company will update the response as "Yes" in its TDS return. Please note that no changes will be made if any declaration is received subsequent to record date.

- XIII. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the member/s, such member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

Note:

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

FORMAT FOR DECLARATION FOR CLAIMING BENEFITS UNDER DTAA

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

Date:

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

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

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

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

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

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

For <Mention the name of the payee>

Authorised Signatory

<Name of the person signing>

<Designation of the person signing>

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

Date:

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

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

This is to certify that I[name of individual]/ Karta of Hindu undivided family (HUF).....[name of HUF]*
/ [others], on behalf of..... [name and address of the individual/ HUF/others*, having
Permanent Account Number (PAN) do hereby, exercise the option for taxability under the old tax slabs/
regime and do not wish to opt for new tax regime prescribed under section 115BAC(1A) of the Income Tax Act for the
financial year 2025-26.

The details for this purpose are given below:

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

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

Further, I also understand that option once exercised, will be valid for entire financial year 2025-26 and cannot be changed subsequently during the course of the year for the purpose of reporting in TDS return by the deductor.

*Delete whichever is inapplicable.

Yours faithfully,

Signature of Individual/ Karta of HUF / Authorized Representative

Name

Designation.....

Date: _____

Place: _____

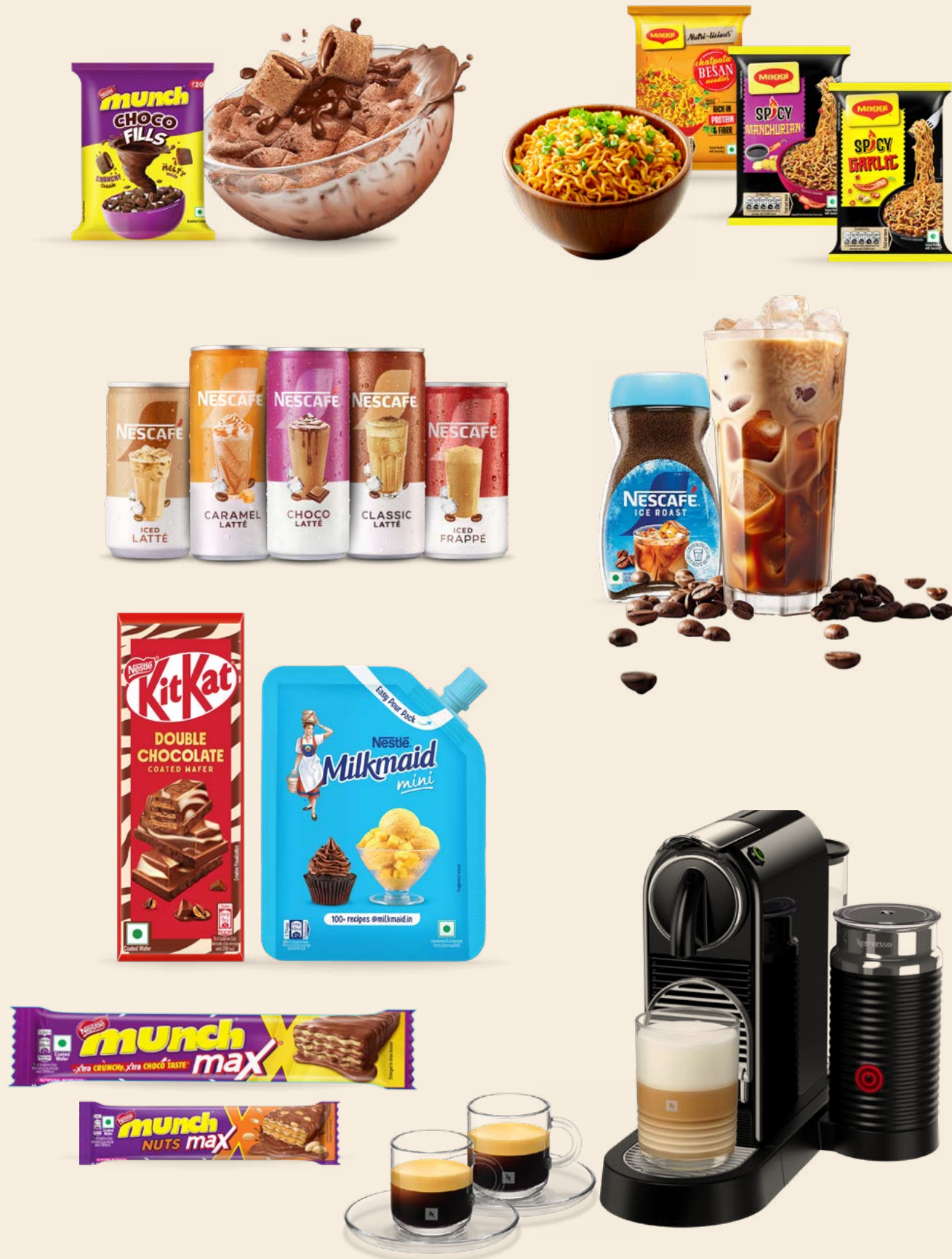
Note: This form shall be signed by the individual/ Karta of the HUF/ Authorized Representative.



Good food, Good life

Adversity Makes Us Stronger





*Every morning as a new day
dawns....8,629 employees in our
factories, fields and offices,
work with indefatigable zeal
and a singular PURPOSE of
serving our beloved consumers,
with a single pursuit of
bringing products that are of
unimpeachable quality.*

Suresh Narayanan
Chairman and Managing Director

Cautionary Statement

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

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Board of Directors



01_ Mr. Sidharth Kumar Birla
Independent
Non-Executive Director

02_ Ms. Alpana Parida
Independent
Non-Executive Director

03_ Ms. Anjali Bansal
Independent
Non-Executive Director

04_ Mr. Suresh Narayanan
Chairman and
Managing Director

05_ Ms. Suneeta Reddy
Independent
Non-Executive Director

06_ Ms. Svetlana Boldina
Executive Director –
F&C and CFO

07_ Mr. P. R. Ramesh
Independent
Non-Executive Director

08_ Mr. Satish Srinivasan
Executive Director -
Technical

09_ Mr. Pramod Kumar Rai
Company Secretary and
Compliance Officer

Adversity Makes Us Stronger

Only a purpose-led and motivated spirit can rise to any occasion and triumph in the face of adversity. Nestlé India is one such glowing profile in resilience, perseverance and adaptability that has consistently defied the odds and delivered.

This culture manifests in the exacting care undertaken in our procurement processes, the cutting-edge wherewithal and science inherent in our products. Nestlé's timeless commitment to the highest quality, standards and nutrition will always shine bright.

Even in the most trying situations we never forgot to treat one another with respect. We used our strength to lift vulnerable communities. Our unflinching loyalty to our corporate conscience always reflected Nestlé at its best.

We have been committed to India and to all our stakeholders for over 113 years and therefore our institutional character and commitment to the sacred Nestlé Purpose will ensure that irrespective of adversities that came yesterday, and may come again tomorrow, we will always deliver to our expectations, the 'Nestlé Way'.



Chairman's Message



We kept our promise of unlocking the power of food, to enhance the quality of life for today and generations to come. Encapsulated in our heartbeat – Purpose, People, Partnership, Planet and Performance, we walked the path of progress.

Suresh Narayanan

Chairman and Managing Director

Dear Members,

As I write my last shareholder letter, I feel overwhelmed with emotions – a sense of pride – a feeling of nostalgia – and immense gratitude as I look back at almost a decade of service in your Company at the helm.

It was a decade that brought both opportunities and challenges. Times that were unpredictable, yet promising. Together we navigated the black swans and gray rhinos. And seized the rising India opportunity. In the unpredictable dance of light and shadow, true resilience was forged.

First 100 Days – July 2015

My first 100 days as the Chairman and Managing Director of Nestlé India had been one of the greatest challenges of my career. Yet they stand out as enriching experiences! Confronting the MAGGI crisis was daunting. Every step towards stability had its risks. Yet we were bold with our TRUTH.

It was the brand TRUST of MAGGI and collective strength of our employees, partners, distributors, suppliers and consumers that helped your Company bounce back with renewed vigour.

Together we emerged stronger!

MAGGI noodles went from market leadership to near extinction and recovered 60% of its market share within months of its relaunch.

At that time, a young brand manager suggested “why don’t we relaunch MAGGI online?” I asked about the risk of failure. After a quick assessment, we relaunched MAGGI online and the rest is history—60,000 boxes were sold in less than 5 minutes on Snapdeal.

Today ‘**Aapki MAGGI**’ is the most loved and enjoyable brand.

Sometimes adversity pushes you into a better destiny. I am reminded of Nobel laureate Rabindranath Tagore's stirring lines from the Gitanjali: **“Let me not pray to be sheltered from dangers, but to be fearless when facing them.”** It's in navigating the storm, not avoiding it, that we often find our truest north.

Our journey has never been one of short-cuts or settling for less.

We made the right investments—not just in assets, but in ideas and people. And we made responsible choices – choices that honored our values, sustained our growth. We kept our promise of unlocking the power of food, to enhance the quality of life for today and generations to come. Encapsulated in our heartbeat – Purpose, People, Partnership, Planet and Performance, we walked the path of progress.

Every morning as a new day dawns...8,629 employees in our factories, fields and offices, work with indefatigable zeal and a singular PURPOSE of serving our beloved consumers, with a single pursuit of bringing products that are of unimpeachable quality and highest safety standard.

Moments and Milestones - Ten Years of Service

We live in capricious times.

Inflationary pressures. Muted consumer demand. Tightening of the wallet. COVID a harbinger of economic slowdown, geo-political crisis – all wrapped up in a decade of promise, challenges and unexpected opportunities. Volatilities will come and go, but it

was the strength of teams, brands and conviction that made us stand up to the odds and deliver 10 years of consistent performance.

Performance - Innovations - Value Creation

Over the last decade, our revenue witnessed a CAGR of 10.3% while the corresponding profits from operations grew by 13.5%. In the same period our market capitalization grew to 3.9 times and the Total Shareholder Return (TSR) CAGR was 17.0%.

Just 10 years ago **80,000** Shareholders entrusted us with a part of their future. Today, that incredible Shareholder Parivaar has grown to over **550,000**

We were once seen as an urban Company with a limited portfolio, but through penetration-led volume growth strategy rolled out in 2015, we now have access to more households and more consumption occasions.

We no longer fear failure!

Launching new products doesn't happen with a flip of switch! We understood the evolving pulse of the consumer. Prioritized speed in execution. Our pace of innovation is now four times faster than it was a decade ago.

In 2015, many considered us to be solely a MAGGI noodles Company. Since then we recalibrated and rejuvenated the portfolio launching over 150+ new products that have contributed to 7% of sales.

Our consumer metrics score went up in the last decade.

Through relentless consumer cluster-based and RUrban strategy, our brands reach 2 out of 3 households.

We have added 1.3 million more retail outlets since 2016 with the highest gains amongst peers in 2024. The RUrban strategy began in 2019, and has increased RUrban distribution touchpoints to 28,240. Today we are present in approximately 209,050 villages.

In the last decade, NESCAFÉ has strengthened its leadership position by gaining market share and bringing more than 43 million households into the coffee category, by expanding its reach both at the top and at the bottom.

Once a muted business, Confectionery has tripled its business in the last 10 years. KITKAT doubled its market share and became the fastest growing brand within the chocolate category in India. Today, India is the second largest market for KITKAT globally, a decade ago it was at number 10. MUNCH and MILKYBAR have also doubled their business.

The Prepared Dishes and Cooking Aids business- our ‘Dil ki dhadkan’ or the heartbeat of your Company has doubled the MAGGI business in India which is also the largest market worldwide for MAGGI, with sharpened and increased pace of innovation and premiumization.

We ventured into some new categories to establish robust pillars of growth, such as Breakfast Cereals and Petcare business. Signaling the potential of health care products in India, your Company has joined hands with Dr. Reddy’s Laboratories Ltd, which has got on to an encouraging start, combining synergies of nutrition product portfolio and distribution reach.

In the last 10 years, the Out - of-Home business moved from just being a ‘coffee vending business’ to a vibrant and powerful portfolio business. The portfolio has been transformed with premiumization in beverages and foods, robust customer acquisition and geographical expansion beyond metros and mega cities. Today, it is the second largest business in Asia, Oceania and Africa. Our 960 Retail One kiosks are now located in colleges, hospitals, and tourist hotspots employing over 245 women and people with disabilities as food handlers.

As a consequence of robust growth, your Company is investing in new capabilities and capacities, by increasing product lines in existing factories and setting up the Sanand factory in Gujarat, for Confectionery and Prepared Dishes and Cooking aids. On the anvil is the 10th citadel of manufacturing that is coming up in Odisha. **The CAPEX levels have increased from 1.8% of sales in 2015 to 10.0% of sales in the financial year ending 2024-2025. This not only demonstrates the focus on Indian consumers but also our commitment to manufacture in India and 'Make in India' as a theme.**

We walked the path of the virtuous circle to achieve efficiencies, to free up our resources, to invest in key brands, products and growth platforms, drive market shares and thereby drive profitable growth, keeping consumers and our people at the core.

Speed - Technology - Digital Transformation

In the last decade your Company accelerated its digital journey, adapting to the new vistas of change in consumer marketing, distributor outreach and in factories. All our employees are now digitally wired.

Technology has been the biggest enabler for sales and distribution. We can geo - target using analytics, markets and pin codes we need to go to with our products. Today,

using data analytics and with the benefit of AI, we move from information-based platforms onto predictive platforms.

Through sales automation software, our salespersons know where to sell, which promotion to focus on and which outlet to concentrate to enhance business. Our world class Distribution centers are racked, stacked, and fully technologically enabled.

Our factories in India are environment-friendly and digitally connected with most contemporary technologies.

People – Passion - Progress

Many years ago my ‘paati, (grandmother) gave me timeless wisdom ‘Janangala pattuko’ (take care of the people and things will take care of themselves). Her words still resonates with me, because it is the PEOPLE who matter.

Your Company has a multi-generational workforce from Baby boomers to Gen Z.

Diversity creates a unique intersection of humanity. Each with a unique experience, a distinct cadence of thought, quiet wisdom and audacious dreams.

People are invested in your Company for a long haul. In my current role nearly 6,000 people were awarded long service awards (ranging from 10 – 35 years). Around 41 people with disabilities work in our factories and offices. We have one of the most progressive policies on inclusivity, bringing about mindset shifts and nurturing future-ready women leaders as successors for senior leadership roles.

Dream in Moonshots

At 22, Sunil Kumar Singh left his home in Chapra, Bihar, with a dream of a father: to gift his daughter the education he perhaps never had. He joined Nestlé India to oversee the kitchen pantry. He serves the best NESCAFÉ to the employees. Today, his daughter

Jyoti, armed with an economics degree, holds the position of an associate within the very Company where her father works.

A decade ago only 10% women formed the management committee, today there are 21% women. 50% of our board members are women! We have one of the highest representation of women in FMCG field sales force.

The Sanand factory has around 45% women workforce who do EVERYTHING— plan, procure, produce, package, quality control, release for warehousing, control sophisticated digital factory operations and nurture every pack that YOU as our consumer relish. They work relentlessly, balancing work and families - a determination that is inspirational!

My one piece of advice to our employees is that true contentment in work lies not just in reaching the destination, but in savoring every step of the journey. Holding fast to your values and not forgetting people who championed your success.

Partnerships – Growing Together to Go Far

We are integral part of the India story tracing our modest beginning 113 years ago. Our first sales agents began work in Chennai and Kolkata in 1912.

In the last decade, we have deepened our connection with Bharat and its stewards – our 80,000 dairy farmers, 5,000 coffee farmers and 2,500 spice farmers. They toil hard to give our consumers, brands of impeccable quality. Today about 40% of our distributors have been associated with us for over 10 years. They have seen us through thick and thin, good times and bad, crisis and calmer moments.

Over 4,600 suppliers, give us materials and services of unimpeachable quality, and our sustainability partners make sure that we walk the talk!

Purpose – Business as a Force For Good

PURPOSE is the raison-d'être for existence in business. When interwoven with performance it makes meaningful contribution to the consumers, people and the nation.

Sant Kabir presciently said:

बड़ा हुआ तो क्या हुआ, जैसे पेड़ खजूर। पंथी को छाया नहीं, फल लगे अति दूर।

(In vain is eminence, just like a date tree. It gives no shade for travelers, its fruit is hard to reach)

Your Company continues to positively impact the lives of 16 million beneficiaries, with the hope to transform a life, a community, a village, through rural development, education, nutrition awareness, environmental initiatives, livelihood enhancements, feeding support programmes, water and sanitation improvements.

Your investment in your Company is often so much more than just a transaction. Your shares are interwoven with life's most significant milestones. It is tied to the dreams of a first home, the promise of education for your children, the celebrations of a wedding day and the security of retirement.

I met a young gentleman studying at a management institute in India, his father is a Nestlé India shareholder, who sold his shares purchased many years ago to fund his education. It is with this understanding that I, alongside my colleagues, step into our roles each day, mindful of the immense faith you have placed in us with your investment. Thank you for that unwavering trust.

Where the Heart Beats - Culture and Values

CULTURE is the unspoken language that helps people act in difficult times. **The culture of your Company rests on the pillars of respect, decency, diligence and**

humility. Culture is the chemistry between the ‘Power’ of Purpose and the inspiration of our sacred VALUES which if nurtured can lead to sustainably strong and robust results irrespective of external circumstances. The only legacy a leader leaves behind is culture.

With Gratitude

As it is often said, great organisations make ordinary people do extraordinary things.

To the partners for their collaboration, the esteemed Board of Directors for their guidance and trust in the future of the Company, our people for their integrity, determination and drive and the consumers for bestowing their love for our brands - It has been a privilege to serve you.

A special thanks to Rita Srivastava, my executive assistant for 20 years, who has managed my time and work life with impeccable commitment and dedication. Finally Sunil for serving the best NESCAFÉ that would keep me invigorated for long hours.

Mahatma Gandhi had once said, "The best way to find yourself is to lose yourself in the service of others".

Today, I officially pass the torch of your Company into the capable hands of Mr. Manish Tiwary to steer your Company into the next phase of growth, building upon the strong foundation that has been set.

I truly believe that I leave this organization, which I think will go from strength to strength, walking faster, more focused, more determined and FUTURE-READY and most importantly, inclusive and compassionate.


Suresh Narayanan
Chairman and Managing Director

The Decade That Was (2015-2025)

Financial Performance

	2015	2024-25	CAGR
Turnover (INR in billion)	81	201	10.3%
Profit after taxes (INR in billion)	5.6	33	21.1%
Market Capitalization (INR in billion)	561.5	2,170 (3.9 times)	15.7%
Return on average equity (in %)	19.9	88.9	
Shareholders	~80,000	~5,50,000	

Key Business Achievements

Foods	India became the largest MAGGI market globally	Dairy	Doubled the sales (in terms of value) for MILKMAID
Beverages	NESCAFÉ's market share grew from 48.4% to 55.5%	Out-of-Home	India - the second largest Out-of-Home business for Nestlé in zone Asia, Oceania and Africa
Confectionery	India became the second largest KITKAT market globally	AI Journey	Started in 2019 . Developed applications to strengthen several value chains

Expanding the business

Breakfast cereals	Launched in 2018	Purina Petcare	Launched in 2018
Nestlé India entered into a joint venture with Dr. Reddy's laboratories Ltd	in 2024	NESPRESSO	Launched in 2024

Consumers and Customers

Consumer-centricity	24X7 Consumer service with 80 dedicated professionals	Self-ordering app	NesMitra (AI-enabled platform for redistributors and wholesalers)
AskNestlé	Personalized advice on nutrition and products	End-to-end sales tool	RACE (Digitalized 'Planning-to-execution' platform)

People

Gender Diversity	50% of the Board is women. - 1 in every 5 people in sales force is a woman	Inclusivity	41 people with disabilities work in factories and offices - Conducive policies, infrastructure and programmes for LGBTQ employees
Workforce protection	Suraksha Scheme (Medical Cover) for all employees		

Environment

Corporate Commitment	Net Zero Roadmap to achieve zero-emissions by 2050	Packaging sustainability	Plastic neutral since 2020 - Reduction in usage of Virgin plastic
Sustainable sourcing	Launched MAGGI Spice Plan Key 10 spices are now 100% traceable Strengthened NESCAFÉ Plan and dairy sourcing	Supply Chain	Launched distribution center in Bhiwandi - Digital Twin and Completely paperless operations . First in zone Asia, Oceania and Africa
Reducing use of fossil fuel	Invested in Biodigesters and biomass boilers		

Improving the nutrition profile

Eat Right Pledge	Signed FSSAI's ' Eat Right Pledge ' to reduce salt, added sugar and fat across products	Integrating millets	Integrated millets across key portfolios like MAGGI, a+ and breakfast cereals
Fortification	Iron fortification in MAGGI	Reduction in sugar	Reduced added sugar in CERELAC by up to 30% in the last five years. Recently introduced new CERELAC range with ' no refined sugar ' option.
More nutritious options	Reduced added sugar by 6%, salt by 10% and total fat by 2.5% across categories		

Partnerships

Distributors and re-distributors	- ~10,000	Distributors associated with Nestlé for more than 10 years	- 40%	Suppliers	- ~4,600
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A legacy of
113 years

550,000+
Shareholders

88.9%
Return on net worth

10,000+
Distributors &
re-distributors

Nestlé's India Story

5.2 million
Retail Outlets

~16 million
beneficiaries*
Societal interventions

8,629
Employees

* direct and indirect beneficiaries

Nestlé India laid the foundation stone for its upcoming factory in Khordha, Odisha. This is slated to be Nestlé India's tenth factory and first in the eastern part of the country.



The Khordha factory in Odisha is
Nestlé India's first factory in Eastern India

Brand Footprint in India

Serving families. Touching lives.



A Nestlé product reaches 2 out of 3 households in India

NESPRESSO

NESPRESSO, the pioneer in premium portioned coffee, opened its first boutique at Select Citywalk Mall, New Delhi.

A significant milestone in Nespresso's global expansion following its initial entry into India in late 2024.

NESPRESSO introduced its globally best-selling coffees and machines from both the Original and Professional ranges, aiming to delight consumers with its unforgettable taste. The launch also includes dedicated milk-based solutions, tailored to meet the preference for milk-based coffee consumption in India.

Consumers can explore and savor a diverse selection of coffee blends, receive machine recommendations tailored for their consumption from coffee specialists, and explore an exclusive range of premium accessories designed to enhance their NESPRESSO coffee experience. The official NESPRESSO website (Nespresso.com/in) ensures nationwide accessibility, delivering orders across India to over 16,000 pin codes.

NESPRESSO has been sourcing high-quality green coffee from India since 2011 and collaborates directly with around 1,800 coffee farmers in the country through its AAA Sustainable Quality™ Programme. This initiative focuses on improving coffee quality, farm productivity, and sustainability, reflecting NESPRESSO's commitment to creating a positive impact throughout the coffee value chain.

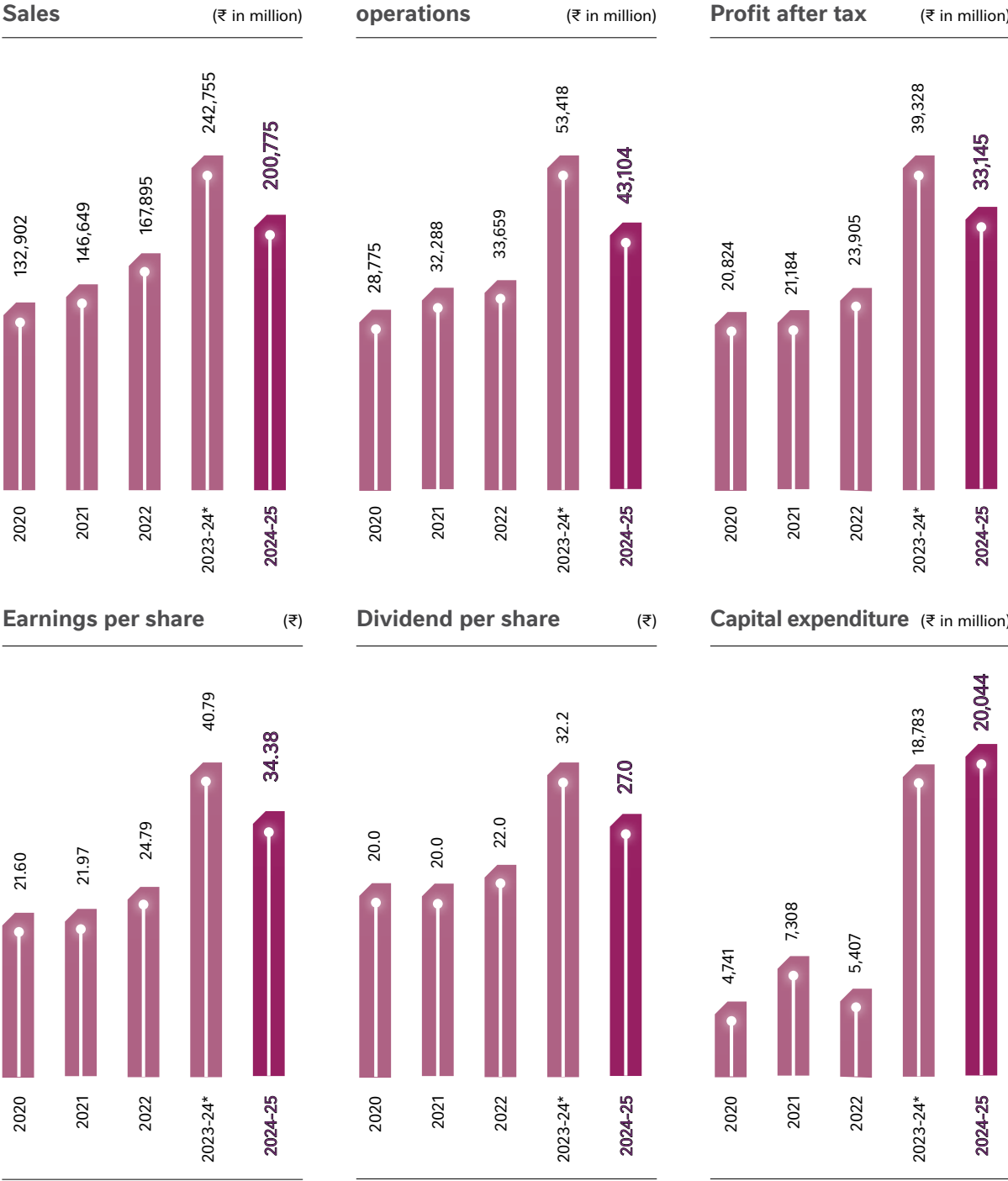
~1,800

Direct collaboration with coffee farmers in India



Nestlé India in Numbers

Constant Financial Growth Over the Years



* Previous financial year 2023-24 comprises of 15 months period from 1st January 2023 to 31st March 2024, hence the figures are not comparable.

10 - Year Financial Highlights

₹ in million (except otherwise stated)

Particulars	2024-25	2023-24 [^]	2022	2021	2020	2019	2018	2017	2016	2015*
	Results									
Sales	200,775	242,755	167,895	146,649	132,902	122,953	112,162	101,351	94,096	81,233
Profit from Operations	43,104	53,418	33,659	32,288	28,775	25,940	23,509	18,305	16,542	13,338
As % of Sales	21.5	22.0	20.0	22.0	21.7	21.1	21.0	18.1	17.6	16.4
Profit after Tax	33,145	39,328	23,905	21,184	20,824	19,684	16,069	12,252	10,014	5,633
As % of Sales	16.5	16.2	14.2	14.4	15.7	16.0	14.3	12.1	10.6	6.9
	Balance Sheet and Cash flow Statement									
Shareholders Fund	41,172	33,409	24,592	19,464	20,193	19,189	36,737	34,206	32,823	28,178
Return on Average Equity (%)	88.9	108.5	108.5	111.0	105.8	70.4	45.3	36.6	32.8	19.9
Operating Cash flow	29,363	41,748	27,374	22,360	24,545	22,953	20,525	18,178	14,659	10,981
As % of Sales	14.6	17.2	16.3	15.2	18.5	18.7	18.3	17.9	15.6	13.5
Capital Expenditure	20,044	18,783	5,407	7,308	4,741	1,522	1,628	1,959	1,133	1,493
As % of Sales	10.0	7.7	3.2	5.0	3.6	1.2	1.5	1.9	1.2	1.8
	Data per Share @									
Earnings per share (₹)	34.38	40.79	24.79	21.97	21.60	20.42	16.67	12.71	10.39	5.84
Dividend per share (₹)	27.0	32.2	22.0	20.0	20.0	34.2*	11.5	8.6	6.3	4.8
	Others									
Market capitalisation	2,170,077	2,528,358	1,890,327	1,899,925	1,773,312	1,425,983	1,070,913	756,381	581,367	561,535
Number of employees	8,629	8,912	8,069	7,910	7,747	7,649	7,604	7,527	7,588	7,495

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

* Impacted by MAGGI Noodles issue.

[#]In 2019, special dividend of ₹18.0 per share paid out of accumulated profits of previous years.

[^] Previous financial year 2023-24 of the Company was for a period of 15 months from 1st January 2023 to 31st March 2024 due to change of financial year to uniform financial year commencing on 1st April of every year and ending on 31st March of the following year and hence the figures are not comparable.

@ In 2023-24, 1 (one) equity share having face value of ₹10.00 (Rupees Ten only) fully paid-up, was sub-divided into 10 (ten) equity shares having face value of ₹1.00 (Rupees One only) each, fully paid-up. Hence, the earnings per share and dividend per share for the prior periods have been restated.

Key Financial Ratios

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

Particulars	2024-25	2023-24 [^]
Operating Profit Margin (%) (Profit From Operations / Sale of Products)	21.5	22.0
Net Profit Margin (%) (Profit after Tax / Sale of Products)	16.5	16.2
Return on Net Worth (%) (Profit after Tax / Average Equity)	88.9	108.5
Current Ratio (Current Assets / Current Liabilities)	0.8	0.9
Inventory Turnover Ratio (Sale of Products / Average Inventories)	8.1	9.7
Debtors Turnover Ratio (Sale of Products / Average Trade Receivables)	60.5	78.9
Debt Equity ratio (Debt / Equity)	0.3	0.1
Interest Coverage Ratio (Interest cost / Earnings available for Interest Service)*	95.0	178.5

*

- Interest cost includes interest on finance lease and interest on short term bank borrowings.
- Earnings available for interest service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest cost.

[^] Previous period ratios have been annualised on a time proportion basis as the financial year is for a fifteen months period.

Sales

To serve its consumers, your Company has an omni-channel approach, which implies that the brands are available at locations and channels that are most convenient for consumers.

RURban

Your Company strengthened its route-to-market through a comprehensive RURban strategy focused on five key pillars: Infrastructure, Product Portfolio, Technology, Visibility and Consumer Connect. Your Company scaled its 'Total reach', primarily led by its expansion in RURban areas. With an increase of 7.5% during the period under review, your Company's expansion in total reach across all geographies was the highest amongst peers in the industry. This was achieved through your Company's concerted efforts to strengthen its distribution touchpoints, which grew from 20,783 to 28,240 during the period under review.

These efforts together helped your Company to be present in approximately 209,050 villages. Your Company also continued to increase RURban smart stores to influence shoppers at the point of sale and engage with consumers through haat activities, in weekly village markets.

Your Company also continued to engage with women from rural areas under *Project Swabhimaan* to foster entrepreneurial skills by upskilling and training them. This initiative added more than 250 women entrepreneurs in the period under review taking the cumulative number to more than 2,100.

Technology interventions remained the bedrock of business acceleration in RURban, and initiatives such as the industry-first RD DMS (Re-Distributor 'Distributor Management Solution') solution helped automate your Company's sub-distributors in RURban markets.

E-commerce

The rapid growth of quick commerce in India has been changing consumer landscape and the increasing demand for convenience. With the proliferation of smartphones and internet connectivity, consumers are increasingly seeking faster and more efficient ways to shop. Quick commerce, with its focus on rapid delivery, has emerged as a solution to meet these evolving needs.

Your Company's e-commerce business experienced accelerated growth, primarily driven by Quick Commerce. E-commerce business contributed 8.6% to sales in the period under review. Quick commerce growth continued to be aided by new user acquisition initiatives through targeted digital

communication across various touchpoints. This contributed approximately 45% of the e-commerce business.

Campaigns for new product launches, including NESCAFÉ Ready-to-Drink cold coffee range were run on Quick Commerce platforms which were extremely well-received by the consumers, thus giving the brands a fillip.



Sushrut Nallulwar
Head - Sales

During the year under review, we have made significant progress in increasing our reach, particularly in RURban markets, through enhanced distribution infrastructure and leveraging technology. Our commitment to omnichannel strategies has enabled us to engage consumers more effectively, meeting their evolving needs and preferences.

Integration of Technology

Integration of technology is significantly enhancing the efficiency and effectiveness of your Company.

NesMitra

Your Company continued to scale up the retailer self-order application NesMitra, as per its approach to build it as a 'Complementary Route to Market Application'. With approximately 70% of the wholesale hub business being on NesMitra, the adoption of the application has been encouraging.

NesMitra is being further scaled up to address scenarios of distributor salesman's absence or transition in the market. Leveraging its richness of features, your Company is also scaling up the application to be holistic and comprehensive that covers all the aspects of relationship with retailers.

Re-Distributor 'Distributor Management Solution' RD DMS

Re-distributors contribute approximately 50% to your Company's RURban business. These re-distributors usually deal with several companies and manage their daily sales operations manually. To help these re-distributors and empower them with digital upgradation to automate and standardize their operations and improve their efficiencies, your Company introduced an industry-first Distributor Management Solution – RD DMS with multi company billing facility. This will help your Company to have visibility of sell-out, sales enablers and the ability to invest in re-distributors' market.

RACE (Real time ACTivity Execution)

RACE is an important digital transformation initiatives that helps in end-to-end integration of multiple trade activities from planning till execution by sales person at the point of sales. This enables automation of all the trade activities and faster communication till last mile in the field. It also gives visibility of retailer-level key tasks in handheld devices of the sales person.

The application acts as a digital repository for the activities on a single platform which helps your Company drive higher number of activities, tailor-made for the region and supports in reviewing progress and measuring the efficacy of the activity.



Where the Best of Science and Quality Converge



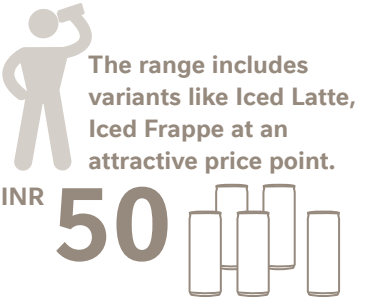
We are committed to offer nutritious and indulgent products to our consumers while maintaining highest standards of quality. We continue to work closely with our dairy farmers to drive a positive impact on the environment through sustainable dairy farming practices.

Milk Products and Nutrition



Milk Products

The NESCAFÉ Ready-To-Drink (RTD) portfolio continued to focus on strengthening the cold coffee category for young consumers, achieving strong growth by capturing consumption occasions both in-home and out-of-home. The launch of new café-style cold coffee range brought one of India's most loved brands, NESCAFÉ closer to its youngest consumers and propelled NESCAFÉ RTD to the market leader position. The range includes variants like Iced Latte, Iced Frappe at an attractive price point INR 50 and the more indulgent variants like Choco Latte, Caramel Latte and Classic Latte at INR 75. This range delivers café quality cold coffee in a stylish new can format that matches our consumers' fast-paced, aspirational and convenience-driven lifestyles.



MILKMAID continued to deliver good growth. During the year, your Company successfully introduced a new penetration pack, MILKMAID Mini, in a resealable doyp format, which facilitated increased trials and attracted new consumers to the brand. Your Company sold more than 1,000 tons of the product in the first year of its launch. MILKMAID has continued to drive innovative applications of its product to encourage dessert preparation at home.



Nestlé a+ further expanded its yoghurt range with the launch of an unsweetened low fat Greek yoghurt, offering 10% of daily protein requirement in a single serve.

Nestlé a+, launch of an unsweetened low fat Greek yoghurt, offering

 **10%**

of daily protein requirement in a single serve.



Nutrition

Your Company believes that breast milk provides the best nutrition for babies, and every child should be exclusively breastfed for six months, followed by introduction of age-appropriate complementary food as advised by the healthcare professional and continued breastfeeding until two years and beyond. Your Company's Nutrition business is committed to providing high quality, innovative, science-based nutrition to babies and young children.

In the context of widespread consumption trends, your Company delivered satisfactory growth, ahead of category performance.

In line with this commitment of constantly upgrading its product offerings, your Company launched an entire range of CERELAC infant cereals and CEREGROW toddler cereals with zero refined sugar.

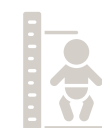
Your Company continued with its focus on providing research-based, validated products to healthcare professional and parents.

There was continued impetus on driving consumer relevant, differentiated propositions on the toddler products, which are getting strong consumer acceptance. NANGROW built on its strong product credentials to demonstrate how its unique formulation helps support the '7 Signs of Growth' in young children.



NANGROW built on its strong product credentials to demonstrate how its unique formulation helps support the

7 Signs of Growth in young children.



Vineet Singh
Head - Nutrition

In a year of significant external volatility, we pushed the boundaries of science-based innovation and implemented fundamental upgrades to our products - from introducing ingredients like 5 HMOs (oligosaccharides) to our infant formula products, to offering a 'no refined sugar' range of infant cereals to doctors and parents. We continue to remain focused on unlocking better lives for all, through the power of Nutrition.

Wholesome Goodness and Taste



Prepared Dishes and Cooking Aids continued to recruit new households and increase distribution reach, aided by impactful campaigns and attractive consumer activations. Healthy growth in the year under review has been on the back of adding more households for the brand.

31.4%

Contribution to total sales

5+ billion

serves of MAGGI sold

MAGGI proudly celebrates

50 years

of delighting consumers and delivering quality, taste and convenience.



Rupali Rattan
Head, Foods



Our efforts have been to focus on the Core, while accelerating innovations, deepening love, and trust with consumers.

Prepared Dishes and Cooking Aids



MAGGI proudly celebrates 50 years of delighting consumers and delivering quality, taste and convenience.

Innovation and Renovation

Post the successful launch of Spicy Garlic and Spicy Manchurian, the Spicy range was extended to include a Spicy Cheesy variant.

MAGGI extended its Nutrilicious Veg Atta noodle offering at an affordable price of INR 20, to tap into the RURban market opportunity.

Your Company continued to focus on building the Korean range in select channels. It also launched a category-first innovation - MAGGI Besan Noodles, in the second half of 2024.



Reduced **40%** plastic from each cup of MAGGI Cuppa noodles

Campaigns

'Rishtey Maangein bas 2 minute' campaign on MAGGI reminded people of the importance of spending meaningful moments of togetherness to spark conversations, share a laugh, and create lasting memories over a bowl of MAGGI noodles.

'Banaye roz ka khana kaamal' campaign for Masala-e-Magic focused on transforming everyday dishes into extraordinary meals by adding Masala-e-Magic to enhance their aroma, color, and taste, making them favorites for children every day.

Digitalization and E-commerce

MAGGI's enhanced digital marketing efforts and consumer engagement strategies resulted in significant growth in the Q-commerce space.

Sustainability

MAGGI reduced plastic by 40% in each cup of its entire MAGGI cuppa noodles range, utilizing innovative 'Thermofoam cup' technology developed by Nestlé India R&D. Furthermore, the core MAGGI range is designed for recyclability, encouraging consumers to adopt proper waste segregation methods.

Beginning Every Day with Crunchy-Munchy Goodness



Your Company's Breakfast Cereals portfolio which is a part of Prepared Dishes and Cooking Aids business, continued to accelerate and achieve robust growth. Your Company now offers a diverse range of breakfast cereals that cater to the needs of various consumer segments.



Varun Sethuraman
Head - Cereals



Today's consumers seek filling, delightful, and convenient breakfast options. With MUNCH cereals and MUNCH CHOCO FILLS, they now have two exciting and tasty choices. We are committed to continuing this journey to delight our consumers and drive growth.

Breakfast Cereals



During the period under review, your Company removed and expanded its Breakfast Cereals portfolio to meet consumer demand for a more indulgent breakfast experience with the introduction of MUNCH CHOCO FILLS. With its crunchy exterior and yummy chocolate filling, MUNCH CHOCO FILLS offers an exciting way to start your day with a smile. It combines the crunch of whole wheat, rice, and corn with the unique chocolatiness of MUNCH.



Campaigns

MUNCH Breakfast Cereals has been consistently growing, positioning your Company as one of the leading players in the single-serve segment. This growth was aided by increased availability, consumer preference and a focused media campaign. The campaign "Get Set & Crunch your breakfast" emphasized on a crunchy and chocolaty start, has resonated well with the audience.

MUNCH Choco Fills

combines the crunchiness from whole wheat, rice & corn with the unique chocolatiness of MUNCH.

Delightful Nutrition for Pets



The Pet Care business which is a part of Prepared Dishes and Cooking Aids business robust growth driven by portfolio transformation, premiumization and route to market prioritization.



Pallavi Anand
Head, Pet Food

The growing demand for premium, high-quality products reflect how pet owners are prioritizing their pets' well-being, treating them as family members. The Purina global strength coupled with our enhanced presence in India, positions us well to achieve business growth.

PURINA



Cat Food Portfolio - Surging Ahead

With the rising trend in cat adoption and PURINA's superior palatability, the PURINA cat portfolio comprising of FELIX and FRISKIES witnessed significant growth. It was fueled by increasing awareness through digital media campaigns, targeted sampling and high impact visibility on shelf.

PRO PLAN - Growing on the Back of Advocacy

The super premium brand PRO PLAN, also clocked an impressive growth on the back of increasing advocacy with key opinion leaders, veterinarians and discerning pet parents. PRO PLAN Starter, a scientifically designed product for puppies, pregnant and nursing mothers was launched in 2024. The initiative was supported by high impact visibility at point of sale and strong detailing and engagement focus with veterinarians.



E-commerce, led by Q-commerce continued to accelerate, posting high double-digit growth, contributing 30% to the business.

Imbibing the 'Better Together' Spirit

PURINA truly believes that pets and people are better together – especially at the workplace. To celebrate this, PURINA welcomed its furry friends to the corporate office in May 2024 as part of its Pets at Work programme, spreading a whole lot of paw-sitivity & cheer!



E-commerce led by Q-commerce continued its path of acceleration posting high double-digit growth, contributing

30%
to the business.

Sheer Joy in Every Bite



Your Company’s Confectionery portfolio delivered satisfactory growth despite category challenges of high cost inflation.

This growth was attributed to unlocking the penetration opportunity, innovating with a focus on premiumization and enhancing the quantity and quality of your Company's distribution network.



Gopichandar Jagatheesan
Head, Confectionery

With the unlock of our new factory at Sanand in Gujarat, increased investments in strengthening brand love and building cool chain infrastructure, we are confident that we will continue to create more smiles for our consumers and partners.

16.9%

Contribution to total sales

3,950 million

fingers of KITKAT sold

2,200 million

units of MUNCH sold

Confectionery



Highest Ever Penetration for Nestlé India Confectionery

Confectionery business achieved its highest-ever penetration levels driven by increasing brand relevance and driving in-home consumption leveraging e-commerce.

KITKAT launched the “Break Pe Sirph Break” campaign which spoke to consumers in today’s fast paced world – reminding them to completely disengage during breaks.

KITKAT sustained its growth trajectory by achieving impressive double-digit growth, positioning Nestlé India as the brand’s second largest market worldwide.

MUNCH continued its focus to drive RUrban penetration through its new thematic “Utha MUNCH, Dikha Crunch” which urges teenagers to overcome their doubts and naysayers.

E-commerce helped in driving in-home penetration aiding significant market share gains supported by increased investments and e-commerce forward launches.



Driving Variety With a Focus on Premiumization

Innovative product launches, such as KITKAT Salted Caramel, along with a sustained emphasis on enhancing the premium range—including Dark, Rich, and Caramel—were further supported by the introduction of two new offerings: Cookie Crumble (Limited Edition) and Marbled Double Chocolate. These initiatives significantly contributed to the drive towards premiumization.

MUNCH expanded its premium presence through innovations such as MUNCH MAX Butterscotch and MUNCH MAX Nuts.

More Stores, Better Stores

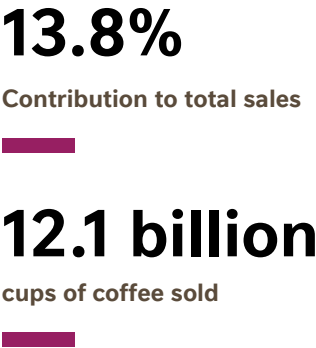
Your Company’s Confectionery portfolio doubled down on building reach and creating better stores by developing a larger and stronger cool chain network. This initiative was further bolstered by significant addition of new Visicoolers, which enhanced both the availability and visibility of our brands.



Brewed Contentment in Every Sip



The Powdered and Liquid Beverages portfolio achieved another impressive year of robust growth, driven by a focused and consistent strategy aimed at recruitment and enhancing the relevance of the coffee category.



Sunayan Mitra,
Head, Powdered
and Liquid Beverages

In 2024-2025, we achieved impressive double-digit growth in our coffee and beverages portfolio. Our commitment to quality, enhancing coffee's relevance, and strong operational focus have solidified our market leadership in the in-home coffee category.

We also honor the inspiring stories of our farmers, whose dedication and passion are integral to every cup of NESCAFÉ. Together, we are not only providing outstanding coffee experiences but also fostering a sustainable future for our communities.

Powdered and Liquid Beverages



Market Leadership Journey Continues

The NESCAFÉ in-home portfolio, which includes NESCAFÉ CLASSIC, NESCAFÉ Sunrise, and NESCAFÉ GOLD, experienced broad-based double-digit growth. During the financial year, NESCAFÉ in-home reached significant milestones, achieving the highest household penetration and maintaining its leadership position in the category with significant market share increases.

NESCAFÉ CLASSIC took the lead in category recruitment by building the role and relevance of coffee in the life of youth, supported by consistent expansion in distribution. The brand solidified its market leader status through the introduction of a renovated product, a refreshed brand identity, and new messaging under the 'Make Your World' campaign.



Your Company delivered exceptional performance in the tough landscape of coffee in South India with NESCAFÉ SUNRISE, launching a renovated product and accelerating its cluster strategy that included customized plans for each market. With this, NESCAFÉ SUNRISE achieved significant market share gains in 2024. Additionally, NESCAFÉ GOLD achieved remarkable growth and played a pivotal role in the journey to build a premium coffee category in the country.

Innovation

Your Company maintained its commitment to innovation by addressing diverse consumer needs. To capitalize on the rising popularity of cold coffee, it launched NESCAFÉ ICE ROAST, specifically designed for preparation with cold water or milk, delivering a superior cold coffee experience. Furthermore, NESCAFÉ ROASTERY was introduced as a luxury, expertly crafted coffee, providing an elevated sensory experience to cater to the growing demand for premium coffee.

Sustainability

A significant factor contributing to last year's success was a dedicated effort to alleviate inflationary pressures through a range of initiatives that enhanced the value chain, facilitating sustainable growth across the portfolio. Your Company continues to work closely with coffee farmers in Karnataka, Tamil Nadu, and Kerala through the NESCAFÉ Plan, promoting good agricultural practices, sustainable landscape management, and enhancing biodiversity in coffee farming. On October 1st, International Coffee Day, your Company embarked on a heartfelt celebration by showcasing the inspiring stories of its farmers on the packaging in NESCAFÉ Sunrise Jars. These narratives brought to life the dedication and passion that go into every cup.



Solution Provider for Customers



The Out-of-Home business reported strong growth, propelling India to be the second largest market for Nestlé's Out-of-Home business in zone Asia, Oceania and Africa



Saurabh Makhija
Head -
Nestlé Professional



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

Out-of-Home



Penetration-led Volume Growth

This business continued to embody the Company's mantra of 'penetration-led volume growth' and sustained its position as one of the fastest growing businesses of your Company, during the period under review. In terms of revenue, India became the second largest country for Nestlé's Out-of-Home business in the Asia, Oceania and Africa zone.

Growth Backed by Innovation and Premiumization

The business was propelled by relevant innovations and premiumization across categories. It added more customers by strengthening its presence in mega and metro cities, while also strategically growing its presence in tier-1 towns.

The business's endeavor to become a 'total solution provider' to its customers inspired several category-defining innovations. It launched two cutting-edge beverage machines – NESCAFÉ Compatto and NESCAFÉ Duo Gusto. While Compatto offers freshly brewed tea and Roast & Ground coffee and Duo Gusto is capable of dispensing both hot and cold beverages. Nestlé Out-of-Home also forayed into the cocoa-based spreads category with the launch of KITKAT Professional Spread for chefs to incorporate its signature taste and texture into their creations.



Food solutions such as MAGGI Coconut Milk Powder showed strong double-digit growth backed by higher usage in Coastal cuisine. The business continued its foray with the MAGGI Plant-based meat alternative. The versatility of the plant-based mince exemplifies your Company's commitment to offer more choices to its customers and consumers

Collaborations that Count

The Out-of-Home business collaborated with Chai Point and SOCIAL to co-create menus using MAGGI noodles, customized to cater to the evolving Indian taste palate. It also partnered with Mad Over Donuts (MOD) to launch a new range of donuts and shakes, made with KITKAT. The business also ran a pilot with select outlets of Pizza Hut with NESCAFÉ and went live with the partnership across 60 Pizza Hut stores in the country.

Expanding Footprints of Retail ONE

Your Company's 'Retail ONE' initiative added more than 100 branded kiosks like NESCAFÉ Corners, MAGGI Hotspots, KITKAT Break Zones in educational institutes, hospital food zones, malls and airports in the period under review, thus raising the total to 960. These kiosks are operator funded and created employment opportunities for approximately 1,890 people.

'Retail ONE' kiosks are operator funded and created employment opportunities for approximately

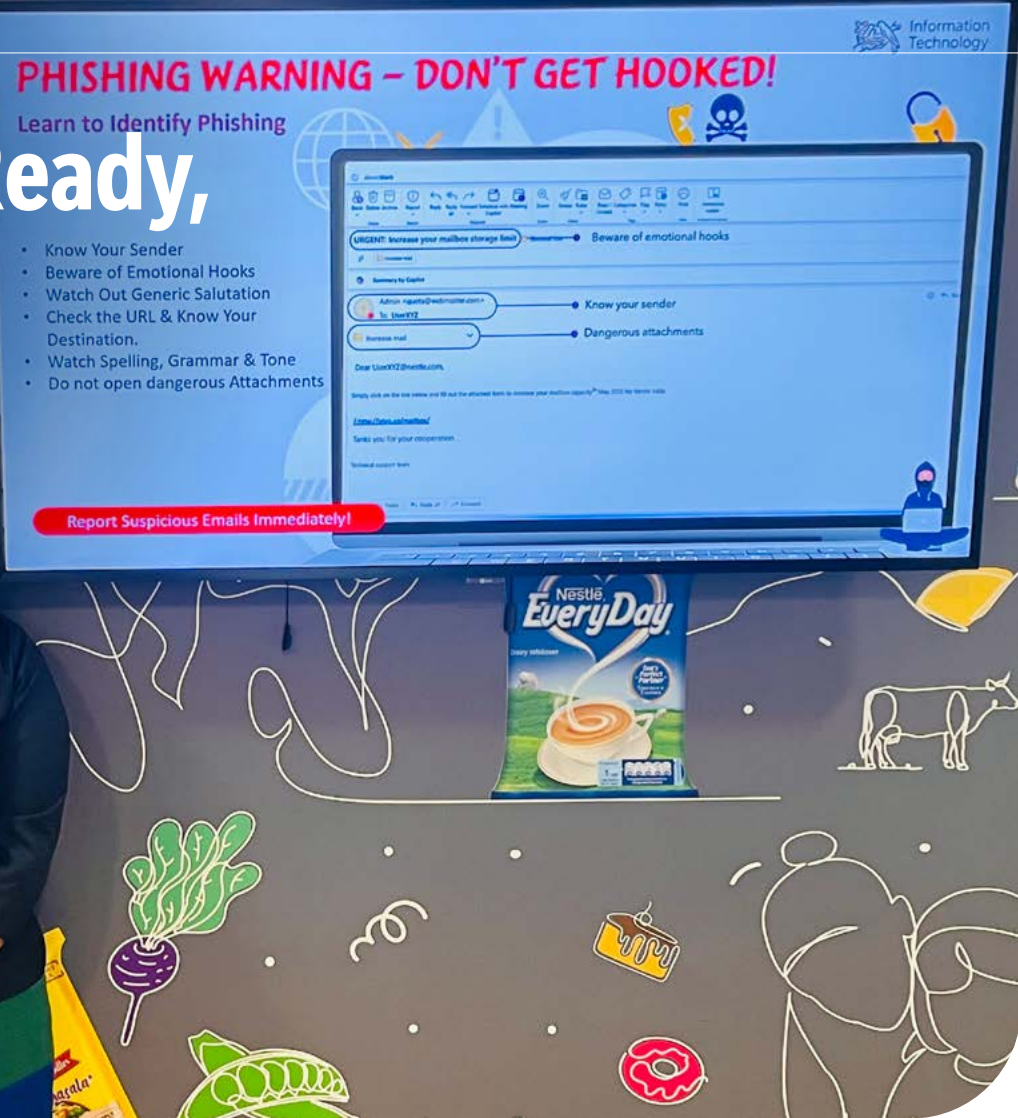


1,890

people



Future-Ready, Always



As your company transforms rapidly, the Digital and IT function remains a key enabler of this transformation, with a young and creative mindset at its core, the Digital and IT team centers its focus around the diverse needs of your Company and its customers.



Krishna Guha Roy
Head, Digital and IT

Our commitment to building a robust AI and data foundation has been pivotal. With a team that is humble, hungry, innovative, and smart, we are now on a journey to be GenAI-ready, driving operational efficiency and creating significant business value. Together, we've harnessed the power of data to enhance employee effectiveness and position ourselves for a future defined by intelligent solutions across the value chain.

IT Integration

Innovation, artificial intelligence, and smart improvements enhance the experience of employees, users, and customers. Your Company is committed to bringing agility and efficiency through modern technology solutions to promote sustainable growth.

Building Resilient Digital Core and Future Ready Workforce in a Fortified Digital Workplace

Your Company ensures that all employees can give their best to the organization by leveraging a cutting-edge digital workplace that is powered by a 24*7 secure, location-agnostic, and reliable connectivity – be it at its head office, regional offices, factory locations or its distribution centers. Your Company has made concerted efforts to introduce technologies that provide enhanced user experience at a lower cost at all of the Company's locations.

Over 3,000 of your Company's employees are harnessing industry-leading secure generative AI tools to enhance their creativity and productivity in everyday tasks. Additionally, they have begun utilizing agentic AI to streamline routine, labor-intensive activities, transforming the way your Company works.

Your Company has a comprehensive risk management framework in place and has undertaken campaigns, real life cyber threat simulations with focus groups and creative engagements with all employees to boost cybersecurity awareness. Your Company has robust IT end user security policies and has fostered engagement through events like 'Cyber Security Day', bringing in industry and law enforcement leaders to engage with employees. Continuous assessments ensure that security protocols and compliance measures are updated to meet evolving regulations and the best practices of your Company while keeping it safe. Your company has sustained its ISO 27001:2022 certification

Driving End-to-End Digital Transformation, Delivering Value Across Enterprise

Your Company continues to focus on comprehensive digital transformation that prioritizes building capabilities, integrating connected data and processes, and implementing smart, intuitive automation alongside transformative technologies.

Driving Results: Harnessing Digital Content and Optimized Marketing for Consumer Success

The Company's consumers now enjoy real-time access to dynamic and creative content crafted by brand teams, powered by a cutting-edge digital ecosystem. This innovative digital asset management platform seamlessly connects contributors across brands, sales, and other functions, enhancing collaboration and engagement.

Your Company leveraged Artificial Language/Machine Learning (AI/ML) to address the critical business challenge of optimizing marketing investments to yield optimal returns for a diverse portfolio of products. A wide range of marketing strategies is essential to accurately assess the effectiveness of its marketing campaigns. This tool is an assistant for the Brand owners and Media planners in quantifying return on investment, thus facilitating informed investment choices.

Your Nutrition business harnessed advanced tools for data consolidation into an intuitive dashboard, allowing nutrition officers and brand managers to track key performance indicators in real-time. This solution enhanced efficiency by providing consolidated insights instead of relying on multiple reports. With mobile compatibility, KPI tracking is now accessible on-the-go, unlocking 1,600 man-hours annually and boosting productivity across the team.



Digitally Powered Sales: Harnessing AI/ML Technologies for Maximum RUrban Reach and Efficiency

Your sales team has harnessed transformative AI/ML-powered technologies to accelerate their RUrban reach with the launch of the industry's first Re-Distributor 'Distributor Management Solution' (RD DMS). This advanced cloud-based solution is tailored for RUrban distributors. Additionally, your sales team benefited from smart automation that integrates consumer and trade initiatives from planning to point-of-sale execution. This advancement enables precise targeting and transparent retail activities, replacing manual planning with data-driven decisions. As a result, relevant activities are directed to the right outlets, significantly enhancing adherence to activation plan.

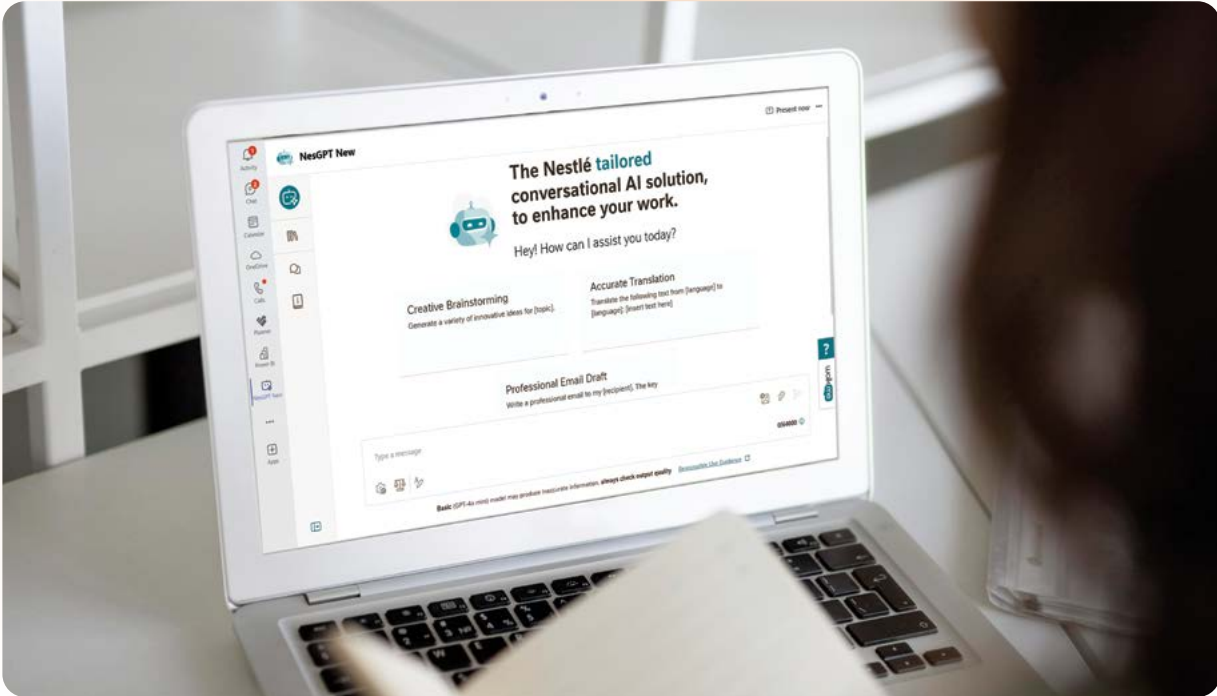
Your sales team has also enhanced the recommendation engine with MSS 2.0 or the evolved version of 'Must Sell SKUs', delivering more granular, subchannel, and pin code-specific must-sell SKU recommendations. This improvement boosts relevance and effectiveness across geographical areas and customer segments, leading to higher efficiency of sales. By incorporating scheme-linked products and extended purchase cycles, MSS 2.0 increases adherence and expands the range sold. Additionally, it's seamless integration with the handheld devices of the Distributor Salesman streamlines execution, resulting in significant productivity gains and stronger on-ground governance.

Industry 4.0 Foundations

The factories of your Company continued on their journey of building the foundation for Industry 4.0 deployment journey. This transformation enables the factories to enhance efficiency, productivity, and flexibility through interconnected systems and real-time data analytics. Your Company expanded the rollout of its Digital Manufacturing Operations (DMO), focused on leveraging solutions to better plan the deployment of the workforce in addition to the new-age capability building solutions for the factories.

Standardizing Milk Collection with Nestlé Global Milk Solution

This end-to-end platform streamlines processes starting from transport planning to data capture, bringing global consistency, improved compliance, and stronger operational controls for milk collection from the dairy farmers. It ensures a reliable, transparent, and efficient milk procurement platform, aligned with your Company's global standards.



Transforming Financial Insights and Ensuring Compliance

In addition to your Company's robust SAP and Financial reporting landscape, it also introduced a platform for holistic business reviews – 'FinPAL'. This platform provides a comprehensive, customizable view of P&L across all currencies, categories, and countries of the South Asia Region, consolidating historical data in a single data pool. This powerful platform offers detailed insights, thus empowering the Finance team with a tailored, clear financial overview for better decision-making and strategic planning.



Looking Ahead

Delivering the Next Evolution of Technology

As your Company charts its course for the future, it recognizes the need for end-to-end Digital transformation and its evolution in the Company's operations to meet the changing demands of the organization. It will continue to power your Company to make decisions in real time, utilizing digital tools to better understand consumer demands and react swiftly, throughout the supply chain. Your Company's success hinges on attracting and retaining skilled talent, enabling it to execute swiftly and effectively. In 2025, your Company will continue to enhance its AI capabilities and data literacy at an enterprise level. By fostering strong connections with business units and functions, the Digital and IT function will prioritize investments that align with the Company's strategic goals, driving operational excellence and resilience going forward.

Purpose, Values and Responsibility, at Every Step



Your Company's societal initiatives include nutrition awareness programmes; education; waste management; access to clean drinking water and sanitation; feeding support programme; training street food vendors on food safety and hygiene and village adoption for integrated and holistic development.

Your Company strives to make a positive difference and create maximum value for the society.

~16 million

lives have been positively impacted* till now.

*both direct & indirect beneficiaries

Corporate Social Responsibility – Creating Shared Value

Your Company undertakes CSR projects by identifying areas where the needs are high, ensuring these initiatives make a meaningful impact. Following a balanced approach, it strives to address social, environmental, and economic challenges, creating a positive ecosystem for the communities where it operates. This commitment to societal well-being is deeply ingrained in way of working, where collaboration, innovation, and sustainable practices are at the core of CSR programmes. Your Company also extends a helping hand in special situations, providing critical support and relief during natural calamities and disasters.

Empowering Communities, Improving Lives

Project Jagriti

Project Jagriti is contributing to the communities towards health of women, young couples, and adolescents and has reached over ~14.7 million beneficiaries since the inception of this project. This includes both direct beneficiaries and those indirectly impacted by its outreach efforts. Project Jagriti operated in 7 states and 1 union territory in phase 3 that has concluded in the financial period under review, making a significant contribution to health, hygiene and nutrition.

Project Jagriti's 'Life Course Approach' emphasizes on health and hygiene education across different

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

 **~14.7** million 
beneficiaries since the inception
of this project.



Educating Adolescents on Nutrition and Health

Nestlé Healthy Kids Programme (NHKP)

The Nestlé Healthy Kids Programme is a flagship initiative dedicated to promoting healthy and active lifestyle amongst adolescents and parents across India, reaching ~639,400 adolescents and ~71,000 parents in 25 states and union territories.

The programme equips adolescents with the knowledge and skills to make informed choices about healthy eating and active living. It demonstrates the significance of physical activity as a key component of a healthy lifestyle, promotes responsible plastic waste management practices and encourages parents to support their children in adopting healthy habits. For this, it provides educational materials and resources to schools and communities to raise awareness about healthy living. It educates, adolescents, teachers, and parents about topics like nutrition, hydration, physical activity, and hygiene, empowering them to make informed decisions about their health.

The programme is based on a multi-partnership approach in collaboration with six regional

universities for knowledge transfer. Your Company has also collaborated with the NGO Magic Bus India Foundation, to extend its commitment on raising awareness on nutrition, health and wellness of adolescents through sports and games.



Building a Prosperous Future in Rural Areas

Project Vriddhi

The project was launched in collaboration with SM Sehgal Foundation and has expanded to include 19 villages and impacting ~25,000 beneficiaries.

The integrated and holistic project focusses on aspects crucial to well-being of villagers which include – improving delivery of public services, particularly related to education, health, nutrition and sanitation; conserving and harvesting water; improving farm livelihoods; and others. The interventions have brought positive changes in the lives of village people- be it access to water and sanitation, accessing government benefits through improved delivery of public services, education awareness, digital awareness on balanced diet, nutrition and sustainable and integrated development of the village.



Strengthening Street Food Safety

Project Serve Safe Food

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

The project trains street food vendors on food safety and hygiene, proper food handling techniques to prevent contamination from purchase to preparation, as well as waste disposal and digital payments.

Around 92,800 street food vendors were trained in safe food handling practices across 26 states and 4 union territories. These vendors received a certificate and a hygiene kit post their training. The behavioural change after the training intervention has been very encouraging. Training programmes like Project Serve Safe Food equip vendors with the necessary tools to improve their food handling practices, diversify their menus, and adapt to changing consumer preferences. This empowerment can contribute to the overall growth and sustainability of their businesses.



Transforming Communities With Access to Clean Water and Sanitation

Water and Sanitation Facilities

Clean water supplies are vital to any thriving community, reducing exposure to water-borne diseases and easing the burden of ill health. Ready access unlocks opportunities for students. Your Company has provided ~350 clean drinking water facilities in schools. These facilities ensure students have access to clean drinking water

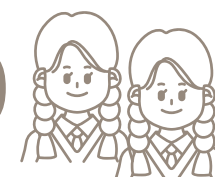
Availability of clean, safe toilets isn't just a matter of convenience - they can make the difference between a girl receiving the education or being forced to stay at home. It has a positive impact on the attendance of girls in the school. Around 1,100 schools have been equipped with modern, easily maintained sanitation

facilities. Around 373,900 girl students have benefited from access to clean toilets since the start of the programme, fostering a more dignified learning experience and potentially reducing absenteeism due to lack of proper facilities.

Around

373,900

girl students have benefited from access to clean toilets since the start of the programme.



Igniting Young Minds With Experiential Learning

Igniting Young Minds With Experiential Learning

'Transforming learning into an experience' is the foundation of extension of NHK programme - with NHK Jigyasa. In collaboration with Agastya International Foundation, Project Jigyasa was launched in 2022 with the objective of spreading science education and ensuring that no child misses out on the joy of learning through this programme. As part of this initiative, science labs and libraries have been set up in 29 schools of Goa, Haryana, Himachal Pradesh and Uttarakhand.



Clean Environment: Emphasis on Waste Management

Project Hilldaari

Your Company has developed inclusive, resilient, and sustainable waste management models in popular tourist cities through its CSR Project Hilldaari. Over the past six years, the collaborative spirit of Project Hilldaari, in partnership with PLAN Foundation and Recity India Private Limited, and previously Stree Mukti Sanghatana, has fostered inclusive and resilient waste management systems in several Indian tourist hotspots. During the period under review, Project Hilldaari expanded to two more cities, Junagadh and Panchgani. Across these 7 cities, diligent source segregation efforts have successfully diverted around 12,758 metric tons of waste away from landfills. The widespread engagement has led to ~79% source segregation rate across a network of 69,700 residential and commercial waste collection points.

Project Hilldaari fosters a strong sense of unity and collective responsibility among citizens. Through a collaborative network involving municipal councils, associations, residents, contractors, and influencers, the initiative has brought professionalization to approximately 1303 sanitation workers. These essential workers have also received training to become agents of change, promoting effective waste management practices within their communities. Furthermore, the project ensures their well-being by providing

occupational IDs, health insurance, and essential protective equipment.

Project Hilldaari actively promotes behavior change within communities to encourage responsible waste management practices and maintain a clean city. This citizen engagement is integral to strengthening the city's solid waste management efforts and building long-term capacity for sustainable urban and rural environments.



Nourishing Minds for a Brighter Future

Feeding Support Programme

The Feeding support initiative is designed to deliver cooked meals to the students in Government schools, promoting their overall wellbeing. This is the new initiative that was introduced in 2024-25 for improving overall well-being of school going students. The meals are served to the Government schools through centralized kitchen of Akshay Patra. This initiative improves attention and boosts student attendance and retention rates. Your Company is creating a nurturing atmosphere, to enable the future generations to succeed both academically and socially. This initiative is supporting PM Poshan Scheme (mid-day meal) and with this programme your Company has served ~5.48 mio meals across 9 states/UTs in partnership with Akshaya Patra Foundation.

Resilience in Crisis: Strengthening Communities Through Disaster Management Support

Disaster Management

Your Company extends support to vulnerable communities during natural calamities. During the period under review, ~22,000 food ration kits as a relief support were provided to the marginalized communities who were severely affected by floods in several districts across 10 states. Your Company supported the local administration's urgent call and mobilized a rapid response, delivering timely support to affected areas and helping communities recover and rebuild with resilience.



Dr. Taruna Saxena
Head, Sustainability
and Societal Initiatives



~22,000

food ration kits as a relief support were provided to the marginalized communities

Our CSR initiatives align with the UN Sustainable Development Goals and resonate with national priorities, ensuring that our efforts create a meaningful impact for both people and the planet.

Our Most Valued Assets



Your Company continued to focus on upskilling and empowering youth and creating opportunities for persons with disabilities to build a dynamic, empathetic, and inclusive workforce. Several initiatives and policies were institutionalized to ensure holistic growth for the existing and future workforce.



Anurag Patnaik
Head, Human Resources

At Nestlé, the core value of Respect is deeply embedded in our organizational culture. It shapes a positive and inclusive work environment and guides how we engage with colleagues, stakeholders, and the communities we serve. This value is woven into our people practices and processes, ensuring that respect is consistently reflected in our decisions, collaborations, and interactions—both within the organization and beyond.

People

Nurturing Young Talent

Your Company believes that in today's fast-evolving job market, upskilling is not just a priority for the current workforce but a critical need for the future workforce as well. Your Company is invested in providing relevant upskilling opportunities for the existing and potential employees.

In a one-of-its-kind initiative, your Company engaged with students from leading business schools as a part of pre-campus engagement - Nestlé Leaders League Genesis. More than five thousand applications were received. 48 suitable candidates were flown down to your Company's Head Office, where they interacted with the senior leadership and other alumni from their colleges, currently working with Nestlé India.



Women in Leadership

In the period under review, 50% of the Board of Directors constituted women, demonstrating your Company's commitment to diversity at all levels of leadership.

Your Company continued to create an inclusive work environment where women can thrive and realize their full potential. This reflected in the industry-leading representation of women in the field sales force of your Company.

Your Company institutionalized WIL (Women in Leadership), a six-month, tri-module, immersive programme. This first-of-its-kind programme was designed to empower your Company's bright and dynamic women leaders. The programme constituted of three boot-camps created and executed in partnership with renowned partners – Timshel and Atypical Advantage. Mr. Gopichander Jagatheesan, Director – Confectionery, Ms. Krishna Guha Roy, Director – IS/IT and Nestlé Business Excellence and Ms. Svetlana Boldina, Executive Director – Finance & Control were the key sponsors of this programme.

The potential women leaders who participated in this programme were felicitated by Mr. Suresh Narayanan and Mr. Manish Tiwary.



Nestlé Impact Leaders Programme

Responding to evolving workforce dynamics and internal leadership needs, Your Company launched Nestlé Impact Leaders Programme that transitions leaders from “Good” to “Great” by fostering psychological safety, innovation, and coachability. This strategic leadership development initiative is designed to nurture future-ready leaders who exemplify purpose, agility, empathy, and respect. The programme was sponsored by Mr. Rajat Jain, Country Manager – Singapore, Mr. Varun Gupta, Head – Supply Chain, and Mr. Sanjay Khajuria, former Head – Corporate Affairs and Sustainability.

Spanning eleven months, the programme blended individual and cohort-based learning for twenty-five leaders through immersive experiences with people with disabilities at Atypical Advantage, engaging in sustainability immersions with Nestlé projects, and collaborating with startups to understand agile ways of working. In partnership with Consulting firm, Spencer Stuart, the programme also integrated tools such as ‘Hogan assessments’, ‘360-degree feedback’, followed by external coaching, to ensure personalized development.



Kumar Rao
Supply chain, Nanjangud

I have been working in Nestlé Nanjangud factory for over 35 years and I am fortunate to have worked in different responsibilities and roles throughout my career that has shaped me professionally
My family is also thankful to the Company for respecting them and including them in various policy benefits.



An Inclusive Workforce

Your Company is working not only towards building an inclusive workforce, but towards creating a conducive ecosystem in the industry for the LGBTQ+ community. Your Company has consistently collaborated with stakeholders to understand the prevalent best practices in the industry and implement them, while also sharing its learnings.

Your Company launched a pilot project – Project Kaabil, wherein two transgender women got a chance to train under our in-house Creative Kitchen team. This was a 30-days upskilling programme in partnership with Sahodari Foundation, aimed at unlocking the power of food to create inclusive career pathways for the transgender community. Through hands-on culinary training and professional guidance, Project Kaabil participants, who currently run small-scale catering businesses in Pollachi (Tamil Nadu), gained valuable new skills that will help them expand their ventures, creating sustainable livelihoods and inspiring many more along the way.



Venkata Rallapali
Brand Manager,
MAGGI Noodles

We have a consumer first approach in whatever we do and I feel proud to have been part of teams which kept this principle at the core. Integrity, mutual respect and ethics are central to whatever we do.



DSshield – DS Insurance

Your Company acknowledges the significant impact it can have on the wider ecosystem and therefore is committed to enhancing the lives of our Distributor Sales Persons, who represent a vital pillar of our sales support system. In response to the challenges posed by the COVID-19 pandemic, Your Company had introduced the Suraksha Scheme, which provided essential medical support during those trying times. Taking the initiative further, Your Company launched the DSshield – DS Insurance in August 2024, which is a comprehensive voluntary Medical and Accident Insurance scheme designed for all Distributors to extend support to their sales people and is on a cost-sharing model with the Distributors. This initiative has successfully engaged 85% of our distributors and approximately 80% of Distributor Sales People and has witnessed overwhelmingly positive and active participation from our stakeholders. This change was managed for the distributor salesmen across the country with localized and regional communication & engagement through our distributors and sales team.



Syed Haider Imam
Associate, Legal

Nestlé India promotes a culture of independence and accountability combined with a positive collaborative spirit that creates an empowering work environment.

Winning Together



Your Company continues to build a stronger and more resilient and agile supply chain network through collaboration with a strong network of partners.

Network of over

90,000

dairy, coffee and spice farmers

4,600

suppliers



Varun Gupta
Head - Supply Chain



The team continues to be nimble and resilient in the wake of a dynamic ecosystem. We are consistently delivering on the expectations of our consumers, while optimizing all the elements of the supply chain for sustained growth.

Partnerships

Coupled with your Company's nine factories and 22 co-manufacturers and co-packers, this network of over 90,000 dairy, coffee and spice farmers, 4,600 suppliers, 10,000 distributors and re-distributors and 5.2 million retail outlets continues to deliver high-quality products to consumers.

Strengthening the Basics

Your Company's approach to supply chain management continues to be anchored in the fundamental pillars of a resilient and agile workforce, technological maturity and strong collaborations across the value chain. Your Company has been strengthening its collaborative efforts with its partners to further optimize the price, freshness and availability of its products, backed by the digitally connected supply chain. This has increasingly become a more dynamic process with the surge in new offline platforms which offer convenience to the consumer.

Product quality remains paramount, from sourcing ingredients till manufacturing. Your Company adheres to the Nestlé Responsible Sourcing Standard (NRSS) in its supplier selection process. This stringent standard ensures that suppliers uphold ethical practices in business integrity, human rights, health and safety and environmental responsibility throughout their operations, production processes and sourcing practices.

Optimizing Procurement for Sustainability

Your Company continues to partner extensively with coffee, cocoa and palm value chain partners and farmers to procure sustainably grown raw materials. It continues the immersive work with coffee farmers across Karnataka, Kerala and Tamil Nadu in India in guiding them on farming practices thus propelling your Company towards its ambition of sourcing 100% sustainably sourced coffee.

The immersive work with coffee farmers across Karnataka, Kerala and Tamil Nadu in India in guiding them on farming practices thus propelling your Company towards its ambition of sourcing



100%

sustainably sourced coffee.



Integration of Technology

Your Company believes that technology is a driving force for progress. Bringing this ethos to life, your Company's latest Distribution Center in Bhiwandi has a 'Digital Twin', a planning tool for the warehouse operations which helps simulate different scenarios in a virtual environment and take actions, accordingly, thus helping with better planning and preparedness.



More than 85% of customer orders are now processed digitally, which has enhanced availability at customer locations and has added to the growth of your Company. Secure distributor portals offer 24/7 access to information and empower Business Partners to manage their businesses efficiently. Your Company is accelerating digital integration to improve speed of service to its customers especially in the emerging channels which are witnessing fast evolving consumer and shopper trends

Your Company has introduced new Analytics dashboard in procurement to optimize the process for cost savings. This has helped in mitigating the steep commodity inflation in recent times.

Environmental Stewardship

Your Company has been working continuously to optimize its environmental footprint. Your Company's work on this front ranges from incentivizing farmers across several value chains, for procuring raw materials grown sustainably to joining forces with 14 other companies as part of the Zero Emission Emerging Markets initiative, a collaborative effort to accelerate the electrification of trucks in the country. By integrating more CNG, LNG and electric vehicles into the fleet, your Company has reduced its reliance on traditional fuels.

Currently, your Company has a fleet of 205 CNG, 27 EVs and 25 LNG trucks plying on several routes, which have helped it bring down its emissions.



Extending the Culture of Safety

As a responsible corporate, your Company is extending its culture of safety to its transportation ecosystem including its partners and drivers in the fleet. Your Company is deploying various technologies and conducting trainings and health camps for the drivers. In the period under review, your Company trained approximately 15,800 drivers and conducted 13 health camps across our Distribution Centers to ensure their good health and well-being.

10,000

distributors and re-distributors

5.2 million

retail outlets

Your Company trained approximately

15,800

drivers and conducted



13

health camps across our Distribution Centers to ensure their good health and well-being



Ensuring a Sustainable Mindset

Sustainability at your Company is not just a commitment—it is a core value that shapes every aspect of the Company’s operations. Your Company continued to advance its Environmental, Social, and Governance (ESG) goals, focusing on creating shared value for individuals, communities, and the planet. From reducing emission footprints to promoting responsible sourcing and community well-being, your Company’s initiatives reflect its dedication to building a more sustainable future.



Dr. Taruna Saxena,
Head, Sustainability
and Societal Initiatives

“Sustainability and climate change are not just priorities; they are imperatives that guide our every action. At Nestlé, we are committed to transformation across manufacturing, packaging, sourcing, water conservation, and logistics. Our initiatives are firmly rooted in our core Purpose and Values.”

Planet

Sustainability Embedded in Creating Shared Value (CSV) and Driven by the ‘Good for Planet’ Roadmap

Your Company's "Good for Planet" roadmap focuses on climate, regenerative practices, and circularity, ensuring long-term supply chain viability and enriching the "Good Food, Good Life" narrative. This strategy drives value through cost reduction and risk mitigation, making sustainability a competitive advantage.



Net Zero Commitment – Path to Regeneration for Future Generations

Nestlé, as a group, globally, aims to be net-zero across its entire value chain by 2050, with intermediate targets of a 20% reduction by 2025 and 50% by 2030, based on a 2018 baseline. Nestlé India integrates this roadmap locally, focusing on:

Dairy Supply Chain: Working with more than 80,000 dairy farmers to reduce emissions through manure management and regenerative agriculture.

Sustainable Sourcing: Engaging farmers in sustainable practices through initiatives like the NESCAFÉ Plan and MAGGI Spice Plan.

Packaging Sustainability: Reducing usage of virgin plastic and achieving plastic neutrality since 2020.

Resource Efficiency: Implementing renewable energy sources and energy-efficient technologies in manufacturing.

Afforestation: Planted over 1 million trees in dairy farms by March 2025.

Localized Initiatives: Investing in biodigesters and biomass boilers to reduce reliance on fossil fuel.

Collaboration: Partnering with local entities to promote sustainable practices.

Transparency: Publicly reporting sustainability progress, aligning with global and local standards. Refer to annexure 3A to the Board's Report (Business Responsibility and Sustainability Report)

Your Company tailors the global Net Zero Roadmap to local conditions, driving meaningful sustainability impact and contributing to Nestlé's overall commitments.

Governance Structure- Driving Sustainability Initiatives in the Market

Your Company's robust governance structure is key to driving its sustainability agenda. Leadership commitment, dedicated task forces, and cross-functional teams and a sustainability cadre of over 100 members embed sustainability into the business. This framework ensures that sustainability is a central pillar, with clear ownership and accountability across functions like sourcing, manufacturing, packaging, and brand management. Subject Matter Experts (SMEs), including the Chairman and Managing Director, Finance, Legal, and R&D, integrate sustainability into strategic decisions. This top-down commitment fosters a culture which prioritizes sustainability and building trust, while stakeholders demand responsible practices.

The governance structure demonstrates how sustainability is actively embedded in your Company's business decisions:

Task Force 1

Responsible Sourcing
Working with farmers and suppliers to source in ways that protect ecosystems, reduce emissions and enhance livelihoods

Task Force 2

Sustainable Packaging
Packaging innovations and new business models help minimize waste and plastics

Task Force 3

Sustainable Manufacturing, Water and Logistics
Optimizing efficiency, switching to low-emission fuels and renewables across our manufacturing and logistics value chain

Task Force 4

Brands, Recipes & Portfolios
Innovating low-carbon products, and reformulating existing ones to make it good for both consumers and planet

Task Force 5

Advocacy & Communications
Using our voice and brands to galvanize action

Responsible Sourcing:

Responsible Sourcing indicates ethical, environmental, and social responsibility throughout the supply chain. This approach promotes resilient agricultural practices, conservation of natural resources, and improved livelihoods for farmers.

Dairy Entrepreneurship and Responsible Sourcing Programme

Since 1962, your Company has been procuring high-quality fresh milk from farmers, providing market access and fair prices round the year. The Fresh Milk Procurement and Dairy Development (FMPDD) project spans across around 60,000 sq. km in Punjab, Haryana, and Rajasthan, involving over 80,000 dairy farmers.

The Dairy Farm Transformation project, focusing on 4 key pillars was initiated in 2022-2023, and was aimed at enhancing farm productivity and income through climate-resilient practices, empowering farmers to become 'agripreneurs'.

Transformation and Expansion

This pillar focuses on implementing advanced farming practices, technologies, and management systems to increase milk productivity and enhance livelihood for the dairy farmers. More than 1,100 farmers associated with your Company accelerated their transformation journey during the period under review.

The project focuses on nutrition enhancement and improved animal health through on-farm disease testing, digital health monitoring, and expert vet support. The project includes running training programmes for farmers to roll out the newer techniques, and pilot new practices and technologies to track improvements in performance.



"Empowering smallholder farmers with knowledge, technology and market access"

Gurpreet Singh, stood at the cross roads, confused whether to migrate to foreign shores or embrace the rich soil of his homeland and venture into dairy farming. He chose the latter.

Gurpreet started off his dairy farm with buffaloes. With support from the Nestlé Agricultural Services Team and the agripreneurship program, he then switched to rearing cows. Nestlé supported this transformation by providing imported semen to improve the breed, financial support which enabled him to purchase his own harvesters, a total mixed ration wagon, and a milking parlor. Nestlé advised him on precision nutrition and silage making, and introduced him to regenerative agriculture practices. Nestlé promoted the use of technology like neck bands and software for herd management, and encouraged better use of the manure by installing a biodigester to generate electricity, with the manure slurry also being used as organic fertilizer in his fields.

With Nestlé's focus on efficiency and innovation, cow comfort and animal welfare, Gurpreet was able to grow his herd from 2 cows in 2010 to 200 (of which 90 are milking cows), supplying around 2000 kgs milk per day to Nestlé in 2024. All of these practices helped him to transform his farm to become more productive and increase the farm's resilience to external challenges, while increasing his income.

Gurpreet Singh is an inspiring example of how empowering smallholder farmers with knowledge, technology, market access, and a focus on animal welfare and sustainability leads to improved livelihoods and resilience.

Manure Management

Your Company aims to reduce emissions from manure by installing anaerobic biodigesters, generating renewable energy, and improving manure management. Over 5,800 small and 200 large biodigesters have been installed by the end of the period under review, reducing methane emissions and promoting sustainable farming practices.

Feed and Fodder Management

Efforts include optimizing feed practices, ensuring quality feed supply, and promoting silage availability year-round.

Afforestation in Milk Sheds

Your Company has planted over 1 million trees in milk sheds by the end of the period under review, enhancing livelihoods and supporting climate action.

The NESCAFÉ Plan

Through the NESCAFÉ Plan your Company engages over 5,000 farmers. It works towards improving their livelihoods, build and strengthen community resilience, and environmental management. The NESCAFÉ Plan exemplifies Creating Shared Value (CSV) in the coffee sector for farmers, communities and our planet. The NESCAFÉ Plan engages coffee farmers to ensure long term supply of quality green coffee and make coffee farming a more attractive and sustainable activity for the present and future generations.

MAGGI Spice Plan

Your Company's MAGGI Spice Plan aims to map the origins of our spices, uphold quality standards across their supply chains, and promote better and regenerative agricultural practices. In India, the programme is also driven with a focus on enhancing the sustainability and economic resilience of farming communities that grow these key spices.

Rooted in the principles of planet, people and profit, the Responsible Sourcing Programme seeks to take a bold and systemic approach at transforming the spice supply chains; with interventions aimed at reducing the use of pesticides and harmful chemicals, improving soil health, increasing water-use efficiency, and restoring biodiversity in and around farm landscapes—all while enhancing farmers' livelihoods and long-term resilience.

The programme has already positively impacted around 2,500 farmers across 8 states, with 10 of our key spices being 100% traceable.

Sustainable Rice, Wheat, and Sugar

Partnering with IFFCO Suvidha Private Limited, the Sustainable Paddy Project in Telangana and Madhya Pradesh engaged more than 800 farmers, focusing on climate, soil, water, inputs, energy, residue management, and farmer competency. It positively impacted livelihoods through sustainable agriculture training via workshops and demonstrations.



Additionally, with the guidance of Landmark Agri, your Company is running the Sustainable Wheat Project in Punjab and Uttar Pradesh. This Project is helping approximately 900 small farm holders transition from traditional farming. This initiative promotes sustainable, economically viable farming, enhancing soil health, water efficiency, and climate-friendly practices.

Addressing sugar supply chain environmental challenges, your Company initiated regenerative agriculture with more than 1,400 farmers across 3 sugar mills in its sourcing areas. The project reduces GHG emissions by improving soil, water, inputs, energy use, and residue management, while enhancing farmer skills. A key component of this project is promoting sustainable practices through Bonsucro Certification.

Partner testimonial - collaborating for regenerative paddy cultivation

Our partnership with Nestlé India has been crucial in building the ecosystem for sustainable paddy farming in the state of Madhya Pradesh and Telangana. In a landscape where such an ecosystem has been inherently limited in India, it is heartening to see it gaining traction, thanks to Nestlé's leadership and commitment to change.

What makes this programme truly special is the amalgamation of best farming practices, cutting-edge technology, and a bold vision to significantly reduce GHG emissions while simultaneously enhancing yield and quality.

Engaging 808 farmers across 5,419 acres in Jabalpur and Nizamabad, we introduced regenerative practices that delivered impacts in water savings through Alternate Wetting & Drying, Reduction in Emissions, and reduction in stubble burning. Most importantly, the project played a crucial role in fostering a behavioral change—towards sustainable, data-driven farming.

Seena Bhavdas:

Sustaining a Legacy with the NESCAFÉ Plan

In the verdant hills of Magdoor D Estate, Coorg in Karnataka, third-generation coffee farmer Seena Bhavdas cultivates more than just crops—she nurtures a legacy. Managing a 22-acre Robusta farm, intercropped with pepper, arecanut, and orange, Seena blends tradition with innovation under the NESCAFÉ Plan. Her estate, shaded by 15+ tree species like teak and silver oak, supports biodiversity and soil health. With 450 coffee plants per acre, she produces around 25MT of green coffee annually. With rich clay loam soil, proper application of manure and fertilizers, and timely irrigation, Seena Bhavadas has achieved excellent produce. The training from NESCAFÉ Plan agronomists on sustainable and regenerative agriculture, along with post-harvest training, has helped her to boost both productivity and quality.



"The NESCAFÉ Plan has helped me preserve my family's legacy while preparing for the future,"

Seena shares proudly.

Sustainable Packaging

Your Company’s vision of 'no packaging ending up in landfill' has helped it prioritize sustainable packaging through multi-pronged approach that encompasses reducing plastic usage, increasing recyclability, using recycled content wherever applicable and recovering plastic waste via Extended Producers Responsibility. This approach is in alignment to your Company’s global commitments in making 90% of packaging recyclable and reduce virgin plastic use by one-third by 2025.



In 2024, 59% of the packaging of the portfolio of your Company was designed for recycling, and virgin plastic usage was reduced by over 900 tonnes through initiatives like size reduction for sachets and the introduction of Thermofoam cups for MAGGI Cuppa. All chocolates and coffee jars now feature an increased amount of recycled polyethylene (PET) in their packaging. This drive aims to minimize environmental impact and meet consumer demand for eco-friendly packaging

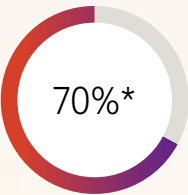
Sustainable Manufacturing, Water Stewardship & Logistics

Your Company is taking strides in decarbonizing its operational value chain through sustainable manufacturing and water stewardship. In 2024, despite business growth, your Company achieved a 70% reduction in GHG emissions (Scope 1+2), 13% reduction in energy use and 31% reduction in water use, per ton of product manufactured compared to the 2018 baseline.

Your Company installed biomass boilers in Moga, Nanjangud and Sanand to reduce its operational footprint and increasingly use renewable fuel in its operation. Another initiative taken to reduce WGHG emissions was conversion of Furnace Oil (FO) to Natural Gas (NG)- which is a cleaner fuel, in Air heaters. Additionally, NG boiler efficiency improvement and NG usage optimization in coffee process (roasters) was done to further support reduction of emissions.

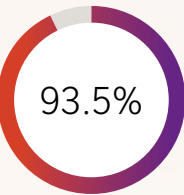
In the space of water, The Zer'Eau project, initiated in 2014, focuses on reducing water consumption in milk factories by utilizing water embedded in fresh milk, significantly reducing freshwater withdrawal. Now, there is an expansion to the same which is addition of new milk water RO to increase water recovery from evaporated milk. Nestlé Moga Factory, located in a water-scarce basin, processes large volumes of milk daily, generating high effluent. By reusing treated water, the factory aims to reduce groundwater dependence by approximately 25%. Other key water projects that have been executed are increase of treated effluent recovery by adding an MBR (Membrane Bio-reactor) & RO (Reverse Osmosis) in ETP (Effluent Treatment plant) to recycle & use the water in utilities.

GHG emissions (Scope 1 + Scope 2) were reduced by



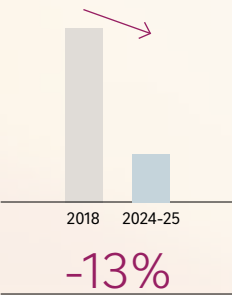
*per ton of product manufactured compared to the 2018 baseline

Payload Utilization has Improved



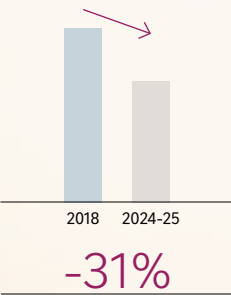
Energy usage

per ton of production

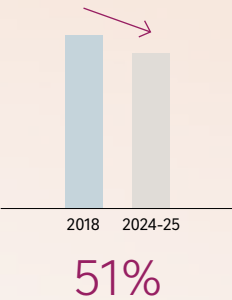


Water usage

per ton of production



Overall GHG emissions



Sustainability as a Brand Value



Scan the QR code to watch the video

MAGGI

MAGGI has integrated sustainability into its packaging and product development. The introduction of Thermofoam cups for MAGGI Cuppa products is a prime example. These cups are designed to be more sustainable, reducing the use of virgin plastic and promoting eco-friendly packaging solutions.

MAGGI has also launched a TVC to support the initiative – based on a simple insight that when one makes MAGGI with love, they ensure that they fulfil their responsibility towards the environment by disposing the empty yellow MAGGI packets in the blue bin meant for dry waste disposal.

In line with this objective, MAGGI also introduced an edible fork in partnership with Nestlé R&D India (a subsidiary of Nestlé S.A and a part of Nestlé’s global R&D network) and an Indian start-up Trishula. Made from wheat flour, this innovative fork enhanced the delightful experience of savoring MAGGI Cuppa Noodles.

NESCAFÉ

NESCAFÉ also embraced sustainability by optimizing its packaging and reducing the size of coffee bags and polybags. This reduction in packaging material has led to a significant decrease in the use of virgin plastic, contributing to reduction in Nestlé India's virgin plastic usage.

Additionally, NESCAFÉ’s "Nurturing Love" campaign celebrated the spirit of motherhood and highlighted the business's commitment to environmental sustainability by recognizing the parallels between a mother's nurturing care and the care needed to preserve our planet.



Scan the QR code to watch the video

Awards and Recognitions

Brands and projects



Nestlé India **shone bright at the Effie India Awards** with four honors. The accolades included one Award for CEREGROW, two for NESCAFÉ and one for MAGGI.



Nestlé shone with **5 media metals** at ADTECH IAA Honours for KITKAT, MAGGI, AskNestlé and My Nestlé.



Nestlé India **Won 4 Metals at e4m Maverick Awards** 2024 for KITKAT and NESCAFÉ.



Nestlé India **won 7 awards** at the Indian Content Marketing Awards, led by MAGGI and KITKAT.



Nestlé KITKAT was acknowledged as **India's Most Desired Chocolate Bar Brand** 2024, creating a hat-trick at the TRA's Brand Trust Report.



Nestlé India won a staggering **13 metals at Impact Digital Influencer Awards** 2024. MAGGI, KITKAT, and MUNCH collectively earned 7 gold, 5 silver, and 1 bronze metal across different categories.



Nestlé India was triumphant with **16 Consumer Communication Awards** and Top Recognition for MAGGI, a+ Masala Millets and Gerber Puffs at the 5th edition of the E4M Health and Wellness Awards.



Nestlé India **won two Silvers at Fulcrum Awards** and AFAQs Communication Awards for its PR Campaign for Project Hilldaari.



NESCAFÉ **won a silver** at the 2024 APAC Effie Awards.



Nestlé India **emerged victorious with 3 Media Metals** at DIGIXX Awards for KITKAT, MAGGI and AskNestlé.



Nestlé India **won 5 Media and 2 Content awards** at the Indian Digital Marketing Awards for KITKAT, Ask Nestlé and MAGGI.



Nestlé India **won first place in the 'Initiatives on Agri Based Decarbonization' in Sustainable Agriculture Awards** 2024.

Corporate and factory



Nestlé Bicholim factory **won the "Gomant Uchcha Suraksha Puraskar 2024"**, organized by "Green Triangle Society" under aegis of "Inspectorate of factories and boilers", Government of Goa.



Nestlé Ponda factory **received 'Green Award' on World Environment Day** from Goa State Pollution Control Board and Nestlé Nanjangud won Gold Medal for Manufacturing Competitiveness, conferred by NAMC Assessment (National Awards for Manufacturing Competitiveness).



Nestlé India **won 'Excellence in Warehousing & Distribution' award**, conferred by Cargo Connect.



The Supply Chain team also **won the 'Best Supply Chain in FMCG Sector – India'** award, at the Future of Supply Chain, Logistics & Warehousing Summit & Awards 2025, hosted by UBS Forums.



Nestlé Quality Assurance Center, Moga was **awarded for its "Outstanding Laboratory Performance"** under the 'Food Testing Laboratories - Small & Medium' Category. The award was conferred by Confederation of Indian Industry (CII).



Nestlé India **won 'Excellence in nutri-product innovation' award** at the Economic Times Nutrition and Wellness Awards and 'Product Innovator of the Year' award at the India Food Summit 2024.



Nestlé India was acknowledged as the **Best Digital Enterprise** of India in FMCG category by ET CIO.

Employee Experience



Nestlé India was recognized for **Institutional Excellence for 'Pioneering Initiatives** for the New Gen Workforce' at the Industry Academia Conference, hosted by People Labs.



Nestlé India was **recognized for Employee Experience** at The Economic Times ETHREX Awards.



Nestlé India was also **recognized as a Bronze Employer** for LGBTQ+ Inclusion (IWEI 2024).

Internal awards



MAGGI **Korean won 1st position** at Nestlé Innovation Awards in the Food Category.



Saddle Point **won the 2nd position** at Nestlé Innovation Awards for 'Customer Centricity' for E2E optimization.

Risk and Opportunities

Your Company is committed to creating long-term value for stakeholders by balancing sustainable growth with resource efficiency. To ensure resilience and proactive decision-making, potential business risks and opportunities are continuously identified, assessed, and addressed. Mitigation strategies are actively monitored, with the Risk Management and Sustainability Initiatives (RMSI) Committee convening quarterly to review detailed action plans and drive execution.

Risk Management and Sustainability Initiatives (RMSI) Committee

The RMSI Committee plays a pivotal role in managing risks and adapting to evolving market demands.



Risks

Economic Fluctuations

Economic shifts can influence consumer sentiment, potentially lowering disposable incomes and driving demand toward value-oriented products. These changes may necessitate adjustments in product and pricing strategies. Additionally, economic volatility can create uncertainty around government policies, impacting

taxation, import duties, and compliance costs.

Your Company remains agile and responsive, proactively mitigating inflationary risks through a comprehensive commodity procurement framework. This robust approach includes continuous monitoring of price

indices, early identification of potential cost fluctuations, and efficiency-driven measures across the value chain to sustain competitiveness. Targeted cost-saving initiatives further reinforce resilience against inflationary pressures.

Supply Chain Disruptions

Multiple factors contribute to supply chain disruptions, including economic downturns, inflation, currency volatility, geopolitical issues, pandemics, and natural disasters—all of which affect raw material availability, labor, and transportation costs.

Your Company's supply chain strategy is built on resilience and agility, leveraging technological maturity and strong collaborations across the value chain. By continuously reinforcing these pillars, it effectively mitigates risks, ensuring operational stability and sustained growth.

Evolving Consumer Palate

Consumer preferences continue to evolve, driven by shifting demographics, global food trends, and changing consumption habits influenced by social media penetration. Even in smaller towns and villages, demand for high-quality, convenient products is rising, with consumers expecting quick access to what they want.

The rise of aspirational consumers in both urban and rural areas has heightened demand for quicker product delivery and seamless purchase experiences. Delayed adaptation to these changes could impact business growth.

Your Company views this evolution as an opportunity, strengthening its core brands while launching innovative products that align with consumer demand. By leveraging data analytics and market research, your Company gains deep insights into the preferences of today's food enthusiasts. This knowledge fuels the development of new products tailored to diverse tastes and dietary needs across urban and rural markets.

Focused on expanding accessibility, your Company is actively increasing its presence in underpenetrated small towns and large villages, ensuring a wider consumer base benefits from its offerings.

Food safety and quality risks

Product quality is fundamental to maintaining consumer trust and safeguarding your Company's reputation. In today's competitive market, even a single lapse in quality can have lasting consequences on brand loyalty and credibility.

Your Company places the highest priority on consumer safety and product excellence. With a rigorous quality assurance framework, it ensures stringent standards at every stage—from raw material procurement to final production—guaranteeing consistency, reliability, and consumer confidence.

Your Company fosters a culture of quality and accountability by actively engaging employees and third parties through established standards, education, and training. By promoting quality ownership at every level, it ensures excellence across the value chain.

The Nestlé quality policy can be accessed on https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/suppliers/quality_policy_nestle.pdf

A dedicated consumer complaint redressal team meticulously monitors and addresses concerns related to food safety and quality, reinforcing trust and delivering consistent, high-standard products to consumers.

Climate Risks

The FMCG industry faces significant climate-related risks, including erratic monsoon patterns, harvest uncertainties, and volatile raw material prices. This dependence on weather conditions directly impacts incomes, consumer demand, and trade, heightening the sector's exposure to environmental unpredictability.

Your Company actively tracks its environmental footprint and implements strategic measures to

minimize its impact. A robust monitoring framework ensures sustainability efforts are measured and refined over time. The RMSI Committee oversees compliance and drives sustainability initiatives, reinforcing accountability.

To strengthen governance, your Company has established a dedicated Sustainability Governance Council, led by the Chairman and Managing Director. The Council comprises key members of the Management Committee alongside task force leaders spearheading critical sustainability projects. These task forces focus on five key pillars: sustainable sourcing, sustainable packaging, manufacturing and logistics, brands, recipes and portfolio, and advocacy and communication—ensuring a comprehensive, forward-thinking approach to sustainability.

Opportunities


Demographic Shifts Driving FMCG Growth

Recognizing the significance of demographic shifts, your Company continues to drive innovation as a core growth strategy. It remains committed to investing in brands, launching new products that align with evolving consumer demand, and expanding the nutritional profile of its portfolio. By merging science with nutrition, it delivers wholesome food solutions that cater to the dynamic needs of both younger and older generations.

Unlocking Rural Potential

Your Company remains committed to deepening its presence in underpenetrated small towns and large villages. The integration of technology and data analytics has been instrumental in generating actionable insights, enabling swift, decentralized, and strategic decision-making.

By continuously strengthening its distribution network in RUrban markets, your Company ensures



broader product availability, catering to the evolving preferences of rural consumers and unlocking long-term growth potential.

Premiumization and Enhanced Consumer Experience

Growth in the FMCG sector is increasingly driven by premiumization and the adoption of new categories. This trend is evident across both urban and rural India, fueled by rising disposable incomes and a growing consumer willingness to invest in value-added offerings. Super-premium segments are emerging to specifically cater to affluent consumers, reinforcing the shift toward elevated experiences and high-quality products.

Premiumization remains a key growth engine for your Company, where premium products seamlessly coexist with mainstream offerings—ensuring accessibility while meeting evolving consumer preferences.

Promising Out-of-Home Opportunities

The out-of-home consumption segment presents significant growth potential, driven by shifting lifestyles, increased urbanization, and evolving consumer habits. As people spend increasingly more time outside their homes—whether commuting, socializing, or traveling—demand for convenient, high-quality food and beverage options continue to expand.

Your Company is well-positioned to capitalize on these opportunities

by offering innovative products tailored for on-the-go consumption, premium dining experiences, and impulse-driven purchases. Strengthening presence in this segment will further enhance brand engagement and consumer loyalty

Export: A Growth Vector

The Indian government actively fosters export growth through initiatives such as the Production Linked Incentive (PLI) scheme for the food processing industry, financial assistance programs, and participation in global trade events. Additionally, the presence of sizeable Indian communities worldwide creates a natural and established demand for familiar Indian FMCG brands and products.

Beyond traditional export markets, new opportunities are emerging in regions like Africa, Latin America, and parts of Eastern Europe—where demand for affordable, high-quality FMCG products continues to rise. Your Company is well-positioned to capitalize on this expansion, leveraging its diverse portfolio to reach these growing consumer bases.

Human-AI Collaboration

AI is playing a transformative role in optimizing raw material sourcing, enhancing quality controls, and ensuring increased safety through digitalized traceability. By tracking materials, quality standards, and process parameters with precision, AI strengthens efficiency across operations.

The adoption of AI continues to surge across customer engagement, product development, pricing, distribution, and personalized shopping experiences—reshaping the consumer landscape. Additionally, AI contributes to sustainability efforts by optimizing energy consumption and reducing waste, reinforcing environmentally responsible practices.

People at the Heart of Business

India's young workforce presents a unique demographic advantage and a powerful opportunity for economic growth. Recognizing that talent development is essential for long-term success, your Company remains committed to investing in its workforce. It regularly assesses employee needs and provides opportunities for skilling, upskilling, mentoring, and cross-functional learning—ensuring a future-ready organization that thrives through human-AI collaboration.

Corporate Information

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

BOARD COMMITTEES:

AUDIT COMMITTEE

PR Ramesh	- Chairman
Anjali Bansal	- Member
Alpana Parida	- Member
Sidharth Kumar Birla	- Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

Anjali Bansal	- Chairperson
PR Ramesh	- Member
Alpana Parida	- Member
Sidharth Kumar Birla	- Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

RISK MANAGEMENT AND SUSTAINABILITY INITIATIVES COMMITTEE

Sidharth Kumar Birla	- Chairman
Suresh Narayanan	- Member
PR Ramesh	- Member
Anjali Bansal	- Member
Suneeta Reddy	- Member

Note: Committee positions updated upto 24th April 2025

STATUTORY AUDITORS

S.R. Batliboi & Co. LLP, Chartered Accountants, (FRN: 301003E/E300005)
67, Institutional Area, Sector 44, Gurugram - 122003, Haryana, India

SECRETARIAL AUDITORS

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

COST AUDITORS

Ramanath Iyer & Co., Cost Accountants (FRN: 000019), No. 808, Pearls Business Park, Netaji Subhash Place, New Delhi - 110034, Delhi, India

BANKERS

Axis Bank Limited, Bank of America, Citibank N.A., Deutsche Bank AG, HDFC Bank Limited, HSBC Limited, ICICI Bank Limited, State Bank of India, Standard Chartered Bank, BNP Paribas, Australia and New Zealand Banking Group Limited, Development Bank of Singapore, Mitsubishi UFJ Financial Group

WEBSITE

www.nestle.in

INVESTOR EMAIL ID

investor@in.nestle.com

MANAGEMENT COMMITTEE

Suresh Narayanan	- Chairman & Managing Director
Manish Tiwary	- Managing Director (Designate)
Svetlana Boldina	- Finance & Control and CFO
Satish Srinivasan	- Technical
Anurag Patnaik	- Human Resources
Chandan Mukherji	- Strategy & Marketing Communication
Gopichandar Jagatheesan	- Confectionery
Himmat Singh	- Corporate Affairs
Krishna Guha Roy	- IS/IT and Nestlé Business Excellence
Manav Sahni	- Dairy
Pallavi Anand	- Pet Food
Rupali Rattan	- Foods
Saurabh Makhija	- Nestlé Professional
Sunayan Mitra	- Coffee & Beverages
Sushrut Nallulwar	- Sales
Taruna Saxena	- Sustainability & Societal Initiatives
TS Venkateswaran	- Legal
Varun Gupta	- Supply Chain
Varun Sethuraman	- Cereals
Vasudevan Krishnan	- Exports & Imports
Vineet Singh	- Nutrition

CORPORATE IDENTITY NUMBER

L15202DL1959PLC003786

REGISTERED OFFICE

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

HEAD OFFICE AND NORTHERN SALES BRANCH

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

SOUTHERN SALES BRANCH

- KRM Plaza, 1st Floor, North Tower No. 2, Harrington Road, Chetpet, Chennai - 600031 (Tamil Nadu)

EASTERN SALES BRANCH

- Tower A, 9th Floor, 08, Major Arterial Road, New Town, Rajarhat, Kolkata - 700156 (West Bengal)

WESTERN SALES BRANCH

- 1st Floor, ICC Chambers, Near Saki Vihar Telephone Exchange, Saki Vihar Road, Powai, Mumbai - 400072 (Maharashtra)

FACTORIES

- Village Maulinguem (North), Bicholim Taluka - 403504 (Goa)
- Plot No. 294, 297, Usgao Industrial Area, Ponda - 403406 (Goa)
- Unit I & II - Patti Kalyana, Kiwana Road, Samalkha - 132101 District Panipat (Haryana)
- Industrial Area, Village Nangal Kalan, Tehsil Haroli, District UNA - 174507, (Himachal Pradesh)
- Post Box No. 24, KIADB Industrial Area, Nanjangud - 571301 Mysore District (Karnataka)
- Ludhiana-Ferozepur Road, Near Kingwah Canal, Moga - 142001 (Punjab)
- P.O. Cherambadi - 643205 District Nilgiris (Tamil Nadu)
- Plot No. - 1A, Sector No. 1, Integrated Industrial Estate, SIDCUL, Pantnagar - 263145, District Udham Singh Nagar (Uttarakhand)
- Plot No. SM - 38, Sanand II, GIDC Industrial Estate, Siyawada Chokadi, Near GIDC Office, Tal. Sanand - 382170, District Ahmedabad (Gujarat)

LISTING OF EQUITY SHARES (Listing Fees paid)

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

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

REGISTRAR & SHARE TRANSFER AGENT

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

66TH ANNUAL GENERAL MEETING

Thursday, 26th June 2025 at 10.30 A.M. (IST)
AGM through Video Conferencing/ Other Audio-Visual Means (VC/OAVM) facility
[Deemed Venue for meeting: Registered Office: 100/ 101, World Trade Centre, Barakhamba Lane, New Delhi - 110001]

FINANCIAL YEAR

1st April to 31st March

Board's Report

Dear Members,

Your Directors are pleased to present their report and financial statements (standalone and consolidated) for the financial year ended 31st March 2025.

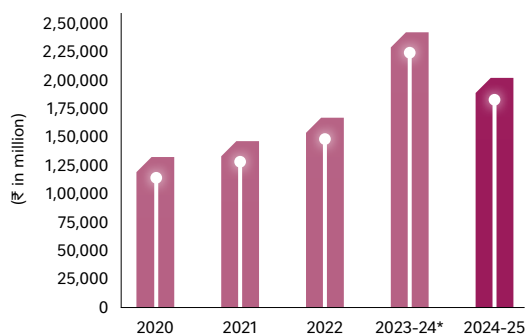
Highlights of the Financial Performance and State of Company's Affair

(₹ in million)

Particulars	Financial year ended 31 st March 2025	Fifteen months financial year ended 31 st March 2024
Sale of Products	200,775.0	242,754.8
Add: Other Operating Revenues	1,240.6	1,184.1
Add: Other Income	588.6	1,479.6
Total Income	202,604.2	245,418.5
Less: Total Expense	161,037.7	192,573.5
Profit before Exceptional Items and Tax	41,566.5	52,845.0
Exceptional Items	(2,908.2)	(43.7)
Profit before Tax	44,474.7	52,888.7
Less: Tax Expense	11,329.7	13,560.3
Profit after Tax	33,145.0	39,328.4
Add: Other Comprehensive Income	(796.4)	(429.4)
Total Comprehensive Income	32,348.6	38,899.0
Opening Balance in Retained Earnings	32,336.2	15,144.3
Amount available for Appropriation	64,675.5	62,418.0
Interim Dividends paid during 2024-25: ₹17.00 per share (Face Value ₹1.00)	16,390.7	-
2023-24: ₹167.00 per share (Face Value ₹10.00) and ₹7.00 per share (Face Value ₹1.00)	-	22,850.6
Final Dividend paid during 2024-25: ₹8.50 per share (Face Value ₹1.00)	8,195.3	-
2023-24: ₹75.00 per share (Face Value ₹10.00)	-	7,231.2
Closing balance in Retained Earnings	40,089.5	32,336.2
Key ratios:		
Earnings per share (₹)	34.38	40.79
Dividend per share (₹)		
Interim Dividends: (Face Value ₹10.00)	-	167.0
(Face Value ₹1.00)	17.0	7.0
Proposed - Final Dividend (Face Value ₹1.00)	10.0	8.5
Additional Information:		
Profit from Operations	43,104.1	53,417.9

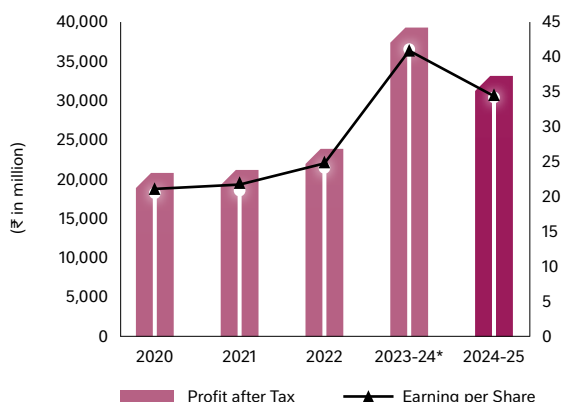
Note: The figures stated above are as per the standalone financial statements.

SALES



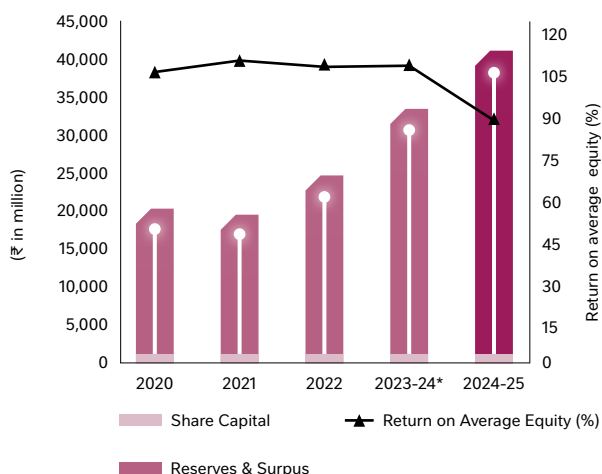
*Previous financial year 2023-24 comprises of 15 months period from 1st January 2023 to 31st March 2024, hence the figures are not comparable. Sales for corresponding comparable twelve months ended 31st March 2024 is ₹194,671 million.

EARNINGS



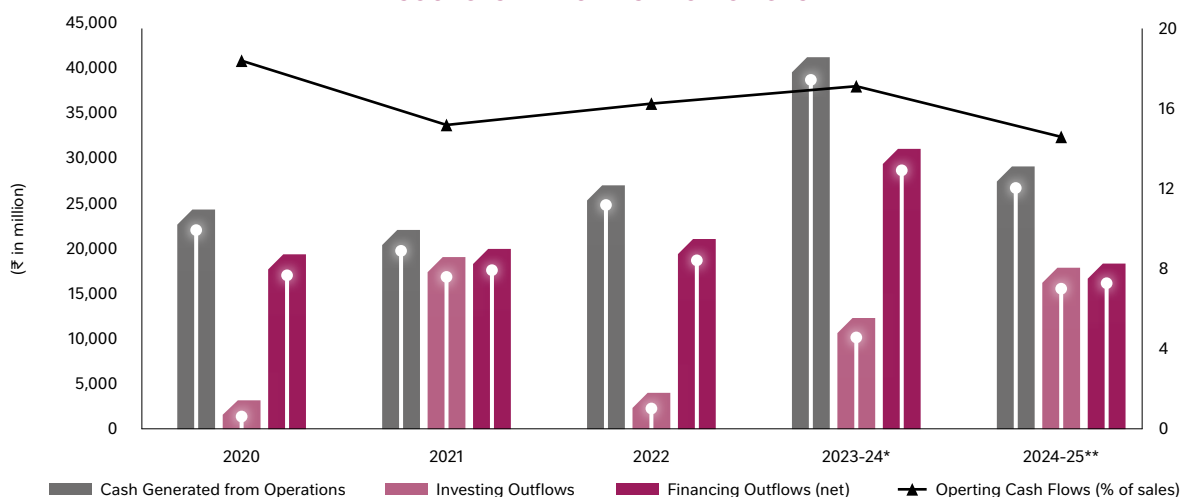
*Previous financial year 2023-24 comprises of 15 months period from 1st January 2023 to 31st March 2024, hence the figures are not comparable.

SHAREHOLDERS' FUNDS



*Previous financial year 2023-24 comprises of 15 months period from 1st January 2023 to 31st March 2024, hence the figures are not comparable. However, previous year 2023-24 ratios have been annualised to make it comparable.

SOURCES AND UTILISATION OF CASH

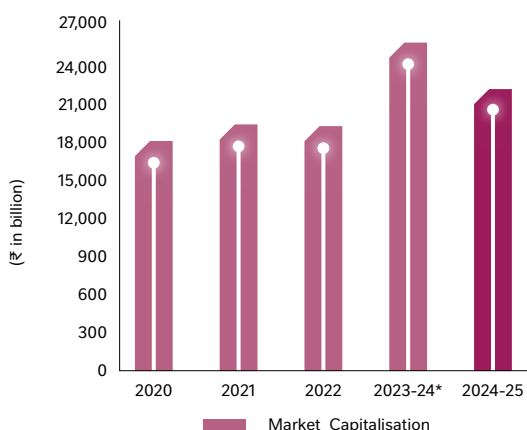


*Previous financial year 2023-24 comprises of 15 months period from 1st January 2023 to 31st March 2024, hence the figures are not comparable.

**Investing outflows includes investments in Associates of ₹7,056 million.

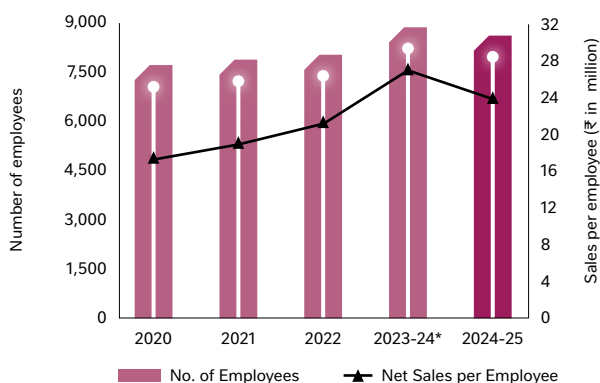
**Financing outflows are reduced by short term working capital borrowings of ₹7,257 million.

MARKET CAPITALISATION



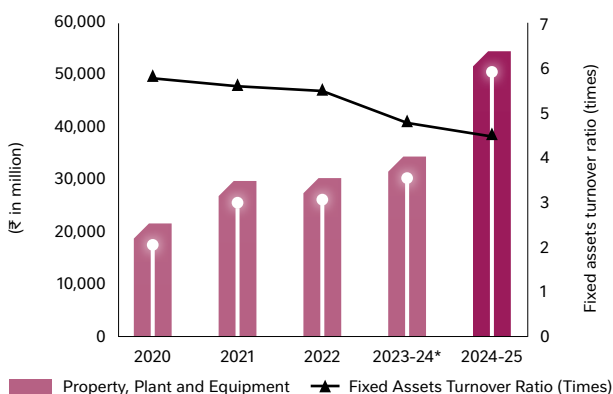
*Market Capitalisation is based on year end closing share price quoted on the National Stock Exchange of India Limited.

EMPLOYEE BASE



*Previous financial year 2023-24 comprises of 15 months period from 1st January 2023 to 31st March 2024, hence the figures are not comparable.

PROPERTY, PLANT AND EQUIPMENT



Property, plant and equipment includes Owned and Right of Use Assets.

*Previous financial year 2023-24 comprises of 15 months period from 1st January 2023 to 31st March 2024 hence the figures are not comparable. However, the property, plant and equipment turns (times) have been annualised to make it comparable.

Dividends

The Board of Directors (the "Board") of your Company have recommended a final dividend of ₹10.00 per equity share of face value of ₹1.00 each, amounting to ₹9,641.6 million for the financial year ended 31st March 2025 for approval of the members at the ensuing 66th Annual General Meeting ("AGM") of your Company ("66th AGM"). During the financial year ended 31st March 2025, first and second interim dividends of ₹2.75 and ₹14.25 per equity share of face value of ₹1.00 each, paid on and from 6th August 2024 and 27th February 2025, respectively. The total dividend for the financial year, including the proposed final dividend, amounts to ₹27.00 per equity share, leading to a total dividend payout of ₹26,032.3 million for the year.

The two interim dividends paid during the financial year ended 31st March 2025 and the final dividend recommended for the financial year ended 31st March 2025

is in accordance with the Dividend Distribution Policy of your Company. The said Policy is available on the website of your Company at <https://www.nestle.in/investors/policies>.

Subsidiary, Joint Venture and Associate companies

As on 31st March 2025, your Company did not have any subsidiary company.

The Board of your Company at its meeting held on 25th April 2024, approved the execution of a definitive Joint Venture Agreement ("JV Agreement") to establish a joint venture between the Company and Dr. Reddy's Laboratories Limited ("DRL") to bring together the well-known global range of nutritional health solutions as well as vitamins, minerals and health supplements of Nestlé Health Science with the nutraceutical portfolio, strong and established commercial strengths of DRL. This collaboration sought to enable both the partners to expand their complementary nutraceutical portfolio across key categories such as metabolic health, hospital nutrition, healthy ageing, general wellness, women's health, and child nutrition, serving consumers across India and Nepal. As part of this arrangement, your Company acquired 49,000 equity shares of ₹10.00 each in "Dr. Reddy's and Nestlé Health Science Limited" (formerly Dr. Reddy's Nutraceuticals Limited) ("JV Company") from DRL on 24th July 2024. Further, your Company has subscribed to 705,551,000 equity shares of ₹10.00 each at par, through a Rights Issue of the JV Company. Following this acquisition, the shareholding structure of the JV Company remains unchanged, with your Company holding 49% equity (comprising 705,600,000 equity shares of ₹10.00 each) and DRL holding 51% equity (comprising 734,400,000 equity shares of ₹10.00 each).

Your Company has also executed a Business Transfer Agreement ("BTA") with the JV Company for the slump sale of its medical nutrition and nutraceuticals ("NHSc") business to the JV Company effective from 1st August 2024, for a lump sum consideration of ₹2,189 million. The said consideration was at an arm's length basis and adjusted for net working capital transferred, subject to withholding of applicable taxes/ payment of tax deducted at source.

Pursuant to the JV Agreement dated 25th April 2024, the funds raised by the JV Company through the Rights Issue were utilized to, *inter-alia*, acquire respective nutritional health solutions businesses and/or other resources from the Company and DRL and for general corporate purposes, including meeting the working capital requirements of the JV Company.

The Company has obtained a certificate from the Statutory Auditors certifying that the Company is in compliance with the FEMA Regulations with respect to the downstream investment made in the JV Company.

A statement providing details of performance and salient features of the financial statements of the associate/ joint venture company, as per Section 129(3) of the Act, is provided under Note no. 49 of the consolidated financial statements, Note no. 5 and 7A of standalone financial statements and therefore not repeated in this Report to avoid duplication.

Slump Sale of Nestlé Business Services Division

The Board of your Company, at its meeting held on 7th February 2024, approved the slump sale of Nestlé Business Services ('NBS') Division of your Company to Purina PetCare India Private Limited (subsequently name changed to Nestlé Business Services India Private Limited and hereafter referred as "NBS Entity"), related party, being a 100% subsidiary of Nestlé S.A., for an aggregate consideration of ₹798 million. The said consideration was at an arm's length basis and adjusted for net working capital transferred by your Company as on 30th June 2024. This transaction was effective from 1st July 2024.

NBS Division predominantly provided captive services to your Company across four End-to-End Services (Order to Cash, Source to Pay, Record to Report and Hire to Retire) which helps your Company in driving operational efficiency, cost optimization, effective decision-making through data analytics, enhancing customer service, and accelerating automation of various scalable processes across your Company's value chain (hereinafter "NBS Services"). As per the Business Transfer Agreement signed between your Company and NBS Entity, after the transfer of NBS Division, your Company continues to receive the NBS Services at an arm's length basis under a service agreement. The above transaction has no significant impact on the Company.

Launch of NESPRESSO

The Board of your Company, at its meeting held on 25th April 2024, approved the launch of NESPRESSO, the pioneer in premium coffee with its range of exclusive coffees. The NESPRESSO coffees and machines are available in both original and professional systems, to serve domestic and professional consumers. On 6th March 2025, the first NESPRESSO Boutique was inaugurated in Delhi, marking a significant milestone in our retail expansion. The new boutique offers coffee enthusiasts an immersive experience, showcasing NESPRESSO's iconic range of high-quality coffees and state-of-the-art machines. Consumers can explore and savor a variety of coffee blends, receive personalized recommendations from trained coffee specialists, and learn about NESPRESSO's commitment to sustainability. Additionally, NESPRESSO products will be made accessible across India through leading e-commerce platforms, ensuring wider reach and convenience for coffee lovers nationwide.

Your Company and NESPRESSO S.A. have appointed M/s. Thakral Innovations Pvt. Ltd. as the official distribution partner in India covering the full range of NESPRESSO coffee products across all channels.

NESPRESSO focuses on high-quality beans through the NESPRESSO AAA Sustainable Quality Program, which was co-created in collaboration with the Rainforest Alliance in 2003. The program now includes over 157,000 coffee farmers across 18 countries. Around 600 NESPRESSO agronomists work directly with farmers, providing training and resources to improve coffee quality, farm productivity and sustainability. By selling high quality coffee to NESPRESSO, the farmers receive a premium which could improve their income and a more secure livelihood. Over 93% of coffee is sourced sustainably through the NESPRESSO AAA Sustainable Quality Program. NESPRESSO has been sourcing high quality green coffee from India since 2011 and works directly with around 1,800 coffee farmers in the country.

NESPRESSO – a certified B Corp – plays a pivotal role in driving coffee innovation, discovering unparalleled coffee blends, formulating new recipes, and offering a premium coffee experience for consumers. All NESPRESSO coffees are manufactured in high quality, state of the art manufacturing factories in Switzerland and exported to Nestlé markets worldwide.

Greenfield and Brownfield Projects

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, Tahlival, Pantnagar, Choladi, Ponda and Bicholim which is estimated at around ₹50,000 million in the coming 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.

During the year under review, your Company has added a new KitKat production line at its Sanand Factory in Gujarat with a capital expenditure of approximately ₹11,000 million. Additionally, at Nanjangud Factory, your Company has replaced the existing coffee Egron 1 manufacturing line with new Egron 3 line as the existing line outlived its useful life involving a capital expenditure of approximately ₹6,592 million.

Your Company is setting up a food processing unit at Mundaamba, Block - Jankia in the district of Khordha (Odisha) with an investment of approximately ₹9,000 million. The foundation stone was laid down for the factory in April 2025 and the project implementation is in progress. The facility will focus on manufacturing products from the Company's Foods portfolio, specifically prepared dishes and cooking aids. This is slated to be your Company's tenth factory and first in the eastern part of the country.

Material Changes and Commitments

There have been no material changes and commitments affecting the financial position of your Company which occurred between the end of the financial year ended 31st March 2025 to which the financial statements related to and date of this report.

There has been no change in the nature of the business of your Company.

Amount transferred to Reserves

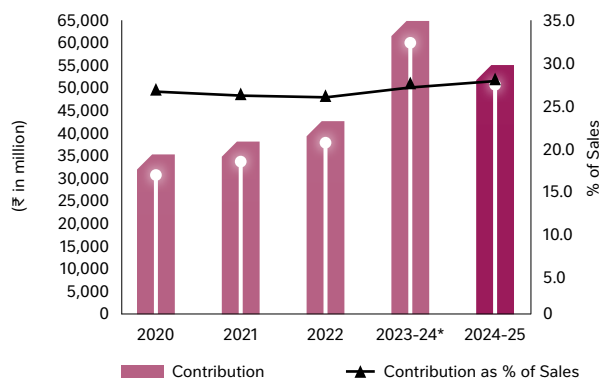
The Board of your Company do not propose to transfer any amount to the reserves.

Contribution to the Exchequer

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

During the financial year ended 31st March 2025, your Company through its businesses, enabled tax collections at Central and State level close to ₹55.0 billion, in aggregate.

ENABLED CONTRIBUTION TO EXCHEQUER



*Previous financial year 2023-24 comprises of 15 months period from 1st January 2023 to 31st March 2024, hence the figures are not comparable.

Exports

During the financial year ended 31st March 2025, your Company's export business expanded its footprints to Maldives and Papua New Guinea, offering diverse range of confectionery SKUs. While MAGGI noodles was introduced in new markets in the Middle East and South Africa NESTLÉ MUNCH, NESCAFÉ SUNRISE, MAGGI Masala-Ae-Magic were extended to new markets in the United States and the United Arab Emirates.

Business Development

During the financial year ended 31st March 2025, Powdered and Liquid Beverages was the largest growth contributor, with high double-digit growth. NESCAFÉ strengthened its leadership position by gaining market share and bringing more than 5.1 million households into the coffee category. NESCAFÉ Ready-to-Drink cold coffee range, one of the fastest growing segments globally, expanded its new range to India this year. Driven by cold coffee consumption among Gen Z and Millennials, it is creating entirely new coffee-drinking occasions.

Confectionery grew at a high single-digit pace both in value and volume driven by KITKAT. India is the second largest market for the brand globally. Prepared Dishes and Cooking Aids posted mid-single-digit growth with MAGGI returning to volume growth and MAGGI Masala-Ae-Magic consistently demonstrating good growth. India continued to be the largest market worldwide for MAGGI.

Milk Products and Nutrition was backed by launches. By reinforcing our commitment to offer nutritious choices to consumers through meaningful innovations, we achieved our ambition of introducing new CERELAC variants with no refined sugar. CEREGROW variant with no refined sugar too was launched this financial year and the early response is encouraging.

The Petcare business reported high double-digit growth – the highest ever, since its integration into the Nestlé India business. PURINA FELIX and FRISKIES cat food brands achieved high growth. PURINA PRO PLAN dog food continued to be well-received by pet owners.

Out-of-Home (OOH) business delivered strong double-digit growth and emerged as one of our fastest growing businesses.

NESPRESSO's first boutique in India in New Delhi, was opened during the financial year ended 31st March 2025.

Penetration, premiumization and innovation combined with disciplined resource allocation have been key in driving growth. Since 2015, your Company has recalibrated and re-energised its product portfolio, by launching over 150 new products contributing 7% of sales.

To serve the consumers, your Company has an omni-channel approach, and this implies that the brands are available at locations and channels that are

most convenient for consumers. One such channel is e-commerce, which continued in its growth trajectory, propelled by the rapid expansion of Quick Commerce, contributing to 8.5% of domestic sales, in this financial year ended 31st March 2025.

Your Company remained committed to its RUrban journey. It strengthened its route to market through a comprehensive RUrban strategy focused on five key pillars: Infrastructure, Product Portfolio, Visibility, Consumer Connect, and Technology.

Your Company is investing approximately ₹65,000 million between 2020 and 2025 to develop new capabilities and capacity. This not only demonstrates the strong demand for its products but also its commitment to manufacture in India and 'Make in India'. The Odisha factory, your Company's 10th citadel of growth, is being set up with an initial investment of approximately ₹9,000 million, in its first phase, to manufacture products from the foods (Prepared Dishes and Cooking Aids) portfolio. Your Company benefits from the Nestlé Group's R&D network, new processes and technologies, technical and non-technical assistance including training and sustainable manufacturing practices under the General License Agreements.

The spectre of climate change is rapidly intensifying, demanding swift action. We have increased our reliance on renewable energy, implemented sustainable logistics practices, minimized waste. We continue to promote circular economy and have transitioned to sustainable packaging. Our supply chain resilience is being strengthened. Through regenerative agricultural practices greenhouse gas emissions are being reduced. We work closely with farmers and suppliers to source raw materials responsibly. One noteworthy endeavor in environmental sustainability is our proprietary technology called 'Zer'Eau' in Moga and Samalkha factories. Here water extracted from milk procured by the factories is recycled to reduce groundwater consumption every year by around 20%.

In line with the commitment to society, your Company has positively impacted the lives of over 16 million beneficiaries through initiatives that align with the UN's Sustainable Development Goals. These include rural development, education, nutrition awareness, environmental initiatives, livelihood enhancement, feeding support programs, and water and sanitation improvements.

Milk Products and Nutrition portfolio

During the year, Milk Products and Nutrition portfolio contributed 37.9% to sales backed by new launches. This year, your Company reinforced its commitment to offer nutritious choices to consumers through meaningful innovations. For more details on this section, refer to page number 20, which forms an integral part of this Report.

Prepared Dishes and Cooking Aids portfolio

The Prepared Dishes and Cooking Aids business registered satisfactory growth and contributed 31.4% to sales. This business continued to recruit new households, increase distribution reach aided by impactful campaigns, targeted innovations and attractive consumer activations. For more details on this section, refer to page number 24, which forms an integral part of this Report.

Confectionery portfolio

The Confectionery portfolio displayed satisfactory growth despite category challenges of high-cost inflation. This growth was attributed to unlocking the penetration opportunity, innovating with a focus on premiumization and enhancing the quantity and quality of our distribution network. The confectionery portfolio contributed 16.9% to sales. For more details on this section, refer to page number 30, which forms an integral part of this Report.

Powdered and Liquid Beverages portfolio

The Powdered and Liquid Beverages portfolio has achieved robust growth and contributed 13.8% to sales. This growth was driven by a focused and consistent strategy aimed at recruitment and enhancing the relevance of the coffee category. For more details on this section, refer to page number 32, which forms an integral part of this Report.

Nestlé Professional – Out-of-Home business

The Out-of-Home business reported strong growth and was propelled by relevant innovations and premiumization across categories. For more details on this section, refer to page number 34, which forms an integral part of this Report.

Sales

During the period under review, your Company made significant progress in increasing its reach, particularly in RUrban markets, through enhanced distribution infrastructure and leveraging technology. For more details on this section, refer to page number 18, which forms an integral part of this Report.

Building Robust Digital, Data and IT Capabilities

Your Company continued to strengthen its comprehensive digital infrastructure. The team emphasized innovation, artificial intelligence, and smart improvements that enhanced the experience for your Company's employees, users, and customers. This helped in achieving excellence across functions and businesses. For more details on this section, refer to page number 36, which forms an integral part of this Report.

People

Your Company continued to focus on upskilling and empowering youth and creating opportunities for persons with disabilities to build a dynamic, empathetic, and inclusive workforce. Several initiatives and policies were institutionalized to ensure holistic growth for the existing and future workforce. For more details on this section, refer to page number 46, which forms an integral part of this Report.

Supply Chain

Your Company continued to build a stronger and more resilient and agile supply chain network through collaboration with a strong network of partners and remained nimble and resilient in the wake of a dynamic ecosystem. For more details on this section, refer to page number 50, which forms an integral part of this Report.

Environment Sustainability

During the period under review, your Company progressed steadily on its environmental commitments and reduced its emissions, water usage, waste water generation and energy usage per ton of production. Its Sustainability Task Forces managed to steer operations in a sustainable way. For more details on this section, refer to page number 54, which forms an integral part of this Report.

Management Analysis

Global Economy

The year was defined by significant global and domestic challenges, shaped by geopolitical tensions, persistent inflation, volatile foreign exchange, and elevated interest rates. Key global developments—such as the US Federal Reserve's rate cut cycle, China's stimulus measures, and uncertainties surrounding the US economic & trade policies (including tariffs) contributed to heightened market volatility.

A particularly concerning trend was the slowdown in global manufacturing, with Europe and parts of Asia experiencing notable declines. Supply chain disruptions and weak external demand further compounded these pressures, highlighting vulnerabilities in global trade and production dynamics.

Indian Economy

India continues to demonstrate steady economic growth, with a projected real GDP increase of 6.4% in FY25—closely aligning with the decadal average. Aggregate demand remains strong, with private final consumption expenditure expected to rise by 7.3%, fueled primarily by a rural demand rebound. The agriculture sector is also set for recovery, with growth projected at 3.8% in FY25.

Despite this positive trajectory, sluggish manufacturing growth remains a challenge, affecting job creation and hindering India's ambitions as a global manufacturing hub. Addressing unemployment requires targeted policy interventions to harness India's demographic dividend, ensuring sustainable economic expansion.

Unlike many developed economies reliant on global trade, India's economic momentum is largely driven by domestic consumption and strategic government spending, providing a cushion against international volatility. Additionally, the reduction of headline inflation to a seven-month low of 3.6% in February 2025—particularly in essential food categories—is expected to enhance consumer purchasing power and sustain demand.

FMCG Sector: Navigating Change and Seizing Opportunities

The FMCG sector is the fourth-largest in India, contributing approximately 3% to GDP and employing around 3 million people. In 2024, the industry faced challenges due to persistent inflationary pressures, leading to shifts in consumption patterns.

Quick commerce is reshaping India's grocery landscape, becoming a go-to choice for urban shoppers. Reports indicate that 31% of urban Indians now depend on quick commerce platforms for primary grocery shopping, with an additional 39% using them for top-up purchases—highlighting the growing demand for speed and convenience.

Brands are increasingly adopting premiumization and value-driven strategies, creating high-perceived value products tailored to discerning consumers. A strong emphasis on nutrition is driving innovation in millet-based and fortified foods. To remain competitive, brands must expand their portfolios by integrating science with nutrition—offering wholesome food options, plant-based proteins, healthy snacks, and products designed for healthy aging.

Sustainability is emerging as a crucial factor in consumer decision-making. Consumers are increasingly gravitating toward brands that demonstrate environmental and social responsibility. Companies that prioritize sustainable sourcing, regenerative agricultural practices, eco-friendly packaging, carbon footprint reduction, and investment in social initiatives are well-positioned to gain a competitive edge in the evolving marketplace.

India's Consumer Landscape: A Market in Transformation
India's FMCG market spans 496 million consumers—35% in urban centers and 65% in villages. As consumption patterns shift, five distinct generations shape demand, each with unique values, preferences, and spending power. Legacy brands continue to connect generations, reinforcing loyalty.

India's demographic dividend is a key advantage, with Gen Z leading consumption trends, followed closely by Millennials

Beyond the youth-driven economy, India's aging population is also expanding, with over 10% of its citizens now classified as elderly. By 2050, UNFPA forecasts that one in five individuals in India will be seniors. This "silver generation," especially in urban markets, is an emerging consumer force—challenging outdated stereotypes and prioritizing personal wellbeing and quality living.

The evolving consumer landscape presents a dynamic market opportunity. With rising aspirations across both urban and rural India, Gen Z's spending power, and a growing elderly population keen to invest in themselves, India's FMCG sector is primed for transformation.

Technological Evolution: AI Reshaping the Future

We stand at the threshold of a transformative technological era, where Artificial Intelligence (AI) and Generative AI are driving unprecedented innovation. India, a global hub of AI talent, contributes 16% to the worldwide AI workforce—reinforcing its role in shaping the future.

The integration of AI unlocks immense potential, fostering value creation through education, upskilling, and a forward-thinking, inclusive AI vision. Within the FMCG sector, AI-powered real-time analytics enhances sourcing, customer engagement, supply chain efficiency, product development, logistics, sales, pricing, distribution, and personalized shopping experiences—fundamentally reshaping business strategies and operations.

Directors Responsibility Statement

The Directors state that:

- a) in the preparation of the annual accounts for the financial year ended 31st March 2025, the applicable accounting standards have been followed and no material departures have been made from the same;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March 2025 and of the profits of your Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (the "Act") for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;

- e) they have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Directors and Key Managerial Personnel

The Board had, based on the recommendation of the Nomination and Remuneration Committee ("NRC"), at its meeting held on 5th April 2024 appointed Ms. Suneeta Reddy (DIN: 00001873) as an Additional Director and Independent Non-Executive Director of the Company with effect from 5th April 2024 for a term of five consecutive years i.e. upto 4th April 2029, which was subsequently approved by the members of the Company, vide resolution passed through Postal Ballot on 17th May 2024.

Mr. Rajya Vardhan Kanoria (DIN: 00003792), retired as an Independent Non-Executive Director of your Company with effect from the close of business hours on 12th May 2024 after completion of his second term of five consecutive years. Your Directors wish to place on record appreciation for the immense contribution made by Mr. Kanoria during his tenure as an Independent Non-Executive Director of your Company.

The Board had, based on the recommendation of the NRC, at its meeting held on 12th June 2024 appointed Mr. Sidharth Kumar Birla (DIN: 00004213) as an Additional Director and Independent Non-Executive Director with effect from 12th June 2024, to hold office for a term of five consecutive years i.e. upto 11th June 2029, which was subsequently approved by the members at the 65th AGM of your Company held on 8th July 2024.

Mr. Suresh Narayanan (DIN: 07246738) will retire as Chairman and Managing Director of the Company with effect from the close of business hours on 31st July 2025. The Board places on record its appreciation and gratitude for the contribution and impact made by Mr. Narayanan during his tenure as the Chairman and Managing Director of your Company.

Pursuant to intimation by Nestlé S.A. and under Article 106 and 118A of the Articles of Association of your Company, the Board had, on the recommendation of the NRC, at its meeting held on 17th October 2024 recommended appointment of Mr. Manish Tiwary (DIN: 02572830) as a Non-Retiring Director and Managing Director ('Key Managerial Personnel') with effect from 1st August 2025, for a term of five consecutive years, to the members for their approval at the ensuing 66th AGM. As part of the transition plan approved by

the Board, Mr. Manish Tiwary joined the Company on 1st February 2025 as a Managing Director (Designate) and was appointed as Key Managerial Personnel of the Company with effect from 24th April 2025 and will assume full responsibilities as Managing Director effective from 1st August 2025, subject to the approval of the members. Mr. Manish Tiwary fulfils the criteria provided in the Nomination and Remuneration Policy of your Company including his qualification, experience, background, expertise, proficiency and integrity.

Mr. Satish Srinivasan (DIN: 10173407), Whole-Time Director of your Company, retires by rotation at the 66th AGM, and being eligible, has offered himself for re-appointment. A resolution seeking approval of the members for his re-appointment, forms part of the Notice of the 66th AGM. As per the terms of his appointment as approved by the members, his re-appointment at the 66th AGM as a director retiring by rotation would not constitute break in his appointment as a Whole-Time Director, designated as "Executive Director – Technical".

Based on the recommendation of the NRC and considering eligibility, extensive knowledge, skills, experience, time commitment, availability, attendance and contributions in Board and Committee Meetings, and annual performance evaluation reports of Mr. Prathivadibhayankara Rajagopalan Ramesh (DIN: 01915274) ("Mr. PR Ramesh"), the Board has, at its meeting held on 24th April 2025, approved and recommended the re-appointment of Mr. PR Ramesh as an Independent Non-Executive Director, not liable to retire by rotation, for the second term of five consecutive years, with effect from 1st July 2025 to 30th June 2030 (both days inclusive), to the members for approval at the ensuing 66th AGM.

During the financial year ended 31st March 2025, none of the directors resigned from the Company.

All the Independent Non-Executive Directors of your Company have submitted the declaration confirming that they meet the criteria of independence as prescribed under the Act read with Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), they have complied with the Code for Independent Directors prescribed under Schedule IV to the Act, and are not disqualified from continuing as Independent Non-Executive Directors. The Board is of the opinion that the Independent Non-Executive Directors of your Company including those appointed during the financial year ended 31st March 2025, possess requisite qualifications, expertise and experience and they hold highest standards of integrity. The Independent Non-Executive Directors of your Company have confirmed compliance of relevant provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. During the

financial year ended 31st March 2025, the non-executive directors of your Company had no pecuniary relationship or transactions with your Company, other than sitting fee, commission and reimbursement of expenses, if any. Further, during the financial year ended 31st March 2025, the Company has not received any amount from the directors of the Company.

Brief resume, nature of expertise in specific functional areas, disclosure of relationships between directors inter-se, details of directorship held in other companies, membership of committees of the Board along with listed entities from where they resigned in the past three years, shareholding in the Company held by the directors proposed to be appointed/ re-appointed at the 66th AGM, is provided in the Notice of the 66th AGM.

Pursuant to the provisions of Section 203 of the Act, Mr. Suresh Narayanan, Chairman and Managing Director, Ms. Svetlana Boldina, Executive Director – Finance & Control and CFO, and Mr. Pramod Kumar Rai, Company Secretary are the Key Managerial Personnel of your Company as on 31st March 2025.

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

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

Familiarization Programme for Directors

Your Company conducts a structured orientation programme for the Independent Non-Executive Directors on the Board. As part of this programme, Senior Management along with their second line of managers provides comprehensive presentations covering the Company’s business operations, budgets, the roles, rights, and responsibilities of Directors, the nature of the industry in which the Company operates, its business model and competitive landscape. To further facilitate an in-depth understanding of the operations, the Company also organizes visits to its manufacturing facilities.

The details of familiarization programmes imparted to the Directors are available on the website of your Company at <https://www.nestle.in/about-us/our-leadership-team>.

Corporate Social Responsibility

During the financial year ended 31st March 2025, the Corporate Social Responsibility (“CSR”) Committee was re-constituted as Ms. Suneeta Reddy, Independent Non-Executive Director, was appointed as a Member and Chairperson of the CSR Committee with effect from 5th April 2024 in place of Dr. Swati A. Piramal, who ceased to be a Member and Chairperson of the CSR Committee with effect from the close of business hours on 31st March 2024, upon completion of her second term of five consecutive years as an Independent Non-Executive Director of your Company.

As on 31st March 2025, the CSR Committee comprised of Ms. Suneeta Reddy as Chairperson and Mr. Suresh Narayanan, Ms. Svetlana Boldina and Ms. Anjali Bansal, as Members.

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

In terms of Section 135 of the Act read with CSR Rules, your Company had, during the financial year ended 31st March 2025, spent over two percent of the average net profits of your Company during the three immediately preceding financial years in accordance with the CSR Policy and the Annual Action Plan approved by the Board, from time to time on the recommendation of the CSR Committee.

Due to the extension of the previous financial year to a period of fifteen months (i.e. period from January 2023 to March 2024), the excess amount spent on the CSR activities, over and above the budget approved by the Board in the previous financial year, was carried forward and set off with the CSR amount spent during the financial year ended 31st March 2025.

In addition to the above, your Company has been implementing societal activities since many decades under the umbrella of “Creating Shared Value” which have not been reckoned for arriving at the spends as per CSR Rules.

Your Company’s CSR activity expands across nutrition awareness, water and sanitation, rural development and environment. Details of some of the salient features

of the CSR Policy and CSR initiatives like empowering communities, improving lives through Project Jagriti, empowering youth for a healthier future through Nestlé Healthy Kids Programme, igniting young minds with experiential learning through Project Jigyasa a part of Nestlé Healthy Kids Programme, building a brighter future in rural Haryana through Project Vriddhi, strengthening street food safety through Project Serve Safe Food, clean environment with emphasis on waste management through Project Hilldaari, clean water and sanitation facilities through Project Clean Drinking Water and other projects on disaster management, are given from page number 40 to 45 which forms an integral part of the Annual Report.

Business Responsibility and Sustainability Report

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

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

In terms of Regulation 34 of the Listing Regulations read with relevant SEBI Circulars, reporting requirements on ESG parameters were prescribed under "Business Responsibility and Sustainability Report" ('BRSR'). The BRSR seeks disclosure on the performance of your Company against nine principles of the "National Guidelines on Responsible Business Conduct" ('NGRBCs').

Further, under the BRSR Core, which is a sub-set of BRSR, consisting of a set of Key Performance Indicators (KPIs)/ metrics under nine ESG attributes, new KPIs have been identified for assurance such as job creation in small towns, open-ness of business, gross wages paid to women etc. Also, for better global comparability, intensity ratios based on revenue adjusted for Purchasing Power Parity (PPP) have been included. Your Company had taken reasonable assurance on BRSR Core by a third-party Independent Assurance provider viz. Grant Thornton Bharat LLP.

Your Company has published the BRSR and Assurance Report on BRSR Core for the financial year ended 31st March 2025, which are annexed as **Annexure - 3A** and **Annexure - 3B**, and forms an integral part of this Report.

The Risk Management and Sustainability Initiatives Committee reviews, amongst other terms of reference, the sustainability initiatives of the Company on a quarterly basis.

Statutory Auditors and Auditors' Report

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

The Reports given by M/s. SRB on the standalone and consolidated Financial Statements of your Company for the financial year ended 31st March 2025 ("Financial Statements") is part of the Annual Report. The Notes on the Financial Statements referred to in the Auditor's Report are self-explanatory and do not call for any comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer. During the financial year ended 31st March 2025, the Auditors have not reported any matter under Section 143 (12) of the Act, therefore, no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

Cost Auditors and Cost Accounts

Your Company is required to maintain cost records for milk powder products as specified by the Central Government under Section 148 (1) of the Act. Accordingly, your Company has been making and maintaining such cost records as per the requirements. In terms of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, the Audit Committee recommended and the Board appointed M/s. Ramanath Iyer and Co., Cost Accountants, New Delhi (Registration No. 000019) being eligible, as the Cost Auditors of your Company, to carry out the cost audit of milk powder products manufactured by the Company falling under the specified Customs Tariff Act (Heading 0402) in relation to the financial year ending 31st March 2026. Your Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and Rules framed thereunder. The Cost Auditors have confirmed that they are not disqualified to be appointed as the Cost Auditors of your Company for the financial year ending 31st March 2026. The remuneration of Cost Auditors has been approved by the Board on the recommendation of the Audit Committee. In the opinion of the Directors, considering the limited scope of audit, the proposed remuneration payable to the Cost Auditors would be reasonable and fair and commensurate with the scope of work carried out by them. In terms of the Act and Rules framed thereunder, requisite resolution

for ratification of remuneration of the Cost Auditors by the members has been set out in the Notice of the ensuing 66th AGM of your Company.

The Cost Audit Report issued during the financial year ended 31st March 2025, does not contain any qualification, reservation, adverse remark or disclaimer and the Cost Auditors have not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

Secretarial Auditors and Secretarial Audit Report

In terms of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, on the recommendation of the Audit Committee, the Board appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries (Firm Registration Number - P1991MH040400) as the Secretarial Auditors of your Company for the financial year ended 31st March 2025, who carried out the Secretarial Audit for the financial year ended 31st March 2025. The Report given by the Secretarial Auditors is annexed as **Annexure - 4** and forms an integral part of this Report. The Secretarial Audit Report is self-explanatory and does not call for any comments. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer. During the financial year ended 31st March 2025, the Secretarial Auditors have not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

In terms of Regulation 24A of the Listing Regulations, with effect from 1st April 2025, your Company is required to appoint a Practicing Company Secretary for not more than one term of five consecutive years or a firm of Practicing Company Secretaries for not more than two terms of five consecutive years, as a Secretarial Auditor, with the approval of the members at its AGM and such Secretarial Auditor must be a peer reviewed company secretary and should not have incurred any of the disqualifications as specified under the Listing Regulations. Further, as per the said Regulation, any association of the individual or the firm as the Secretarial Auditors of the Company before 31st March 2025 shall not be considered for the purpose of calculating the tenure of the Secretarial Auditors.

Taking into account the above requirements, the Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. S. N. Ananthasubramanian & Co., Company Secretaries (Firm Registration Number - P1991MH040400) as the Secretarial Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of 66th AGM till the conclusion of 71st AGM to be held in the year 2030, covering the period

from the financial year ending 31st March 2026 till the financial year ending 31st March 2030, subject to the approval of the members at the ensuing 66th AGM of your Company. The recommendation followed a detailed evaluation of proposals received by the Company and consideration of factors such as technical capabilities, independence, industry experience, subject matter expertise, profile of audit partners and team, quality of audit practices, and past association with the Company.

Your Company has received a written consent from the Secretarial Auditors that the appointment, if approved, will be in accordance with the applicable provisions of the Listing Regulations, Act and rules framed thereunder. Further, the Secretarial Auditors have confirmed that they are not disqualified to be appointed as the Secretarial Auditors of your Company.

Secretarial Standards

During the financial year ended 31st March 2025, your Company has complied with applicable Secretarial Standards i.e. SS-1 and SS-2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively.

Meetings of the Board

Nine meetings of the Board of your Company were held during the financial year ended 31st March 2025. The particulars of the meetings held and attendance of the Directors in the meetings are detailed in the Corporate Governance Report, which is annexed as **Annexure - 1** and forms an integral part of this Report. The certificate issued by Company Secretary in Practice is enclosed with the Corporate Governance Report.

Annual Return

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

Details of Loans, Guarantee and Investments

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

Related Party Transactions

Your Company has formulated a policy on materiality of related party transactions and on manner of dealing with related party transactions ('RPT Policy') including clear thresholds limits as approved by the Board. During the period under review, based on the recommendation of the Audit Committee, the Board has approved amendments to the RPT Policy at its meeting held on 31st January 2025.

The updated RPT Policy is available on the website of your Company at <https://www.nestle.in/investors/policies>. The Board of your Company has approved the criteria to grant omnibus approval by the Audit Committee within the overall framework of the RPT Policy on related party transactions. All members of the Audit Committee are Independent Non-Executive Directors.

All related party transactions and subsequent material modifications are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for related party transactions on a quarterly basis for transactions which are of a repetitive nature and/or entered in the ordinary course of business and are at an arm's length basis. Your Company has obtained a report from a reputed accounting firm, providing fairness opinion on the arm's length nature of pricing policies adopted by the Company across various categories of related party transactions.

All related party transactions entered during the financial year ended 31st March 2025 were in ordinary course of the business and at an arm's length basis. In terms of the Act and Rules framed thereunder read with the Listing Regulations, no material related party transactions, i.e. transaction with a related party exceeding rupees one thousand crore or ten percent of the annual consolidated turnover, as per the last Audited Financial Statements of your Company whichever is lower, were entered during the financial year ended 31st March 2025 by your Company. Accordingly, the disclosure of related party transactions as required under Section 134 (3) (h) of the Companies Act, 2013 ("the Act"), in Form AOC-2 is not applicable. Members may refer to Note no. 41 to the standalone financial statements which sets out related party disclosures pursuant to IND AS-24.

During the financial year ended 31st March 2025, pursuant to the Listing Regulations and other applicable provisions of the Act and Rules framed thereunder, Board of your Company had recommended a proposal to the members of the Company by way of an Ordinary Resolution through postal ballot for the payment of general licence fees (royalty) by your Company to Société des Produits Nestlé S.A. ("the Licensor"), being a related party, at the rate not exceeding 5.25%, net of taxes, of the net sales of the products sold by your Company as per the terms and conditions of the existing General Licence Agreements ("GLAs"), payable in a staggered manner over the period of five years by making an increase of 0.15% per annum over the current general license fees (royalty) of 4.5% per annum effective from 1st 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. Based on the Scrutinizer's Report dated 17th May 2024, the Company Secretary and Compliance Officer, duly authorised by the Chairman and Managing Director, declared that the Ordinary Resolution, as contained in the Postal Ballot Notice dated 5th April 2024 put to vote by means of postal ballot through e-voting, was not passed with requisite majority on 17th May 2024.

Respecting the decision of the members and request received from the Licensor and feedback from other stakeholders, the Board of your Company 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 effective from 8th July 2024, which was subsequently approved by the members of the Company at the 65th AGM held on 8th July 2024.

During the financial year ended 31st March 2025, there was no subsequent material modification in the terms and conditions of GLAs, as defined by the Audit Committee and specified in the RPT Policy.

Risk Management

Your Company has developed and implemented a Risk Management Policy and in the opinion of the Board, during the financial year ended 31st March 2025, there were no elements of risk identified which may threaten the existence of your Company.

The Board of your Company evaluates the risk management systems periodically and takes into account any recommendation(s) of the Risk Management and Sustainability Initiatives ("RMSI") Committee and the Audit Committee. The RMSI Committee periodically reviews the Risk Management Policy formulated by the Company and the risk assessment and minimization procedures.

During the financial year ended 31st March 2025, the RMSI Committee was re-constituted and Ms. Suneeta Reddy, Independent Non-Executive Director was appointed as a Member of the RMSI Committee with effect from 5th April 2024 in place of Dr. Swati A. Piramal, who ceased to be a Member of the RMSI Committee with effect from the close of business hours on 31st March 2024, upon completion of her second term of five consecutive years as an Independent Non-Executive Director of your Company.

As on 31st March 2025, the RMSI Committee comprised of Mr. Suresh Narayanan as Chairman and

Mr. PR Ramesh, Ms. Anjali Bansal, Ms. Svetlana Boldina and Ms. Suneeta Reddy as Members. Further, Mr. Suresh Narayanan ceased to be Chairman and Ms. Svetlana Boldina ceased to be Member of RMSI Committee with effect from the close of business hours on 31st March 2025 and Mr. Sidharth Kumar Birla has been appointed as a Member and Chairman of the RMSI Committee with effect from 1st April 2025.

Complaint filed in Hon'ble National Consumer Dispute Redressal Commission

The Union of India, Department of Consumer Affairs in 2015 had filed a complaint before the Hon'ble National Consumer Dispute Redressal Commission ('NCDRC') on the allegation that by selling MAGGI Noodles in the past, your Company had indulged in unfair trade practice, sold defective and hazardous goods to the public. Complaint sought compensation of ₹2,845.5 million and punitive damages of ₹3,554.1 million. Your Company had challenged the complaint. The NCDRC vide its Order dated 2nd April 2024 had dismissed the Complaint in favour of your Company.

Internal Financial Controls and their adequacy

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

Code of Conduct for Prevention of Insider Trading

As per the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), your Company has adopted a "Code of Conduct for Prevention of Insider Trading in Securities" (the "Code") and "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI")".

All the Directors, employees and third parties such as auditors, consultants etc., who could have access to UPSI related to the Company, are governed by the Code. The trading window is closed as per the PIT Regulations during the time of declaration of financial results and occurrence of any material events as per the Code. Mr. Pramod Kumar Rai is the Compliance Officer under the Code.

Audit Committee

During the financial year ended 31st March 2025, the Audit Committee was re-constituted and the Board of your Company, at its meeting held on 5th April 2024, appointed Ms. Anjali Bansal as a Member of the Audit Committee with effect from 5th April 2024, thereafter, the Audit Committee comprised of Mr. PR Ramesh as Chairman, and Mr. Rajya Vardhan Kanoria, Ms. Alpana Parida and Ms. Anjali Bansal as Members of the Committee, all Independent Non-Executive Directors.

Further, on 12th June 2024, the Board re-constituted the Audit Committee and Mr. Sidharth Kumar Birla, Independent Non-Executive Director was appointed as a Member of Audit Committee effective from 12th June 2024 in place of Mr. Rajya Vardhan Kanoria, who ceased to be a Member of the Audit Committee with effect from the close of business hours on 12th May 2024, upon completion of his second term of five consecutive years as Independent Non-Executive Director of your Company.

As on 31st March 2025, the Audit Committee comprised of Mr. PR Ramesh as Chairman, Ms. Alpana Parida, Ms. Anjali Bansal and Mr. Sidharth Kumar Birla as members of the Audit Committee, all Independent Non-Executive Directors.

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

Vigil Mechanism

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

Your Company as part of establishment of Vigil Mechanism provides an independent third party operated free phone, mobile application and web-based platform namely, "SpeakUp", to all internal and external stakeholders including directors and employees with a dedicated

communication channel for reporting potential instances of non-compliance with the Nestlé Corporate Business Principles or for reporting, on a confidential basis, any practices or actions believed to be inappropriate or illegal under the Nestlé India Code of Business Conduct. Details of the “SpeakUp” portal, is available on the website of your Company at <https://www.nestle.com/aboutus/businessprinciples/report-your-concerns>.

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

Your Company sensitizes the availability of the above Vigil Mechanism and Ombudsman for Infant Code from time to time to the stakeholders.

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

Information required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 for the financial year ended 31st March 2025, in relation to the conservation of energy; technology absorption; and foreign exchange earnings and outgo is annexed as **Annexure - 5** and forms an integral part of this Report.

Information regarding employees and related disclosures

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

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH"), as amended, from time to time, your Company has a robust mechanism in place to redress complaints reported under it. Your Company has complied with provisions relating to the constitution of Internal Committee ("IC") under POSH at all factories and office locations. Each IC comprises of internal members and external member who has an extensive experience in this field. During the financial

year ended 31st March 2025, four (4) cases of sexual harassment were reported, which were investigated and resolved as per the provisions of the POSH. Your Company has in place a policy on prevention, prohibition and redressal of Sexual Harassment at workplace and the same is available on the website of your Company at <https://www.nestle.in/investors/policies>.

During the financial year ended 31st March 2025, initiatives were undertaken to demonstrate your Company's zero tolerance philosophy against discrimination and sexual harassment, which included creation of comprehensive and easy to understand training and communication material which are also made easily accessible. In addition, online workshops were also conducted for the employees to enhance awareness and knowledge of other biases that may influence thinking and actions by running the unconscious bias session.

Investor Education and Protection Fund

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. In terms of the IEPF Rules, during the financial year ended 31st March 2025, your Company had transferred ₹7,464,682.00, ₹3,119,100.00 and ₹5,259,309.00 to the IEPF, being the unpaid and unclaimed dividend amount pertaining to Final Dividend 2016 & First Interim Dividend 2017, Second Interim Dividend 2017 and Third Interim Dividend 2017, respectively.

Pursuant to the provisions of IEPF Rules, all shares in respect of which any dividend which has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ('IEPF Account') within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, during the financial year ended 31st March 2025, your Company had transferred 63,380 equity shares of face value of ₹1.00 each, 79,740 equity shares of face value of ₹1.00 each, and 32,910 equity shares of face value of ₹1.00 each, on which the Final Dividend 2016 & First Interim Dividend 2017, Second Interim Dividend 2017 and Third Interim Dividend 2017, respectively, remained unpaid or unclaimed for seven consecutive years, to the IEPF account, after following the prescribed procedure.

Details of dividends that are due for transfer to IEPF for the next 7 (seven) years on their respective due dates, are available on the website of the Company at <https://www.nestle.in/investors/stockandfinancials/dividends>.

Mr. Pramod Kumar Rai, Company Secretary and Compliance Officer of the Company acts as the Nodal Officer in accordance with the provisions of IEPF Rules.

Credit Rating

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

General

During the financial year ended 31st March 2025, there were no transaction requiring disclosure or reporting in respect of matters relating to: (a) deposits covered under Chapter V of the Act; (b) issue of equity shares with differential rights as to dividend, voting or otherwise; (c) issue of shares (including sweat equity shares) to employees of the Company under any scheme; (d) raising of funds through preferential allotment or qualified institutions placement; (e) other changes in the share capital of the Company; (f) significant or material order passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future; (g) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016; and (h) instance of one-time settlement with any bank or financial institution.

Trade Relations

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

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

Appreciation

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

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

On behalf of the Board of Directors

Suresh Narayanan

Date: 24th April 2025

Place: Nanjangud, Karnataka

Chairman and Managing
Director



Annual Accounts

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Nestlé India Limited ("the Company"), which comprise the Balance sheet as at March 31 2025, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
Provision for contingencies (as described in Note 2, 34 and 40 of the standalone financial statements)	
<p>Management is required to make judgments and estimates regarding the issues and exposures arising from various matters related to direct tax, indirect tax, claims, general legal proceedings, and other eventualities that arise in the regular course of business. The company is also subject to complexities arising from uncertain tax positions concerning the deductibility of expenses.</p> <p>The key judgment lies in determining the likelihood and magnitude of an unfavourable outcome, as well as the interpretations of legal aspects, tax legislation, and judgments previously made by authorities. By nature, these matters are complex and involve many variables.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We tested the design, implementation and operating effectiveness of key internal controls around the recognition and measurement of provisions. • We inquired the status in respect of significant provisions with the Company's internal tax and legal team. • We involved our subject matter experts, wherever required, to assess the value of provisions in light of the nature of the exposures, applicable regulations and related correspondence with the authorities. • We assessed reasonability of the assumptions and critical judgements made by the Company which impacted their estimate of provision required, considering judgements previously made by the authorities in the relevant jurisdictions or any relevant opinions given by the Company's advisors and assessing whether there was an indication of management bias. We verified the computation of provision on a test check basis.

Other Information

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

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

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

Responsibilities of management for the standalone financial statements

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

and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the standalone financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company

has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
 2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g);
 - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under section 143(3)(b) and paragraph 2(i)(vi) below on reporting under Rule 11(g);
 - g) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report;
 - h) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note 34 and 40 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 47 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 47 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether,

directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

As stated in note 43 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Based on our examination which included test checks, the Company has used SAP ERP as accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions, except that at database level for which the audit trail feature was enabled with effect from March 18, 2025, as described in note 48 to the standalone financial statements.

Further, we did not come across any instance of the audit trail feature being tampered with in respect of accounting software during the course of our audit.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pankaj Chadha

Partner

Place: Gurugram, Haryana

Date: April 24, 2025

Membership Number: 091813

UDIN: 25091813BMORDB5164

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

Re: Nestlé India Limited ("the Company")

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i) (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) Certain Property, Plant and Equipment were physically verified by the management during the year in accordance with a planned programme of verifying them once in two years which is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (i) (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 47 (viii) to the standalone financial statements included in property, plant and equipment are held in the name of the Company.
- (i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.
- (i) (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory including inventory lying with third parties at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.
- (ii) (b) As disclosed in note 47 (vii) to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the

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

- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, limited liability partnerships or any other parties except the following loans to employees:

Particulars	Loans (₹ in million)
Aggregate amount granted/ provided during the year	
- Others (employees)	122.6
Balance outstanding as at balance sheet date in respect of above cases	
- Others (employees)	184.0

- (iii) (b) During the year, the Company has not provided guarantees, security and granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties, except loans to employees as stated in clause (iii)(a) above and has made investment in an associate. The terms and conditions of the grant of all loans to employees and investment made in associate during the year are not prejudicial to the Company's interest.
- (iii) (c) The Company has granted loans during the year to employees where the schedule of repayment of principal and payment of interest has been stipulated, and the repayment or receipts are regular.
- (iii) (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (iii) (e) There were no loans or advance in the nature of loan granted to companies, firms, limited liability partnerships or any other parties which had fallen due during the year that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies,

firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Investments in respect of which provisions of sections 186 of the Companies Act, 2013 are applicable have been complied with by the Company. There are no loans, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 (as amended) are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 (as amended) and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

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

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

S. No	Name of the Statute	Nature of Dues	Amount (₹ in million)	Amount paid under protest (₹ in million)	Period to which the amount relates (Financial Year)	Forum where case is pending
1	Income Tax Act, 1961	Income Tax (including interest and penalty, if applicable)	1,608.9	1,064.9	1996-97 to 1997-98, 1999-00, 2000-01, 2004-05 to 2007- 2008 and 2012-2013	Supreme Court of India
2	Income Tax Act, 1961	Income Tax (including interest and penalty, if applicable)	298.6		2000-01 to 2003-04	Delhi High Court
3	Income Tax Act, 1961	Income Tax (including interest and penalty, if applicable)	11,154.6		2015-16 to 2017-18 and 2019-20 to 2020-21	Income Tax Appellate Tribunal
4	Income Tax Act, 1961	Income Tax (including interest and penalty, if applicable)	12.3		2014-15 and 2016-17	Commissioner of Income Tax

S. No	Name of the Statute	Nature of Dues	Amount (₹ in million)	Amount paid under protest (₹ in million)	Period to which the amount relates (Financial Year)	Forum where case is pending
5	Local Entry Tax Act	Entry Tax (including interest and penalty, if applicable)	195.6	190.5	Haryana – 2007-08 Odisha – 2007-08 to 2017-18 Madhya Pradesh – 2002-03 to 2003- 04 and 2010-11 to 2011-12	High Court of Punjab & Haryana High Court of Odisha High Court of Madhya Pradesh
6	Goods and Service Tax Act 2017	Goods and Service Tax (including interest and penalty, if applicable)	731.5	-	2017-18 to 2018-19	High Court of Delhi
7	Goods and Service Tax Act 2017	Goods and Service Tax (including interest and penalty, if applicable)	23.7	-	2017-18	Commissioner (Appeals)
8	Goods and Service Tax Act 2017	Goods and Service Tax (including interest and penalty, if applicable)	26.8	-	2017-18 to 2019-20	Commissioner Audit Commissionerate
9	Local Sales Tax Act (Maharashtra Value Added Tax Act, 2002)	Value Added Tax (including interest and penalty, if applicable)	272.4	-	2009-10 to 2017-18	Deputy Commissioner (Appeals) and Joint Commissioner
10	Central Sales Tax Act, 1956 and Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	25.3	-	1993-94 to 1997-98 2002-03 2003-04 to 2004- 05	High Court of Maharashtra Tribunal Joint Commissioner
11	Central Sales Tax Act, 1956 and Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	5.8	-	2008-09	Additional Commissioner Appeals of Uttar Pradesh
12	Central Sales Tax Act, 1956 and Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	2.3	-	2004-05, 2012-13 to 2014-15, 2016-17 to 2017-18	Additional Commissioner, Commissioner - Uttar Pradesh Tribunal - Delhi and Madhya Pradesh Assessing office - J&K
13	Purchase Tax Act	Purchase tax (including Interest and penalty, if applicable)	17.6	4.4	2002-03 to 2003-04	High Court of Punjab & Haryana

S. No	Name of the Statute	Nature of Dues	Amount (₹ in million)	Amount paid under protest (₹ in million)	Period to which the amount relates (Financial Year)	Forum where case is pending
14	Central Excise Act, 1944	Cenvat Credit (including Interest and penalty, if applicable)	57.2	57.2	1996-97 to 2001-02	Supreme Court of India
15	Service tax (Finance Act, 1994)	Service tax (including interest and penalty, if applicable)	418.3	-	2004-05 to 2011-12	Supreme Court of India
16	Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	281.7	-	Jharkhand Assessment – 2010-11 to 2011-12 and 2013-14	Deputy Commissioner and Commissioner
					West Bengal Assessment – 2009-10	WBCT Appellate & Revisional Board
					Tripura Assessment – 2004-05, 2013-14, 2015-16 Kerala - 2014-15	Commissioner and Superintendent High court
17	Customs Act, 1962	Custom Duty (including interest and penalty, if applicable)	52.1	-	2008-09 to 2013-14	CESTAT
18	Customs Act, 1962	Custom Duty (including interest and penalty, if applicable)	60.0	-	2017-18 to 2020-21	Commissioner (Appeals)
19	Customs Act, 1962	Custom Duty (including interest and penalty, if applicable)	17.4	-	2011-12 to 2013-14	CESTAT
20	Service tax (Finance Act, 1994)	Service tax (including interest and penalty, if applicable)	3.4	-	1999-00 to 2014-15	CESTAT, Chennai and Bengaluru, Service tax office, Chennai and GST office, Salem and Secunderabad

S. No	Name of the Statute	Nature of Dues	Amount (₹ in million)	Amount paid under protest (₹ in million)	Period to which the amount relates (Financial Year)	Forum where case is pending
21	The Punjab Urban Immovable Property Tax Act, 1958	Property Tax (including interest and penalty, if applicable)	192.7	-	2000-01 to 2012-13	Punjab & Haryana High Court
22	Goa Agricultural Produce Marketing (Development and Regulation) Act 2017	Market Fee (including interest and penalty, if applicable)	20.0	-	2008-09 to 2020-21	High Court of Goa
23	Goods and Service Tax Act 2017	Goods and Service Tax (including interest and penalty, if applicable)	510.4	-	2017-18 to 2023-24	High Court of Delhi
24	Customs Act, 1962	Custom Duty (including interest and penalty, if applicable)	85.0	-	2020-21 to 2022-23	Tribunal
25	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund (including interest and penalty, if applicable)	44.1	-	2023-24	Regional Provident Fund Commissioner

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) (c) The Company did not have any term loans outstanding during the year, hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(ix) (d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(ix) (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any

entity or person on account of or to meet the obligations of its associate.

(ix) (f) The Company has not raised loans during the year on the pledge of securities held in its associate company. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(x) (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

- (xi) (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 (as amended) has been filed by cost auditor/secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) with the Central Government.
- (xi) (c) We have taken into consideration the whistle blower complaints received by the Company during the year ended March 31, 2025 while determining the nature, timing and extent of audit procedures.
- (xii) (a) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013 (as amended). Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (xii) (b) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013 (as amended). Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (xii) (c) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013 (as amended). Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (xvi) (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (xvi) (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 46 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes

us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 35 to the standalone financial statements.
- (xx) (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 35 to the standalone financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pankaj Chadha

Partner

Place: Gurugram, Haryana

Date: April 24, 2025

Membership Number: 091813

UDIN: 25091813BMORDB5164

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Nestlé India Limited

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

We have audited the internal financial controls with reference to standalone financial statements of Nestlé India Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to these Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pankaj Chadha

Partner

Place: Gurugram, Haryana

Date: April 24, 2025

Membership Number: 091813

UDIN: 25091813BMORDB5164

STANDALONE BALANCE SHEET AS AT 31st MARCH, 2025

(₹ in million)

Particulars	Notes	As at 31 st March, 2025	As at 31 st March, 2024
ASSETS			
Non-Current Assets			
Property, plant and equipment	6	49,256.5	30,556.7
Capital work-in-progress	6	11,725.6	17,417.1
Right-of-use assets	6	5,479.6	4,045.8
Financial assets			
Investments	7	7,056.0	4,238.9
Loans	8	80.9	80.1
Other financial assets	9	554.0	565.1
Other non-current assets	11	11,744.7	13,379.7
Total Non-Current Assets		85,897.3	70,283.4
Current Assets			
Inventories	12	28,501.4	20,893.6
Financial assets			
Investments	7	-	399.8
Trade receivables	13	3,631.5	3,004.6
Cash and cash equivalents	14	761.8	7,588.7
Bank balances other than cash and cash equivalents	15	194.7	199.8
Loans	8	103.1	110.1
Other financial assets	9	247.2	462.7
Other current assets	11	3,901.9	2,287.9
Total Current Assets		37,341.6	34,947.2
Total Assets		123,238.9	105,230.6
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	964.2	964.2
Other equity	17	40,207.3	32,444.7
Total Equity		41,171.5	33,408.9
LIABILITIES			
Non-Current Liabilities			
Financial liabilities			
Borrowings	18	224.8	254.8
Lease liabilities	19	3,415.3	2,559.2
Provisions	20	30,901.5	29,172.0
Deferred tax liabilities (net)	10	535.9	120.4
Other non-current liabilities	21	136.4	154.6
Total Non-Current Liabilities		35,213.9	32,261.0

STANDALONE BALANCE SHEET AS AT 31st MARCH, 2025

(₹ in million)			
Particulars	Notes	As at 31 st March, 2025	As at 31 st March, 2024
Current Liabilities			
Financial liabilities			
Borrowings	18	7,308.6	56.6
Lease liabilities	19	719.8	574.7
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	22, 44	4,170.9	3,532.6
Total outstanding dues of creditors other than micro enterprises and small enterprises	22	19,564.4	18,846.3
Payables for capital expenditure			
Total outstanding dues of micro enterprises and small enterprises	44	430.3	561.4
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,072.5	5,179.8
Other financial liabilities	23	7,553.0	6,417.2
Other current liabilities	21	2,158.7	1,393.8
Provisions	20	2,422.8	2,616.2
Current tax liabilities (net)		452.5	382.1
Total Current Liabilities		46,853.5	39,560.7
Total Liabilities		82,067.4	71,821.7
Total Equity and Liabilities		123,238.9	105,230.6

See accompanying notes 1 to 48 forming part of the standalone financial statements

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

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

Chartered Accountants

Firm's Registration No. - 301003E/E300005

PANKAJ CHADHA

Partner

Membership No. - 091813

24th April 2025

Gurugram

SURESH NARAYANAN SVETLANA BOLDINA

Chairman and
Managing Director
(DIN-07246738)

24th April 2025

Nanjangud

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

PRAMOD KUMAR RAI

Company Secretary

Membership No. - FCS 4676
PAN-ABVPR5131P

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2025

		(₹ in million)	
Particulars	Notes	Financial Year ended 31 st March, 2025	Financial Year (Fifteen months) ended 31 st March, 2024
A INCOME			
Sale of products	24	200,775.0	242,754.8
Other operating revenue	24	1,240.6	1,184.1
i Revenue from operations		202,015.6	243,938.9
ii Other income	25	588.6	1,479.6
Total Income		202,604.2	245,418.5
B EXPENSES			
i Cost of materials consumed	26	83,901.5	102,168.8
ii Purchases of stock-in-trade		4,993.1	5,373.7
iii Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(1,396.6)	(456.8)
iv Employee benefits expense	28	20,237.1	23,360.6
v Finance costs (including interest cost on employee benefit plans)	29	1,360.0	1,454.9
vi Depreciation and amortisation expense	30	5,399.2	5,677.5
vii Other expenses	31	45,777.2	54,397.2
viii Corporate social responsibility expense	35	766.2	597.6
Total Expenses		161,037.7	192,573.5
C PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (A-B)		41,566.5	52,845.0
D Exceptional items [Charge / (Credit)]	4	(2,908.2)	(43.7)
E PROFIT BEFORE TAX (C-D)		44,474.7	52,888.7
F Tax expense			
Current tax	36	10,951.8	13,156.8
Deferred tax	36	377.9	403.5
G PROFIT AFTER TAX (E-F)		33,145.0	39,328.4

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2025

		(₹ in million)	
Particulars	Notes	Financial Year ended 31 st March, 2025	Financial Year (Fifteen months) ended 31 st March, 2024
H OTHER COMPREHENSIVE INCOME			
(a) (i) Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) of defined benefit plans	32	(1,076.7)	(573.3)
(ii) Income taxes relating to Items that will not be reclassified to profit or loss		271.0	144.3
		(805.7)	(429.0)
(b) (i) Items that will be reclassified to profit or loss			
Net movement on effective portion of cash flow hedges		12.4	(0.5)
(ii) Income taxes relating to Items that will be reclassified to profit or loss		(3.1)	0.1
		9.3	(0.4)
TOTAL OTHER COMPREHENSIVE INCOME (a+b)		(796.4)	(429.4)
I TOTAL COMPREHENSIVE INCOME (G+H)		32,348.6	38,899.0
Basic and Diluted Earnings Per Share (Face value ₹1 - refer note 16)	₹	34.38	40.79
ADDITIONAL INFORMATION (Refer note 2):			
PROFIT FROM OPERATIONS [C - A(ii) + B(v) + B(viii)]		43,104.1	53,417.9

See accompanying notes 1 to 48 forming part of the standalone financial statements

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

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

Chartered Accountants

Firm's Registration No. - 301003E/E300005

PANKAJ CHADHA

Partner

Membership No. - 091813

24th April 2025

Gurugram

SURESH NARAYANAN

Chairman and
Managing Director
(DIN-07246738)

24th April 2025

Nanjangud

SVETLANA BOLDINA

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

PRAMOD KUMAR RAI

Company Secretary
Membership No. - FCS 4676
PAN-ABVPR5131P

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2025

Particulars	(₹ in million)	
	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	44,474.7	52,888.7
Adjustments for:		
Depreciation and amortisation expense	5,399.2	5,677.5
Loss / (profit) on property, plant and equipment sold/scrapped/ written off (net)	(23.8)	(66.6)
Interest income	(588.6)	(1,479.6)
Interest on bank overdraft and others	80.3	16.1
Gain on disposal of businesses	(2,908.2)	-
Interest on lease liabilities	270.2	243.9
Allowance for impairment on financial assets	(32.8)	(6.8)
Unrealised exchange differences	48.2	(48.9)
Cash generated from operations before working capital and other changes	46,719.2	57,224.3
Adjustments for:		
Decrease/(increase) in trade receivables	(700.0)	(1,088.1)
Decrease/(increase) in inventories	(7,671.0)	(1,605.9)
Decrease/(increase) in other financial assets & other assets	(1,992.3)	(212.5)
Increase/(decrease) in trade payables	1,341.2	3,098.3
Increase/(decrease) in other financial liabilities & other liabilities	1,944.5	700.1
Increase/(decrease) in provision for contingencies	495.1	(1,015.9)
Increase/(decrease) in provision for employee benefits	(529.2)	(2,364.8)
Cash generated from operations	39,607.5	54,735.5
Income taxes paid (net of refunds)	(10,244.0)	(12,987.6)
Net cash flows generated from / (used in) operating activities	29,363.5	41,747.9
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment including capital work in progress	(20,086.4)	(18,826.7)
Proceeds from sale of property, plant and equipment	42.5	43.7
Proceeds from redemption of tax free bonds and investments	4,238.9	2,837.9
Investment in equity shares of associate	(7,056.0)	-
Proceeds from sale of businesses net of tax	2,664.7	-
Amount received from insurance pension plan - separations	1,325.8	1,898.1
Net decrease/(increase) in loans to employees	6.2	2.4
Interest received on bank deposits, investments, tax free bonds, employee loans etc.	755.3	1,670.4
Net cash generated from / (used in) investing activities	(18,109.0)	(12,374.2)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of deferred VAT liabilities under state government schemes	(53.2)	(45.9)
Receipt of deferred VAT liabilities under state government schemes	-	38.0
Proceeds from short term borrowing and overdraft from banks	7,257.0	-
Interest on bank overdraft and others	(67.0)	(16.1)
Interest on lease liabilities	(270.2)	(243.9)
Principal payment of lease liabilities	(761.8)	(999.5)
Dividends paid	(24,586.0)	(30,081.8)
Net cash generated from / (used in) financing activities	(18,481.2)	(31,349.2)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(7,226.7)	(1,975.5)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2025

		(₹ in million)
Particulars	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
Cash and cash equivalents (Refer note 14)	7,588.7	9,265.5
Current investments (Refer note 7)	399.8	698.5
Total cash and cash equivalents at the beginning of the year	7,988.5	9,964.0
Cash and cash equivalents (Refer note 14)	761.8	7,588.7
Current investments (Refer note 7)	-	399.8
Total cash and cash equivalents at the end of the year	761.8	7,988.5
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,226.7)	(1,975.5)

Disclosure of non-cash transactions as per Ind AS 7:

Disclosure of non-cash transactions as per Ind AS 7:				(₹ in million)
Changes in liabilities arising from financing activities is as under:	As at 31 st March 2024	Cash flow changes	Non- cash changes	As at 31 st March 2025
Deferred VAT liabilities	311.4	(53.2)	18.2	276.4
Deferred government grants	154.6	-	(18.2)	136.4
Lease liabilities	3,133.9	(1,032.0)	2,033.2	4,135.1
Short term borrowings	-	7,257.0	-	7,257.0
Total	3,599.9	6,171.8	2,033.2	11,804.9

				(₹ in million)
Changes in liabilities arising from financing activities is as under:	As at 31 December 2022	Cash flow changes	Non- cash changes	As at 31 st March 2024
Deferred VAT liabilities	300.3	(7.9)	19.0	311.4
Deferred Government Grants	173.5	-	(18.9)	154.6
Lease liabilities	2,404.9	(1,243.4)	1,972.4	3,133.9
Total	2,878.7	(1,251.3)	1,972.5	3,599.9

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

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

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

Chartered Accountants

Firm's Registration No. - 301003E/E300005

PANKAJ CHADHA

Partner

Membership No. - 091813

24th April 2025

Gurugram

SURESH NARAYANAN SVETLANA BOLDINA

Chairman and
Managing Director
(DIN-07246738)

24th April 2025

Nanjangud

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

PRAMOD KUMAR RAI

Company Secretary
Membership No. - FCS 4676
PAN-ABVPR5131P

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2025

A) EQUITY SHARE CAPITAL

Particulars	Notes	(₹ in million)
Balance as at 31 st December, 2022	16	964.2
Movement during the previous year		-
Balance as at 31 st March, 2024	16	964.2
Movement during the year		-
Balance as at 31 st March, 2025	16	964.2

B) OTHER EQUITY ⁽¹⁾

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total
	General Reserve	Share Based Payment Reserve	Capital Reserve	Retained Earnings	Effective portion of Cash Flow Hedges	
Balance as at 31 st December, 2022	8,374.3	-	99.8	15,144.3	9.1	23,627.5
Profit after tax	-	-	-	39,328.4	-	39,328.4
Other comprehensive income	-	-	-	(429.0)	(0.4)	(429.4)
Total comprehensive income for the year	-	-	-	38,899.4	(0.4)	38,899.0
Transfer of General Reserve to Retained Earnings *	(8,374.3)	-	-	8,374.3	-	-
Dividend (Refer note 43)	-	-	-	(30,081.8)	-	(30,081.8)
Share based payment expense	-	206.8	-	-	-	206.8
Recognition of liability towards share based payments	-	(206.8)	-	-	-	(206.8)
Balance as at 31 st March, 2024	-	-	99.8	32,336.2	8.7	32,444.7
Profit after tax	-	-	-	33,145.0	-	33,145.0
Other comprehensive income	-	-	-	(805.7)	9.3	(796.4)
Total comprehensive income for the year	-	-	-	32,339.3	9.3	32,348.6
Dividend (Refer note 43)	-	-	-	(24,586.0)	-	(24,586.0)
Share based payment expense	-	168.2	-	-	-	168.2
Recognition of liability towards share based payments	-	(168.2)	-	-	-	(168.2)
Balance as at 31 st March, 2025	-	-	99.8	40,089.5	18.0	40,207.3

*The Shareholders of the Company had, at the Court Convened Meeting held on 25th July 2022, approved the Scheme of Arrangement ('Scheme') which envisages transfer of the entire balance of ₹8,374.3 million standing to the credit of the General Reserves to Retained Earnings. The Company had accordingly filed a petition for sanction of the Scheme with the Hon'ble National Company Law Tribunal, New Delhi Bench ('Hon'ble NCLT'). The Hon'ble NCLT, vide its order dated 15th September 2023 ('Order'), has sanctioned the Scheme. The Appointed Date as fixed in the Scheme is 1st January 2022. The Scheme has been made effective on and upon filing of the certified copy of the Order with the Registrar of Companies

⁽¹⁾ Description of purpose of each reserve within Other Equity has been disclosed under Note 17.

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

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

Chartered Accountants

Firm's Registration No. - 301003E/E300005

PANKAJ CHADHA

Partner

Membership No. - 091813

SURESH NARAYANAN SVETLANA BOLDINA

Chairman and
Managing Director
(DIN-07246738)

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

PRAMOD KUMAR RAI

Company Secretary
Membership No. - FCS 4676
PAN-ABVPR5131P

24th April 2025
Gurugram

24th April 2025
Nanjangud

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

1 CORPORATE INFORMATION

Nestlé India Limited ("the Company") is a Company domiciled in India, with its registered office situated at 100/101, World Trade Centre, Barakhamba Lane, New Delhi – 110 001. The Company has been incorporated in 1959 under the provisions of Indian Companies Act and its equity shares are listed on the BSE Limited and NSE Limited in India. The Company is primarily involved in Food business which incorporates product groups viz. Milk Products and Nutrition, Prepared Dishes and Cooking Aids, Powdered and Liquid Beverages and Confectionery.

2 MATERIAL ACCOUNTING POLICIES

Material accounting policies used in preparation of the standalone financial statements have generally been included in the relevant notes to the financial statements.

A BASIS OF PREPARATION AND MEASUREMENT

a Statement of Compliance

The financial statements of the Company have been prepared in compliance with all material aspects of the Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act, 2013 and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

b Basis of Measurement

The financial statements have been prepared on accrual and going concern basis under the historical cost convention except for certain class of financial assets/ liabilities, share based payments and net liability for defined benefit plans that are measured at fair value. The accounting policies have been consistently applied by the Company unless stated otherwise.

c Financial Year

The Company had opted the period of 1st day of January to 31st day of December, each year as its financial year for the purpose of preparation of financial statements under the provisions of Section 2(41) of the Companies Act, 2013, which the Company Law Board had allowed.

The Board of Directors on 27th July 2023 have approved the change of financial year of the Company to uniform financial year commencing on 1st April of every year and ending on 31st March of the following year. Consequently, as a transitional arrangement, the previous financial year of the Company was for a period of 15 months from 1st January 2023 to 31st March 2024 and hence the figures are not comparable with the current financial year which comprised of twelve months.

d Functional and Presentation Currency

The financial statements have been prepared and presented in Indian Rupees (₹), which is also the Company's functional currency.

e Rounding Off

All amounts in the financial statement and accompanying notes are presented in ₹ million and have been rounded-off to one decimal place unless stated otherwise.

f Current and Non-current Classification

The Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities. This is based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents.

g Measurement of Profit from Operations

For better understanding of the financial performance, the Company has chosen to present Profit from Operations as an additional information in the Statement of Profit and Loss. Profit from Operations is derived from Profit before Exceptional Items & Tax less Other Income and adding back Finance Costs (Including Interest Cost on Employee Benefit Plans) and Corporate Social Responsibility Expense.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

h Use of Estimates and Judgement

The preparation of financial statements requires management to exercise judgement and make estimates and assumptions that affects the reported amounts of revenue, expenses, assets and liabilities. These estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the results are known/materialise.

The areas involving significant estimates and judgement include determination of useful life of property, plant and equipment (Refer note 6), measurement of lease liabilities and right of use assets (Refer note 6), measurement of defined benefit obligations (Refer note 32), recognition and measurement of provisions and contingencies (Refer note 34) and recognition of deferred tax assets / liabilities (Refer note 36).

i Approval of Financial Statements

The financial statements of the Company for the period ended 31st March 2025 were approved for issue by the Board of Directors on 24th April 2025.

B FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are initially recorded in the functional currency i.e. Indian Rupees (₹) using the exchange rate at the date of transaction.

Monetary items (i.e. receivables, payables) denominated in foreign currency are reported using the closing exchange rate as on each balance sheet date.

The exchange difference arising on the settlement or reporting of monetary items at rates different from rates at which these were initially recorded / reported in previous financial statements, are recognised in the statement of profit and loss in the period in which they arise.

Also refer to accounting policy on 'Derivatives and Hedge accounting'. (Refer note 37)

C PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions for Contingencies/ Contingent liabilities are recognised/disclosed after evaluation of facts and legal aspects of the matter involved, in line with Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets and Ind AS 12 - Income Taxes. Provisions are recognised when the Company has a present obligation (legal/ constructive) and on management judgement as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be accrued/ realised.

D BORROWING COSTS

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. assets which take substantial period of time to get ready for their intended use) are capitalised as part of the cost of that asset. All other borrowing costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

E EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

On and from the Record Date of 5th January 2024, the equity shares of the Company have been sub-divided, such that 1 (one) equity share having face value of ₹10/- (₹ ten only) each, fully paid-up, stands sub-divided into 10 (ten) equity shares having face value of ₹1/- (₹ one only) each, fully paid-up, ranking *pari-passu* in all respects. The Earnings per Share for the prior periods have been restated considering the face value of ₹1/- each in accordance with Ind AS 33 - Earnings per Share.

F EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

All material events occurring after the balance sheet date upto the date of approval of financial statements by the Board of Directors on 24th April 2025, have been considered, disclosed and adjusted, wherever applicable, as per the requirements of Ind AS 10 - Events after the Reporting Period.

3 RECENT ACCOUNTING PRONOUNCEMENTS

The Ministry of Corporate Affairs (MCA) has notified amendments to the Companies (Indian Accounting Standards) Rules, 2015, vide notification number G.S.R. 492 (E) dated 12th August, 2024, G.S.R. 554(E) dated 9th September, 2024 and G.S.R. 602(E) dated 28th September, 2024. These amendments are applicable for reporting periods beginning on or after April 1, 2024 but do not have material impact on the financial statements of the Company.

4 EXCEPTIONAL ITEMS

- A. For financial year ended 31st March 2025, exceptional items of ₹2,908.2 million comprise of gain on slump sale of the businesses mentioned below:
- i. Nestlé Business Services ('NBS') Division to Nestlé Business Services India Private Limited (Formerly known as Purina PetCare India Private Limited).
 - ii. Nutraceutical Business ("NHSc") to Dr. Reddy's and Nestlé Health Science Limited.
- B. For previous year ended 31st March 2024, exceptional items comprise of the following, in aggregate:
- i. Charge of ₹972.2 million towards past service cost and settlement loss recognised on account of change in cost of servicing the defined pension benefit under the Company's unfunded Defined Benefit pension plan.
 - ii. Write-back of provision of ₹1,015.9 million made in earlier years for an indirect tax matter upon the settlement of dispute with concerned state Government authority.

5 BUSINESS COMBINATION

A. Business Combination under Common Control

The Company has executed slump sale of Nestlé Business Services ('NBS') Division to Nestlé Business Services India Private Limited (Formerly known as Purina PetCare India Private Limited) on 1st July 2024, which is a related party, being a 100% subsidiary of Nestle S.A., for a net consideration of ₹765.8 million.

B. Business Combination - Others

The Company has made an investment for 49% stake in Dr. Reddy's and Nestlé Health Science Limited ("Associate Company") for development of Nutraceutical business. Pursuant to this, the investee entity has become an associate of the Company with effect from 24th July 2024. As part of this transaction, Nutraceuticals Business ('NHSc Business') of the Company was transferred to the associate Company for a net consideration of ₹2,231.0 million with effect from 1st August 2024.

Dr. Reddy's Laboratories Limited (Dr. Reddy's) holds 51% and the Company holds 49% in the Associate Company with proportionate shareholder rights to voting, dividend distribution, and other economic rights as enshrined in the agreement. Nestlé India will have a call option to increase shareholding upto 60% after six years at a fair market value. Dr. Reddy's shall continue to hold at least 40% of the shareholding after the Company exercises its call option.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

6 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	(₹ in million)	
	As at 31 st March, 2025	As at 31 st March, 2024
Owned Assets	49,256.5	30,556.7
Capital work-in-progress	11,725.6	17,417.1
Right of Use Assets	5,479.6	4,045.8
	66,461.7	52,019.6

Property, Plant and Equipment - Owned

Items of property, plant & equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost is inclusive of freight, duties, taxes or levies (net of recoverable taxes) and any directly attributable cost of bringing the assets to their working condition for intended use.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress" and stated at cost less accumulated impairment loss, if any.

Profit or loss on disposal / scrapping / write off / retirement from active use of an item of property, plant and equipment is recognised in the statement of profit and loss.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

Depreciation / Amortization

The Company has assessed the useful lives of property, plant and equipment as required by Schedule II to the Companies Act, 2013. Accordingly, depreciation has been computed on useful lives based on technical evaluation of relevant class of assets including components thereof. Useful lives and residual values are reviewed annually. Depreciation is provided as per the straight line method computed basis useful lives of property, plant and equipment as follows:

Category	Useful Life
Leased Assets	Over the period of lease or useful life, whichever is lower
Buildings	25-40 years
Plant & Equipment	5- 25 years
Office Equipment	5 years
Furniture and Fixtures	5 years
Vehicles	5 years
Information Technology (IT) equipment	3-5 years

Freehold land is not depreciated.

Impairment of Property, Plant and Equipment

At each balance sheet date, the company reviews whether there is any indication that an item of property, plant and equipment including capital work in progress, right of use assets or intangible assets (asset / cash generating unit) may be impaired. For the purpose of assessing impairment, assets are grouped at the levels for which there are separately identifiable cash flows (cash generating unit). If any impairment indicator exists, estimate of the recoverable amount of the property, plant and equipment /cash generating unit to which the asset belongs is made. An impairment loss is recognised in the statement of Profit and Loss whenever the carrying amount of an asset/ cash generating unit exceeds its recoverable amount. The recoverable amount is the greater of the fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount rate.

Reversal of impairment losses recognised in earlier years is recorded when there is an indication that the impairment losses recognised for the asset/cash generating unit no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for that asset/cash generating unit in earlier years.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

Property, Plant and Equipment - Right of Use Assets

The company's leases mainly comprises of land, buildings, plant & machinery and vehicles. The company leases land and buildings primarily for offices, manufacturing facilities and warehouses.

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments with a corresponding adjustment to the carrying value of Right-of-use assets.

Lease liability and Right-of-use assets are separately presented in the Balance Sheet and lease payments are classified as financing cash flows in the Cash Flow Statement.

The company recognizes lease payments as other expense on a straight line basis over the period of lease for short term leases or leases of low value assets.

(₹ in million)

Particulars	Gross Carrying Value				Depreciation/ Amortisation					Net Carrying Value
	Cost as at 31 st March 2024	Additions	Deletions / Adjustments	Cost as at 31 st March 2025	As at 31 st March 2024	For the year	Impairment loss	On deletions / Adjustments	As at 31 st March 2025	As at 31 st March 2025
6A. Owned Assets										
Freehold land	175.2	-	-	175.2	-	-	-	-	-	175.2
Buildings	13,741.8	4,567.1	79.6	18,229.3	3,368.0	592.3	0.2	30.4	3,930.1	14,299.2
Plant and equipment	40,461.2	18,349.1	183.6	58,626.7	21,443.0	3,331.6	217.3	178.0	24,813.9	33,812.8
Furniture and fixtures	676.7	85.3	49.7	712.3	549.2	42.1	-	38.2	553.1	159.2
Office equipment	509.3	46.1	32.4	523.0	268.1	77.3	-	24.0	321.4	201.6
IT equipment	1,552.5	255.8	131.4	1,676.9	934.5	256.7	-	120.8	1,070.4	606.5
Vehicles	24.8	-	19.6	5.2	22.0	0.8	-	19.6	3.2	2.0
Total Owned Assets	57,141.5	23,303.4	496.3	79,948.6	26,584.8	4,300.8	217.5	411.0	30,692.1	49,256.5
6B. Capital work-in-progress	17,417.1	(5,691.5) #	-	11,725.6	-	-	-	-	-	11,725.6
6C. Right of Use Assets										
Leasehold land	1,332.9	644.6	-	1,977.5	110.7	23.3	-	-	134.0	1,843.5
Buildings	4,466.3	1,119.8	492.3	5,093.8	1,906.1	750.0	-	462.4	2,193.7	2,900.1
Plant and Equipment	219.7	472.4	-	692.1	56.8	46.9	-	-	103.7	588.4
Vehicles	176.4	109.3	37.5	248.2	75.9	60.7	-	36.0	100.6	147.6
Total Right of Use Assets	6,195.3	2,346.1	529.8	8,016.6	2,149.5	880.9	-	498.4	2,532.0	5,479.6
Total (6A + 6B + 6C)	80,753.9	19,958.0	1,026.1	99,685.8	28,734.3	5,181.7	217.5	909.4	33,224.1	66,461.7

#Net of amount capitalized and commissioned during the year

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

(₹ in million)

Particulars	Gross Carrying Value				Depreciation/ Amortisation					Net Carrying Value
	Cost as at 31 st December 2022	Additions	Deletions / Adjustments	Cost as at 31 st March 2024	As at 31 st December 2022	For the year	Impairment loss	On deletions / Adjustments	As at 31 st March 2024	As at 31 st March 2024
6D. Owned Assets										
Freehold land	175.2	-	-	175.2	-	-	-	-	-	175.2
Buildings	11,735.2	2,025.2	18.6	13,741.8	2,780.3	603.9	0.1	16.3	3,368.0	10,373.8
Plant and equipment	35,245.5	5,505.8	290.1	40,461.2	18,214.3	3,218.1	299.6	289.0	21,443.0	19,018.2
Furniture and fixtures	644.1	45.2	12.6	676.7	519.7	42.0	-	12.5	549.2	127.5
Office equipment	432.3	84.4	7.4	509.3	188.6	86.5	-	7.0	268.1	241.2
IT equipment	1,292.4	361.7	101.6	1,552.5	764.7	271.3	-	101.5	934.5	618.0
Vehicles	23.6	3.0	1.8	24.8	22.6	1.2	-	1.8	22.0	2.8
Total Owned Assets	49,548.3	8,025.3	432.1	57,141.5	22,490.2	4,223.0	299.7	428.1	26,584.8	30,556.7
6E. Capital work-in-progress	3,583.6	13,833.5 *	-	17,417.1	-	-	-	-	-	17,417.1
6F. Right of Use Assets										
Leasehold land	1,240.5	92.4	-	1,332.9	93.0	17.7	-	-	110.7	1,222.2
Buildings	3,586.8	1,678.3	798.8	4,466.3	1,592.6	1,064.0	-	750.5	1,906.1	2,560.2
Plant and equipment	211.1	9.2	0.6	219.7	28.1	29.1	-	0.4	56.8	162.9
Vehicles	153.3	91.8	68.7	176.4	99.1	44.0	-	67.2	75.9	100.5
Total Right of Use Assets	5,191.7	1,871.7	868.1	6,195.3	1,812.8	1,154.8	-	818.1	2,149.5	4,045.8
Total (6D + 6E + 6F)	58,323.6	23,730.5	1,300.2	80,753.9	24,303.0	5,377.8	299.7	1,246.2	28,734.3	52,019.6

* Net of amount capitalized and commissioned during the year

(1) The Company incurred ₹245.5 million for the financial year ended 31st March 2025 (₹75.1 million for the previous year ended 31st March 2024) towards expenses related to short term leases, leases of low value assets & variable leases.

(a) Details regarding CWIP ageing schedule as at 31st March 2025

(₹ in million)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Projects in progress	7,583.3	3,907.2	221.9	13.2	11,725.6
(ii) Projects temporarily suspended	-	-	-	-	-
Capital work-in-progress	7,583.3	3,907.2	221.9	13.2	11,725.6

Details regarding CWIP ageing schedule as at 31st March 2024

(₹ in million)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Projects in progress	16,565.2	835.6	16.3	-	17,417.1
(ii) Projects temporarily suspended	-	-	-	-	-
Capital work-in-progress	16,565.2	835.6	16.3	-	17,417.1

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

(b) Details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan as at 31st March 2025

(₹ in million)

Particulars	To be completed in				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Projects in progress					
Project 1 at Nanjangud Factory	1,335.8	-	-	-	1,335.8
Project 1 at Ponda Factory	274.2	-	-	-	274.2
Project 2 at Ponda Factory	233.7	-	-	-	233.7
Project 3 at Ponda Factory	227.5	-	-	-	227.5
Project 1 at Moga Factory	167.5	-	-	-	167.5
Project 1 at Pantnagar Factory	89.3	-	-	-	89.3
Project 4 at Ponda Factory	71.1	-	-	-	71.1
Project 1 at Samalkha Factory	54.2	-	-	-	54.2
Others	728.7	-	-	-	728.7
(ii) Projects temporarily suspended	-	-	-	-	-
Total	3,182.0	-	-	-	3,182.0

Details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan as at 31st March 2024

(₹ in million)

Particulars	To be completed in				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Projects in progress					
Project 1 at Ponda factory	229.6	-	-	-	229.6
Project 1 at Moga factory	178.4	-	-	-	178.4
Project 1 at Nanjangud factory	159.0	-	-	-	159.0
Project 1 at Bicholim factory	92.9	-	-	-	92.9
Project 2 at Ponda factory	64.4	-	-	-	64.4
Project 2 at Nanjangud factory	56.4	-	-	-	56.4
Project 3 at Ponda factory	52.9	-	-	-	52.9
Project 1 at Tahliwal factory	50.2	-	-	-	50.2
Others	440.9	-	-	-	440.9
(ii) Projects temporarily suspended	-	-	-	-	-
Total	1,324.7	-	-	-	1,324.7

Note: For capital commitment with respect to property, plant and equipment refer note 40 (ii)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

(₹ in million)		
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
7 INVESTMENTS		
A. Non-Current Assets		
At amortised cost		
Quoted		
Tax free Bonds	-	4,238.9
Unquoted		
Investment in Associates		
Dr. Reddy's and Nestlé Health Science Limited	7,056.0	-
(Fully paid up 705,600,000 equity shares of face value ₹10 each)		
	7,056.0	4,238.9
Investment representing equity interest in associates is carried at cost less provision for impairment, if any. Where an indication of Impairment exists the carrying amount of investment is assessed and written down to its recoverable amount.		
B. Current Assets		
At amortised cost		
Quoted		
Treasury Bills - Government Securities	-	399.8
Considered as 'Cash and cash equivalents' for the purpose of 'Statement of Cash Flows'	-	399.8
TOTAL INVESTMENTS (A + B)	7,056.0	4,638.7
Market value of quoted investments (Non-current)	-	4,488.7
Market value of quoted investments (Current)	-	399.8
Aggregate amount of impairment in value of investment	-	-
8 LOANS		
A. Non-Current Assets		
Unsecured, considered good		
Loans to employees	80.9	80.1
	80.9	80.1
B. Current Assets		
Unsecured, considered good		
Loans to employees	103.1	110.1
	103.1	110.1
TOTAL LOANS (A + B)	184.0	190.2

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

(₹ in million)		
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
9 OTHER FINANCIAL ASSETS		
A. Non-Current Assets		
Unsecured, considered good		
Security deposits	554.0	565.1
	554.0	565.1
B. Current Assets		
Recoverable from related parties	120.5	156.2
Derivative assets - forward contracts	23.4	4.8
Interest accrued on bank deposits/ tax free long term bonds etc.	1.6	168.3
Others	32.9	70.4
Unsecured, considered good		
Security deposits	68.8	63.0
Unsecured, credit impaired		
Security deposits	9.0	1.4
Less: Allowance for impairment	(9.0)	(1.4)
	247.2	462.7
TOTAL OTHER FINANCIAL ASSETS (A + B)	801.2	1,027.8
10 DEFERRED TAX ASSETS / LIABILITIES (NET) ⁽¹⁾		
Deferred tax assets / (liabilities)		
Property, plant and equipment	(1,717.8)	(1,364.3)
Contingencies	738.3	764.0
Employee benefits - compensated absences and gratuity	295.9	346.2
Others	147.7	133.7
NET DEFERRED TAX ASSETS / (LIABILITIES)	(535.9)	(120.4)
11 OTHER ASSETS		
A. OTHER NON-CURRENT ASSETS		
Investment in Insurance plan ⁽¹⁾	9,975.7	10,534.1
Capital advances	255.5	1,586.9
Prepaid Expense	15.3	15.7
Payments under protest with government authorities	1,498.2	1,243.0
	11,744.7	13,379.7
B. OTHER CURRENT ASSETS		
Investment in Insurance plan ⁽¹⁾	1,525.3	1,702.4
Unsecured, considered good		
Advances given to suppliers, employees etc.	261.5	274.1
Balances with government authorities	1,783.4	94.6
Prepaid expenses	331.7	216.8
Unsecured, credit impaired		
Advances given to suppliers, Balances with government authorities etc.	51.6	102.6
Less: Allowance for doubtful advances	(51.6)	(102.6)
	3,901.9	2,287.9
TOTAL OTHER ASSETS (A + B)	15,646.6	15,667.6

⁽¹⁾ Refer note 36

⁽¹⁾ Investment represents 'Reimbursement Rights' as defined under Ind AS 19 Employee Benefits to cover the defined benefit obligations under the 'Future Ready Plan' (Refer note 32).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

12 INVENTORIES

Inventories are stated at cost or net realisable value, whichever is lower. However, raw materials, packing materials and other supplies held for use in the production of inventories are not written down below cost if the finished goods in which they will be included are expected to be sold at or above cost.

Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

The basis of determining cost for various categories of inventories are as follows:

Raw and packing material	:	First-in-first out
Stock-in-trade (Goods purchased for resale)	:	Weighted average
Stores and spare parts	:	Weighted average
Work-in-progress and finished goods	:	Material cost plus appropriate share of production overheads, wherever applicable

Particulars	(₹ in million)	
	As at 31 st March, 2025	As at 31 st March, 2024
Raw materials {Includes in transit ₹681.6 million (31 st March'2024: ₹434.0 million)}	13,271.9	7,402.2
Packing materials {Includes in transit ₹0.6 million (31 st March'2024: ₹2.3 million)}	766.3	835.9
Work-in-progress	4,063.4	3,616.7
Finished goods	7,311.9	6,814.1
Stock-in-trade (goods purchased for resale) {Includes in transit ₹335.0 million (31 st March'2024: ₹223.3 million)}	1,237.8	785.6
Stores and spares {Includes in transit ₹37.8 million (31 st March'2024: ₹28.6 million)}	1,850.1	1,439.1
	28,501.4	20,893.6

During the year, an amount of ₹1,542.2 million (net of reversals) [Previous year 2023-24: ₹1,323.0 million] was charged to the statement of profit and loss on account of obsolete, damage and slow moving inventories.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

13 TRADE RECEIVABLES

(Unsecured unless otherwise stated)

Particulars	(₹ in million)	
	As at 31 st March, 2025	As at 31 st March, 2024
Trade Receivables considered good ⁽¹⁾	3,712.7	3,075.8
Trade Receivables credit impaired	3.9	3.2
	3,716.6	3,079.0
Less: Loss allowance for credit impairment	(3.9)	(3.2)
Less: General allowance for expected credit loss (Refer note 37)	(81.2)	(71.2)
	3,631.5	3,004.6

⁽¹⁾ Includes receivables from related parties (Refer note 41)

Ageing for Trade receivables from the due date of payment for each of the category as at 31st March 2025

Particulars	Not Due	Outstanding for following periods from the due date of payment					Total
		Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade Receivables Considered Goods	3,091.3	553.4	34.8	23.8	9.0	0.4	3,712.7
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables Credit Impaired	-	1.2	0.0	0.0	1.9	0.8	3.9
(iv) Disputed Trade Receivables Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant Increase in Credit Risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables Credit Impaired	-	-	-	-	-	-	-
Total Trade Receivables	3,091.3	554.6	34.8	23.8	10.9	1.2	3,716.6

Ageing for Trade receivables from the due date of payment for each of the category as at 31st March 2024

Particulars	Not Due	Outstanding for following periods from the due date of payment					Total
		Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade Receivables Considered Goods	2,589.6	420.5	40.7	20.8	1.9	2.3	3,075.8
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables Credit Impaired	-	0.3	-	0.8	0.1	2.0	3.2
(iv) Disputed Trade Receivables Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant Increase in Credit Risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables Credit Impaired	-	-	-	-	-	-	-
Total Trade Receivables	2,589.6	420.8	40.7	21.6	2.0	4.3	3,079.0

There are no unbilled receivables as at 31st March 2025 and 31st March, 2024.

There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member other than as disclosed in Related Party note 41.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include bank balances, cheques and drafts on hand including remittances in transit, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included as a component of cash and cash equivalents for the purpose of Statement of Cash flows.

Particulars	₹ in million	
	As at 31 st March, 2025	As at 31 st March, 2024
Balances with banks		
on current accounts	484.6	1,427.2
on deposit accounts *	264.1	6,123.5
Cheques, drafts on hand including remittances in transit	13.1	38.0
	761.8	7,588.7

* The above deposits includes deposit of ₹264.0 million (previous financial year - ₹63.4 million) held as lien by banks against overdraft facility.

15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Earmarked Balances with Banks		
Unpaid dividend accounts	194.7	199.8
	194.7	199.8

16 EQUITY SHARE CAPITAL

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	No. of shares	Amount (₹ in million)	No. of shares	Amount (₹ in million)
Authorised				
Equity shares of face value ₹1 each* (Equity shares of face value ₹1 each as on 31 st March 2024)*	1,000,000,000	1,000.0	1,000,000,000	1,000.0
Issued, subscribed and fully paid up				
Equity shares of face value ₹1 each* (Equity shares of face value ₹1 each as on 31 st March 2024)*	964,157,160	964.2	964,157,160	964.2

a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year

Shares outstanding as at the beginning of the year	964,157,160	964.2	96,415,716	964.2
Increase in shares on account of split*	-	-	867,741,444	Not applicable
Shares outstanding as at the end of the year	964,157,160	964.2	964,157,160	964.2

*On and from the Record Date of 5th January 2024, the equity shares of the Company have been sub-divided, such that 1 (one) equity share having face value of ₹10/- (₹ ten only) each, fully paid-up, stands sub-divided into 10 (ten) equity shares having face value of ₹1/- (₹ one only) each, fully paid-up, ranking *pari-passu* in all respects. The Earnings per share for the prior periods have been restated considering the face value of ₹1/- each in accordance with Ind AS 33 - "Earnings per share".

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares with face value of ₹1 each, ranking *pari-passu*.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

c) Equity shares held by holding companies

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
	No. of shares	No. of shares
Nestlé S.A.	330,513,990	330,513,990
Maggi Enterprises Limited (Subsidiary of Nestlé S.A.) (Ultimate holding company being Nestlé S.A.)	274,636,800	274,636,800

d) Shareholders holding more than 5% of equity shares

Serial No.	Name of the shareholder	No. of shares	% of holding	No. of shares	% of holding
1	Nestlé S.A.	330,513,990	34.28	330,513,990	34.28
2	Maggi Enterprises Limited	274,636,800	28.48	274,636,800	28.48

Particulars	(₹ in million)	
	As at 31 st March, 2025	As at 31 st March, 2024
e) Shareholdings by the Promoter's of the Company		
Nestlé S.A.		
Number of Shares at the beginning of the year	330,513,990	33,051,399
Increase in shares on account of split*	-	297,462,591
Number of Shares at the end of the year	330,513,990	330,513,990
% of Total shares	34.28	34.28
% of change during the year	-	-
Maggi Enterprises Limited		
Number of Shares at the beginning of the year	274,636,800	27,463,680
Increase in shares on account of split*	-	247,173,120
Number of Shares at the end of the year	274,636,800	274,636,800
% of Total shares	28.48	28.48
% of change during the year	-	-

Particulars	(₹ in million)	
	As at 31 st March, 2025	As at 31 st March, 2024
17 OTHER EQUITY		
Retained earnings	40,089.5	32,336.2
Capital Reserve	99.8	99.8
Items of Other Comprehensive Income:		
Effective portion of cash flow hedges	18.0	8.7
	40,207.3	32,444.7

Nature and description of reserve

- Retained Earnings** - Retained earnings are the accumulated profits earned by the Company till date, less dividend (including dividend distribution tax) and other distributions made to the shareholders.
- Capital Reserve** - Capital Reserve is a reserve arising on business combination under common control due to difference between carrying amount of net assets acquired and consideration paid (as adjusted for amount recognized in retained earnings). The amount is not available for distribution to shareholders.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

- (iii) **Effective portion of cash flow hedges** - The Company uses forward contracts to hedge its risks associated with foreign currency transactions relating to firm commitments and highly probable forecast transactions. This reserve represents the cumulative changes in fair value of forward contracts that are designated as Cash Flow Hedges. These will be reclassified to statement of profit and loss upon occurrence of the underlying forecasted transactions.

(₹ in million)		
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
18 BORROWINGS		
A. Non-Current Liabilities		
Unsecured loans		
Deferred VAT liabilities ⁽¹⁾	224.8	254.8
	224.8	254.8
B. Current Liabilities		
Unsecured loans		
Deferred VAT liabilities ⁽¹⁾	51.6	56.6
Short term borrowing from banks ⁽²⁾	7,257.0	-
	7,308.6	56.6
TOTAL BORROWINGS (A + B)	7,533.4	311.4

⁽¹⁾ Represents Interest free loan from the state of Karnataka (repayable after 7 years from the date of disbursement in 10 equal instruments commencing from the year 2021) and Interest free loan from the state of Himachal Pradesh (repayable after 8 years from the year of deferment commencing from year 2021).

⁽²⁾ The Company has availed short term borrowing from banks (working capital loan and overdraft) at an interest rate of 6.7% to 7.5%, repayable within 30 days (as at 31st March 2024: Nil)

19 LEASE LIABILITIES

A. Non-Current Lease Liabilities	3,415.3	2,559.2
B. Current Lease Liabilities	719.8	574.7
TOTAL LEASE LIABILITIES (A + B)	4,135.1	3,133.9

Movement of Lease Liabilities

Balance at the beginning of the year	3,133.9	2,404.9
Add: Increase due to new leases	1,809.6	1,779.1
Add: Interest accrued during the period	270.2	243.9
Less: Lease payments	(1,032.0)	(1,243.4)
Less: Decrease due to early termination	(46.6)	(50.6)
Balance at the end of the year	4,135.1	3,133.9

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

		(₹ in million)	
Particulars	As at 31 st March, 2025	As at 31 st March, 2024	
20 PROVISIONS			
A. Non-Current Liabilities			
Employee benefits:			
Pension (Refer note 32)	18,597.7	17,703.5	
Other incentives and welfare benefits ⁽¹⁾	2,083.9	20,681.6	1,743.7
Contingencies (Refer note 34)		10,219.9	9,724.8
	30,901.5	29,172.0	
B. Current Liabilities			
Employee benefits:			
Pension and Gratuity (Refer note 32)	2,147.7	2,378.6	
Other incentives and welfare benefits ⁽¹⁾	275.1	2,422.8	237.6
TOTAL PROVISIONS (A + B)	33,324.3	31,788.2	

⁽¹⁾ Includes compensated absences, restricted stock unit plans/ performance share unit plans, long service awards and ceremonial gifts.

21 OTHER LIABILITIES

A. Non-Current Liabilities			
Deferred Government Grants	136.4	154.6	
	136.4	154.6	
B. Current Liabilities			
Advance from customers ⁽¹⁾	274.8	158.0	
Statutory liabilities	1,761.9	1,147.3	
Others ⁽²⁾	122.0	88.5	
	2,158.7	1,393.8	
TOTAL OTHER LIABILITIES (A + B)	2,295.1	1,548.4	

⁽¹⁾ Goods to be supplied in the next financial year.

⁽²⁾ During the year, certain vendor related liabilities reclassified from "Other Current Liabilities" to "Other Financial Liabilities -Current " (Refer note 23). To facilitate comparability of information, the company has reclassified the comparative figures on the same basis.

22 TRADE PAYABLES

Total outstanding dues of micro enterprises and small enterprises	4,170.9	3,532.6
Total outstanding dues of creditors other than micro enterprises and small enterprises ⁽¹⁾	19,564.4	18,846.3
	23,735.3	22,378.9

⁽¹⁾ Includes payables to related parties (Refer note 41)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

b) AGEING OF TRADE PAYABLES

Ageing for Trade Payables as at 31st March 2025

(₹ in million)

Particulars	Unbilled Dues / Not Due	Outstanding for the following periods from due date of payment				Total
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) MSME	3,958.2	212.7	0.0	-	-	4,170.9
(ii) Others	18,715.6	822.0	4.8	2.8	19.2	19,564.4
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Trade Payables	22,673.8	1,034.7	4.8	2.8	19.2	23,735.3

Ageing for Trade Payables as at 31st March 2024

(₹ in million)

Particulars	Unbilled Dues / Not Due	Outstanding for the following periods from due date of payment				Total
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) MSME	3,384.3	148.3	-	-	-	3,532.6
(ii) Others	17,861.9	937.6	27.2	11.7	7.9	18,846.3
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Trade Payables	21,246.2	1,085.9	27.2	11.7	7.9	22,378.9

(₹ in million)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
23 OTHER FINANCIAL LIABILITIES		
Customers' credit balances and payables	3,839.5	2,894.9
Employee costs and reimbursements	2,896.2	2,870.8
Accrued expenses	500.0	375.3
Unpaid dividends ⁽ⁱ⁾	194.7	199.8
Security deposits	77.7	68.8
Derivative liabilities - forward contracts	28.0	5.3
Interest accrued but not due on borrowings	13.3	-
Book Overdraft	3.6	2.3
	7,553.0	6,417.2

⁽ⁱ⁾ No amount due and outstanding to be credited to Investor Education and Protection Fund.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

24 REVENUE FROM OPERATIONS

a) Sale of products

Revenue from sale of goods is recognised on transfer of control of goods to the buyer. Revenue is measured at the price charged to the customer and are recorded net of returns (if any), trade discounts, rebates, other pricing allowances to trade/consumer, when it is probable that the associated economic benefits will flow to the Company. Accumulated experience is used to estimate and provide for sales return, trade discounts and other allowances.

The Performance obligation in contracts is considered as fulfilled in accordance with the terms agreed with the respective customers, which is mainly upon arrival at the customer place. The payment terms include advance payment and credit given to certain customers.

Revenue from sale of goods is presented net of Goods and Services Tax (GST).

Particulars	Financial Year ended 31 st March, 2025		(₹ in million)	
			Financial Year (Fifteen Months) ended 31 st March, 2024	
Domestic	192,926.7		233,006.2	
Export	7,848.3	200,775.0	9,748.6	242,754.8

Class-Wise Details of Sales of Products

Product groups	Financial Year ended 31 st March, 2025		Financial Year (Fifteen Months) ended 31 st March, 2024	
	Quantity (MT)	Amount (₹ in million)	Quantity (MT)	Amount (₹ in million)
Milk Products and Nutrition (includes dairy whitener, condensed milk, UHT milk, yogurt, maternal and infant formula, baby foods, health care nutrition)	125,771	76,575.5	168,143	98,687.2
Prepared Dishes and Cooking Aids (includes noodles, sauces, seasonings, pasta, cereals, pet food)	359,785	61,990.6	442,827	73,914.4
Powdered and Liquid Beverages (includes instant coffee, instant tea, ready to drink beverage)	30,153	28,881.1	38,039	30,206.5
Confectionery (includes bar countlines, tablets, sugar confectionery)	69,473	33,327.8	85,934	39,946.7
Sale of products	585,182	200,775.0	734,943	242,754.8

RECONCILIATION OF REVENUE FROM SALE OF PRODUCTS WITH THE CONTRACTED PRICE

Particulars	Financial Year ended 31 st March, 2025		(₹ in million)	
			Financial Year (Fifteen Months) ended 31 st March, 2024	
Contracted Price	208,696.7		250,535.1	
Less: Rebates, discounts, allowances etc.	7,921.7		7,780.3	
Sale of products	200,775.0		242,754.8	

Contract liabilities are disclosed in Note 21 as advance from customers.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

b) Other Operating Revenue

Government Grants in relation to revenue and expenses are recognized when there is reasonable assurance that the entity will comply with the attached conditions and that the grant will be received. Such grants are recognized in Other operating revenues on a systematic basis.

Government grant in relation to property, plant and equipment is treated as deferred income and is recognised in the statement of profit and loss over the useful life of the asset.

Particulars	Financial Year ended 31 st March, 2025	(₹ in million)
		Financial Year (Fifteen Months) ended 31 st March, 2024
Government Grants (Export Incentive and Production Linked Incentives)	711.4	646.5
Other operating income (mainly scrap sales)	529.2	537.6
	1,240.6	1,184.1

25 OTHER INCOME

Interest income is recognised using effective interest rate (EIR) method.

Interest on bank deposits, investments etc.	280.7	938.6
Interest on tax free long term bonds	286.6	541.0
Income from mutual funds	21.3	-
	588.6	1,479.6

26 COST OF MATERIALS CONSUMED

Raw materials	71,473.2	86,637.4
Packing materials	12,428.3	15,531.4
	83,901.5	102,168.8

27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Opening stock		
Finished goods	6,814.1	7,634.8
Work-in-progress	3,616.7	2,322.8
Stock-in-trade	785.6	802.0
	11,216.4	10,759.6
Closing Stock		
Finished goods	7,311.9	6,814.1
Work-in-progress	4,063.4	3,616.7
Stock-in-trade	1,237.7	785.6
	12,613.0	11,216.4
Net (increase)/ decrease in opening and closing stock	(1,396.6)	(456.8)

28 EMPLOYEE BENEFITS EXPENSE

Salaries, wages, bonus, pension, performance incentives etc. (Refer note 32)	17,640.1	20,550.1
Contribution to provident and other funds	1,155.6	1,363.1
Share based payments (Refer note 33)	168.2	206.8
Staff welfare expenses	1,273.2	1,240.6
	20,237.1	23,360.6

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

Particulars	(₹ in million)	
	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
29 FINANCE COSTS		
Interest cost on employee benefit plans (Refer note 32)	634.1	812.4
Interest on finance lease	270.2	243.9
Interest on bank overdraft and others (including interest on litigation cases)	538.1	398.6
Less: treated as capital expenditure	(82.4)	-
	1,360.0	1,454.9
30 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on property, plant and equipment (Refer note 6)	4,300.8	4,223.0
Depreciation on right-of-use assets (Refer note 6)	880.9	1,154.8
Impairment of property, plant and equipment (Refer note 6)	217.5	299.7
	5,399.2	5,677.5

Note: Figures for previous year / period have been regrouped wherever necessary.

31 OTHER EXPENSES		
Finished goods handling, transport and distribution	8,770.6	10,572.5
Advertising and sales promotion	9,658.6	12,876.8
Power and fuel	5,366.5	6,748.3
General licence fees (net of taxes)	8,994.1	10,846.5
Withholding tax on general licence fees	897.1	1,087.6
Information technology and management information systems	1,802.2	1,938.9
Maintenance and repairs	1,380.0	1,691.8
Rates and taxes	90.8	97.2
Travelling	1,274.4	1,508.1
Rent	245.2	75.9
Contract manufacturing charges	1,167.6	1,208.3
Consumption of stores and spare parts	822.1	922.5
Training	83.5	102.7
Laboratory (quality testing)	326.4	402.2
Market research	665.4	645.0
Milk collection and district development	108.6	122.7
Security charges	219.8	238.2
Exchange difference (net)	146.1	24.1
Loss/(Profit) on Property, Plant & Equipment sold/scrapped/written off (net)	(23.8)	(66.6)
Insurance	243.6	179.3
Miscellaneous	3,538.4	3,175.2
	45,777.2	54,397.2

Note: Figures for previous year / period have been regrouped wherever necessary.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

32 EMPLOYEE BENEFIT PLANS

- (i) The Company makes contributions to Provident Fund, Employee State Insurance, National Pension System etc. for eligible employees and these contributions are charged to statement of profit and loss on accrual basis. Under these plans, the Company is required to contribute a specified percentage of payroll costs. The Company has recognised ₹1,155.6 million (Previous year ₹1,363.1 million) as expense in the statement of profit and loss during the year towards contribution to these funds.

Out of the total contribution made for Provident Fund in the previous financial year, ₹78.9 million (current financial year ₹Nil) was made to the Nestlé India Limited Employees Provident Fund Trust. Effective 01st February 2023, Nestlé India Limited Employees Provident Fund Trust was surrendered to the Regional Provident Fund and members balances including interest up to 31st January 2023 as per the audited financial statements of the said trust amounting to ₹5,477.8 million were transferred to Regional Provident Fund. All Provident Fund contributions effective 01st February 2023 onwards are made with the Regional Provident Fund.

During the period of operation of Trust, Trustees of Nestlé India Limited Employees Provident Fund Trust were responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and the relevant provisions prescribed under the law. Pattern of investment followed by the Trust was in accordance with the rules prescribed by the Government of India.

- (ii) Other Employee Benefits: Short term employee benefits including performance incentives, are charged to statement of profit and loss on an undiscounted, accrual basis during the period of employment.
- (iii) Pension and Gratuity Plans: The Company provides pension and gratuity to eligible employees under defined benefit plans.

The gratuity plan provides for a lump sum payment to employees upon vesting at retirement, death while in employment or on termination of employment. Gratuity vesting occurs upon completion of five years of service. The Company makes contributions to the Nestlé India Limited Employees' Gratuity Trust Fund. The Trustees of Nestlé India Limited Employees Gratuity Trust Fund are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and the relevant provisions prescribed under the law. Pattern of investment followed by the Gratuity Trust fund is in accordance with the rules prescribed by the Government of India. The Company aims to keep annual contributions to the trust relatively stable at a level such that no significant gap arises between plan assets and liabilities.

Defined benefit pension plans are discretionary and consist of an unfunded defined benefit pension plan and a funded defined benefit pension plan (known as 'Future Ready plan'). The unfunded defined benefit plan exposes the Company to risks, such as interest rate risk, inflation risk, price risk, longevity risk etc.

Liability for defined benefit plans i.e. gratuity and 'unfunded pension plan' is determined based on the actuarial valuation carried out by an independent actuary as at the year-end. As these liabilities are relatively long term in nature, the actuarial assumptions take into account the requirements of the relevant Ind AS coupled with a long-term view of the underlying variables / trends, wherever required.

For funded defined benefit pension plan, the Company has made investments in appropriate Investment product of an Insurance company to cover the obligations. The amount and timing of the defined benefits payable under the Future Ready plan match with the amounts recoverable from the Investment product. The accumulated investment balance shall be utilised to purchase pension annuities from the Insurance company for the employees as per the 'Future Ready Plan'. The plan exposes the Company to risks such as credit risk etc. Also, refer note 4 to the financial statements for description of pension plan amendment and settlement.

Liability for funded defined benefit pension plan (Future ready plan) has been determined in 2021 based on actuarial valuation carried out by an independent actuary for past period of services and frozen. The obligation so determined is invested in an appropriate investment product of an Insurance company and is recognized as having 'reimbursement rights' as per Ind AS 19 Employee Benefits. This investment will

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

earn interest and the corresponding defined benefit liability will be increased with this interest amount. The amount recoverable from the investment product would be utilized for payment of the defined benefits payable under the Future Ready plan. Also refer to note 4 of the financial statements.

Service cost and net interest cost on the defined benefit liabilities/assets are recognized in the statement of profit and loss as employee benefit expense and finance costs respectively. Gains and losses on remeasurement of defined benefits liabilities/plan assets arising from changes in actuarial assumptions and experience adjustments are recognised in the other comprehensive income and are included in retained earnings in the balance sheet.

Long term employee benefits such as compensated absences and long service awards are charged to statement of profit and loss on the basis of an actuarial valuation carried out by an independent actuary as at the year end. Actuarial gains and losses are recognised in full in the statement of profit and loss during the year in which they occur.

a) MOVEMENT IN DEFINED BENEFIT OBLIGATIONS AND PLAN ASSETS

Particulars	Financial Year ended 31 st March 2025			Financial Year (Fifteen Months) ended 31 st March 2024		
	Gratuity Scheme Funded Plan	Pension Scheme Funded Future Ready Plan	Pension Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Pension Scheme Funded Future Ready Plan	Pension Scheme Unfunded Plan
(i) Change in defined benefit obligation (DBO):						
Present Value of obligation, as at the beginning of the year	3,038.1	12,236.5	7,537.6	2,615.3	13,189.4	7,521.9
Current service cost	197.3	-	426.1	207.6	-	414.6
Past service cost	-	-	-	-	-	1,109.8
Settlement cost	-	-	-	-	-	306.0
Interest cost	205.0	903.3	512.6	223.2	1,175.8	669.3
Actuarial loss/(gain)	125.0	-	954.4	296.4	-	345.1
Actual benefits paid	(220.2)	(1,638.7)	(105.5)	(304.4)	(2,128.7)	(272.4)
Settlement to Insurance Company for Pensioners	-	-	(325.3)	-	-	(2,556.7)
Divestitures	(85.0)	-	-	-	-	-
Present Value of obligation, as at the end of the year	3,260.2	11,501.1	8,999.9	3,038.1	12,651.1	7,123.0
(ii) Change in plan assets:						
Plan assets, as at the beginning of the year	2,730.1	-	-	2,513.9	-	-
Expected return on plan assets	194.2	-	-	224.3	-	-
Contribution by the Company	309.0	-	-	228.0	-	-
Return on plan assets, greater/(lesser) than expected return	2.7	-	-	68.3	-	-
Actual benefits paid	(220.2)	-	-	(304.4)	-	-
Plan assets, as at the end of the year	3,015.8	-	-	2,730.1	-	-
Net Liability recognised in the balance Sheet	244.4	11,501.1	8,999.9	308.0	12,651.1	7,123.0
<i>of which accounted as:</i>						
Non-current provisions	-	9,975.7	8,622.0	-	10,534.1	7,169.4
Current provisions	244.4	1,525.4	377.9	308.0	1,702.4	368.2

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

Particulars				(₹ in million)		
	Financial Year ended 31 st March 2025			Financial Year (Fifteen Months) ended 31 st March 2024		
	Gratuity Scheme Funded Plan	Pension Scheme Funded Future Ready Plan	Pension Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Pension Scheme Funded Future Ready Plan	Pension Scheme Unfunded Plan
(iii) Re-imbursement Rights						
Opening Balance as at the beginning of the year	-	12,236.5	-	-	13,189.4	-
Investments during the year	-	-	-	-	-	-
Return on Investments	-	903.3	-	-	1,175.8	-
Benefit Payments	-	(1,638.7)	-	-	(2,128.7)	-
Investments as at the end of the year	-	11,501.1	-	-	12,236.5	-
(iv) Constitution of plan assets						
Quoted						
Corporate Bonds	-	-	-	-	-	-
Government of India securities	-	-	-	-	-	-
State Government/State Government guaranteed securities	-	-	-	-	-	-
Mutual funds	-	-	-	-	-	-
Funding with insurance Companies	3,014.1	-	-	2,703.2	-	-
Unquoted						
Cash at bank and receivables	1.7	-	-	26.9	-	-
Total plan assets	3,015.8	-	-	2,730.1	-	-
(v) Cost recognised in the statement of profit and loss						
Current service cost	197.3	-	426.1	207.6	-	414.5
Past service cost ⁽¹⁾	-	-	-	-	-	1,109.8
Settlement cost ⁽¹⁾	-	-	-	-	-	306.0
Interest cost ⁽²⁾	205.0	903.3	512.6	223.2	1,175.8	669.3
Expected return on plan assets/re-imbursment rights	(194.2)	(903.3)	-	(224.4)	(1,175.8)	-
Net cost	208.1	-	938.7	206.4	-	2,499.6
(vi) Re-measurements recognised in other comprehensive income						
Actuarial loss/(gain)						
Change in financial assumptions	87.6	-	365.2	(63.0)	-	386.0
Change in demographic assumptions	-	-	-	131.0	-	433.8
Experience adjustments	37.4	-	589.2	228.5	-	(474.6)
Return on plan assets, (greater)/lesser than expected return	(2.7)	-	-	(68.4)	-	-
Net cost	122.3	-	954.4	228.1	-	345.2

⁽¹⁾ As mentioned in Note 4, an amount of ₹972.2 million included in past service cost and settlement cost of previous financial year was shown under exceptional items.

⁽²⁾ Total Interest cost on employee benefit plans recognised in statement of profit and loss is ₹634.1 million (Previous year ₹812.4 million). This includes ₹523.4 million (Previous year ₹668.1 million) towards pension and gratuity and balance amount ₹110.7 million (Previous year ₹144.3 million) towards compensated absences and long service awards.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

b) KEY ACTUARIAL ASSUMPTIONS

Particulars	Financial Year ended 31 st March 2025		Financial Year (Fifteen Months) ended 31 st March 2024	
	Gratuity Scheme Funded Plan	Pension Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Pension Scheme Unfunded Plan
Discount Rates (%)	6.75	6.75	7.00	7.00
Expected rate of salary increases (%) ⁽¹⁾				
First 5 years	3.4 to 15.9		3.8 to 15.9	
Beyond five years	2.3 to 11.8		2.3 to 13.5	
Expected rate of Pension increases (%)	-	3.50	-	3.50
Mortality assumptions:				
in service	Indian Assured Lives Mortality (modified 2006-08)	Indian Assured Lives Mortality (modified 2006-08)	Indian Assured Lives Mortality (modified 2006-08)	Indian Assured Lives Mortality (modified 2006-08)
	Ultimate rates	Ultimate rates	Ultimate rates	Ultimate rates
in retirement (for pension scheme)	Indian Individual Annuitant's Mortality Table (2012-15) with 10% past improvement and 0.5% future mortality improvement		Indian Individual Annuitant's Mortality Table (2012-15) with 10% past improvement and 0.5% future mortality improvement	

⁽¹⁾ Refers to range of average salary escalation rates for different category of employees.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, performance, promotion and other relevant factors such as demand and supply in the employment market. As defined benefits obligations are of relatively long term in nature, the actuarial assumptions take in account the requirements of the relevant Ind AS coupled with a long term view of the underlying variables / trends, wherever required.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

c) SENSITIVITY ANALYSIS

Sensitivity of the defined benefit obligation to changes in key actuarial assumptions

Particulars	Financial Year ended 31 st March 2025		Financial Year (Fifteen Months) ended 31 st March 2024	
	Gratuity Scheme	Pension Scheme	Gratuity Scheme	Pension Scheme
	Funded Plan	Unfunded Plan	Funded Plan	Unfunded Plan
Present Value of obligation - Reported	3,260.2	8,999.9	3,038.1	7,537.6
Discount rates				
Increase of 50 basis point	3,091.9	8,420.3	2,890.7	7,057.2
Decrease of 50 basis point	3,430.3	9,643.0	3,198.5	8,071.2
Expected rate of salary increases				
Increase of 50 basis point	3,398.7	9,710.4	3,145.7	8,144.2
Decrease of 50 basis point	3,125.7	8,346.0	2,901.1	6,985.4
Expected rate of Pension increases				
Increase of 50 basis point	-	9,469.5	-	7,930.2
Decrease of 50 basis point	-	8,572.7	-	7,180.1
Life expectancy				
Increase by 1 year	-	9,008.1	-	7,546.9
Decrease by 1 year	-	8,993.6	-	7,530.2

Sensitivities are calculated using the same actuarial method as applied for the calculation of present value of the defined benefit obligation. Sensitivity calculations are based on change in the respective assumption while keeping other assumptions constant.

Particulars	Financial Year ended 31 st March 2025			Financial Year (Fifteen Months) ended 31 st March 2024		
	Gratuity Scheme	Pension Scheme	Pension Scheme	Gratuity Scheme	Pension Scheme	Pension Scheme
	Funded Plan	Funded Future Ready Plan	Unfunded Plan	Funded Plan	Funded Future Ready Plan	Unfunded Plan
d) WEIGHTED AVERAGE DURATION OF THE DEFINED BENEFIT OBLIGATION	11.8 years	9.8 years	14.1 years	11.7 years	9.2 years	14.4 years
e) EXPECTED CONTRIBUTION TO THE TRUST (₹ in million)	244.4	-	-	308.0	-	-

33 RESTRICTED STOCK UNIT (RSU) / PERFORMANCE SHARE UNIT (PSU) PLAN

The Company participates in the Nestlé Restricted Stock Unit (RSU) / Performance Share Unit (PSU) Plan of Nestlé S.A., whereby select employees are granted non-tradable units with the right to obtain Nestlé S.A. shares or cash equivalent. Restricted Stock Units (RSU) / Performance Share Units (PSU) granted to employees vest, subject to certain conditions, after completion of three years. Upon vesting Nestlé S.A. determines, whether shares, free of charge or cash equivalent to the value of shares, is to be transferred to the employee. The fair value of these units is charged to the statement of profit and loss over the vesting period. The Company has to pay Nestlé S.A. an amount equivalent to the value of Nestlé S.A. shares on the date of vesting, delivered to the employee.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

The details are as under:

Particulars	Financial Year ended 31 st March, 2025	(₹ in million)
		Financial Year (Fifteen Months) ended 31 st March, 2024
Outstanding, non-vested RSU / PSU grants as at year end	203.9	180.3
RSU / PSU grants vested during the year	144.7	336.1
Recognised in statement of profit and loss	168.2	206.8

The details on number of grants is as under:

Particulars	31 st March, 2025	31 st March, 2024
Outstanding, non-vested RSU/ PSU grants as at beginning of the year	59,443	62,903
RSU / PSU grants granted during the year	30,174	44,775
RSU / PSU grants vested/reversed during the year	21,588	48,235
Outstanding, non-vested RSU / PSU grants as at year end	68,029	59,443
Share price used for valuation of grants at year end (in ₹)	8,690	8,816

34 NET PROVISION FOR CONTINGENCIES

The Company has created a contingency provision of ₹759.0 million (Previous year ₹1,010.2 million) for various contingencies resulting mainly from matters, which are under litigation / related disputes and other uncertainties requiring management judgement. The Company has also reversed/utilised contingency provision of ₹263.9 million (Previous year ₹2,026.1 million) due to the settlement of certain litigations and settlement of obligations for which provision is no longer required.

The movement of provisions is given below:

Particulars	Financial Year ended 31 st March 2025				Financial Year (Fifteen Months) ended 31 st March 2024			
	Litigations and related disputes		Others	Total	Litigations and related disputes		Others	Total
	Indirect Taxes	Other Litigations			Indirect Taxes	Other Litigations		
Opening balance	2,624.0	6,376.4	724.4	9,724.8	3,975.6	5,752.3	1,012.8	10,740.7
Transfer In / Out	-	-	-	-	-	-	-	-
New provisions	117.8	641.2	-	759.0	159.5	715.5	135.2	1,010.2
Reversals/Utilisation during the year	-	(1.9)	(262.0)	(263.9)	(1,511.1)	(91.4)	(423.6)	(2,026.1)
Closing balance	2,741.8	7,015.7	462.4	10,219.9	2,624.0	6,376.4	724.4	9,724.8

- (1) Litigations and related disputes - represents estimates made mainly for probable claims arising out of litigations / disputes pending with authorities under various statutes (i.e. Excise Duty, Service Tax, Entry tax, Income Tax, Labour Laws, Value Added Tax, Sales and Purchase Tax, Goods and Service Tax etc.). This includes positions taken on matters under dispute involving judgements and assumptions to determine the possible outcome. The probability and the timing of the outflow with regard to these matters depend on the ultimate settlement / conclusion with the relevant authorities.
- (2) Others - represents estimates for other uncertainties requiring management judgement. The timing and probability of outflow with regard to these matters will depend on the external environment and the consequent decision/ conclusion by the Management.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

(₹ in million)		
Particulars	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
35 CORPORATE SOCIAL RESPONSIBILITY EXPENSE		
(a) Prescribed CSR expenditure as per Section 135 of the Companies Act, 2013	762.8	597.6
(b) Actual expenditure incurred during the financial year ⁽¹⁾	766.2	685.8
(c) Excess spent available for set off in succeeding financial years	-	88.2
(d) Paid in Cash ⁽²⁾		
- Pertaining to Current Financial Year	678.0	685.8
- Pertaining to Previous Financial Year	-	-
(e) Expenditure incurred during the financial year and remaining unpaid	-	-
(f) At Nestlé India, under CSR we focus our efforts in society on the overarching ambitions that make an impact in the area of nutrition awareness, water, sanitation, education, enhancing livelihood, rural development projects, ensuring environment sustainability, feeding support and disaster management including relief.		
(g) Above does not include any related party transactions.		
(h) The Company did not wish to carry forward any excess amount spent during the financial year ending March 2025.		

⁽¹⁾ FY 2024-25 includes amount of ₹88.2 million excess spent in previous financial year availed for set off in current financial year.

⁽²⁾ Includes amount paid for acquisition/ construction of assets Nil (Previous Year Nil).

36 (a) TAX EXPENSE

Income tax expense comprises of current tax and deferred tax. Income tax expense is recognised in the statement of profit and loss, except when it relates to items recognised in the other comprehensive income or items recognised directly in the equity. In such cases, the income tax expense is also recognised in the other comprehensive income or directly in the equity as applicable. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation or under dispute with authorities and establishes provisions where appropriate.

Provision for current tax for the period comprises of:

- estimated tax expense which has accrued on the profit for the period 1st April 2024 to 31st March 2025 and,
- the residual tax expense for the period 1st April 2023 to 31st March 2024 arising out of the finalisation of fiscal accounts (Assessment Year 2024-25), under the provisions of the Indian Income tax Act, 1961.

Deferred taxes are recognised basis the balance sheet approach on temporary differences, being the difference between the carrying amount of assets and liabilities in the Balance Sheet and its corresponding tax base, that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent it is probable that future taxable profits will be available against which such assets can be utilized.

(₹ in million)		
Particulars	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
i Recognised in the statement of profit and loss		
Current Tax	10,951.8	13,156.8
Deferred Tax	377.9	403.5
	11,329.7	13,560.3

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

Particulars	(₹ in million)	
	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
ii Recognised in other comprehensive income		
Current Tax	(305.5)	(117.4)
Deferred Tax	37.6	(27.0)
	(267.9)	(144.4)
Of which:		
on re-measurement of retiral defined benefit plans	(271.0)	(144.3)
on changes in fair value of cash flow hedges	3.1	(0.1)
Total Taxes		
Current Tax	10,646.3	13,039.4
Deferred Tax	415.5	376.5
	11,061.8	13,415.9

iii Reconciliation of tax expense recognised in the statement of profit and loss with Profit before tax (PBT) multiplied by the Statutory tax rate:

Particulars	(₹ in million)	
	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
Profit before Tax	44,474.7	52,888.7
Statutory Income tax rate	25.17%	25.17%
Tax expense at Statutory Income tax rate	11,193.4	13,311.0
Tax effect of permanent adjustments made for computing taxable income		
Non-deductible expenses	263.5	230.7
Income exempt from tax	(12.2)	(136.2)
Other adjustments	(115.0)	154.8
(Including adjustments for base period)		
Tax expense recognised in the statement of profit and loss	11,329.7	13,560.3

(b) MOVEMENT IN DEFERRED TAXES

For the year ended 31st March 2025

Particulars	(₹ in million)			
	Opening balance	Recognised in the statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets / (liabilities)				
Property, plant and equipment	(1,364.3)	(353.5)	-	(1,717.8)
Contingencies	764.0	(25.7)	-	738.3
Employee benefits- compensated absences and gratuity	346.2	(15.8)	(34.5)	295.9
Others*	133.7	17.1	(3.1)	147.7
Net deferred tax assets / (liabilities)	(120.4)	(377.9)	(37.6)	(535.9)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

For the year ended 31st March 2024

				(₹ in million)
Particulars	Opening balance	Recognised in the statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets / (liabilities)				
Property, plant and equipment	(1,378.1)	13.8	-	(1,364.3)
Contingencies	1,181.2	(417.2)	-	764.0
Employee benefits- compensated absences and gratuity	349.4	(30.1)	26.9	346.2
Others*	103.6	30.0	0.1	133.7
Net deferred tax assets / (liabilities)	256.1	(403.5)	27.0	(120.4)

*Others represent tax impact of temporary differences arising out of right of use assets, expenses deductible on payment basis and other similar items

37 FINANCIAL INSTRUMENTS

a) RECOGNITION AND INITIAL MEASUREMENT

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition except trade receivables which are initially recognised at transaction price as they do not contain a significant financing component. Transaction costs in relation to financial assets and financial liabilities, other than those carried at fair value through profit or loss (FVTPL), are added to the fair value on initial recognition. Transaction costs in relation to financial assets and financial liabilities which are carried at fair value through profit or loss (FVTPL), are charged to the statement of profit and loss.

b) CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS

For the purpose of subsequent measurement, financial assets are classified as follows:

Amortised cost - Financial assets that are held within a business model whose objective is to hold the asset in order to collect contractual cash flows that are solely payments of principal and interest are subsequently measured at amortised cost less impairment, if any. Interest income calculated using effective interest rate (EIR) method and impairment loss, if any are recognised in the statement of profit and loss.

Fair value through other comprehensive income (FVOCI) - Financial assets that are held within a business model whose objective is achieved by both holding the asset in order to collect contractual cash flows that are solely payments of principal and interest and by selling the financial assets, are subsequently measured at fair value through other comprehensive income. Changes in fair value are recognized in the other comprehensive income (OCI) and on derecognition, cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit and loss. Interest income calculated using EIR method and impairment loss, if any are recognised in the statement of profit and loss.

Fair value through profit or loss (FVTPL) - A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss. Changes in fair value and income on these assets are recognised in the statement of profit and loss.

c) CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL LIABILITIES

For the purpose of subsequent measurement, financial liabilities are classified as follows:

Amortised cost - Financial liabilities are classified as financial liabilities at amortised cost by default. Interest expense calculated using EIR method is recognised in the statement of profit and loss.

Fair value through profit or loss (FVTPL) - Financial liabilities are classified as FVTPL if it is held for trading, or is designated as such on initial recognition. Changes in fair value and interest expense on these liabilities are recognised in the statement of profit and loss.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

d) DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows including risks and rewards of ownership. A financial liability is derecognised when the obligation under the liability is discharged or expires.

e) IMPAIRMENT OF FINANCIAL ASSETS

Financial assets (debt instruments) that are carried at amortised cost and fair value through other comprehensive income (FVOCI) are assessed for possible impairments basis expected credit losses taking into account the past history of recovery, risk of default of the counterparty, existing market conditions etc. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For Trade receivables, the Company provides for expected credit losses based on a simplified approach as per Ind AS 109 – Financial Instruments. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset.

f) DERIVATIVES AND HEDGE ACCOUNTING

Derivative instruments used by the company include forward contracts. The Company formally establishes a hedge relationship between such forward contracts ('hedging instrument') and recognized financial asset/liabilities ('hedged item') through a formal documentation at the inception of the hedge. Forward contracts are designated as hedging instruments against changes in fair value of recognised assets and liabilities (fair value hedges) and against highly probable forecast transactions (cash flow hedges). The effectiveness of hedge instruments is assessed at the inception and on an ongoing basis.

Derivatives instruments such as forward contracts are initially measured at fair value. When a forward contract is designated as a cash flow hedge, the effective portion of change in the fair value of the contract is recognised in the other comprehensive income and accumulated in other equity under "effective portion of cash flow hedges". Amount recognised in other equity is subsequently reclassified to the statement of profit and loss upon occurrence of the related forecasted transaction. Any ineffective portion of the change in the fair value of the contract is recognised immediately in the statement of profit and loss.

Changes in fair value of forward contracts designated as fair value hedge are recognised in the statement of profit and loss.

g) FAIR VALUE MEASUREMENT

Fair value of financial assets and liabilities is normally determined by references to the transaction price or market price. If the fair value is not reliably determinable, the company determines the fair value using valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

h) FINANCIAL INSTRUMENTS BY CATEGORY

		(₹ in million)	
Particulars	Note	As at 31 st March, 2025	As at 31 st March, 2024
Financial Assets			
(i) Measured at Amortised Cost			
Investments			
Long Term Tax free Bonds	7	-	4,238.9
Treasury Bills - Government Securities	7	-	399.8
Trade receivables	13	3,631.5	3,004.6
Cash and cash equivalents	14	761.8	7,588.7
Bank Balances other than cash and cash equivalents	15	194.7	199.8
Loans	8	184.0	190.2
Other financial assets	9	777.8	1,023.0
		5,549.8	16,645.0

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

(₹ in million)			
Particulars	Note	As at 31 st March, 2025	As at 31 st March, 2024
(ii) Measured at Fair Value through Profit & Loss			
Investment in Mutual Funds	7	-	-
Derivative assets - forward contracts	9	23.4	4.8
		23.4	4.8
Total Financial Assets (i+ii)		5,573.2	16,649.8
Financial Liabilities			
(i) Measured at Amortised Cost			
Borrowings	18	7,533.4	311.4
Lease liabilities	19	4,135.1	3,133.9
Trade payables	22	23,735.3	22,378.9
Payables for capital expenditure		2,502.8	5,741.2
Others financial liabilities	23	7,525.0	6,411.9
		45,431.6	37,977.3
(ii) Measured at Fair Value through Profit & Loss			
Derivative liabilities - forward contracts	23	28.0	5.3
		28.0	5.3
Total Financial Liabilities (i+ii)		45,459.6	37,982.6

i) FAIR VALUE HIERARCHY

(i) Financial assets/liabilities at amortised cost		
The carrying amount of financial assets and financial liabilities measured at amortised cost are a reasonable approximation of their fair values except Investments for which the fair value are as follows:		
Fair value of Investments measured at amortised cost (Level 1)	-	4,888.5
(ii) Financial assets at fair value through other comprehensive income		
Investment in Equity Shares (Level 3)	-	-
(iii) Financial assets at fair value through profit & loss		
Investment in Mutual Funds (Level 1)	-	-
Derivative assets - forward contracts (Level 2)	23.4	4.8
(iv) Financial liabilities at fair value through profit & loss		
Derivative liabilities - forward contracts (Level 2)	28.0	5.3

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

Level 1: The fair value of financial instruments that are quoted in active markets are determined on the basis of quoted price for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques based on observable market data.

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). Fair value of investment in unquoted equity shares is determined using discounted cash flow technique.

There are no transfers between different fair value hierarchy levels in financial year 2024-25 and in the previous financial year ended 31st March, 2024.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

j) FINANCIAL RISK MANAGEMENT

In the course of its business, the Company is exposed to a number of financial risks: liquidity risk, credit risk and market risk. This note presents the Company's objectives, policies and processes for managing its financial risk.

(i) Liquidity risk

Liquidity risk refers to risk that the Company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled in cash or other financial assets. The Company regularly monitors the rolling forecasts to ensure that sufficient liquidity is maintained on an ongoing basis to meet operational needs. The Company manages the liquidity risk by planning the investments in a manner such that the desired quantum of funds could be made available to meet any of the business requirements within a reasonable period of time. In addition, the Company also maintains flexibility in arranging the funds by maintaining committed credit lines with various banks to meet the obligations.

Maturities of financial liabilities:

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

Balance Sheet date.		(₹ in million)		
Particulars	Carrying amount	Undiscounted Amount		Total
		Less than 1 year	Beyond 1 year	
For the year ended 31 st March 2025				
Borrowings	7,533.4	7,308.6	339.4	7,648.0
Lease liabilities	4,135.1	962.6	4,818.2	5,780.8
Trade payables	23,735.3	23,735.3	-	23,735.3
Payables for capital expenditure	2,502.8	2,502.8	-	2,502.8
Others financial liabilities	7,525.0	7,525.0	-	7,525.0
Derivative liabilities - forward contracts	28.0	28.0	-	28.0
	45,459.6	42,062.3	5,157.6	47,219.9

(₹ in million)				
Particulars	Carrying amount	Undiscounted Amount		
		Less than 1 year	Beyond 1 year	Total
For the year ended 31st March 2024				
Borrowings	311.4	56.6	391.2	447.8
Lease liabilities	3,133.9	753.7	3,194.5	3,948.2
Trade payables	22,378.9	22,378.9	-	22,378.9
Payables for capital expenditure	5,741.2	5,741.2	-	5,741.2
Others financial liabilities	6,411.9	6,411.9	-	6,411.9
Derivative liabilities - forward contracts	5.3	5.3	-	5.3
	37,982.6	35,347.6	3,585.7	38,933.3

(ii) Credit risk

Credit risk refers to risk of financial loss to the Company if a customer or a counter-party fails to meet its contractual obligations. The Company has following categories of financial assets that are subject to credit risk evaluation:

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

Investments

Company invests in liquid mutual funds, tax free long term bonds, treasury bills, deposit with banks etc. Funds are invested in accordance with the Company's established Investment policy that includes parameters of safety, liquidity and post tax returns. Company avoids the concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis. Based on historical experience and credit profiles of counterparties, the company does not expect any significant risk of default.

Trade receivables

Credit risk arising from trade receivables is managed in accordance with the Company's established policy with regard to credit limits, control and approval procedures. The Company provides for expected credit losses on trade receivables based on a simplified approach as per Ind AS 109. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset. This allowance is measured taking into account credit profile of the customer, geographical spread, trade channels, past experience of defaults, estimates for future uncertainties etc.

Movement in expected credit loss allowance on trade receivables:

Particulars	(₹ in million)	
	As at 31 st March, 2025	As at 31 st March, 2024
Balance as at the beginning of the year	71.2	71.2
Movement during the year	10.0	-
Balance as at the end of the year	81.2	71.2

Other financial assets

Other financial assets include employee loans, security deposits etc. Based on historical experience and credit profiles of counterparties, the Company does not expect any significant risk of default.

The Company's maximum exposure to credit risk for each of the above categories of financial assets is their carrying values as at the reporting dates.

(iii) Market Risk

Interest rate risk

Interest rate risk refers to risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market interest rates. The Company is not exposed to any significant interest rate risk as borrowings are taken for a short term period at an agreed interest rate.

Price risk

Price risk refers to risk that the fair value of a financial instrument may fluctuate because of the change in the market price. The Company is not exposed to the significant price risk as there are no equity investments other than investment in associate which are measured at cost (Refer note 7).

Foreign currency risk

Foreign currency risk refers to risk that the fair value of future cash flows of an exposure may fluctuate due to change in the foreign exchange rates. The Company is exposed to foreign currency risk arising out of transactions in foreign currency. Foreign exchange risks are managed in accordance with Company's established policy for foreign exchange management. The Company enters into forward contracts as per the hedging policy to hedge against its foreign currency exposures.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

The foreign currency exposure of the Company as at the year end basis the closing exchange rates is as under:

Particulars	Currency	(₹ in million)			
		As at 31 st March 2025		As at 31 st March 2024	
		Hedged ⁽¹⁾	Unhedged	Hedged ⁽¹⁾	Unhedged
Against exports	USD	854.4	-	1,992.7	-
	EUR	-	-	-	6.8
	CHF	-	0.0	-	2.0
Against imports	USD	1,272.2	-	694.9	659.2
(Including Capital imports)	EUR	384.7	989.9	553.0	2,165.3
	AUD	215.0	72.3	217.0	14.5
	CHF	-	257.2	-	695.4
	GBP	-	215.1	-	322.5
	SGD	-	61.0	-	74.2
	MYR	-	-	-	2.2
	JPY	-	26.6	-	85.8
	NZD	-	-	-	19.8

⁽¹⁾ All the forward contracts are for hedging foreign currency exposures relating to the underlying transactions and firm commitments or highly probable forecast transactions.

Sensitivity analysis:

The impact of strengthening/weakening of foreign currencies on the outstanding exposure remaining unhedged at the year end is as under:

Particulars	Currency	(₹ in million)			
		As at 31 st March 2025		As at 31 st March 2024	
		Gain on appreciation	Loss on depreciation	Gain on appreciation	Loss on depreciation
	USD	-	-	33.0	(33.0)
	EUR	49.5	(49.5)	107.9	(107.9)
	AUD	3.6	(3.6)	0.7	(0.7)
5% appreciation/depreciation	CHF	12.9	(12.9)	34.7	(34.7)
in Indian Rupees	GBP	10.8	(10.8)	16.1	(16.1)
	SGD	3.0	(3.0)	3.7	(3.7)
	MYR	-	-	0.1	(0.1)
	JPY	1.3	(1.3)	4.3	(4.3)
	NZD	-	-	1.0	(1.0)

k) DERIVATIVE FINANCIAL INSTRUMENTS

Derivative instruments used by the Company include forward contracts. All the forward contracts entered into are for the purpose of hedging foreign currency exposures relating to the underlying transactions and firm commitments or highly probable forecast transactions.

Particulars	(₹ in million)	
	As at 31 st March, 2025	As at 31 st March, 2024
(i) Fair value of cash flow hedges		
Derivative assets	23.4	4.8
Derivative liabilities	28.0	5.3
(ii) Notional value of cash flow hedges	3,924.3	3,527.8

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

Particulars	(₹ in million)	
	As at 31 st March, 2025	As at 31 st March, 2024
(iii) Movement in respect of designated cash flow hedges is summarised below:		
Balance as at the beginning of the year	8.7	9.1
Add: Gains/ (loss) recognised in other comprehensive income	(24.0)	26.7
Less: Gains/ (loss) reclassified to statement of profit and loss	(36.4)	27.2
Less: Net deferred taxes on the movement	3.1	(0.1)
Balance as at the end of the year	18.0	8.7

38 CAPITAL MANAGEMENT

The Company's capital management objective is to ensure that a sound capital base is maintained to support long term business growth and optimise shareholders value. Capital includes equity share capital and other equity reserves.

The Company's operations are funded primarily through internal accruals. Return to shareholders through dividend is monitored as per the laid down dividend distribution policy.

39 AUDITORS REMUNERATION⁽¹⁾

{included under Miscellaneous expense (Refer note 31)}

Particulars	(₹ in million)	
	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
(i) Statutory auditors' remuneration and expenses in respect of:		
a) Audit fees including limited review	19.4	20.3
b) Tax audit fees	0.9	1.0
c) Certification fees	1.4	1.8
d) Audit of employee trust accounts	0.3	0.3
e) Reimbursement of out-of-pocket expenses	0.9	1.0
	22.9	24.4
(ii) Cost auditors' remuneration and expenses in respect of:		
a) Cost audit fees	0.3	0.2
b) Certification fees	-	-
	0.3	0.2

⁽¹⁾ excluding applicable taxes

40 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	(₹ in million)	
	As at 31 st March, 2025	As at 31 st March, 2024
(i) Contingent liabilities		
Claims against the Company not acknowledged as debts:	40.8	38.7
Indirect Taxes		
(ii) Capital commitments		
Capital expenditure commitments remaining to be executed and not provided for [net of advances ₹255.5 million (previous year ₹1,586.9 million)]	4,968.6	13,100.4

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

41 RELATED PARTY DISCLOSURES

a) RELATED PARTY AND THEIR RELATIONSHIP

(i) Holding Companies

Nestlé S.A. (Ultimate Holding Company)

Maggi Enterprises Limited

(ii) Fellow subsidiaries with whom the Company had transactions

Nestlé Bangladesh Ltd.	Nestlé Middle East FZé
Centre De Recherche Et De	Nestlé Middle East Manufacturing
Cereal Partners (Malaysia) Sdn Bhd	Nestlé Nederland B.V.
Cereal Partners Gida Ticaret	Nestlé Nigeria Plc
CPW S.A.	Nestlé Operational Services Worldwide S.A.
Dongguan Hsu Chi Food Co., Ltd.	Nestlé Philippines, Inc.
Nespresso Nederland B.V.	Nestlé Polska S.A.
Nestec York Ltd	Nestlé Portugal, Unipessoal, Lda
Nestlé (South Africa) (Pty) Ltd	Nestlé Product Technology
Nestlé (Thai) Ltd.	Nestlé Products Sdn Bhd
Nestlé Aséan (Malaysia) Sdn Bhd	Nestlé Purina Petcare
Nestlé Australia Ltd	Nestlé R&D Center (Pte) Ltd
Nestlé Brasil Ltd.	Nestlé R&D Center, Inc.
Nestlé Business Services Lisbon	Nestlé R&D Centre India Private Ltd.
Nestlé Céntral And Wést Africa	Nestlé Regional Service Centre
Nestlé Chile S.A.	Nestlé ROH (Thailand) Ltd
Nestlé Cote D'Ivoire	Nestlé Rossiya LLC
Nestlé Deutschland AG	Nestlé Singapore (Pte) Ltd
Nestlé Dubai Manufacturing LLC	Nestlé Suisse S.A.
Nestlé Enterprises SA	Nestlé Turkiye Gida Sanayi A.S.
Nestlé Espana, S.A.	Nestlé UK Limited
Nestlé Francé S.A.S.	Nestlé USA Inc
Nestlé Ghana	Nestlé Vietnam Ltd.
Nestlé Global Services Italy Srl	Nestlé Waters Management & Technology
Nestlé Japan Ltd.	Nestlé S.A.
Nestlé Jordan	Nestlé S.A., Malaysia
Nestlé Kenya Limited	PT Nestlé Indonesia
Nestlé Lanka PLC	Quality Coffee Products Ltd.
Nestlé Manufacturing (Malaysia)	SMA Nutrition India Private Limited
Nestlé Mexico, S.A. de C.V.	Société des Produits Nestlé S.A.
Nestlé Nespresso S.A.	Nestlé Business Services India Private Limited
Nestlé Health Science U.S., LLC	

(iii) Associate

Dr. Reddy's and Nestlé Health Science Limited

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

(iv) Entities controlled by Key Management Personnel with whom the Company had transactions

Apollo Healthco Limited
Apollo Hospitals Enterprises Ltd
Apollo Pharmacies Limited
Apollo Health and Lifestyle Limited
Lifetime Wellness Rx

(v) Key Management Personnel

Executive Directors

Suresh Narayanan, Chairman and Managing Director
David Steven McDaniel, Executive Director - Finance & Control and CFO (upto 28th February 2023)
Svetlana Boldina, Executive Director - Finance & Control and CFO (w.e.f 1st March 2023)
Matthias Christoph Lohner, Executive Director-Technical (Upto 30th June 2023)
Satish Srinivasan, Executive Director-Technical (w.e.f 1st July 2023)

Independent Non-Executive Directors

P R Ramesh
Anjali Bansal
Alpana Parida
Suneeta Reddy (w.e.f 5th April 2024)
Sidharth Kumar Birla (w.e.f 12th June 2024)
Swati A. Piramal (upto 31st March 2024)
R. V. Kanoria (upto 12th May 2024)

(vi) Employees benefit trusts where control exists

Nestlé India Limited Employees Provident Fund Trust (upto 31st January 2023)
Nestlé India Limited Employees Gratuity Trust Fund

b) NATURE OF TRANSACTIONS

The transactions with the related parties have been entered in the ordinary course of business and are at arm's length.

Particulars	Financial Year ended 31 st March, 2025	(₹ in million)
		Financial Year (Fifteen Months) ended 31 st March, 2024
Holding companies:		
(a) Dividends		
- Nestlé S.A.	8,428.1	10,312.0
- Maggi Enterprises Limited (Subsidiary of Nestlé S.A.)	7,003.2	8,568.7
(b) Expenses incurred		
- Nestlé S.A.	144.6	336.1
Fellow subsidiaries:		
(a) Sale of finished and other goods ⁽⁴⁾		
- Nestlé Enterprises SA	3,796.3	5,108.3
- Nestlé Bangladesh Limited	503.9	680.5
- Others	10.6	4.7

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

Particulars	(₹ in million)	
	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
(b) Purchase of Property, Plant & Equipment		
- Nestlé R&D Centre India Private Ltd.	17.6	-
(c) Purchase of raw and packing materials		
- Nestrade S.A.	83.8	80.0
- Nestlé Enterprises SA	361.2	553.1
- Others	-	0.6
(d) Purchase of finished goods		
- Nestlé Lanka PLC	1,185.0	822.6
- Nestrade S.A.	123.6	-
- Nestlé Enterprises SA	1,424.5	1,135.4
- Others	0.5	1.1
(e) General licence fees (net of taxes)		
- Société des Produits Nestlé S.A.	8,978.9	10,827.6
- CPW S.A.	15.2	18.9
(f) Expenses recovered ⁽¹⁾		
- Nestlé Operational Services Worldwide S.A.	118.5	231.5
- Nestlé Business Services India Private Limited	172.0	-
- Nestlé S.A.	-	6.5
- Nestlé Lanka PLC	31.8	122.2
- Nestlé Bangladesh Ltd	39.1	75.1
- Nestlé R&D Centre India Private Limited	63.8	92.0
- Société des Produits Nestlé S.A.	115.2	88.2
- Nestlé Middle East FZé	75.2	-
- Others	102.0	185.0
(g) Expenses incurred		
- Société des Produits Nestlé S.A.	47.5	64.4
- Nestlé R & D Center (Pte) Limited	61.7	75.8
- Nestlé Business Services India Private Limited	601.5	-
- Nestlé Operational Services Worldwide S.A.	29.5	54.0
- Others	74.2	199.3
(h) Information technology and management information systems		
- Nestlé Australia Ltd	1,303.9	1,295.9
(i) Slump sale of Nestlé Business Services ('NBS') Division		
- Nestlé Business Services India Private Limited	765.8	-
Associate		
(a) Slump sale of Health science business		
- Dr. Reddy's and Nestlé Health Science Limited	2,231.0	-
(b) Sale of finished and other goods		
- Dr. Reddy's and Nestlé Health Science Limited	255.8	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

Particulars	(₹ in million)	
	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
Entities Controlled by Key Management Personnel:		
(a) Sale of finished and other goods		
- Apollo Healthco Limited	4,891.5	-
(b) Expenses incurred		
- Apollo Hospitals Enterprises Ltd	0.3	-
- Apollo Pharmacies Limited	0.5	-
- Lifetime Wellness Rx	2.1	-
Remuneration to Key Management personnel ⁽²⁾		
Executive directors		
- Short term employee benefits	325.8	436.8
- Post employment benefits	60.8	9.3
- Share based payments	25.8	84.7
Non - Executive directors		
- Short term employee benefits (Sitting fee & Commission)	26.3	27.7
Contribution to Employee related trusts		
- Nestlé India Limited Employees Provident Fund Trust	-	78.9
- Nestlé India Limited Employees' Gratuity Trust Fund	309.0	228.0
Balance outstanding as at the year end ⁽³⁾		
Receivables from fellow subsidiaries ⁽⁴⁾	941.5	843.0
Payables to fellow subsidiaries	2,193.9	1,740.5
Receivables from Associates	63.5	-
Receivables from entities controlled by Key Managerial Personnel	252.7	-
Payables to entities controlled by Key Managerial Personnel	0.4	-
Payables to Key management personnel	17.7	18.8

Notes:

⁽¹⁾ Inclusive of Goods & Service Tax, wherever applicable.

⁽²⁾ As the liabilities for defined benefit obligations are provided based on actuarial valuation for the company as a whole, the amount pertaining to Key management personnel has not been included.

⁽³⁾ All outstanding balances are unsecured and are repayable/ receivable in cash. Amounts are interest free as receivable / payable in short term.

⁽⁴⁾ Excludes variable consideration - discounts and rebates accrued on sales of finished goods but not yet to be passed on to the customer. (Already netted off from revenue reported in note 24 as per Ind AS 115)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

42 SEGMENT REPORTING

Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within a single operating segment, namely Food. The food business incorporates product groups viz. Milk Products and Nutrition, Prepared Dishes and Cooking Aids, Powdered and Liquid Beverages and Confectionery (Refer note 24).

a) Information by Geographies

(i) Revenue from external customers

Particulars	Financial Year ended 31 st March, 2025	(₹ in million) Financial Year (Fifteen Months) ended 31 st March, 2024
India	192,926.7	233,006.2
Outside India	7,848.3	9,748.6
	200,775.0	242,754.8

(ii) The Company has business operations only in India and does not hold any assets outside India.

b) Revenue from major customers

There is no single customer that accounts for more than 10% of the Company's revenue for the financial year ended 31st March 2025 and previous year ended 31st March 2024. The other disclosure requirements of Ind AS 108 are not applicable.

43 DIVIDENDS

a) Dividend paid during the year

Interim Dividend of ₹17 per share (Face Value ₹1) for 2024-25 [for previous year January 2023-March 2024: ₹167 per share (Face Value ₹10) and ₹7 per share (Face Value ₹1)]	16,390.7	22,850.6
Final Dividend of ₹8.5 per share for previous year January 2023 - March 2024 (Face Value ₹1) [for 2022: ₹75 per share] (Face Value ₹10)	8,195.3	7,231.2

b) Proposed Final Dividend

The Board of Directors have recommended a final dividend of ₹10.00 per equity share (Face Value of ₹1 per share) amounting to ₹9,641.6 million for the financial year 2024-25 after the balance sheet date. The same is subject to approval by the shareholders at the ensuing Annual General Meeting of the Company and therefore proposed final dividend has not been recognised as a liability as at the balance sheet date in line with Ind AS 10 on 'Events after the Reporting Period'.

On and from the Record Date of 5th January 2024, the equity shares of the Company have been sub-divided, such that 1 (one) equity share having face value of ₹10/- (₹ ten only) each, fully paid-up, stands sub-divided into 10 (ten) equity shares having face value of ₹1/- (₹ one only) each, fully paid-up, ranking *pari-passu* in all respects.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

44 DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro Small Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

Particulars	Financial Year ended 31 st March, 2025	(₹ in million) Financial Year (Fifteen Months) ended 31 st March, 2024
(i) Principal amount remaining unpaid	4,601.2	4,094.0
(ii) Interest due thereon remaining unpaid	-	-
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(v) Interest accrued and remaining unpaid	-	-
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

45 RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company has balance with the below-mentioned companies struck off under section 248 of Companies Act, 2013 or section 560 of erstwhile Companies Act, 1956:

(₹ in million)

S. No.	Name of Struck off Company	Nature of Transactions	Relationship with Struck off Company	Balance outstanding	
				As at 31 st March 2025	As at 31 st March 2024
1	Vaishno Enterprises Private Ltd	Sale of Goods	Customer	(0.1)	(0.1)
2	Atlantic Industries Limited	Sale of Goods	Customer	NA	(0.1)
3	Simran Enterprises (India) Limited	Sale of Goods	Customer	NA	(0.1)
4	KCL Foods Private Limited	Sale of Goods	Customer	NA	0.1
5	Rahul Enterprises Private Limited	Sale of Goods	Customer	NA	*
6	Southern Star Private Limited	Purchase of Services	Supplier	(0.3)	(0.2)
7	Ananya Outsourcing Services Private Limited	Purchase of Services	Supplier	*	*
8	Evince Advertising Private Limited	Purchase of Services	Supplier	NA	*
9	Popular Stock & Share Services Ltd	Shares held	Shareholder	NA	NA
10	Siddha Papers Private Limited	Shares held	Shareholder	NA	NA
11	Tashi Dake Investments Pvt Ltd	Shares held	Shareholder	NA	NA
12	Tower Capital and Financial Services Pvt Ltd	Shares held	Shareholder	NA	NA
13	Rajesh Motors (Rajasthan) Private Limited	Shares held	Shareholder	NA	NA
14	Kala Holdings Private Limited	Shares held	Shareholder	NA	NA
15	Gateway Financial Services Limited	Shares held	Shareholder	NA	NA
16	Hotz Industries Ltd	Shares held	Shareholder	NA	NA
17	Dss Enterprises Private Limited	Shares held	Shareholder	NA	NA
18	Jyoti Securities Pvt Ltd	Shares held	Shareholder	NA	NA
19	Radiant Organics Private Limited	Shares held	Shareholder	NA	NA
20	Amar Investments Limited	Shares held	Shareholder	NA	NA
21	Nangalia Fiscal Services Private Limited	Shares held	Shareholder	NA	NA
22	Al-Falah Investments Private Limited	Shares held	Shareholder	NA	NA
23	Jannhavi Investment Private Limited	Shares held	Shareholder	NA	NA
24	Orbit Udyog Private Limited	Shares held	Shareholder	NA	NA
25	Akarsh Portfolio Services Private Limited	Shares held	Shareholder	NA	NA
26	Opus Advisory Private Limited	Shares held	Shareholder	NA	NA
27	Devendra Enterprises Private Ltd	Shares held	Shareholder	NA	NA
28	Fresh N Pure Retails Private Limited	Shares held	Shareholder	NA	NA
29	Rajdeep Automation Private Limited	Shares held	Shareholder	NA	NA
30	AES Engineering Co Pvt Ltd	Shares held	Shareholder	NA	NA
31	Unicon Fincap Private Limited	Shares held	Shareholder	NA	NA
32	Integra Micro Systems Pvt Ltd	Shares held	Shareholder	NA	NA
33	Salasar Industrial Services Limited	Shares held	Shareholder	NA	NA

* represents amounts payable/ recoverable less than ₹50,000 as on reporting date.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

46 ACCOUNTING RATIOS

S. No.	Ratio	Numerator	Denominator	Financial Year ended 31 st March 2025	Financial Year (Fifteen Months) ended 31 st March 2024	% Variance	Reason for variance
I	Current Ratio (in times)	Current Assets	Current Liabilities	0.8	0.9	-9%	
II	Debt-Equity Ratio (in times)	Total Debt ⁽¹⁾	Equity	0.3	0.1	172%	Short-term borrowing taken for meeting working capital requirement.
III	Debt Service Coverage Ratio (in times)	Earnings available for Debt Service ⁽²⁾	Total Debt Service ⁽³⁾	34.6	35.5	-3%	
IV	Return on Equity Ratio (%)*	Profit after Tax	Average Shareholder Equity	88.9%	108.5%	-18%	
V	Inventory Turnover Ratio (in times)*	Net Sales	Average Inventory	8.1	9.7	-16%	
VI	Trade Receivables Turnover Ratio (in times)*	Net Sales	Average Trade Receivables	60.5	78.9	-23%	
VII	Trade Payables Turnover Ratio (in times)*	Purchases ⁽⁴⁾	Average Trade Payables	6.1	6.3	-2%	
VIII	Net Capital Turnover Ratio (in times)*	Net Sales	Working Capital ⁽⁵⁾	(21.1)	(42.1)	-50%	Negative working capital
IX	Net Profit Ratio (%)	Profit after Tax	Net Sales	16.5%	16.2%	2%	
X	Return on Capital Employed (%)*	Earnings before Interest and Taxes ⁽⁶⁾	Capital Employed ⁽⁷⁾	79.3%	114.4%	-31%	Short-term borrowing taken for meeting working capital requirement.
XI	Return on Investment (%)*	Earnings from Invested Funds ⁽⁸⁾	Average Invested Funds ⁽⁹⁾	10.7%	8.7%	22%	

*Previous period ratios have been annualised on a time proportion basis as the financial year was for a fifteen month period.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

Notes:

1 Total Debt	Borrowings + Lease Liabilities
2 Earnings available for Debt Service	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
3 Total Debt Service	Interest + Lease Payments + Principal Repayments
4 Purchases	Cost of materials consumed + Purchases of stock-in-trade + Changes in inventories of Raw Material, Packing Material and Stores and Spares + Other expenses
5 Working Capital	Current Assets - Current Liabilities
6 Earnings before Interest and Taxes	Profit before Exceptional Items and Tax + Finance Costs - Other Income
7 Capital Employed	Equity + Total Debt + Deferred Tax Liability
8 Earnings from Invested Funds	Interest on Bank Deposits + Interest on Tax Free Long Term Bonds + Dividend on Mutual Funds (if any)
9 Invested Funds	Non-Current Investments + Current Investments + Balances with Banks on Deposit Accounts

47 OTHER STATUTORY INFORMATION

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and previous financial year.
- (iv) The Company does not have any such transactions which has not been recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (v) The Company has not been declared as wilful defaulter by any bank of financial institution or other lender.
- (vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries), or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received funds from any person(s) or entity(ies), including foreign entities, with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, (a) lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party, or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

- (vii) Quarterly returns or statements of current assets filed by the Company with the banks in connection with the working capital limit sanctioned are in agreement with the books of accounts.
- (viii) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

48 AUDIT TRAIL

Proviso to Rule 3 (1) of the Companies (Accounts) Rules, 2014 has become applicable to the Company with effect from April 1, 2024. Accordingly, it is mandatory for the company to use only such accounting software for maintaining its books of accounts which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of accounts along with the date when such changes were made and ensure that the audit trail cannot be disabled. Company uses SAP Enterprise Resource Planning (ERP) software to maintain its books of account. SAP ensures an audit trail (edit log) functionality and the same has been operational throughout the financial year for all relevant transactions recorded in the application layer of the software. At the database level the audit trail feature was enabled with effect from 18th March 2025. Further no instance of audit trail feature being tampered with was noted during the year in respect of accounting software where the audit trail has been enabled.

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

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

Chartered Accountants

Firm's Registration No. - 301003E/E300005

PANKAJ CHADHA

Partner

Membership No. - 091813

24th April 2025

Gurugram

SURESH NARAYANAN SVETLANA BOLDINA

Chairman and

Managing Director

(DIN-07246738)

24th April 2025

Nanjangud

Executive Director - Finance

& Control and CFO

(DIN-10044338)

PRAMOD KUMAR RAI

Company Secretary

Membership No. - FCS 4676

PAN-ABVPR5131P

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

**Report on the Audit of the Consolidated Financial
Statements**

Opinion

We have audited the accompanying consolidated financial statements of Nestlé India Limited (hereinafter referred to as "the Holding Company") and its Associate comprising of the Consolidated Balance sheet as at March 31 2025, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company and its Associate, as at March 31, 2025, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our

opinion thereon, and we do not provide a separate opinion on these matters. For matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to this matter.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Provision for contingencies (as described in Note 2, 34 and 40 of the consolidated financial statements)	
<p>Management is required to make judgments and estimates regarding the issues and exposures arising from various matters related to direct tax, indirect tax, claims, general legal proceedings, and other eventualities that arise in the regular course of business. The holding company is also subject to complexities arising from uncertain tax positions concerning the deductibility of expenses.</p> <p>The key judgment lies in determining the likelihood and magnitude of an unfavourable outcome, as well as the interpretations of legal aspects, tax legislation, and judgments previously made by authorities. By nature, these matters are complex and involve many variables.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We tested the design and operating effectiveness of key internal controls around the recognition and measurement of provisions. • We inquired the status in respect of significant provisions with the Holding Company's internal tax and legal team. • We involved our subject matter experts, wherever required, to assess the value of provisions in light of the nature of the exposures, applicable regulations and related correspondence with the authorities. • We assessed reasonability of the assumptions and critical judgements made by the Holding Company which impacted their estimate of provision required, considering judgements previously made by the authorities in the relevant jurisdictions or any relevant opinions given by the Holding Company's advisors and assessing whether there was an indication of management bias. We verified the computation of provision on a test check basis.

Other Information

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

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

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

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of

these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Holding Company and its Associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the Holding Company and its Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material

misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Holding Company and its Associate are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding Company and its Associate or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the Holding Company and its Associate are also responsible for overseeing the financial reporting process of their respective companies.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its Associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its Associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Holding Company of which we are the independent auditor and whose financial information we have audited, to express an opinion on the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. We have not received report under Companies (Auditor's Report) Order, 2020 in respect of the Associate of the Holding Company. Accordingly, in terms of our reporting as required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we are not aware of reporting, if any, on the matters specified in paragraph 3(xxii) of the Order in respect of such Associate.
2. As required by Section 143(3) of the Act, based on our audit on consolidated financial statements, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g);
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding Company, is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2 (b) above on reporting under section 143(3)(b) and paragraph 2(i)(vi) below on reporting under Rule 11(g);
 - (g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its Associate company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report. This report, however, does not include a Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 in respect of one of the Associate company, where such reports have not been made available to us;
 - (h) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Holding Company and its Associate incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Holding Company and its Associate, in its consolidated financial statements – Refer note 34 and 40 to the consolidated financial statements;
 - ii. The Holding Company and its Associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2025;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Associates, incorporated in India during the year ended March 31, 2025.
 - iv. a) The respective managements of the Holding Company and its Associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of its knowledge and belief, as disclosed in the note 47 to the consolidated financial statements, no funds have been advanced or loaned or invested by the Holding Company or any of such Associate to or in any other person(s) or

- entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such Associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective managements of the Holding Company and its Associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and, to the best of its knowledge and belief, as disclosed in the note 47 to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such Associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such Associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the Associate which are companies incorporated in India whose financial statements

have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

- v) The final dividend paid by the Holding Company, incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid during the year by the Holding Company and until the date of the audit report of the Holding Company, is in accordance with section 123 of the Act.

As stated in note 43 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the Holding Company at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi) Based on our examination which included test checks, the Holding Company and Associate have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions, except for Holding Company where at database level for which the audit trail feature was enabled with effect from March 18, 2025, as described in note 48 to the consolidated financial statement.

Further, we did not come across any instance of the audit trail feature being tampered with in respect of accounting software during the course of our audit.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Pankaj Chadha
Partner

Place: Gurugram, Haryana
Date: April 24, 2025

Membership Number: 091813
UDIN: 25091813BMORDC1556

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Nestlé India Limited

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

In conjunction with our audit of the consolidated financial statements of Nestlé India Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform

the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

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

the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, has maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pankaj Chadha

Partner

Place: Gurugram, Haryana

Date: April 24, 2025

Membership Number: 091813

UDIN: 25091813BMORDC1556

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2025

(₹ in million)

Particulars	Notes	As at 31 st March, 2025	As at 31 st March, 2024
ASSETS			
Non-Current Assets			
Property, plant and equipment	6	49,256.5	30,556.7
Capital work-in-progress	6	11,725.6	17,417.1
Right-of-use assets	6	5,479.6	4,045.8
Investment in associate	7A	5,750.3	-
Financial assets			
Investments	7B	-	4,238.9
Loans	8	80.9	80.1
Other financial assets	9	554.0	565.1
Other non-current assets	11	11,744.7	13,379.7
Total Non-Current Assets		84,591.6	70,283.4
Current assets			
Inventories	12	28,501.4	20,893.6
Financial assets			
Investments	7B	-	399.8
Trade receivables	13	3,631.5	3,004.6
Cash and cash equivalents	14	761.8	7,588.7
Bank balances other than cash and cash equivalents	15	194.7	199.8
Loans	8	103.1	110.1
Other financial assets	9	247.2	462.7
Other current assets	11	3,901.9	2,287.9
Total Current Assets		37,341.6	34,947.2
Total Assets		121,933.2	105,230.6
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	964.2	964.2
Other equity	17	39,137.9	32,444.7
Total Equity		40,102.1	33,408.9
LIABILITIES			
Non-Current Liabilities			
Financial liabilities			
Borrowings	18	224.8	254.8
Lease liabilities	19	3,415.3	2,559.2
Provisions	20	30,901.5	29,172.0
Deferred tax liabilities (net)	10	299.6	120.4
Other non-current liabilities	21	136.4	154.6
Total Non-Current Liabilities		34,977.6	32,261.0

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2025

Particulars	Notes	(₹ in million)	
		As at 31 st March, 2025	As at 31 st March, 2024
Current Liabilities			
Financial liabilities			
Borrowings	18	7,308.6	56.6
Lease liabilities	19	719.8	574.7
Trade payables			-
Total outstanding dues of micro enterprises and small enterprises	22, 44	4,170.9	3,532.6
Total outstanding dues of creditors other than micro enterprises and small enterprises	22	19,564.4	18,846.3
Payables for capital expenditure			
Total outstanding dues of micro enterprises and small enterprises	44	430.3	561.4
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,072.5	5,179.8
Other financial liabilities	23	7,553.0	6,417.2
Other current liabilities	21	2,158.7	1,393.8
Provisions	20	2,422.8	2,616.2
Current tax liabilities (net)		452.5	382.1
Total Current Liabilities		46,853.5	39,560.7
Total Liabilities		81,831.1	71,821.7
Total Equity and Liabilities		121,933.2	105,230.6

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

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

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

Chartered Accountants

Firm's Registration No. - 301003E/E300005

PANKAJ CHADHA

Partner

Membership No. - 091813

24th April 2025

Gurugram

SURESH NARAYANAN

Chairman and
Managing Director
(DIN-07246738)

24th April 2025

Nanjangud

SVETLANA BOLDINA

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

PRAMOD KUMAR RAI

Company Secretary
Membership No. - FCS 4676
PAN-ABVPR5131P

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2025

		(₹ in million)	
Particulars	Notes	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
A INCOME			
Sale of products	24	200,775.0	242,754.8
Other operating revenue	24	1,240.6	1,184.1
i Revenue from operations		202,015.6	243,938.9
ii Other income	25	588.6	1,479.6
Total Income		202,604.2	245,418.5
B EXPENSES			
i Cost of materials consumed	26	83,901.5	102,168.8
ii Purchases of stock-in-trade		4,993.1	5,373.7
iii Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(1,396.6)	(456.8)
iv Employee benefits expense	28	20,237.1	23,360.6
v Finance costs (including interest cost on employee benefit plans)	29	1,360.0	1,454.9
vi Depreciation and amortisation expense	30	5,399.2	5,677.5
vii Other expenses	31	45,777.2	54,397.2
viii Corporate social responsibility expense	35	766.2	597.6
Total Expenses		161,037.7	192,573.5
C PROFIT BEFORE SHARE OF (PROFIT) / LOSS OF AN ASSOCIATE, EXCEPTIONAL ITEMS AND TAX (A-B)		41,566.5	52,845.0
D Share of (profit) / loss of associate accounted for using the equity method (net of tax)		239.5	-
E PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (C-D)		41,327.0	52,845.0
F Exceptional items [Charge / (Credit)]	4, 32	(1,834.2)	(43.7)
G PROFIT BEFORE TAX (E-F)		43,161.2	52,888.7
H Tax expense			
Current tax	36	10,951.8	13,156.8
Deferred tax	36	133.5	403.5
I PROFIT AFTER TAX (G-H)		32,075.9	39,328.4

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2025

		(₹ in million)	
Particulars	Notes	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
J OTHER COMPREHENSIVE INCOME			
(a) (i) Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) of defined benefit plans	32	(1,076.7)	(573.3)
Share of other comprehensive income of associate accounted for using the equity method (net of tax)		(0.3)	-
(ii) Income taxes relating to Items that will not be reclassified to profit or loss		271.0	144.3
		(806.0)	(429.0)
(b) (i) Items that will be reclassified to profit or loss			
Net movement on effective portion of cash flow hedges		12.4	(0.5)
(ii) Income taxes relating to Items that will be reclassified to profit or loss		(3.1)	0.1
		9.3	(0.4)
TOTAL OTHER COMPREHENSIVE INCOME (a+b)		(796.7)	(429.4)
K TOTAL COMPREHENSIVE INCOME (I+J)		31,279.2	38,899.0
Basic and Diluted Earnings Per Share (Face value ₹1 - refer note 16)	₹	33.27	40.79
ADDITIONAL INFORMATION (Refer note 2):			
PROFIT FROM OPERATIONS [C - A(ii) + B(v) + B(viii)]		43,104.1	53,417.9

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

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

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

Chartered Accountants

Firm's Registration No. - 301003E/E300005

PANKAJ CHADHA

Partner

Membership No. - 091813

24th April 2025

Gurugram

SURESH NARAYANAN

Chairman and
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(DIN-07246738)

24th April 2025

Nanjangud

SVETLANA BOLDINA

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

PRAMOD KUMAR RAI

Company Secretary
Membership No. - FCS 4676
PAN-ABVPR5131P

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2025

Particulars	(₹ in million)	
	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	43,161.2	52,888.7
Adjustments for:		
Depreciation and amortisation expense	5,399.2	5,677.5
Loss / (profit) on property, plant and equipment sold/scrapped/ written off (net)	(23.8)	(66.6)
Interest income	(588.6)	(1,479.6)
Interest on bank overdraft and others	80.3	16.1
Gain on disposal of businesses	(1,834.2)	-
Interest on lease liabilities	270.2	243.9
Allowance for impairment on financial assets	(32.8)	(6.8)
Share of (profit) / loss of an associate accounted for using the equity method	239.5	-
Unrealised exchange differences	48.2	(48.9)
Cash generated from operations before working capital and other changes	46,719.2	57,224.3
Adjustments for:		
Decrease/(increase) in trade receivables	(700.0)	(1,088.1)
Decrease/(increase) in inventories	(7,671.0)	(1,605.9)
Decrease/(increase) in other financial assets & other assets	(1,992.3)	(212.5)
Increase/(decrease) in trade payables	1,341.2	3,098.3
Increase/(decrease) in other financial liabilities & other liabilities	1,944.5	700.1
Increase/(decrease) in provision for contingencies	495.1	(1,015.9)
Increase/(decrease) in provision for employee benefits	(529.2)	(2,364.8)
Cash generated from operations	39,607.5	54,735.5
Income taxes paid (net of refunds)	(10,244.0)	(12,987.6)
Net cash flows generated from / (used in) operating activities	29,363.5	41,747.9
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment including capital work in progress	(20,086.4)	(18,826.7)
Proceeds from sale of property, plant and equipment	42.5	43.7
Proceeds from redemption of tax free bonds and investments	4,238.9	2,837.9
Investment in equity shares of associate	(7,056.0)	-
Proceeds from sale of businesses net of tax	2,664.7	-
Amount received from insurance pension plan - separations	1,325.8	1,898.1
Net decrease/(increase) in loans to employees	6.2	2.4
Interest received on bank deposits, investments, tax free bonds, employee loans etc.	755.3	1,670.4
Net cash flows generated from / (used in) investing activities	(18,109.0)	(12,374.2)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of deferred VAT liabilities under state government schemes	(53.2)	(45.9)
Receipt of deferred VAT liabilities under state government schemes	-	38.0
Proceeds from short term borrowing and overdraft from banks	7,257.0	-
Interest on bank overdraft and others	(67.0)	(16.1)
Interest on lease liabilities	(270.2)	(243.9)
Principal payment of lease liabilities	(761.8)	(999.5)
Dividends paid	(24,586.0)	(30,081.8)
Net cash flows generated from / (used in) financing activities	(18,481.2)	(31,349.2)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(7,226.7)	(1,975.5)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2025

Particulars	Financial Year ended 31 st March, 2025	(₹ in million) Financial Year (Fifteen Months) ended 31 st March, 2024
Cash and cash equivalents (Refer note 14)	7,588.7	9,265.5
Current investments (Refer note 7)	399.8	698.5
Total cash and cash equivalents at the beginning of the year	7,988.5	9,964.0
Cash and cash equivalents (Refer note 14)	761.8	7,588.7
Current investments (Refer note 7)	-	399.8
Total cash and cash equivalents at the end of the year	761.8	7,988.5
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,226.7)	(1,975.5)

Disclosure of non-cash transactions as per Ind AS 7:

Changes in liabilities arising from financing activities is as under:	(₹ in million)			
	As at 31 st March 2024	Cash flow changes	Non- cash changes	As at 31 March 2025
Deferred VAT liabilities	311.4	(53.2)	18.2	276.4
Deferred government grants	154.6	-	(18.2)	136.4
Lease liabilities	3,133.9	(1,032.0)	2,033.2	4,135.1
Short term borrowings	-	7,257.0	-	7,257.0
Total	3,599.9	6,171.8	2,033.2	11,804.9

Changes in liabilities arising from financing activities is as under:	(₹ in million)			
	As at 31 December 2022	Cash flow changes	Non- cash changes	As at 31 March 2024
Deferred VAT liabilities	300.3	(7.9)	19.0	311.4
Deferred government grants	173.5	-	(18.9)	154.6
Lease liabilities	2,404.9	(1,243.4)	1,972.4	3,133.9
Total	2,878.7	(1,251.3)	1,972.5	3,599.9

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

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

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

Chartered Accountants

Firm's Registration No. - 301003E/E300005

PANKAJ CHADHA

Partner

Membership No. - 091813

24th April 2025

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24th April 2025

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SVETLANA BOLDINA

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

PRAMOD KUMAR RAI

Company Secretary
Membership No. - FCS 4676
PAN-ABVPR5131P

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2025

A) EQUITY SHARE CAPITAL

Particulars	Notes	(₹ in million)
Balance as at 31 st December, 2022	16	964.2
Movement during the previous year		-
Balance as at 31 st March, 2024	16	964.2
Movement during the year		-
Balance as at 31 st March, 2025	16	964.2

B) OTHER EQUITY ⁽¹⁾

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total
	General Reserve	Share Based Payment Reserve	Capital Reserve	Retained Earnings	Effective portion of Cash Flow Hedges	
Balance as at 31 st December, 2022	8,374.3	-	99.8	15,144.3	9.1	23,627.5
Profit after tax	-	-	-	39,328.4	-	39,328.4
Other comprehensive income	-	-	-	(429.0)	(0.4)	(429.4)
Total comprehensive income for the year	-	-	-	38,899.4	(0.4)	38,899.0
Transfer of General Reserve to Retained Earnings *	(8,374.3)	-	-	8,374.3	-	-
Dividend (Refer note 43)	-	-	-	(30,081.8)	-	(30,081.8)
Share based payment expense	-	206.8	-	-	-	206.8
Recognition of liability towards share based payments	-	(206.8)	-	-	-	(206.8)
Balance as at 31 st March, 2024	-	-	99.8	32,336.2	8.7	32,444.7
Profit after tax	-	-	-	32,075.9	-	32,075.9
Other comprehensive income	-	-	-	(806.0)	9.3	(796.7)
Total comprehensive income for the year	-	-	-	31,269.9	9.3	31,279.2
Dividend (Refer note 43)	-	-	-	(24,586.0)	-	(24,586.0)
Share based payment expense	-	168.2	-	-	-	168.2
Recognition of liability towards share based payments	-	(168.2)	-	-	-	(168.2)
Balance as at 31 st March, 2025	-	-	99.8	39,020.1	18.0	39,137.9

*The Shareholders of the Company had, at the Court Convened Meeting held on 25th July 2022, approved the Scheme of Arrangement ('Scheme') which envisages transfer of the entire balance of ₹8,374.3 million standing to the credit of the General Reserves to Retained Earnings. The Company had accordingly filed a petition for sanction of the Scheme with the Hon'ble National Company Law Tribunal, New Delhi Bench ('Hon'ble NCLT'). The Hon'ble NCLT, vide its order dated 15th September 2023 ('Order'), has sanctioned the Scheme. The Appointed Date as fixed in the Scheme is 1st January 2022. The Scheme has been made effective on and upon filing of the certified copy of the Order with the Registrar of Companies

⁽¹⁾ Description of purpose of each reserve within Other Equity has been disclosed under Note 17.

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

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

Chartered Accountants

Firm's Registration No. - 301003E/E300005

PANKAJ CHADHA

Partner

Membership No. - 091813

24th April 2025

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

PRAMOD KUMAR RAI

Company Secretary
Membership No. - FCS 4676
PAN-ABVPR5131P

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

1 CORPORATE INFORMATION

Nestlé India Limited (the "parent Company") is a Company domiciled in India, with its registered office situated at 100/101, World Trade Centre, Barakhamba Lane, New Delhi – 110 001. The Company has been incorporated in 1959 under the provisions of Indian Companies Act and its equity shares are listed on the BSE Limited and NSE Limited in India. The Company is primarily involved in Food business which incorporates product groups viz. Milk Products and Nutrition, Prepared Dishes and Cooking Aids, Powdered and Liquid Beverages and Confectionery.

The consolidated financial statements comprise financial statements of Nestlé India Limited and its associate Dr. Reddy's and Nestlé Health Science Limited (collectively, the 'Company') for the year ended 31st March 2025.

The consolidated financial statements of the Company includes 49% interest in Dr. Reddy's and Nestle Health Science Limited as an associate, consolidated in accordance with Ind AS 28 - Investment in Associates and Joint Ventures.

2 MATERIAL ACCOUNTING POLICIES

Material accounting policies used in preparation of the consolidated financial statements have generally been included in the relevant notes to the financial statements.

A BASIS OF PREPARATION AND MEASUREMENT

a Statement of Compliance

The consolidated financial statements of the Company have been prepared in compliance with all material aspects of the Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act, 2013 and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

b Investment in Associates

An associate is an entity over which the Company is in a position to exercise significant influence over operating and financial policies. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Goodwill arising on the acquisition of associates is included in the carrying value of investments in associates.

The Company's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date. The consolidated financial statements include the Company's share of profits or losses, other comprehensive income and equity movements, from the date that significant influence commences. When the Company's share of losses exceeds the carrying value of such investments, the carrying value is reduced to Nil and recognition of future losses is discontinued, except to the extent that the Company has incurred obligation in respect of the associate. Unrealised gains and losses resulting from transactions between the parent Company and the associate are eliminated to the extent of the interest in the associate. After application of the equity method, if indication of impairment exists the carrying amount of Investment is assessed and written down to its recoverable amount.

The financial statements of the associates are prepared for the same reporting period as the Company to enable consolidation of the financial information of the associates.

c Basis of Measurement

The financial statements have been prepared on accrual and going concern basis under the historical cost convention except for certain class of financial assets/ liabilities, share based payments and net liability for defined benefit plans that are measured at fair value. The accounting policies have been consistently applied by the Company unless stated otherwise.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

d Financial Year

The Company had opted the period of 1st day of January to 31st day of December, each year as its financial year for the purpose of preparation of financial statements under the provisions of Section 2(41) of the Companies Act, 2013, which the Company Law Board had allowed.

The Board of Directors on 27th July 2023 have approved the change of financial year of the Company to uniform financial year commencing on 1st April of every year and ending on 31st March of the following year. Consequently, as a transitional arrangement, the previous financial year of the Company was for a period of 15 months from 1st January 2023 to 31st March 2024 and hence the figures are not comparable with the current financial year which comprised of twelve months.

e Functional and Presentation Currency

The financial statements have been prepared and presented in Indian Rupees (₹), which is also the Company's functional currency.

f Rounding Off

All amounts in the financial statement and accompanying notes are presented in ₹ million and have been rounded-off to one decimal place unless stated otherwise.

g Current and Non-current Classification

The Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities. This is based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents.

h Measurement of Profit from Operations

For better understanding of the financial performance, the Company has chosen to present Profit from Operations as an additional information in the Statement of Profit and Loss. Profit from Operations is derived from Profit before Exceptional Items & Tax less Other Income and adding back Finance Costs (Including Interest Cost on Employee Benefit Plans) and Corporate Social Responsibility Expense.

i Use of Estimates and Judgement

The preparation of financial statements requires management to exercise judgement and make estimates and assumptions that affects the reported amounts of revenue, expenses, assets and liabilities. These estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the results are known/materialise.

The areas involving significant estimates and judgement include determination of useful life of property, plant and equipment (Refer note 6), measurement of lease liabilities and right of use assets (Refer note 6), measurement of defined benefit obligations (Refer note 32), recognition and measurement of provisions and contingencies (Refer note 34) and recognition of deferred tax assets / liabilities (Refer note 36).

j Approval of Financial Statements

The financial statements of the Company for the period ended 31st March 2025 were approved for issue by the Board of Directors on 24th April 2025.

B FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are initially recorded in the functional currency i.e. Indian Rupees (₹) using the exchange rate at the date of transaction.

Monetary items (i.e. receivables, payables) denominated in foreign currency are reported using the closing exchange rate as on each balance sheet date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

The exchange difference arising on the settlement or reporting of monetary items at rates different from rates at which these were initially recorded / reported in previous financial statements, are recognised in the statement of profit and loss in the period in which they arise.

Also refer to accounting policy on 'Derivatives and Hedge accounting'. (Refer note 37)

C PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions for Contingencies/ Contingent liabilities are recognised/disclosed after evaluation of facts and legal aspects of the matter involved, in line with Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets and Ind AS 12 - Income Taxes. Provisions are recognised when the Company has a present obligation (legal/constructive) and on management judgement as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be accrued/ realised.

D BORROWING COSTS

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. assets which take substantial period of time to get ready for their intended use) are capitalised as part of the cost of that asset. All other borrowing costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

E EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

On and from the Record Date of 5th January 2024, the equity shares of the Company have been sub- divided, such that 1 (one) equity share having face value of ₹10/- (₹ ten only) each, fully paid-up, stands sub-divided into 10 (ten) equity shares having face value of ₹1/- (₹ one only) each, fully paid-up, ranking *pari-passu* in all respects. The Earnings per Share for the prior periods have been restated considering the face value of ₹1/- each in accordance with Ind AS 33 - Earnings per Share.

F EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

All material events occurring after the balance sheet date upto the date of approval of financial statements by the Board of Directors on 24th April 2025, have been considered, disclosed and adjusted, wherever applicable, as per the requirements of Ind AS 10 - Events after the Reporting Period.

3 RECENT ACCOUNTING PRONOUNCEMENTS

The Ministry of Corporate Affairs (MCA) has notified amendments to the Companies (Indian Accounting Standards) Rules, 2015, vide notification number G.S.R. 492 (E) dated 12th August, 2024, G.S.R. 554(E) dated 9th September,

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

2024 and G.S.R. 602(E) dated 28th September, 2024. These amendments are applicable for reporting periods beginning on or after April 1, 2024 but do not have material impact on the financial statements of the Company.

4 EXCEPTIONAL ITEMS

- A. For financial year ended 31st March 2025, exceptional items of ₹2,908.2 million comprise of gain on slump sale of the businesses mentioned below:
- Nestlé Business Services ('NBS') Division to Nestlé Business Services India Private Limited (Formerly known as Purina PetCare India Private Limited).
 - Nutraceutical Business ("NHSc") to Dr. Reddy's and Nestlé Health Science Limited.
- B. For previous year ended 31st March 2024, exceptional items comprise of the following, in aggregate:
- Charge of ₹972.2 million towards past service cost and settlement loss recognised on account of change in cost of servicing the defined pension benefit under the Company's unfunded Defined Benefit pension plan.
 - Write-back of provision of ₹1,015.9 million made in earlier years for an indirect tax matter upon the settlement of dispute with concerned state Government authority.

5 BUSINESS COMBINATION

A. Business Combination under Common Control

The Company has executed slump sale of Nestlé Business Services ('NBS') Division to Nestlé Business Services India Private Limited (Formerly known as Purina PetCare India Private Limited) on 1st July 2024, which is a related party, being a 100% subsidiary of Nestle S.A., for a net consideration of ₹765.8 million.

B. Business Combination - Others

The Company has made an investment for 49% stake in Dr. Reddy's and Nestlé Health Science Limited ("Associate Company") for development of Nutraceutical business. Pursuant to this, the investee entity has become an associate of the Company with effect from 24th July 2024. As part of this transaction, Nutraceuticals Business ('NHSc Business') of the Company was transferred to the associate Company for a net consideration of ₹2,231.0 million with effect from 1st August 2024.

Dr. Reddy's Laboratories Limited (Dr. Reddy's) holds 51% and the Company holds 49% in the Associate Company with proportionate shareholder rights to voting, dividend distribution, and other economic rights as enshrined in the agreement. Nestlé India will have a call option to increase shareholding upto 60% after six years at a fair market value. Dr. Reddy's shall continue to hold at least 40% of the shareholding after the Company exercises its call option.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

6 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	(₹ in million)	
	As at 31 st March, 2025	As at 31 st March, 2024
Owned Assets	49,256.5	30,556.7
Capital work-in-progress	11,725.6	17,417.1
Right of Use Assets	5,479.6	4,045.8
	66,461.7	52,019.6

Property, Plant and Equipment - Owned

Items of property, plant & equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost is inclusive of freight, duties, taxes or levies (net of recoverable taxes) and any directly attributable cost of bringing the assets to their working condition for intended use.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress" and stated at cost less accumulated impairment loss, if any.

Profit or loss on disposal / scrapping / write off / retirement from active use of an item of property, plant and equipment is recognised in the statement of profit and loss.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

Depreciation / Amortization

The Company has assessed the useful lives of property, plant and equipment as required by Schedule II to the Companies Act, 2013. Accordingly, depreciation has been computed on useful lives based on technical evaluation of relevant class of assets including components thereof. Useful lives and residual values are reviewed annually. Depreciation is provided as per the straight line method computed basis useful lives of property, plant and equipment as follows:

Category	Useful Life
Leased Assets	Over the period of lease or useful life, whichever is lower
Buildings	25-40 years
Plant & Equipment	5- 25 years
Office Equipment	5 years
Furniture and Fixtures	5 years
Vehicles	5 years
Information Technology (IT) equipment	3-5 years

Freehold land is not depreciated.

Impairment of Property, Plant and Equipment

At each balance sheet date, the company reviews whether there is any indication that an item of property, plant and equipment including capital work in progress, right of use assets or intangible assets (asset / cash generating unit) may be impaired. For the purpose of assessing impairment, assets are grouped at the levels for which there are separately identifiable cash flows (cash generating unit). If any impairment indicator exists, estimate of the recoverable amount of the property, plant and equipment /cash generating unit to which the asset belongs is made. An impairment loss is recognised in the statement of Profit and Loss whenever the carrying amount of an asset/ cash generating unit exceeds its recoverable amount. The recoverable amount is the greater of the fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount rate.

Reversal of impairment losses recognised in earlier years is recorded when there is an indication that the impairment losses recognised for the asset/cash generating unit no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for that asset/cash generating unit in earlier years.

Property, Plant and Equipment - Right of Use Assets

The company's leases mainly comprises of land, buildings, plant & machinery and vehicles. The company leases land and buildings primarily for offices, manufacturing facilities and warehouses.

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments with a corresponding adjustment to the carrying value of Right-of-use assets.

Lease liability and Right-of-use assets are separately presented in the Balance Sheet and lease payments are classified as financing cash flows in the Cash Flow Statement.

The company recognizes lease payments as other expense on a straight line basis over the period of lease for short term leases or leases of low value assets.

(₹ in million)

Particulars	Gross Carrying Value				Depreciation/ Amortisation				Net Carrying Value	
	Cost as at 31 st March 2024	Additions	Deletions / Adjustments	Cost as at 31 st March 2025	As at 31 st March 2024	For the year	Impairment loss	On deletions / Adjustments	As at 31 st March 2025	As at 31 st March 2025
6A. Owned Assets										
Freehold land	175.2	-	-	175.2	-	-	-	-	-	175.2
Buildings	13,741.8	4,567.1	79.6	18,229.3	3,368.0	592.3	0.2	30.4	3,930.1	14,299.2
Plant and equipment	40,461.2	18,349.1	183.6	58,626.7	21,443.0	3,331.6	217.3	178.0	24,813.9	33,812.8
Furniture and fixtures	676.7	85.3	49.7	712.3	549.2	42.1	-	38.2	553.1	159.2
Office equipment	509.3	46.1	32.4	523.0	268.1	77.3	-	24.0	321.4	201.6
IT equipment	1,552.5	255.8	131.4	1,676.9	934.5	256.7	-	120.8	1,070.4	606.5
Vehicles	24.8	-	19.6	5.2	22.0	0.8	-	19.6	3.2	2.0
Total Owned Assets	57,141.5	23,303.4	496.3	79,948.6	26,584.8	4,300.8	217.5	411.0	30,692.1	49,256.5
6B. Capital work-in progress	17,417.1	(5,691.5)*	-	11,725.6	-	-	-	-	-	11,725.6
6C. Right of Use Assets										
Leasehold land	1,332.9	644.6	-	1,977.5	110.7	23.3	-	-	134.0	1,843.5
Buildings	4,466.3	1,119.8	492.3	5,093.8	1,906.1	750.0	-	462.4	2,193.7	2,900.1
Plant and Equipment	219.7	472.4	-	692.1	56.8	46.9	-	-	103.7	588.4
Vehicles	176.4	109.3	37.5	248.2	75.9	60.7	-	36.0	100.6	147.6
Total Right of Use Assets	6,195.3	2,346.1	529.8	8,011.6	2,149.5	880.9	-	498.4	2,532.0	5,479.6
Total (6A + 6B + 6C)	80,753.9	19,958.0	1,026.1	99,685.8	28,734.3	5,181.7	217.5	909.4	33,224.1	66,461.7

*Net of amount capitalized and commissioned during the year

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

(₹ in million)

Particulars	Gross Carrying Value				Depreciation/ Amortisation					Net Carrying Value
	Cost as at 31 st December 2022	Additions	Deletions / Adjustments	Cost as at 31 st March 2024	As at 31 st December 2022	For the year	Impairment loss	On deletions / Adjustments	As at 31 st March 2024	As at 31 st March 2024
6D. Owned Assets										
Freehold land	175.2	-	-	175.2	-	-	-	-	-	175.2
Buildings	11,735.2	2,025.2	18.6	13,741.8	2,780.3	603.9	0.1	16.3	3,368.0	10,373.8
Plant and equipment	35,245.5	5,505.8	290.1	40,461.2	18,214.3	3,218.1	299.6	289.0	21,443.0	19,018.2
Furniture and fixtures	644.1	45.2	12.6	676.7	519.7	42.0	-	12.5	549.2	127.5
Office equipment	432.3	84.4	7.4	509.3	188.6	86.5	-	7.0	268.1	241.2
IT equipment	1,292.4	361.7	101.6	1,552.5	764.7	271.3	-	101.5	934.5	618.0
Vehicles	23.6	3.0	1.8	24.8	22.6	1.2	-	1.8	22.0	2.8
Total Owned Assets	49,548.3	8,025.3	432.1	57,141.5	22,490.2	4,223.0	299.7	428.1	26,584.8	30,556.7
6E. Capital work-in-progress	3,583.6	13,833.5 *	-	17,417.1	-	-	-	-	-	17,417.1
6F. Right of Use Assets										
Leasehold land	1,240.5	92.4	-	1,332.9	93.0	17.7	-	-	110.7	1,222.2
Buildings	3,586.8	1,678.3	798.8	4,466.3	1,592.6	1,064.0	-	750.5	1,906.1	2,560.2
Plant and equipment	211.1	9.2	0.6	219.7	281	29.1	-	0.4	56.8	162.9
Vehicles	153.3	91.8	68.7	176.4	99.1	44.0	-	67.2	75.9	100.5
Total Right of Use Assets	5,191.7	1,871.7	868.1	6,195.3	1,812.8	1,154.8	-	818.1	2,149.5	4,045.8
Total (6D + 6E + 6F)	58,323.6	23,730.5	1,300.2	80,753.9	24,303.0	5,377.8	299.7	1,246.2	28,734.3	52,019.6

* Net of amount capitalized and commissioned during the year

(1) The Company incurred ₹245.5 million for the financial year ended 31st March 2025 (₹75.1 million for the previous year ended 31st March 2024) towards expenses related to short term leases, leases of low value assets & variable leases.

(a) Details regarding CWIP ageing schedule as at 31st March 2025

(₹ in million)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Projects in progress	7,583.3	3,907.2	221.9	13.2	11,725.6
(ii) Projects temporarily suspended	-	-	-	-	-
Capital work-in-progress	7,583.3	3,907.2	221.9	13.2	11,725.6

Details regarding CWIP ageing schedule as at 31st March 2024

(₹ in million)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Projects in progress	16,565.2	835.6	16.3	-	17,417.1
(ii) Projects temporarily suspended	-	-	-	-	-
Capital work-in-progress	16,565.2	835.6	16.3	-	17,417.1

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

(b) Details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan as at 31st March 2025 (₹ in million)

Particulars	To be completed in				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Projects in progress					
Project 1 at Nanjangud Factory	1,335.8	-	-	-	1,335.8
Project 1 at Ponda Factory	274.2	-	-	-	274.2
Project 2 at Ponda Factory	233.7	-	-	-	233.7
Project 3 at Ponda Factory	227.5	-	-	-	227.5
Project 1 at Moga Factory	167.5	-	-	-	167.5
Project 1 at Pantnagar Factory	89.3	-	-	-	89.3
Project 4 at Ponda Factory	71.1	-	-	-	71.1
Project 1 at Samalkha Factory	54.2	-	-	-	54.2
Others	728.7	-	-	-	728.7
(ii) Projects temporarily suspended	-	-	-	-	-
Total	3,182.0	-	-	-	3,182.0

Details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan as at 31st March 2024 (₹ in million)

Particulars	To be completed in				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Projects in progress					
Project 1 at Ponda factory	229.6	-	-	-	229.6
Project 1 at Moga factory	178.4	-	-	-	178.4
Project 1 at Nanjangud factory	159.0	-	-	-	159.0
Project 1 at Bicholim factory	92.9	-	-	-	92.9
Project 2 at Ponda factory	64.4	-	-	-	64.4
Project 2 at Nanjangud factory	56.4	-	-	-	56.4
Project 3 at Ponda factory	52.9	-	-	-	52.9
Project 1 at Tahlival factory	50.2	-	-	-	50.2
Others	440.9	-	-	-	440.9
(ii) Projects temporarily suspended	-	-	-	-	-
Total	1,324.7	-	-	-	1,324.7

Note: For capital commitment with respect to property, plant and equipment refer note 40 (ii)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

(₹ in million)		
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
7 INVESTMENTS		
A. Investment in associates (Un-quoted)		
Dr. Reddy's and Nestlé Health Science Limited	5,750.3	-
(Fully paid up 705,600,000 equity shares of face value ₹10 each)		
	5,750.3	-
B. Other investments		
a. Non-Current Assets		
At amortised cost		
Quoted		
Tax free Bonds	-	4,238.9
	-	4,238.9
b. Current Assets		
At amortised cost		
Quoted		
Treasury Bills - Government Securities	-	399.8
Considered as 'Cash and cash equivalents' for the purpose of 'Statement of Cash Flows'	-	399.8
TOTAL OTHER INVESTMENTS (a + b)	-	4,638.7
Market value of quoted investments (Non-current)	-	4,488.7
Market value of quoted investments (Current)	-	399.8
Aggregate amount of impairment in value of investment	-	-
8 LOANS		
A. Non-Current Assets		
Unsecured, considered good		
Loans to employees	80.9	80.1
	80.9	80.1
B. Current Assets		
Unsecured, considered good		
Loans to employees	103.1	110.1
	103.1	110.1
TOTAL LOANS (A + B)	184.0	190.2
9 OTHER FINANCIAL ASSETS		
A. Non-Current Assets		
Unsecured, considered good		
Security deposits	554.0	565.1
	554.0	565.1
B. Current Assets		
Recoverable from related parties	120.5	156.2
Derivative assets - forward contracts	23.4	4.8
Interest accrued on bank deposits/ tax free long term bonds etc.	1.6	168.3
Others	32.9	70.4
Unsecured, considered good		
Security deposits	68.8	63.0
Unsecured, credit impaired		
Security deposits	9.0	1.4
Less: Allowance for impairment	(9.0)	(1.4)
	247.2	462.7
TOTAL OTHER FINANCIAL ASSETS (A + B)	801.2	1,027.8

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

(₹ in million)		
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
10 DEFERRED TAX ASSETS / LIABILITIES (NET) ⁽¹⁾		
Deferred tax assets / (liabilities)		
Property, plant and equipment	(1,717.8)	(1,364.3)
Contingencies	738.3	764.0
Employee benefits - compensated absences and gratuity	295.9	346.2
Others	384.0	133.7
NET DEFERRED TAX ASSETS / (LIABILITIES)	(299.6)	(120.4)
⁽¹⁾ Refer note 36		
11 OTHER ASSETS		
A. OTHER NON-CURRENT ASSETS		
Investment in Insurance plan ⁽¹⁾	9,975.7	10,534.1
Capital advances	255.5	1,586.9
Prepaid Expense	15.3	15.7
Payments under protest with government authorities	1,498.2	1,243.0
	11,744.7	13,379.7
B. OTHER CURRENT ASSETS		
Investment in Insurance plan ⁽¹⁾	1,525.3	1,702.4
Unsecured, considered good		
Advances given to suppliers, employees etc.	261.5	274.1
Balances with government authorities	1,783.4	94.6
Prepaid expenses	331.7	216.8
Unsecured, credit impaired		
Advances given to suppliers, Balances with government authorities etc.	51.6	102.6
Less: Allowance for doubtful advances	(51.6)	(102.6)
	3,901.9	2,287.9
TOTAL OTHER ASSETS (A + B)	15,646.6	15,667.6

⁽¹⁾ Investment represents 'Reimbursement Rights' as defined under Ind AS 19 Employee Benefits to cover the defined benefit obligations under the 'Future Ready Plan'. (Refer note 32).

12 INVENTORIES

Inventories are stated at cost or net realisable value, whichever is lower. However, raw materials, packing materials and other supplies held for use in the production of inventories are not written down below cost if the finished goods in which they will be included are expected to be sold at or above cost.

Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

The basis of determining cost for various categories of inventories are as follows:

Raw and packing material	:	First-in-first out
Stock-in-trade (Goods purchased for resale)	:	Weighted average
Stores and spare parts	:	Weighted average
Work-in-progress and finished goods	:	Material cost plus appropriate share of production overheads, wherever applicable

Particulars	(₹ in million)	
	As at 31 st March, 2025	As at 31 st March, 2024
Raw materials {Includes in transit ₹681.6 million (31 st March'2024: ₹434.0 million)}	13,271.9	7,402.2
Packing materials {Includes in transit ₹0.6 million (31 st March'2024: ₹2.3 million)}	766.3	835.9
Work-in-progress	4,063.4	3,616.7
Finished goods	7,311.9	6,814.1
Stock-in-trade (goods purchased for resale) {Includes in transit ₹335.0 million (31 st March'2024: ₹223.3 million)}	1,237.8	785.6
Stores and spares {Includes in transit ₹37.8 million (31 st March'2024: ₹28.6 million)}	1,850.1	1,439.1
	28,501.4	20,893.6

During the year, an amount of ₹1,542.2 million (net of reversals) [Previous year 2023-24: ₹1,323.0 million] was charged to the statement of profit and loss on account of obsolete, damage and slow moving inventories.

13 TRADE RECEIVABLES (Unsecured unless otherwise stated)

Trade Receivables considered good ⁽¹⁾	3,712.7	3,075.8
Trade Receivables credit impaired	3.9	3.2
	3,716.6	3,079.0
Less: Loss allowance for credit impairment	(3.9)	(3.2)
Less: General allowance for expected credit loss (Refer note 37)	(81.2)	(71.2)
	3,631.5	3,004.6

⁽¹⁾ Includes receivables from related parties (Refer note 41)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

Ageing for Trade receivables from the due date of payment for each of the category as at 31st March 2025

(₹ in million)

Particulars	Not Due	Outstanding for following periods from the due date of payment					Total
		Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade Receivables Considered Goods	3,091.3	553.4	34.8	23.8	9.0	0.4	3,712.7
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables Credit Impaired	-	1.2	0.0	0.0	1.9	0.8	3.9
(iv) Disputed Trade Receivables Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant Increase in Credit Risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables Credit Impaired	-	-	-	-	-	-	-
Total Trade Receivables	3,091.3	554.6	34.8	23.8	10.9	1.2	3,716.6

Ageing for Trade receivables from the due date of payment for each of the category as at 31st March 2024

(₹ in million)

Particulars	Not Due	Outstanding for following periods from the due date of payment					Total
		Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade Receivables Considered Goods	2,589.6	420.5	40.7	20.8	1.9	2.3	3,075.8
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables Credit Impaired	-	0.3	-	0.8	0.1	2.0	3.2
(iv) Disputed Trade Receivables Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant Increase in Credit Risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables Credit Impaired	-	-	-	-	-	-	-
Total Trade Receivables	2,589.6	420.8	40.7	21.6	2.0	4.3	3,079.0

There are no unbilled receivables as at 31st March 2025 and 31st March, 2024.

There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member other than as disclosed in Related Party note 41.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include bank balances, cheques and drafts on hand including remittances in transit, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included as a component of cash and cash equivalents for the purpose of Statement of Cash Flows.

Particulars	(₹ in million)	
	As at 31 st March, 2025	As at 31 st March, 2024
Balances with banks		
on current accounts	484.6	1,427.2
on deposit accounts *	264.1	6,123.5
Cheques, drafts on hand including remittances in transit	13.1	38.0
	761.8	7,588.7

* The above deposits includes deposit of ₹264.0 million (previous financial year - ₹63.4 million) held as lien by banks against overdraft facility.

15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Earmarked Balances with Banks		
Unpaid dividend accounts	194.7	199.8
	194.7	199.8

16 EQUITY SHARE CAPITAL

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	No. of shares	Amount (₹ in million)	No. of shares	Amount (₹ in million)
Authorised				
Equity shares of face value ₹1 each* (Equity shares of face value ₹1 each as on 31 st March 2024)*	1,000,000,000	1,000.0	1,000,000,000	1,000.0
Issued, subscribed and fully paid up				
Equity shares of face value ₹1 each* (Equity shares of face value ₹1 each as on 31 st March 2024)*	964,157,160	964.2	964,157,160	964.2

a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year

Shares outstanding as at the beginning of the year	964,157,160	964.2	96,415,716	964.2
Increase in shares on account of split*	-	-	867,741,444	Not applicable
Shares outstanding as at the end of the year	964,157,160	964.2	964,157,160	964.2

*On and from the Record Date of 5th January 2024, the equity shares of the Company have been sub- divided, such that 1 (one) equity share having face value of ₹10/- (₹ ten only) each, fully paid-up, stands sub-divided into 10 (ten) equity shares having face value of ₹1/- (₹ one only) each, fully *paid-up*, ranking pari-passu in all respects. The Earnings per share for the prior periods have been restated considering the face value of ₹1/- each in accordance with Ind AS 33 - "Earnings per share".

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares with face value of ₹1 each, ranking *pari-passu*.

c) Equity shares held by holding companies

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
	No. of shares	No. of shares
Nestlé S.A.	330,513,990	330,513,990
Maggi Enterprises Limited (Subsidiary of Nestlé S.A.) (Ultimate holding company being Nestlé S.A.)	274,636,800	274,636,800

d) Shareholders holding more than 5% of equity shares

Serial No.	Name of the shareholder	As at 31 st March, 2025		As at 31 st March, 2024	
		No. of shares	% of holding	No. of shares	% of holding
1	Nestlé S.A.	330,513,990	34.28	330,513,990	34.28
2	Maggi Enterprises Limited	274,636,800	28.48	274,636,800	28.48

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
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e) Shareholdings by the Promoter's of the Company

Nestlé S.A.		
Number of Shares at the beginning of the year	330,513,990	33,051,399
Increase in shares on account of split*	-	297,462,591
Number of Shares at the end of the year	330,513,990	330,513,990
% of Total shares	34.28	34.28
% of change during the year	-	-
Maggi Enterprises Limited		
Number of Shares at the beginning of the year	274,636,800	27,463,680
Increase in shares on account of split*	-	247,173,120
Number of Shares at the end of the year	274,636,800	274,636,800
% of Total shares	28.48	28.48
% of change during the year	-	-

Particulars	(₹ in million)	
	As at 31 st March, 2025	As at 31 st March, 2024

17 OTHER EQUITY

Retained earnings	39,020.1	32,336.2
Capital Reserve	99.8	99.8
Items of Other Comprehensive Income:		
Effective portion of cash flow hedges	18.0	8.7
	39,137.9	32,444.7

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

Nature and description of reserve

- (i) **Retained Earnings** - Retained earnings are the accumulated profits earned by the Company till date, less dividend (including dividend distribution tax) and other distributions made to the shareholders.
- (ii) **Capital Reserve** - Capital Reserve is a reserve arising on business combination under common control due to difference between carrying amount of net assets acquired and consideration paid (as adjusted for amount recognized in retained earnings). The amount is not available for distribution to shareholders.
- (iii) **Effective portion of cash flow hedges** - The Company uses forward contracts to hedge its risks associated with foreign currency transactions relating to firm commitments and highly probable forecast transactions. This reserve represents the cumulative changes in fair value of forward contracts that are designated as Cash Flow Hedges. These will be reclassified to statement of profit and loss upon occurrence of the underlying forecasted transactions.

		(₹ in million)
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
18 BORROWINGS		
A. Non-Current Liabilities		
Unsecured loans		
Deferred VAT liabilities	224.8	254.8
	224.8	254.8
B. Current Liabilities		
Unsecured loans		
Deferred VAT liabilities ⁽¹⁾	51.6	56.6
Short term borrowing from banks ⁽²⁾	7,257.0	-
	7,308.6	56.6
TOTAL BORROWINGS (A + B)	7,533.4	311.4

⁽¹⁾ Represents Interest free loan from the state of Karnataka (repayable after 7 years from the date of disbursement in 10 equal instruments commencing from the year 2021) and Interest free loan from the state of Himachal Pradesh (repayable after 8 years from the year of deferment commencing from year 2021).

⁽²⁾ The Company has availed short term borrowing from banks (working capital loan and overdraft) at an interest rate of 6.7% to 7.5%, repayable within 30 days (as at 31st March 2024: Nil)

19 LEASE LIABILITIES

A. Non-Current Lease Liabilities	3,415.3	2,559.2
B. Current Lease Liabilities	719.8	574.7
TOTAL LEASE LIABILITIES (A + B)	4,135.1	3,133.9

Movement of Lease Liabilities

Balance at the beginning of the year	3,133.9	2,404.9
Add: Increase due to new leases	1,809.6	1,779.1
Add: Interest accrued during the period	270.2	243.9
Less: Lease payments	(1,032.0)	(1,243.4)
Less: Decrease due to early termination	(46.6)	(50.6)
Balance at the end of the year	4,135.1	3,133.9

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

		(₹ in million)	
Particulars	As at 31 st March, 2025	As at 31 st March, 2024	
20 PROVISIONS			
A. Non-Current Liabilities			
Employee benefits:			
Pension (Refer note 32)	18,597.7	17,703.5	
Other incentives and welfare benefits ⁽¹⁾	2,083.9	20,681.6	1,743.7
Contingencies (Refer note 34)	10,219.9	9,724.8	
	30,901.5	29,172.0	
B. Current Liabilities			
Employee benefits:			
Pension and Gratuity (Refer note 32)	2,147.7	2,378.6	
Other incentives and welfare benefits ⁽¹⁾	275.1	2,422.8	237.6
TOTAL PROVISIONS (A + B)	33,324.3	31,788.2	

⁽¹⁾ Includes compensated absences, restricted stock unit plans/ performance share unit plans, long service awards and ceremonial gifts.

21 OTHER LIABILITIES

A. Non-Current Liabilities			
Deferred Government Grants	136.4	154.6	
	136.4	154.6	
B. Current Liabilities			
Advance from customers ⁽¹⁾	274.8	158.0	
Statutory liabilities	1,761.9	1,147.3	
Others ⁽²⁾	122.0	463.8	
	2,158.7	1,769.1	
TOTAL OTHER LIABILITIES (A + B)	2,295.1	1,923.7	

⁽¹⁾ Finished goods to be supplied in the next financial year.

⁽²⁾ During the year, certain vendor related liabilities reclassified from "Other Current Liabilities" to "Other Financial Liabilities -Current " (Refer note 23). To facilitate comparability of information, the company has reclassified the comparative figures on the same basis.

22 TRADE PAYABLES

Total outstanding dues of micro enterprises and small enterprises	4,170.9	3,532.6
Total outstanding dues of creditors other than micro enterprises and small enterprises ⁽¹⁾	19,564.4	18,846.3
	23,735.3	22,378.9

⁽¹⁾ Includes payables to related parties (Refer note 41)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

b) AGEING OF TRADE PAYABLES

Ageing for Trade Payables as at 31st March 2025

(₹ in million)

Particulars	Unbilled Dues / Not Due	Outstanding for the following periods from due date of payment				Total
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) MSME	3,958.2	212.7	0.0	-	-	4,170.9
(ii) Others	18,715.6	822.0	4.8	2.8	19.2	19,564.4
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Trade Payables	22,673.8	1,034.7	4.8	2.8	19.2	23,735.3

Ageing for Trade Payables as at 31st March 2024

(₹ in million)

Particulars	Unbilled Dues / Not Due	Outstanding for the following periods from due date of payment				Total
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) MSME	3,384.3	148.3	-	-	-	3,532.6
(ii) Others	17,861.9	937.6	27.2	11.7	7.9	18,846.3
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Trade Payables	21,246.2	1,085.9	27.2	11.7	7.9	22,378.9

(₹ in million)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
23 OTHER FINANCIAL LIABILITIES		
Customers' credit balances and payables	3,839.5	2,894.9
Employee costs and reimbursements	2,896.2	2,870.8
Accrued expenses	500.0	-
Unpaid dividends ⁽¹⁾	194.7	199.8
Security deposits	77.7	68.8
Derivative liabilities - forward contracts	28.0	5.3
Interest accrued but not due on borrowings	13.3	-
Book Overdraft	3.6	2.3
	7,553.0	6,041.9

⁽¹⁾ No amount due and outstanding to be credited to Investor Education and Protection Fund.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

24 REVENUE FROM OPERATIONS

a) Sale of products

Revenue from sale of goods is recognised on transfer of control of goods to the buyer. Revenue is measured at the price charged to the customer and are recorded net of returns (if any), trade discounts, rebates, other pricing allowances to trade/consumer, when it is probable that the associated economic benefits will flow to the Company. Accumulated experience is used to estimate and provide for sales return, trade discounts and other allowances.

The Performance obligation in contracts is considered as fulfilled in accordance with the terms agreed with the respective customers, which is mainly upon arrival at the customer place. The payment terms include advance payment and credit given to certain customers.

Revenue from sale of goods is presented net of Goods and Services Tax (GST).

Particulars	Financial Year ended 31 st March, 2025		Financial Year (Fifteen Months) ended 31 st March, 2024	
Domestic	192,926.7		233,006.2	
Export	7,848.3	200,775.0	9,748.6	242,754.8

Class-Wise Details of Sales of Products

Product groups	Financial Year ended 31 st March, 2025		Financial Year (Fifteen Months) ended 31 st March, 2024	
	Quantity (MT)	Amount (₹ in million)	Quantity (MT)	Amount (₹ in million)
Milk Products and Nutrition (includes dairy whitener, condensed milk, UHT milk, yogurt, maternal and infant formula, baby foods, health care nutrition)	125,771	76,575.5	168,143	98,687.2
Prepared Dishes and Cooking Aids (includes noodles, sauces, seasonings, pasta, cereals, pet food)	359,785	61,990.6	442,827	73,914.4
Powdered and Liquid Beverages (includes instant coffee, instant tea, ready to drink beverage)	30,153	28,881.1	38,039	30,206.5
Confectionery (includes bar countlines, tablets, sugar confectionery)	69,473	33,327.8	85,934	39,946.7
Sale of products	585,182	200,775.0	734,943	242,754.8

RECONCILIATION OF REVENUE FROM SALE OF PRODUCTS WITH THE CONTRACTED PRICE

Particulars	Financial Year ended 31 st March, 2025		Financial Year (Fifteen Months) ended 31 st March, 2024	
Contracted Price		208,696.7		250,535.1
Less: Rebates, discounts, allowances etc.		7,921.7		7,780.3
Sale of products		200,775.0		242,754.8

Contract liabilities are disclosed in Note 21 as advance from customers.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

b) Other Operating Revenue

Government Grants in relation to revenue and expenses are recognized when there is reasonable assurance that the entity will comply with the attached conditions and that the grant will be received. Such grants are recognized in Other operating revenues on a systematic basis.

Government grant in relation to property, plant and equipment is treated as deferred income and is recognised in the statement of profit and loss over the useful life of the asset.

		(₹ in million)
Particulars	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
Government Grants (Export Incentive and Production Linked Incentives)	711.4	646.5
Other operating income (mainly scrap sales)	529.2	537.6
	1,240.6	1,184.1

25 OTHER INCOME

Interest income is recognised using effective interest rate (EIR) method.

Interest on bank deposits, investments etc.	280.7	938.6
Interest on tax free long term bonds	286.6	541.0
Income from mutual funds	21.3	-
	588.6	1,479.6

26 COST OF MATERIALS CONSUMED

Raw materials	71,473.2	86,637.4
Packing materials	12,428.3	15,531.4
	83,901.5	102,168.8

27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Opening stock		
Finished goods	6,814.1	7,634.8
Work-in-progress	3,616.7	2,322.8
Stock-in-trade	785.6	802.0
	11,216.4	10,759.6
Closing Stock		
Finished goods	7,311.9	6,814.1
Work-in-progress	4,063.4	3,616.7
Stock-in-trade	1,237.7	785.6
	12,613.0	11,216.4
Net (increase)/ decrease in opening and closing stock	(1,396.6)	(456.8)

28 EMPLOYEE BENEFITS EXPENSE

Salaries, wages, bonus, pension, performance incentives etc. (Refer note 32)	17,640.1	20,550.1
Contribution to provident and other funds (Refer note 32)	1,155.6	1,363.1
Share based payments (Refer note 33)	168.2	206.8
Staff welfare expenses	1,273.2	1,240.6
	20,237.1	23,360.6

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

Particulars	(₹ in million)	
	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
29 FINANCE COSTS		
Interest cost on employee benefit plans (Refer note 32)	634.1	812.4
Interest on finance lease	270.2	243.9
Interest on bank overdraft and others (including interest on litigation cases)	538.2	398.6
Less: treated as capital expenditure	(82.4)	-
	1,360.1	1,454.9

30 DEPRECIATION AND AMORTISATION EXPENSE

Depreciation on property, plant and equipment (Refer note 6)	4,300.8	4,223.0
Depreciation on right-of-use assets (Refer note 6)	880.9	1,154.8
Impairment of property, plant and equipment (Refer note 6)	217.5	299.7
	5,399.2	5,677.5

Note: Figures for previous year / period have been regrouped wherever necessary.

31 OTHER EXPENSES

Finished goods handling, transport and distribution	8,770.6	10,572.5
Advertising and sales promotion	9,658.6	12,876.8
Power and fuel	5,366.5	6,748.3
General licence fees (net of taxes)	8,994.1	10,846.5
Withholding tax on general licence fees	897.1	1,087.6
Information technology and management information systems	1,802.2	1,938.9
Maintenance and repairs	1,380.0	1,691.8
Rates and taxes	90.8	97.2
Travelling	1,274.4	1,508.1
Rent	245.2	75.9
Contract manufacturing charges	1,167.6	1,208.3
Consumption of stores and spare parts	822.1	922.5
Training	83.5	102.7
Laboratory (quality testing)	326.4	402.2
Market research	665.4	645.0
Milk collection and district development	108.6	122.7
Security charges	219.8	238.2
Exchange difference (net)	146.1	24.1
Loss/(Profit) on property, plant & equipment sold/scrapped/ written off (net)	(23.8)	(66.6)
Insurance	243.6	179.3
Miscellaneous	3,538.4	3,175.2
	45,777.2	54,397.2

Note: Figures for previous year / period have been regrouped wherever necessary.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

32 EMPLOYEE BENEFIT PLANS

- (i) The Company makes contributions to Provident Fund, Employee State Insurance, National Pension System etc. for eligible employees and these contributions are charged to statement of profit and loss on accrual basis. Under these plans, the Company is required to contribute a specified percentage of payroll costs. The Company has recognised ₹1,155.6 million (Previous year ₹1,363.1 million) as expense in the statement of profit and loss during the year towards contribution to these funds.

Out of the total contribution made for Provident Fund in the previous financial year, ₹78.9 million (current financial year ₹ Nil) was made to the Nestlé India Limited Employees Provident Fund Trust. Effective 01st February 2023, Nestlé India Limited Employees Provident Fund Trust was surrendered to the Regional Provident Fund and members balances including interest up to 31st January 2023 as per the audited financial statements of the said trust amounting to ₹5,477.8 million were transferred to Regional Provident Fund. All Provident Fund contributions effective 01st February 2023 onwards are made with the Regional Provident Fund.

During the period of operation of Trust, Trustees of Nestlé India Limited Employees Provident Fund Trust were responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and the relevant provisions prescribed under the law. Pattern of investment followed by the Trust was in accordance with the rules prescribed by the Government of India.

- (ii) Other Employee Benefits: Short term employee benefits including performance incentives, are charged to statement of profit and loss on an undiscounted, accrual basis during the period of employment.
- (iii) Pension and Gratuity Plans: The Company provides pension and gratuity to eligible employees under defined benefit plans.

The gratuity plan provides for a lump sum payment to employees upon vesting at retirement, death while in employment or on termination of employment. Gratuity vesting occurs upon completion of five years of service. The Company makes contributions to the Nestlé India Limited Employees' Gratuity Trust Fund. The Trustees of Nestlé India Limited Employees Gratuity Trust Fund are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and the relevant provisions prescribed under the law. Pattern of investment followed by the Gratuity Trust fund is in accordance with the rules prescribed by the Government of India. The Company aims to keep annual contributions to the trust relatively stable at a level such that no significant gap arises between plan assets and liabilities.

Defined benefit pension plans are discretionary and consist of an unfunded defined benefit pension plan and a funded defined benefit pension plan (known as 'Future Ready plan'). The unfunded defined benefit plan exposes the Company to risks, such as interest rate risk, inflation risk, price risk, longevity risk etc.

Liability for defined benefit plans i.e. gratuity and 'unfunded pension plan' is determined based on the actuarial valuation carried out by an independent actuary as at the year-end. As these liabilities are relatively long term in nature, the actuarial assumptions take into account the requirements of the relevant Ind AS coupled with a long-term view of the underlying variables / trends, wherever required.

For funded defined benefit pension plan, the Company has made investments in appropriate Investment product of an Insurance company to cover the obligations. The amount and timing of the defined benefits payable under the Future Ready plan match with the amounts recoverable from the Investment product. The accumulated investment balance shall be utilised to purchase pension annuities from the Insurance company for the employees as per the 'Future Ready Plan'. The plan exposes the Company to risks such as credit risk etc. Also, refer note 4 to the financial statements for description of pension plan amendment and settlement.

Liability for funded defined benefit pension plan (Future ready plan) has been determined in 2021 based on actuarial valuation carried out by an independent actuary for past period of services and frozen. The obligation so determined is invested in an appropriate investment product of an Insurance company and is recognized as having 'reimbursement rights' as per Ind AS 19 Employee Benefits. This investment will

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

earn interest and the corresponding defined benefit liability will be increased with this interest amount. The amount recoverable from the investment product would be utilized for payment of the defined benefits payable under the Future Ready plan. Also refer to note 4 of the financial statements.

Service cost and net interest cost on the defined benefit liabilities/assets are recognized in the statement of profit and loss as employee benefit expense and finance costs respectively. Gains and losses on remeasurement of defined benefits liabilities/plan assets arising from changes in actuarial assumptions and experience adjustments are recognised in the other comprehensive income and are included in retained earnings in the balance sheet.

Long term employee benefits such as compensated absences and long service awards are charged to statement of profit and loss on the basis of an actuarial valuation carried out by an independent actuary as at the year end. Actuarial gains and losses are recognised in full in the statement of profit and loss during the year in which they occur.

a) MOVEMENT IN DEFINED BENEFIT OBLIGATIONS AND PLAN ASSETS

Particulars	Financial Year ended 31 st March 2025			Financial Year (Fifteen Months) ended 31 st March 2024		
	Gratuity Scheme Funded Plan	Pension Scheme Funded Future Ready Plan	Pension Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Pension Scheme Funded Future Ready Plan	Pension Scheme Unfunded Plan
(i) Change in defined benefit obligation (DBO):						
Present Value of obligation, as at the beginning of the year	3,038.1	12,236.5	7,537.6	2,615.3	13,189.4	7,521.9
Current service cost	197.3	-	426.1	207.6	414.6	-
Past service cost	-	-	-	-	-	1,109.8
Settlement cost	-	-	-	-	-	306.0
Interest cost	205.0	903.3	512.6	223.2	1,175.8	669.3
Actuarial loss/(gain)	125.0	-	954.4	296.4	-	345.1
Actual benefits paid	(220.2)	(1,638.7)	(105.5)	(304.4)	(2,128.7)	(272.4)
Settlement to Insurance Company for Pensioners	-	-	(325.3)	-	-	(2,556.7)
Divestitures	(85.0)	-	-	-	-	-
Present Value of obligation, as at the end of the year	3,260.2	11,501.1	8,999.9	3,038.1	12,651.1	7,123.0
(ii) Change in plan assets:						
Plan assets, as at the beginning of the year	2,730.1	-	-	2,513.9	-	-
Expected return on plan assets	194.2	-	-	224.3	-	-
Contribution by the Company	309.0	-	-	228.0	-	-
Return on plan assets, greater/(lesser) than expected return	2.7	-	-	68.3	-	-
Actual benefits paid	(220.2)	-	-	(304.4)	-	-
Plan assets, as at the end of the year	3,015.8	-	-	2,730.1	-	-
Net Liability recognised in the balance Sheet	244.4	11,501.1	8,999.9	308.0	12,651.1	7,123.0
<i>of which accounted as:</i>						
Non-current provisions	-	9,975.7	8,622.0	-	10,534.1	7,169.4
Current provisions	244.4	1,525.4	377.9	308.0	1,702.4	368.2

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

Particulars	Financial Year ended 31 st March 2025			Financial Year (Fifteen Months) ended 31 st March 2024		
	Gratuity Scheme Funded Plan	Pension Scheme Funded Future Ready Plan	Pension Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Pension Scheme Funded Future Ready Plan	Pension Scheme Unfunded Plan
(iii) Re-imbursement Rights						
Opening Balance as at the beginning of the year	-	12,236.5	-	-	13,189.4	-
Investments during the year	-	-	-	-	-	-
Return on Investments	-	903.3	-	-	1,175.8	-
Benefit Payments	-	(1,638.7)	-	-	(2,128.7)	-
Investments as at the end of the year	-	11,501.1	-	-	12,236.5	-
(iv) Constitution of plan assets						
Quoted						
Mutual funds	-	-	-	-	-	-
Funding with insurance Companies	3,014.1	-	-	2,703.2	-	-
Unquoted						
Cash at bank and receivables	1.7	-	-	26.9	-	-
Total plan assets	3,015.8	-	-	2,730.1	-	-
(v) Cost recognised in the statement of profit and loss						
Current service cost	197.3	-	426.1	207.6	-	414.5
Past service cost ⁽¹⁾	-	-	-	-	-	1,109.8
Settlement cost ⁽¹⁾	-	-	-	-	-	306.0
Interest cost ⁽²⁾	205.0	903.3	512.6	223.2	1,175.8	669.3
Expected return on plan assets/re-imbursement rights	(194.2)	(903.3)	-	(224.4)	(1,175.8)	-
Net cost	208.1	-	938.7	206.4	-	2,499.6
(vi) Re-measurements recognised in other comprehensive income						
Actuarial loss/(gain)						
Change in financial assumptions	87.6	-	365.2	(63.0)	-	386.0
Change in demographic assumptions	-	-	-	131.0	-	433.8
Experience adjustments	37.4	-	589.2	228.5	-	(474.6)
Return on plan assets, (greater)/lesser than expected return	(2.7)	-	-	(68.4)	-	-
Net cost	122.3	-	954.4	228.1	-	345.2

⁽¹⁾ As mentioned in Note 4, an amount of ₹972.2 million included in past service cost and settlement cost of previous financial year was shown under exceptional items.

⁽²⁾ Total Interest cost on employee benefit plans recognised in statement of profit and loss is ₹634.1 million (Previous year ₹812.4 million). This includes ₹523.4 million (Previous year ₹668.1 million) towards pension and gratuity and balance amount ₹110.7 million (Previous year ₹144.3 million) towards compensated absences and long service awards.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

b) KEY ACTUARIAL ASSUMPTIONS

Particulars	Financial Year ended 31 st March 2025		Financial Year (Fifteen Months) ended 31 st March 2024	
	Gratuity Scheme Funded Plan	Pension Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Pension Scheme Unfunded Plan
Discount Rates (%)	6.75	6.75	7.00	7.00
Expected rate of salary increases (%) ⁽¹⁾				
First 5 years	3.4 to 15.9		3.8 to 15.9	
Beyond five years	2.3 to 11.8		2.3 to 13.5	
Expected rate of Pension increases (%)	-	3.50	-	3.50
Mortality assumptions:				
in service	Indian Assured Lives Mortality (modified 2006-08) Ultimate rates	Indian Assured Lives Mortality (modified 2006-08) Ultimate rates	Indian Assured Lives Mortality (modified 2006-08) Ultimate rates	Indian Assured Lives Mortality (modified 2006-08) Ultimate rates
in retirement (for pension scheme)		Indian Individual Annuitant's Mortality Table (2012-15) with 10% past improvement and 0.5% future mortality improvement		Indian Individual Annuitant's Mortality Table (2012-15) with 10% past improvement and 0.5% future mortality improvement

⁽¹⁾ Refers to range of average salary escalation rates for different category of employees.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, performance, promotion and other relevant factors such as demand and supply in the employment market. As defined benefits obligations are of relatively long term in nature, the actuarial assumptions take in account the requirements of the relevant Ind AS coupled with a long term view of the underlying variables / trends, wherever required.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

c) SENSITIVITY ANALYSIS

Sensitivity of the defined benefit obligation to changes in key actuarial assumptions

Particulars	Financial Year ended 31 st March 2025		Financial Year (Fifteen Months) ended 31 st March 2024	
	Gratuity Scheme Funded Plan	Pension Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Pension Scheme Unfunded Plan
Present Value of obligation - Reported	3,260.2	8,999.9	3,038.1	7,537.6
Discount rates				
Increase of 50 basis point	3,091.9	8,420.3	2,890.7	7,057.2
Decrease of 50 basis point	3,430.3	9,643.0	3,198.5	8,071.2
Expected rate of salary increases				
Increase of 50 basis point	3,398.7	9,710.4	3,145.7	8,144.2
Decrease of 50 basis point	3,125.7	8,346.0	2,901.1	6,985.4
Expected rate of Pension increases				
Increase of 50 basis point	-	9,469.5	-	7,930.2
Decrease of 50 basis point	-	8,572.7	-	7,180.1
Life expectancy				
Increase by 1 year	-	9,008.1	-	7,546.9
Decrease by 1 year	-	8,993.6	-	7,530.2

Sensitivities are calculated using the same actuarial method as applied for the calculation of present value of the defined benefit obligation. Sensitivity calculations are based on change in the respective assumption while keeping other assumptions constant.

Particulars	Financial Year ended 31 st March 2025			Financial Year (Fifteen Months) ended 31 st March 2024		
	Gratuity Scheme Funded Plan	Pension Scheme Funded Future Ready Plan	Pension Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Pension Scheme Funded Future Ready Plan	Pension Scheme Unfunded Plan
d) WEIGHTED AVERAGE DURATION OF THE DEFINED BENEFIT OBLIGATION	11.8 years	9.8 years	14.1 years	11.7 years	9.2 years	14.4 years
e) EXPECTED CONTRIBUTION TO THE TRUST	244.4	-	-	308.0	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

33 RESTRICTED STOCK UNIT (RSU) / PERFORMANCE SHARE UNIT (PSU) PLAN

The Company participates in the Nestlé Restricted Stock Unit (RSU) / Performance Share Unit (PSU) Plan of Nestlé S.A., whereby select employees are granted non-tradable units with the right to obtain Nestlé S.A. shares or cash equivalent. Restricted Stock Units (RSU) / Performance Share Units (PSU) granted to employees vest, subject to certain conditions, after completion of three years. Upon vesting Nestlé S.A. determines, whether shares, free of charge or cash equivalent to the value of shares, is to be transferred to the employee. The fair value of these units is charged to the statement of profit and loss over the vesting period. The Company has to pay Nestlé S.A. an amount equivalent to the value of Nestlé S.A. shares on the date of vesting, delivered to the employee.

The details are as under:

Particulars	Financial Year ended 31 st March, 2025	(₹ in million)
		Financial Year (Fifteen Months) ended 31 st March, 2024
Outstanding, non-vested RSU / PSU grants as at year end	203.9	180.3
RSU / PSU grants vested during the year	144.7	336.1
Recognised in statement of profit and loss	168.2	206.8

The details on number of grants is as under:

Particulars	31 st March, 2025	31 st March, 2024
Outstanding, non-vested RSU/ PSU grants as at beginning of the year	59,443	62,903
RSU / PSU grants granted during the year	30,174	44,775
RSU / PSU grants vested/reversed during the year	21,588	48,235
Outstanding, non-vested RSU / PSU grants as at year end	68,029	59,443
Share price used for valuation of grants at year end (in ₹)	8,690	8,816

34 NET PROVISION FOR CONTINGENCIES

The Company has created a contingency provision of ₹759.0 million (Previous year ₹1,010.2 million) for various contingencies resulting mainly from matters, which are under litigation / related disputes and other uncertainties requiring management judgement. The Company has also reversed/utilised contingency provision of ₹263.9 million (Previous year ₹2,026.1 million) due to the settlement of certain litigations and settlement of obligations for which provision is no longer required.

The movement of provisions is given below:

Particulars	Financial Year ended 31 st March 2025				Financial Year (Fifteen Months) ended 31 st March 2024			
	Litigations and related disputes		Others	Total	Litigations and related disputes		Others	Total
	Indirect Taxes	Other Litigations			Indirect Taxes	Other Litigations		
Opening balance	2,624.0	6,376.4	724.4	9,724.8	3,975.6	5,752.3	1,012.8	10,740.7
Transfer In / Out	-	-	-	-	-	-	-	-
New provisions	117.8	641.2	-	759.0	159.5	715.5	135.2	1,010.2
Reversals/Utilisation during the year	-	(1.9)	(262.0)	(263.9)	(1,511.1)	(91.4)	(423.6)	(2,026.1)
Closing balance	2,741.8	7,015.7	462.4	10,219.9	2,624.0	6,376.4	724.4	9,724.8

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

- (1) Litigations and related disputes - represents estimates made mainly for probable claims arising out of litigations / disputes pending with authorities under various statutes (i.e. Excise Duty, Service Tax, Entry tax, Income Tax, Labour Laws, Value Added Tax, Sales and Purchase Tax, Goods and Service Tax etc.). This includes positions taken on matters under dispute involving judgements and assumptions to determine the possible outcome. The probability and the timing of the outflow with regard to these matters depend on the ultimate settlement / conclusion with the relevant authorities.
- (2) Others - represents estimates for other uncertainties requiring management judgement. The timing and probability of outflow with regard to these matters will depend on the external environment and the consequent decision/ conclusion by the Management.

Particulars	(₹ in million)	
	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
35 CORPORATE SOCIAL RESPONSIBILITY EXPENSE		
(a) Prescribed CSR expenditure as per Section 135 of the Companies Act, 2013.	762.8	597.6
(b) Actual expenditure incurred during the financial year ⁽¹⁾	766.2	685.8
(c) Excess spent available for set off in succeeding financial years.	-	88.2
(d) Paid in Cash ⁽²⁾		
- Pertaining to Current Financial Year	678.0	685.8
- Pertaining to Previous Financial Year	-	-
(e) Expenditure incurred during the financial year and remaining unpaid.	-	-
(f) At Nestlé India, under CSR we focus our efforts in society on the overarching ambitions that make an impact in the area of nutrition awareness, water, sanitation, education, enhancing livelihood, rural development projects, ensuring environment sustainability, feeding support and disaster management including relief.		
(g) Above does not include any related party transactions.		
(h) The Company did not wish to carry forward any excess amount spent during the financial year ending March 2025.		

⁽¹⁾ FY 2024-25 includes amount of ₹88.2 million excess spent in previous financial year availed for set off in current financial year.

⁽²⁾ Includes amount paid for acquisition/ construction of assets Nil (Previous Year Nil).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

36 (a) TAX EXPENSE

Income tax expense comprises of current tax and deferred tax. Income tax expense is recognised in the statement of profit and loss, except when it relates to items recognised in the other comprehensive income or items recognised directly in the equity. In such cases, the income tax expense is also recognised in the other comprehensive income or directly in the equity as applicable. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation or under dispute with authorities and establishes provisions where appropriate.

Provision for current tax for the period comprises of:

- (a) estimated tax expense which has accrued on the profit for the period 1st April 2024 to 31st March 2025 and,
- (b) the residual tax expense for the period 1st April 2023 to 31st March 2024 arising out of the finalisation of fiscal accounts (Assessment Year 2024-2025), under the provisions of the Indian Income tax Act, 1961.

Deferred taxes are recognised basis the balance sheet approach on temporary differences, being the difference between the carrying amount of assets and liabilities in the Balance Sheet and its corresponding tax base, that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent it is probable that future taxable profits will be available against which such assets can be utilized.

Particulars	Financial Year ended 31 st March, 2025	(₹ in million)
		Financial Year (Fifteen Months) ended 31 st March, 2024
i Recognised in the statement of profit and loss		
Current Tax	10,951.8	13,156.8
Deferred Tax	133.5	403.5
	11,085.3	13,560.3
ii Recognised in other comprehensive income		
Current Tax	(305.5)	(117.4)
Deferred Tax	37.6	(27.0)
	(267.9)	(144.4)
Of which:		
on re-measurement of retiral defined benefit plans	(271.0)	(144.3)
on changes in fair value of cash flow hedges	3.1	(0.1)
Total Taxes		
Current Tax	10,646.3	13,039.5
Deferred Tax	171.1	376.5
	10,817.4	13,416.0

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

iii Reconciliation of tax expense recognised in the statement of profit and loss with Profit before tax (PBT) multiplied by the Statutory tax rate:

Particulars	Financial Year ended 31 st March, 2025	(₹ in million)
		Financial Year (Fifteen Months) ended 31 st March, 2024
Profit before Tax	43,161.2	52,888.7
Statutory Income tax rate	25.17%	25.17%
Tax expense at Statutory Income tax rate	10,862.8	13,311.0
Tax effect of permanent adjustments made for computing taxable income		
Non-deductible expenses	263.5	637.0
Income exempt from tax	(12.2)	(136.2)
Other adjustments	(28.8)	(251.5)
(Including adjustments for base period)		
Tax expense recognised in the statement of profit and loss	11,085.3	13,560.3

(b) MOVEMENT IN DEFERRED TAXES

For the year ended 31st March 2025

Particulars	Opening balance	Recognised in the statement of profit and loss ⁽²⁾	Recognised in other comprehensive income	(₹ in million)
				Closing balance
Deferred tax assets / (liabilities)				
Property, plant and equipment and Intangible assets	(1,364.3)	(353.5)	-	(1,717.8)
Contingencies	764.0	(25.7)	-	738.3
Employee benefits- compensated absences and gratuity	346.2	(15.8)	(34.5)	295.9
Others ⁽¹⁾	133.7	253.4	(3.1)	384.0
Net deferred tax assets / (liabilities)	(120.4)	(141.6)	(37.6)	(299.6)

For the year ended 31st March 2024

Particulars	Opening balance	Recognised in the statement of profit and loss	Recognised in other comprehensive income	(₹ in million)
				Closing balance
Deferred tax assets / (liabilities)				
Property, plant and equipment	(1,378.1)	13.8	-	(1,364.3)
Contingencies	1,181.2	(417.2)	-	764.0
Employee benefits- compensated absences and gratuity	349.4	(30.1)	26.9	346.2
Others*	103.6	30.0	0.1	133.7
Net deferred tax assets / (liabilities)	256.1	(403.5)	27.0	(120.4)

⁽¹⁾ Others represent tax impact of temporary differences arising out of right of use assets, gain on business transfer to the extent recognised as intangible asset by associate, expenses deductible on payment basis and other similar items.

⁽²⁾ Amount includes deferred tax movement recognised under "Share of (profit) / loss of associate accounted for using the equity method" (net of tax).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

37 FINANCIAL INSTRUMENTS

a) RECOGNITION AND INITIAL MEASUREMENT

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition except trade receivables which are initially recognised at transaction price as they do not contain a significant financing component. Transaction costs in relation to financial assets and financial liabilities, other than those carried at fair value through profit or loss (FVTPL), are added to the fair value on initial recognition. Transaction costs in relation to financial assets and financial liabilities which are carried at fair value through profit or loss (FVTPL), are charged to the statement of profit and loss.

b) CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS

For the purpose of subsequent measurement, financial assets are classified as follows:

Amortised cost - Financial assets that are held within a business model whose objective is to hold the asset in order to collect contractual cash flows that are solely payments of principal and interest are subsequently measured at amortised cost less impairment, if any. Interest income calculated using effective interest rate (EIR) method and impairment loss, if any are recognised in the statement of profit and loss.

Fair value through other comprehensive income (FVOCI) - Financial assets that are held within a business model whose objective is achieved by both holding the asset in order to collect contractual cash flows that are solely payments of principal and interest and by selling the financial assets, are subsequently measured at fair value through other comprehensive income. Changes in fair value are recognized in the other comprehensive income (OCI) and on derecognition, cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit and loss. Interest income calculated using EIR method and impairment loss, if any are recognised in the statement of profit and loss.

Fair value through profit or loss (FVTPL) - A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss. Changes in fair value and income on these assets are recognised in the statement of profit and loss.

c) CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL LIABILITIES

For the purpose of subsequent measurement, financial liabilities are classified as follows:

Amortised cost - Financial liabilities are classified as financial liabilities at amortised cost by default. Interest expense calculated using EIR method is recognised in the statement of profit and loss.

Fair value through profit or loss (FVTPL) - Financial liabilities are classified as FVTPL if it is held for trading, or is designated as such on initial recognition. Changes in fair value and interest expense on these liabilities are recognised in the statement of profit and loss.

d) DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows including risks and rewards of ownership. A financial liability is derecognised when the obligation under the liability is discharged or expires.

e) IMPAIRMENT OF FINANCIAL ASSETS

Financial assets (debt instruments) that are carried at amortised cost and fair value through other comprehensive income (FVOCI) are assessed for possible impairments basis expected credit losses taking into account the past history of recovery, risk of default of the counterparty, existing market conditions etc. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For Trade receivables, the Company provides for expected credit losses based on a simplified approach as per Ind AS 109 – Financial Instruments. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

f) DERIVATIVES AND HEDGE ACCOUNTING

Derivative instruments used by the company include forward contracts. The Company formally establishes a hedge relationship between such forward contracts ('hedging instrument') and recognized financial asset/liabilities ('hedged item') through a formal documentation at the inception of the hedge. Forward contracts are designated as hedging instruments against changes in fair value of recognised assets and liabilities (fair value hedges) and against highly probable forecast transactions (cash flow hedges). The effectiveness of hedge instruments is assessed at the inception and on an ongoing basis.

Derivatives instruments such as forward contracts are initially measured at fair value. When a forward contract is designated as a cash flow hedge, the effective portion of change in the fair value of the contract is recognised in the other comprehensive income and accumulated in other equity under "effective portion of cash flow hedges". Amount recognised in other equity is subsequently reclassified to the statement of profit and loss upon occurrence of the related forecasted transaction. Any ineffective portion of the change in the fair value of the contract is recognised immediately in the statement of profit and loss.

Changes in fair value of forward contracts designated as fair value hedge are recognised in the statement of profit and loss.

g) FAIR VALUE MEASUREMENT

Fair value of financial assets and liabilities is normally determined by references to the transaction price or market price. If the fair value is not reliably determinable, the company determines the fair value using valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

h) FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	Note	(₹ in million)	
		As at 31 st March, 2025	As at 31 st March, 2024
Financial Assets			
(i) Measured at Amortised Cost			
Investments			
Long Term Tax free Bonds	7	-	4,238.9
Treasury Bills - Government Securities	7	-	399.8
Trade receivables	13	3,631.5	3,004.6
Cash and cash equivalents	14	761.8	7,588.7
Bank Balances other than cash and cash equivalents	15	194.7	199.8
Loans	8	184.0	190.2
Other financial assets	9	777.8	1,023.0
		5,549.8	16,645.0
(ii) Measured at Fair Value through Profit & Loss			
Investment in Mutual Funds	7	-	-
Derivative assets - forward contracts	9	23.4	4.8
		23.4	4.8
Total Financial Assets (i+ii)		5,573.2	16,649.8

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

(₹ in million)			
Particulars	Note	As at 31 st March, 2025	As at 31 st March, 2024
Financial Liabilities			
(i) Measured at Amortised Cost			
Borrowings	18	7,533.4	311.4
Lease liabilities	19	4,135.1	3,133.9
Trade payables	22	23,735.3	22,378.9
Payables for capital expenditure		2,502.8	5,741.2
Others financial liabilities	23	7,525.0	6,036.6
		45,431.6	37,602.0
(ii) Measured at Fair Value through Profit & Loss			
Derivative liabilities - forward contracts	23	28.0	5.3
		28.0	5.3
Total Financial Liabilities (i+ii)		45,459.6	37,607.3

i) FAIR VALUE HIERARCHY

(i) Financial assets/liabilities at amortised cost		
The carrying amount of financial assets and financial liabilities measured at amortised cost are a reasonable approximation of their fair values except Investments for which the fair value are as follows:		
Fair value of Investments measured at amortised cost (Level 1)	-	4,888.5
(ii) Financial assets at fair value through other comprehensive income		
Investment in Equity Shares (Level 3)	-	-
(iii) Financial assets at fair value through profit & loss		
Investment in Mutual Funds (Level 1)	-	-
Derivative assets - forward contracts (Level 2)	23.4	4.8
(iv) Financial liabilities at fair value through profit & loss		
Derivative liabilities - forward contracts (Level 2)	28.0	5.3

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

Level 1: The fair value of financial instruments that are quoted in active markets are determined on the basis of quoted price for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques based on observable market data.

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). Fair value of investment in unquoted equity shares is determined using discounted cash flow technique.

There are no transfers between different fair value hierarchy levels in financial year 2024-25 and in the previous financial year ended 31st March, 2024.

j) FINANCIAL RISK MANAGEMENT

In the course of its business, the Company is exposed to a number of financial risks: liquidity risk, credit risk and market risk. This note presents the Company's objectives, policies and processes for managing its financial risk.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

(i) Liquidity risk

Liquidity risk refers to risk that the Company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled in cash or other financial assets. The Company regularly monitors the rolling forecasts to ensure that sufficient liquidity is maintained on an ongoing basis to meet operational needs. The Company manages the liquidity risk by planning the investments in a manner such that the desired quantum of funds could be made available to meet any of the business requirements within a reasonable period of time. In addition, the Company also maintains flexibility in arranging the funds by maintaining committed credit lines with various banks to meet the obligations.

Maturities of financial liabilities:

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

		(₹ in million)		
Particulars	Carrying amount	Undiscounted Amount		
		Less than 1 year	Beyond 1 year	Total
For the year ended 31 st March 2025				
Borrowings	7,533.4	7,308.6	339.4	7,648.0
Lease liabilities	4,135.1	962.6	4,818.2	5,780.8
Trade payables	23,735.3	23,735.3	-	23,735.3
Payables for capital expenditure	2,502.8	2,502.8	-	2,502.8
Others financial liabilities	7,525.0	7,525.0	-	7,525.0
Derivative liabilities - forward contracts	28.0	28.0	-	28.0
	45,459.6	42,062.3	5,157.6	47,219.9

(₹ in million)				
Particulars	Carrying amount	Undiscounted Amount		
		Less than 1 year	Beyond 1 year	Total
For the year ended 31st March 2024				
Borrowings	311.4	56.6	391.2	447.8
Lease liabilities	3,133.9	753.7	3,194.5	3,948.2
Trade payables	22,378.9	22,378.9	-	22,378.9
Payables for capital expenditure	5,741.2	5,741.2	-	5,741.2
Others financial liabilities	6,036.6	6,411.9	-	6,411.9
Derivative liabilities - forward contracts	5.3	5.3	-	5.3
	37,607.3	35,347.6	3,585.7	38,933.3

(ii) Credit risk

Credit risk refers to risk of financial loss to the Company if a customer or a counter-party fails to meet its contractual obligations. The Company has following categories of financial assets that are subject to credit risk evaluation:

Investments

Company invests in liquid mutual funds, tax free long term bonds, treasury bills, deposit with banks etc. Funds are invested in accordance with the Company's established Investment policy that includes parameters of safety, liquidity and post tax returns. Company avoids the concentration of credit risk by

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

spreading them over several counterparties with good credit rating profile and sound financial position. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis. Based on historical experience and credit profiles of counterparties, the company does not expect any significant risk of default.

Trade receivables

Credit risk arising from trade receivables is managed in accordance with the Company's established policy with regard to credit limits, control and approval procedures. The Company provides for expected credit losses on trade receivables based on a simplified approach as per Ind AS 109. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset. This allowance is measured taking into account credit profile of the customer, geographical spread, trade channels, past experience of defaults, estimates for future uncertainties etc.

Movement in expected credit loss allowance on trade receivables:

Particulars	As at 31 st March, 2025	(₹ in million) As at 31 st March, 2024
Balance as at the beginning of the year	71.2	71.2
Movement during the year	10.0	-
Balance as at the end of the year	81.2	71.2

Other financial assets

Other financial assets include employee loans, security deposits etc. Based on historical experience and credit profiles of counterparties, the Company does not expect any significant risk of default.

The Company's maximum exposure to credit risk for each of the above categories of financial assets is their carrying values as at the reporting dates.

(iii) Market Risk

Interest rate risk

Interest rate risk refers to risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market interest rates. The Company is not exposed to any significant interest rate risk as borrowings are taken for a short term period at an agreed interest rate.

Price risk

Price risk refers to risk that the fair value of a financial instrument may fluctuate because of the change in the market price. The Company is not exposed to the significant price risk as there are no equity investments other than investment in associate which are measured at cost (Refer note 7).

Foreign currency risk

Foreign currency risk refers to risk that the fair value of future cash flows of an exposure may fluctuate due to change in the foreign exchange rates. The Company is exposed to foreign currency risk arising out of transactions in foreign currency. Foreign exchange risks are managed in accordance with Company's established policy for foreign exchange management. The Company enters into forward contracts as per the hedging policy to hedge against its foreign currency exposures.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

The foreign currency exposure of the Company as at the year end basis the closing exchange rates is as under:

Particulars	Currency	(₹ in million)			
		As at 31 st March 2025		As at 31 st March 2024	
		Hedged ⁽¹⁾	Unhedged	Hedged ⁽¹⁾	Unhedged
Against exports	USD	854.4	-	1,992.7	-
	EUR	-	-	-	6.8
	CHF	-	0.0	-	2.0
Against imports	USD	1,272.2	-	694.9	659.2
(Including Capital imports)	EUR	384.7	989.9	553.0	2,165.3
	AUD	215.0	72.3	217.0	14.5
	CHF	-	257.2	-	695.4
	GBP	-	215.1	-	322.5
	SGD	-	61.0	-	74.2
	MYR	-	-	-	2.2
	JPY	-	26.6	-	85.8
	NZD	-	-	-	19.8

⁽¹⁾ All the forward contracts are for hedging foreign currency exposures relating to the underlying transactions and firm commitments or highly probable forecast transactions.

Sensitivity analysis:

The impact of strengthening/weakening of foreign currencies on the outstanding exposure remaining unhedged at the year end is as under:

Particulars	Currency	(₹ in million)			
		As at 31 st March 2025		As at 31 st March 2024	
		Gain on appreciation	Loss on depreciation	Gain on appreciation	Loss on depreciation
	USD	-	-	33.0	(33.0)
	EUR	49.5	(49.5)	107.9	(107.9)
	AUD	3.6	(3.6)	0.7	(0.7)
	CHF	12.9	(12.9)	34.7	(34.7)
	GBP	10.8	(10.8)	16.1	(16.1)
	SGD	3.0	(3.0)	3.7	(3.7)
	MYR	-	-	0.1	(0.1)
	JPY	1.3	(1.3)	4.3	(4.3)
	NZD	-	-	1.0	(1.0)

k) DERIVATIVE FINANCIAL INSTRUMENTS

Derivative instruments used by the Company include forward contracts. All the forward contracts entered into are for the purpose of hedging foreign currency exposures relating to the underlying transactions and firm commitments or highly probable forecast transactions.

Particulars	(₹ in million)	
	As at 31 st March, 2025	As at 31 st March, 2024
(i) Fair value of cash flow hedges		
Derivative assets	23.4	4.8
Derivative liabilities	28.0	5.3
(ii) Notional value of cash flow hedges	3,924.3	3,527.8

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

Particulars	(₹ in million)	
	As at 31 st March, 2025	As at 31 st March, 2024
(iii) Movement in respect of designated cash flow hedges is summarised below:		
Balance as at the beginning of the year	8.7	9.1
Add: Gains/ (loss) recognised in other comprehensive income	(24.0)	26.7
Less: Gains/ (loss) reclassified to statement of profit and loss	(36.4)	27.2
Less: Net deferred taxes on the movement	3.1	(0.1)
Balance as at the end of the year	18.0	8.7

38 CAPITAL MANAGEMENT

The Company's capital management objective is to ensure that a sound capital base is maintained to support long term business growth and optimise shareholders value. Capital includes equity share capital and other equity reserves.

The Company's operations are funded primarily through internal accruals. Return to shareholders through dividend is monitored as per the laid down dividend distribution policy.

39 AUDITORS REMUNERATION⁽¹⁾

{included under Miscellaneous expense (Refer note-31)}

Particulars	(₹ in million)	
	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
(i) Statutory auditors' remuneration and expenses in respect of:		
a) Audit fees including limited review	19.4	20.3
b) Tax audit fees	0.9	1.0
c) Certification fees	1.4	1.8
d) Audit of employee trust accounts	0.3	0.3
e) Reimbursement of out-of-pocket expenses	0.9	1.0
	22.9	24.4
(ii) Cost auditors' remuneration and expenses in respect of:		
a) Cost audit fees	0.3	0.2
b) Certification fees	-	-
	0.3	0.2

⁽¹⁾ excluding applicable taxes

40 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	(₹ in million)	
	As at 31 st March, 2025	As at 31 st March, 2024
(i) Contingent liabilities		
Claims against the Company not acknowledged as debts:	40.8	38.7
Indirect Taxes		
(ii) Capital commitments		
Capital expenditure commitments remaining to be executed and not provided for [net of advances ₹255.5 million (previous year ₹1,586.9 million)]	4,968.6	13,100.4

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

41 RELATED PARTY DISCLOSURES

a) RELATED PARTY AND THEIR RELATIONSHIP

(i) Holding Companies

Nestlé S.A. (Ultimate Holding Company)

Maggi Enterprises Limited

(ii) Fellow subsidiaries with whom the Company had transactions

Nestlé Bangladesh Ltd.	Nestlé Middle East FZé
Centre De Recherche Et De	Nestlé Middle East Manufacturing
Cereal Partners (Malaysia) Sdn Bhd	Nestlé Nederland B.V.
Cereal Partners Gida Ticaret	Nestlé Nigeria Plc
CPW S.A.	Nestlé Operational Services Worldwide S.A.
Dongguan Hsu Chi Food Co., Ltd.	Nestlé Philippines, Inc.
Nespresso Nederland B.V.	Nestlé Polska S.A.
Nestec York Ltd	Nestlé Portugal, Unipessoal, Lda
Nestlé (South Africa) (Pty) Ltd	Nestlé Product Technology
Nestlé (Thai) Ltd.	Nestlé Products Sdn Bhd
Nestlé Aséan (Malaysia) Sdn Bhd	Nestlé Purina Petcare
Nestlé Australia Ltd	Nestlé R&D Center (Pte) Ltd
Nestlé Brasil Ltd.	Nestlé R&D Center, Inc.
Nestlé Business Services Lisbon	Nestlé R&D Centre India Private Ltd.
Nestlé Céntral And Wést Africa	Nestlé Regional Service Centre
Nestlé Chile S.A.	Nestlé ROH (Thailand) Ltd
Nestlé Cote D'Ivoire	Nestlé Rossiya LLC
Nestlé Deutschland AG	Nestlé Singapore (Pte) Ltd
Nestlé Dubai Manufacturing LLC	Nestlé Suisse S.A.
Nestlé Enterprises SA	Nestlé Turkiye Gida Sanayi A.S.
Nestlé Espana, S.A.	Nestlé UK Limited
Nestlé Francé S.A.S.	Nestlé USA Inc
Nestlé Ghana	Nestlé Vietnam Ltd.
Nestlé Global Services Italy Srl	Nestlé Waters Management & Technology
Nestlé Japan Ltd.	Nestrad S.A.
Nestlé Jordan	Nestrad S.A., Malaysia
Nestlé Kenya Limited	PT Nestlé Indonesia
Nestlé Lanka PLC	Quality Coffee Products Ltd.
Nestlé Manufacturing (Malaysia)	SMA Nutrition India Private Limited
Nestlé Mexico, S.A. de C.V.	Société des Produits Nestlé S.A.
Nestlé Nespresso S.A.	Nestlé Business Services India Private Limited
Nestlé Health Science U.S., LLC	

(iii) Associates

Dr. Reddy's and Nestlé Health Science Limited

(iv) Entities controlled by Key Management Personnel with whom the Company had transactions

Apollo Healthco Limited
Apollo Hospitals Enterprises Ltd
Apollo Pharmacies Limited
Apollo Health and Lifestyle Limited
Lifetime Wellness Rx

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

(v) Key Management Personnel

Executive Directors

Suresh Narayanan, Chairman and Managing Director

David Steven McDaniel, Executive Director - Finance & Control and CFO (upto 28th February 2023)

Svetlana Boldina, Executive Director - Finance & Control and CFO (w.e.f 1st March 2023)

Matthias Christoph Lohner, Executive Director-Technical (Upto 30th June 2023)

Satish Srinivasan, Executive Director-Technical (w.e.f 1st July 2023)

Independent Non-Executive Directors

P R Ramesh

Anjali Bansal

Alpana Parida

Suneeta Reddy (w.e.f 5th April 2024)

Sidharth Kumar Birla (w.e.f 12th June 2024)

Swati A. Piramal (upto 31st March 2024)

R. V. Kanoria (upto 12th May 2024)

(vi) Employees benefit trusts where control exists

Nestlé India Limited Employees Provident Fund Trust (upto 31st January 2023)

Nestlé India Limited Employees Gratuity Trust Fund

b) NATURE OF TRANSACTIONS

The transactions with the related parties have been entered in the ordinary course of business and are at arm's length.

at arm's length.

	(₹ in million)	
Particulars	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
Holding companies:		
(a) Dividends		
- Nestlé S.A.	8,428.1	10,312.0
- Maggi Enterprises Limited (Subsidiary of Nestlé S.A.)	7,003.2	8,568.7
(b) Expenses incurred		
- Nestlé S.A.	144.6	336.1
Fellow subsidiaries:		
(a) Sale of finished and other goods ⁽⁴⁾		
- Nestlé Enterprises SA	3,796.3	5,108.3
- Nestlé Bangladesh Limited	503.9	680.5
- Others	10.6	4.7
(b) Purchase of Property, Plant & Equipment		
- Nestlé R&D Centre India Private Ltd.	17.6	-
(c) Purchase of raw and packing materials		
- Nestrade S.A.	83.8	80.0
- Nestlé Enterprises SA	361.2	553.1
- Others	-	0.6
(d) Purchase of finished goods		
- Nestlé Lanka PLC	1,185.0	822.6
- Nestrade S.A.	123.6	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

Particulars	(₹ in million)	
	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
- Nestlé Enterprises SA	1,424.5	1,135.4
- Others	0.5	1.1
(e) General licence fees (net of taxes)		
- Société des Produits Nestlé S.A.	8,978.9	10,827.6
- CPW S.A.	15.2	18.9
(f) Expenses recovered ⁽¹⁾		
- Nestlé Operational Services Worldwide S.A.	118.5	231.5
- Nestlé Business Services India Private Limited	172.0	-
- Nestlé S.A.	-	6.5
- Nestlé Lanka PLC	31.8	122.2
- Nestlé Bangladesh Ltd	39.1	75.1
- Nestlé R&D Centre India Private Limited	63.8	92.0
- Société des Produits Nestlé S.A.	115.2	88.2
- Nestlé Middle East FZé	75.2	-
- Others	102.0	185.0
(g) Expenses incurred		
- Société des Produits Nestlé S.A.	47.5	64.4
- Nestlé R & D Center (Pte) Limited	61.7	75.8
- Nestlé Business Services India Private Limited	601.5	-
- Nestlé Operational Services Worldwide S.A.	29.5	54.0
- Others	74.2	199.3
(h) Information technology and management information systems		
- Nestlé Australia Ltd	1,303.9	1,295.9
(i) Slump sale of Nestlé Business Services ('NBS') Division		
- Nestlé Business Services India Private Limited	765.8	-
Associates & Joint Ventures		
(a) Slump sale of Health science business		
- Dr. Reddy's and Nestlé Health Science Limited	2,231.0	-
(b) Sale of finished and other goods		
- Dr. Reddy's and Nestlé Health Science Limited	255.8	-
Entities Controlled by Key Management Personnel:		
(a) Sale of finished and other goods		
- Apollo Healthco Limited	4,891.5	-
(b) Expenses incurred		
- Apollo Hospitals Enterprises Ltd	0.3	-
- Apollo Pharmacies Limited	0.5	-
- Lifetime Wellness Rx	2.1	-
Remuneration to Key Management personnel ⁽²⁾		
Executive directors		
- Short term employee benefits	325.8	436.8

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

Particulars	(₹ in million)	
	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
- Post employment benefits	60.8	9.3
- Share based payments	25.8	84.7
Non - Executive directors		
- Short term employee benefits (Sitting fee & Commission)	26.3	27.7
Contribution to Employee related trusts		
- Nestlé India Limited Employees Provident Fund Trust	-	78.9
- Nestlé India Limited Employees' Gratuity Trust Fund	309.0	228.0
Balance outstanding as at the year end ⁽³⁾		
Receivables from fellow subsidiaries ⁽⁴⁾	941.5	843.0
Payables to fellow subsidiaries	2,193.9	1,740.5
Receivables from Associates	63.5	-
Receivables from entities controlled by Key Managerial Personnel	252.7	-
Payables to entities controlled by Key Managerial Personnel	0.4	-
Payables to Key management personnel	17.7	18.8

Notes:

⁽¹⁾ Inclusive of Goods & Service Tax, wherever applicable.

⁽²⁾ As the liabilities for defined benefit obligations are provided based on actuarial valuation for the company as a whole, the amount pertaining to Key management personnel has not been included.

⁽³⁾ All outstanding balances are unsecured and are repayable/ receivable in cash. Amounts are interest free as receivable / payable in short term.

⁽⁴⁾ Excludes variable consideration - discounts and rebates accrued on sales of finished goods but not yet to be passed on to the customer. (Already netted off from revenue reported in Note 24 as per Ind AS 115)

42 SEGMENT REPORTING

Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within a single operating segment, namely Food. The food business incorporates product groups viz. Milk Products and Nutrition, Prepared Dishes and Cooking Aids, Powdered and Liquid Beverages and Confectionery (Refer note 24).

a) Information by Geographies

(i) Revenue from external customers

Particulars	(₹ in million)	
	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
India	192,926.7	233,006.2
Outside India	7,848.3	9,748.6
	200,775.0	242,754.8

(ii) The Company has business operations only in India and does not hold any assets outside India.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

b) Revenue from major customers

There is no single customer that accounts for more than 10% of the Company's revenue for the financial year ended 31st March 2025 and previous year ended 31st March 2024. The other disclosure requirements of Ind AS 108 are not applicable.

		(₹ in million)
Particulars	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
43 DIVIDENDS		
a) Dividend paid during the year		
Interim Dividend of ₹17 per share (Face Value ₹1) for 2024-25 [for previous year January 2023-March 2024: ₹167 per share (Face Value ₹10) and ₹7 per share (Face Value ₹1)]	16,390.7	22,850.6
Final Dividend of ₹8.5 per share for previous year January 2023 - March 2024 (Face Value ₹1) [for 2022: ₹75 per share] (Face Value ₹10)	8,195.3	7,231.2

b) Proposed Final Dividend

The Board of Directors have recommended a final dividend of ₹10.00 per equity share (Face Value of ₹1 per share) amounting to ₹9,641.6 million for the financial year 2024-25 after the balance sheet date. The same is subject to approval by the shareholders at the ensuing Annual General Meeting of the Company and therefore proposed final dividend has not been recognised as a liability as at the balance sheet date in line with Ind AS 10 on 'Events after the Reporting Period'.

On and from the Record Date of 5th January 2024, the equity shares of the Company have been sub-divided, such that 1 (one) equity share having face value of ₹10/- (₹ ten only) each, fully paid-up, stands sub-divided into 10 (ten) equity shares having face value of ₹1/- (₹ one only) each, fully paid-up, ranking *pari-passu* in all respects.

44 DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro Small Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

Particulars	(₹ in million)	
	Financial Year ended 31 st March, 2025	Financial Year (Fifteen Months) ended 31 st March, 2024
(i) Principal amount remaining unpaid	4,601.2	4,094.0
(ii) Interest due thereon remaining unpaid	-	-
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(v) Interest accrued and remaining unpaid	-	-
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

45 RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company has balance with the below-mentioned companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956:

(₹ in million)

S. No.	Name of Struck off Company	Nature of Transactions	Relationship with Struck off Company	Balance outstanding	
				As at 31 st March 2025	As at 31 st March 2024
1	Vaishno Enterprises Private Ltd	Sale of Goods	Customer	(0.1)	(0.1)
2	Atlantic Industries Limited	Sale of Goods	Customer	NA	(0.1)
3	Simran Enterprises (India) Limited	Sale of Goods	Customer	NA	(0.1)
4	KCL Foods Private Limited	Sale of Goods	Customer	NA	0.1
5	Rahul Enterprises Private Limited	Sale of Goods	Customer	NA	*
6	Southern Star Private Limited	Purchase of Services	Supplier	(0.3)	(0.2)
7	Ananya Outsourcing Services Private Limited	Purchase of Services	Supplier	*	*
8	Evince Advertising Private Limited	Purchase of Services	Supplier	NA	*
9	Popular Stock & Share Services Ltd	Shares held	Shareholder	NA	NA
10	Siddha Papers Private Limited	Shares held	Shareholder	NA	NA
11	Tashi Dake Investments Pvt Ltd	Shares held	Shareholder	NA	NA
12	Tower Capital and Financial Services Pvt Ltd	Shares held	Shareholder	NA	NA
13	Rajesh Motors (Rajasthan) Private Limited	Shares held	Shareholder	NA	NA
14	Kala Holdings Private Limited	Shares held	Shareholder	NA	NA
15	Gateway Financial Services Limited	Shares held	Shareholder	NA	NA
16	Hotz Industries Ltd	Shares held	Shareholder	NA	NA
17	Dss Enterprises Private Limited	Shares held	Shareholder	NA	NA
18	Jyoti Securities Pvt Ltd	Shares held	Shareholder	NA	NA
19	Radiant Organics Private Limited	Shares held	Shareholder	NA	NA
20	Amar Investments Limited	Shares held	Shareholder	NA	NA
21	Nangalia Fiscal Services Private Limited	Shares held	Shareholder	NA	NA
22	Al-Falah Investments Private Limited	Shares held	Shareholder	NA	NA
23	Jannhavi Investment Private Limited	Shares held	Shareholder	NA	NA
24	Orbit Udyog Private Limited	Shares held	Shareholder	NA	NA
25	Akarsh Portfolio Services Private Limited	Shares held	Shareholder	NA	NA
26	Opus Advisory Private Limited	Shares held	Shareholder	NA	NA
27	Devendra Enterprises Private Ltd	Shares held	Shareholder	NA	NA
28	Fresh N Pure Retails Private Limited	Shares held	Shareholder	NA	NA
29	Rajdeep Automation Private Limited	Shares held	Shareholder	NA	NA
30	AES Engineering Co Pvt Ltd	Shares held	Shareholder	NA	NA
31	Unicon Fincap Private Limited	Shares held	Shareholder	NA	NA
32	Integra Micro Systems Pvt Ltd	Shares held	Shareholder	NA	NA
33	Salasar Industrial Services Limited	Shares held	Shareholder	NA	NA

* Represents amounts payable/ recoverable less than ₹50,000 as on reporting date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

46 ACCOUNTING RATIOS

S. No.	Ratio	Numerator	Denominator	Financial Year ended 31 st March 2025	Financial Year (Fifteen Months) ended 31 st March 2024	% Variance	Reason for variance
I	Current Ratio (in times)	Current Assets	Current Liabilities	0.8	0.9	-9%	
II	Debt-Equity Ratio (in times)	Total Debt (Note 1)	Equity	0.3	0.1	190%	Short-term borrowing taken for meeting working capital requirement.
III	Debt Service Coverage Ratio (in times)	Earnings available for Debt Service (Note 2)	Total Debt Service (Note 3)	33.7	35.5	-5%	
IV	Return on Equity Ratio (%)*	Profit after Tax	Average Shareholder Equity	87.3%	108.5%	-20%	
V	Inventory Turnover Ratio (in times)*	Net Sales	Average Inventory	8.1	9.7	-16%	
VI	Trade Receivables Turnover Ratio (in times)*	Net Sales	Average Trade Receivables	60.5	78.9	-23%	
VII	Trade Payables Turnover Ratio (in times)*	Purchases (Note 4)	Average Trade Payables	6.1	6.3	-2%	
VIII	Net Capital Turnover Ratio (in times)*	Net Sales	Working Capital (Note 5)	(21.1)	(42.1)	-50%	Negative working capital
IX	Net Profit Ratio (%)	Profit after Tax	Net Sales	16.0%	16.2%	-1%	
X	Return on Capital Employed (%)*	Earnings before Interest and Taxes (Note 6)	Capital Employed (Note 7)	81.3%	116.9%	-30%	Short-term borrowing taken for meeting working capital requirement.
XI	Return on Investment (%)*	Earnings from Invested Funds (Note 8)	Average Invested Funds (Note 9)	10.7%	8.7%	22%	

*Previous period ratios have been annualised on a time proportion basis as the financial year is for a fifteen month period.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

Notes

1 Total Debt	Borrowings + Lease Liabilities
2 Earnings available for Debt Service	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
3 Total Debt Service	Finance Costs + Lease Payments + Principal Repayments
4 Purchases	Cost of materials consumed + Purchases of stock-in-trade + Changes in inventories of Raw Material, Packing Material and Stores and Spares + Other expenses
5 Working Capital	Current Assets - Current Liabilities
6 Earnings before Interest and Taxes	Profit before Exceptional Items and Tax + Finance Costs - Other Income
7 Capital Employed	Equity + Total Debt + Deferred Tax Liability
8 Earnings from Invested Funds	Interest on Bank Deposits + Interest on Tax Free Long Term Bonds + Dividend on Mutual Funds (if any)
9 Invested Funds	Non-Current Investments + Current Investments + Balances with Banks on Deposit Accounts

47 OTHER STATUTORY INFORMATION

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and previous financial year.
- (iv) The Company does not have any such transactions which has not been recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (v) The Company has not been declared as wilful defaulter by any bank of financial institution or other lender.
- (vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries), or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received funds from any person(s) or entity(ies), including foreign entities, with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, (a) lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party, or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) Quarterly returns or statements of current assets filed by the Company with the banks in connection with the working capital limit sanctioned are in agreement with the books of accounts.
- (viii) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

48 AUDIT TRAIL

Proviso to Rule 3 (1) of the Companies (Accounts) Rules, 2014 has become applicable to the Company with effect from April 1, 2024. Accordingly, it is mandatory for the company to use only such accounting software for maintaining its books of accounts which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of accounts along with the date when such changes were made and ensure that the audit trail cannot be disabled. Company uses SAP Enterprise Resource Planning (ERP) software to maintain its books of account. SAP ensures an audit trail (edit log) functionality and the same has been operational throughout the financial year for all relevant transactions recorded in the application layer of the software. At the database level the audit trail feature was enabled with effect from 18th March 2025. Further no instance of audit trail feature being tampered with was noted during the year in respect of accounting software where the audit trail has been enabled.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

49 INTEREST IN ASSOCIATE COMPANY CONSOLIDATED USING EQUITY METHOD OF ACCOUNTING

				(₹ in million)
A.	S. No.	Name of the Company	Country of Incorporation	% of ownership Interest 31 st March 2025
	1	Dr. Reddy's and Nestlé Health Science Limited	India	49%
				Carrying Amount
				5,750.3

Note: Investment in Associate Company was made on 24th July 2024. Hence, no comparable information is provided.

B. Summarised financial information of Associate

The table below provides summarised financial information of Associate.		(₹ in million)
Summarised Balance sheet		As at 31 st March, 2025
Total current assets		4,701.8
Total non - current assets		4,329.5
Total current liabilities		1,127.7
Total non-current liabilities		17.3
Summarised Profit and Loss		Financial year ended 31 st March 25
Revenue		2,148.8
Profit (loss) for the period		1,607.9
Other comprehensive income		(0.6)
Total other comprehensive income		1,607.3
Reconciliation to carrying amounts:		As at 31 st March 2025
Net assets		7,886.3
Share in Associate - 49%		3,864.3
Consolidation adjustments [Charge / (Credit)]		1,886.0
Carrying amount of Investment in Associate		5,750.3

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

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

Chartered Accountants

Firm's Registration No. - 301003E/E300005

PANKAJ CHADHA

Partner

Membership No. - 091813

24th April 2025

Gurugram

SURESH NARAYANAN

Chairman and
Managing Director
(DIN-07246738)

24th April 2025

Nanjangud

SVETLANA BOLDINA

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

PRAMOD KUMAR RAI

Company Secretary
Membership No. - FCS 4676
PAN-ABVPR5131P

ANNEXURE - 1 TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

NESTLÉ'S PHILOSOPHY ON CODE OF GOVERNANCE

Nestlé India Limited ("the Company"), as a part of Nestlé Group, Switzerland, has over the years followed best practices of Corporate Governance by adhering to practices of the Nestlé Group. The significant documents from Nestlé Group, which define the standard of behaviour of the Company, are "The Nestlé Corporate Business Principles", "The Nestlé Management and Leadership Principles" and "The Nestlé India Code of Business Conduct".

The Company's business objective and that of its management and employees is to manufacture and market the Company's products in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees, business partners and the national economy. Your Company is conscious of the fact that the success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, the Company endeavours to ensure that the highest standards of ethical and responsible conduct are met throughout the organisation. The Company's governance procedures, which aim to maintain an efficient, knowledgeable, and impartial Board of Directors ("the Board"), are a reflection of this belief. The Board is in charge of the Company's management, general affairs, strategic direction and performance and is supported by the Board Committees, Managing Director, Key Managerial Personnels and the Management Committee.

BOARD OF DIRECTORS

Composition and category of Directors, attendance of each Director at the Board Meetings and the last Annual General Meeting, number of other Board of Directors or Committees in which a Director is a member or Chairperson, name of the other listed companies where such director is a Director and category of Directorship.

Above information as on 31st March 2025, or for the financial year 2024-25 as applicable, is tabulated hereunder:

Director - Category	DIN	No. of Board Meetings attended	Attendance at the last AGM held on 8 th July 2024	No. of outside Directorship held ^A	No. of Membership/ Chairpersonship in other Board Committees ^B		Category of Directorship and name of the other listed companies as on 31 st March 2025
					Member	Chairperson	
Executive							
Mr. Suresh Narayanan	07246738	9	Yes	1	Nil	Nil	-
Ms. Svetlana Boldina	10044338	9	Yes	Nil	Nil	Nil	-
Mr. Satish Srinivasan	10173407	9	Yes	Nil	Nil	Nil	-
Independent Non-Executive							
Mr. Prathivadibhayankara Rajagopalan Ramesh ("Mr. PR Ramesh")	01915274	9	Yes	9	7	4	Independent Director <ul style="list-style-type: none">- Cipla Limited- Crompton Greaves Consumer Electricals Limited- Tejas Networks Limited- Larsen and Toubro Limited- ITC Hotels Limited

Director - Category	DIN	No. of Board Meetings attended	Attendance at the last AGM held on 8 th July 2024	No. of outside Directorship held ^A	No. of Membership/ Chairpersonship in other Board Committees ^B		Category of Directorship and name of the other listed companies as on 31 st March 2025
					Member	Chairperson	
Ms. Anjali Bansal	00207746	9	Yes	5	4	Nil	Independent Director - Piramal Enterprises Limited - The Tata Power Company Limited - Maruti Suzuki India Limited - Tata Power Renewable Energy Limited
Ms. Alpana Parida	06796621	9	Yes	4	1	Nil	Independent Director - Cosmo First Limited
Ms. Suneeta Reddy ^C	00001873	8	Yes	9	2	Nil	Executive Director - Apollo Hospitals Enterprise Limited Non-executive Director - Indraprastha Medical Corporation Limited
Mr. Sidharth Kumar Birla ^C	00004213	5	Yes	6	1	Nil	Executive Director - Xpro India Limited Independent Director - Kanoria Chemicals & Industries Limited
Mr. Rajya Vardhan Kanoria ("Mr. R.V. Kanoria") ^D	00003792	3	NA*	-	-	-	-

A Directorship in companies registered under the Companies Act, 2013 ("the Act") or any earlier enactments, excluding companies under Section 8 of the Act.

B Only covers membership/ chairpersonship of Audit Committee and Stakeholders Relationship Committee of public limited companies except Nestlé India Limited.

C Ms. Suneeta Reddy (DIN: 00001873) and Mr. Sidharth Kumar Birla (DIN: 00004213) were appointed as an Independent Non-Executive Director of the Company for a term of five consecutive years with effect from 5th April 2024 and 12th June 2024, respectively.

D Mr. Rajya Vardhan Kanoria (DIN: 00003792), retired as an Independent Non-Executive Director of the Company with effect from the close of business hours on 12th May 2024, upon completion of his second term of five consecutive years.

NA* Not applicable.

The Board of your Company has a good and diverse mix of Executive Directors and Non-Executive Directors with majority of the Board Members comprising Independent Non-Executive Directors and the same is in line with the provisions of the Companies Act, 2013 (the "Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). As on 31st March 2025, the Board consisted of eight directors comprising of Executive Chairman, five Independent Non-Executive Directors and two Executive Directors. Out of the eight directors, four are women directors out of which three are Independent Non-Executive Directors. None of the Independent Non-Executive Directors of the Company serves as an Independent Director in more than seven listed companies and where any Independent Non-Executive Director is serving as a whole-time director in any listed company, such director is not serving as an Independent Director in more than three listed companies. Further, none of the Directors had any relationships inter-se.

The Board has appointed Mr. PR Ramesh, Independent Non-Executive Director of the Company, as Lead Independent Director who is the senior-most and highly experienced Independent Non-Executive Director on the Board.

Mr. Pramod Kumar Rai, designated as the Compliance Officer under the provisions of the Listing Regulations, reports to the Board of Directors through Chairman and Managing Director of the Company.

All Directors are expected to attend each Board and Committee Meeting of which they are members, unless there are reasons preventing them from participating. Other Directors who are not members of the Committees are also invited to attend such Committee Meetings.

A tentative annual calendar of the meetings of Board and Committees is circulated to the Directors well in advance. In addition to this, the Company also circulated the full year Board meeting calendar to the stock exchanges in advance. The Board meets at least once a quarter to review the quarterly financial results and other agenda items. Additional meetings are also held as and when required. Committees of the Board usually meet the day before or on the day of the Board meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approvals and noting. All Committee recommendations placed before the Board during the financial year ended 31st March 2025, were unanimously accepted by the Board.

During the financial year ended 31st March 2025, the Board met nine times on 5th April 2024, 24th April 2024, 25th April 2024, 12th June 2024, 8th July 2024, 25th July 2024, 17th October 2024, 31st January 2025, and 27th February 2025 (concluded on 28th February 2025). The Directors participated in the meetings of the Board and Committees either in-person or through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility. All Directors attended all the meetings of the Board. The meetings and agenda items taken up during the meetings complied with the requirements of the Act and the Listing Regulations read with various circulars issued by the Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI"). The maximum gap between any two Board Meetings was less than one hundred and twenty days. All material information was circulated to the Directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part-A of Schedule II of sub-regulation 7 of Regulation 17 of the Listing Regulations.

A secured cloud-based Board Portal is used by the Company which gives the Directors immediate access to the board books and other meeting material, through any standard web browser or through any device with internet access.

Independent Non-Executive Directors

During the financial year ended 31st March 2025, two separate meetings of the Independent Non-Executive Directors were held on 24th April 2024 and 27th February 2025 without the presence of other Directors and members of the Management. All Independent Non-Executive Directors attended the meetings in-person, except Ms. Anjali Bansal, who participated in the meeting held on 24th April 2024 through VC/ OAVM facility.

None of the Independent Non-Executive Directors or their relatives held any equity share(s) of the Company during the financial year ended 31st March 2025 except the spouse of Ms. Anjali Bansal who holds 320 equity shares of the Company. The Independent Non-Executive Directors have provided an annual confirmation that they meet the criteria of independence. Further, the Independent Non-Executive Directors confirmed that they have enrolled themselves in the Independent Directors' Database maintained by the Indian Institute of Corporate Affairs and their enrollment is valid.

Based on the confirmations and disclosures received from the Independent Non-Executive Directors in terms of Regulation 25(9) of the Listing Regulations and a certificate from M/s. S.N. Ananthasubramanian & Co., Company Secretaries (Firm Registration No. P1991MH040400), Secretarial Auditors of the Company, the Board is of the opinion that the Independent Non-Executive Directors fulfil the criteria or conditions specified under the Act and the Listing Regulations and are independent of the Management.

The Company issues formal letter of appointment to the Independent Non-Executive Directors at the time of their appointment/ re-appointment. The terms and conditions of the appointment of Independent Non-Executive Directors, as part of their letter of appointment/ re-appointment, are available on the Company's website at <https://www.nestle.in/about-us/our-leadership-team>. The Independent Non-Executive Directors at the time of appointment/ re-appointment have confirmed that they will devote the time as required to discharge their duties as an Independent Non-Executive Directors of the Company.

Mr. R. V. Kanoria (DIN: 00003792), retired as an Independent Non-Executive Director of the Company with effect from the close of business hours on 12th May 2024 upon completion of his second term of five consecutive years.

During the financial year ended 31st March 2025, none of the Independent Non-Executive Director(s) of the Company resigned before the expiry of their tenure.

Skills/ Expertise/ Competencies Matrix

During the financial year ended 31st March 2025, the matrix of core skills/ expertise/ competencies as identified by the Board and as required in the context of the Company's business(es) and sector(s) for it to function effectively and those actually available with the Board are given below:

Key Skill Area	Skills/ Expertise/ Competencies	Mr. Suresh Narayanan	Mr. PR Ramesh	Ms. Anjali Bansal	Ms. Alpana Parida	Ms. Suneeta Reddy	Mr. Siddharth Kumar Birla	Ms. Svetlana Boldina	Mr. Satish Srinivasan
Business & Strategy	Consumer insight & marketing	Y			Y	Y			
	Technical & R&D (including nutrition & food science)					Y			Y
	Economic issues/ Macro Economic Trends/ Interpreting national policies	Y	Y	Y	Y	Y	Y	Y	
	E-commerce, digital & new technologies and M&A	Y	Y	Y	Y	Y	Y	Y	Y
Operations	Sales & Customer Management	Y			Y	Y			
	Operation Management & Risk Mitigation	Y	Y			Y		Y	Y
	Finance, Treasury & Audit		Y	Y	Y	Y	Y	Y	
	Information technology			Y				Y	
Environment	Sustainability (water, sanitation, community development, nutrition) under Creating Shared Value/ CSR	Y		Y	Y	Y		Y	Y
	Scientific & Regulatory Affairs		Y				Y		Y
	Media, local interaction & environment assessment	Y			Y	Y			Y
	Climate change	Y		Y		Y			Y
Other enablers	Innovation Management			Y	Y	Y			Y
	Human Resource & Talent	Y	Y	Y	Y	Y		Y	Y
	Communications	Y	Y		Y	Y	Y	Y	Y
	Board Governance & General Management	Y	Y	Y	Y	Y	Y	Y	Y

Board membership criteria and selection process

The Nomination and Remuneration Committee (hereinafter referred as "NRC") is responsible for identifying and evaluating a suitable candidate for the Board, based on the criteria laid down in the Nomination and Remuneration Policy as available on Company's website at <https://www.nestle.in/investors/policies>. For the purpose of identifying suitable candidates from different sources, the NRC evaluates the Board's composition and diversity to ensure that the Board and its Committees have an appropriate mix of skills, knowledge, experience on the Board, independence, wide range of backgrounds, having regard to the diversity, and the ability to fulfil required time commitments. On identifying a suitable candidate, the NRC recommends their appointment to the Board for its approval and its further recommendation to the members of the Company for their approval.

In accordance with the provisions of the Act, all the Directors, except the 'Managing Director' and 'Independent Non-Executive Directors', of the Company, are liable to retire by rotation at the Annual General Meeting ("AGM") each year and, if eligible, offers their candidature for re-appointment. The Executive Directors on the Board have been appointed as per the applicable provisions of the Act and Listing Regulations and serve in accordance with the terms of employment with the Company. The period of office of the whole-time directors shall be liable to determination by retirement of directors by rotation. If the whole-time director(s) is/ are re-appointed as a director, immediately on retirement by rotation, he/ she shall continue to hold office as a whole-time director(s) and such re-appointment shall not be deemed to constitute break in his/ her appointment as a whole-time director of the Company.

Training and Familiarisation Programme for the Board Members

All directors inducted to the Board undergo comprehensive orientation sessions that introduce them to the Company's culture. They are acquainted with the organizational structure, Nestlé Group's structure and its support provided to the Company under the Licence arrangements, Board procedures, matters reserved for the Board, risk management strategy, business and operations, competitive landscape, sustainability and societal initiatives, governance framework for listed entities, Nestlé Corporate Business Principles, Nestlé Code of Business Conduct, and other policies of the Company.

The Company has a comprehensive familiarisation programme for all independent non-executive directors. In addition to the aforesaid areas, this programme covers their roles, rights and responsibilities. Executive directors, key managerial personnel and senior management along with their second line of managers, provide an overview of operations and familiarize the independent non-executive directors with the Company's values and commitments. The familiarisation programme along with details of the same imparted to the Independent Non-Executive Directors during the financial year ended 31st March 2025, are available on the website of the Company at <https://www.nestle.in/about-us/our-leadership-team>.

Regular updates are given to the Directors on business-related issues and new initiatives. Additionally, training and awareness programmes are conducted for the Directors on topics such as ethics, transparency, human rights, and code of conduct through both on-line and off-line modes.

Succession planning

Succession planning at Nestlé is a meticulous process that focuses on the smooth transition of roles so as to ensure the stability and future leadership of the Company. The Company follows the Nestlé's global principles of Functional Leadership and Strategic Management. It is a collaborative approach involving various key corporate functions and leadership roles. Also, the NRC collaborates with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in the Senior Management. During the financial year ended 31st March 2025, the Board and the NRC have discussed and reviewed Board composition and succession planning to ensure that the successors for key leadership roles including the Managing Director of the Company, are identified, and their performance is also assessed. The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavor to introduce new perspectives while maintaining experience and continuity.

Compliance with the Code of Conduct

The Company has adopted the 'Nestlé India Code of Business Conduct' (the "Code"). The Code is available on the website of the Company at <https://www.nestle.in/investors/policies>.

The Board Members and Senior Management Personnel adhere to the Code, and have affirmed compliance of the same during the financial year ended 31st March 2025.

The declaration of Chairman and Managing Director affirming compliance of the Code by the Board Members and Senior Management Personnel of the Company during the financial year ended 31st March 2025, is enclosed as "Annexure – I" and forms an integral part of this Report.

Compliance Monitoring Tool

The Company has a proper online systems to enable the Board to review, on a half yearly basis, compliance report of all laws applicable to the Company, as prepared by the Company as well as to assess the steps taken by the Company to rectify instances of non-compliances, if any and such system is adequate and operating effectively.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Section 177 of the Act and Regulation 18 of the Listing Regulations, as applicable, besides other terms as referred by the Board.

The powers include investigating any activity within its terms of reference as specified by the Board and seeking information from any employee, obtain professional advice from external sources, secure attendance of outsiders with relevant expertise, if required and have full access to information contained in the records of the Company.

The role includes oversight of the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment,

re-appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by auditors; reviewing with the management quarterly results and annual financial statements before submission to the Board for its approval; approval or any subsequent modification of any transactions of the Company with related parties; reviewing and monitoring the auditor's independence and performance and effectiveness of audit process; scrutiny of inter-corporate loans and investments, if any; evaluation of internal financial controls and risk management system; reviewing the functioning of the vigil mechanism/ whistle blower policy; reviewing the internal controls to ensure compliance with the applicable provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), verifying that the system for internal control under PIT Regulations are adequate and are operating effectively and such other roles as prescribed under the Act and the Listing Regulations.

The Audit Committee mandatorily reviews information such as internal audit reports related to internal control weakness, management discussion and analysis of financial condition and result of operations, management letters/ letters of internal control weaknesses issued by the statutory auditors; the appointment, removal and terms of remuneration of the internal auditor and such other matters as prescribed under the Act and the Listing Regulations.

During the financial year ended 31st March 2025, the Audit Committee was re-constituted as Ms. Anjali Bansal, Independent Non-Executive Director was appointed as Member of the Audit Committee with effect from 5th April 2024, and Mr. Sidharth Kumar Birla, Independent Non-Executive Director was appointed as Member of the Audit Committee with effect from 12th June 2024, in place of Mr. R. V. Kanoria, who ceased as Member of the Audit Committee upon completion of his tenure as an Independent Non-Executive Director of the Company with effect from the close of business hours on 12th May 2024.

As on 31st March 2025, the Audit Committee comprised of Mr. PR Ramesh as the Chairman, Ms. Alpana Parida, Ms. Anjali Bansal and Mr. Sidharth Kumar Birla as Members, all Independent Non-Executive Directors. The Company Secretary of the Company acts as the Secretary to the Audit Committee. All Members of the Audit Committee possess financial literacy and bring relevant financial management expertise, supported by their extensive experience and professional backgrounds. The Executive Director - Finance & Control and CFO and Head of Accounting are permanent invitees to the meetings of the Audit Committee. The Chief Internal Auditor, the concerned partners/ authorized representatives of Statutory Auditors and the Cost Auditors were invited to the meetings of the Audit Committee. The Secretarial Auditors were also invited to the meeting of the Audit Committee to present the Secretarial Audit Report and their findings, if any.

During the financial year ended 31st March 2025, the Audit Committee met six times on 5th April 2024, 24th April 2024, 12th June 2024, 24th July 2024, 16th October 2024 and 30th January 2025 and Members of the Audit Committee participated in the aforesaid meetings either in-person or through VC/ OAVM facility. All Members attended all the meetings of the Audit Committee except Ms. Anjali Bansal who was granted leave of absence for the meeting held on 24th July 2024. Mr. R. V. Kanoria attended the Audit Committee meetings held on 5th April 2024 and 24th April 2024, and thereafter, he ceased to be a Member of the Audit Committee.

The maximum gap between any two meetings of the Audit Committee was less than one hundred and twenty days. On 24th April 2024 and 30th January 2025, the Audit Committee had a meeting with the auditors without the presence of the Management. The Independent Non-Executive Directors also have access to the auditors and the Management for discussions and questions, if any.

NOMINATION AND REMUNERATION COMMITTEE

The powers, role and terms of reference of the Nomination and Remuneration Committee (hereinafter referred as "NRC") covers the areas as contemplated under Section 178 of the Act and Regulation 19 of the Listing Regulations, besides other terms as referred by the Board. The role includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the nomination and remuneration for the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Independent Non-Executive Directors and the Board as a whole; devising a policy on diversity of Board; and identification of persons who are qualified to become director and who may be appointed in the senior management in accordance with the criteria laid down, and recommending to the Board their appointment, removal and noting their cessation; recommendation on extension or continuation of the terms of appointment of the independent non-executive directors; recommendation to the Board of all remuneration, in whatever form, payable to the senior management; and evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required for appointment of an independent non-executive director and recommending to the Board.

During the financial year ended 31st March 2025, the NRC was re-constituted as Ms. Anjali Bansal, Independent Non-Executive Director, was appointed as Chairperson of the NRC with effect from 13th May 2024, in place of Mr. R. V. Kanoria, who ceased as Member of the NRC upon completion of his tenure as Independent Non-Executive Director of the Company with effect from the close of business hours on 12th May 2024. Also, Ms. Alpana Parida and Mr. Sidharth Kumar Birla, both Independent Non-Executive Directors were appointed as Member of the NRC with effect from 5th April 2024 and 12th June 2024, respectively.

As on 31st March 2025, the NRC comprised of Ms. Anjali Bansal as Chairperson, Mr. PR Ramesh, Ms. Alpana Parida and Mr. Sidharth Kumar Birla as Members, all Independent Non-Executive Directors. The Company Secretary of the Company acts as the Secretary to the NRC. The Managing Director and Head of Human Resources are the permanent invitees to the meetings of the NRC.

During the financial year ended 31st March 2025, the NRC met six times on 5th April 2024, 24th April 2024, 12th June 2024, 25th July 2024, 16th October 2024 and 30th January 2025. Members of the NRC participated in the aforesaid meetings either in-person or through VC/ OAVM facility. Mr. R. V. Kanoria attended the NRC meetings held on 5th April 2024 and 24th April 2024, and thereafter, he ceased to be a Member of the NRC. All Members attended all the meetings of the NRC.

Performance Evaluation

In terms of the requirement of the Act and the Listing Regulations, an annual performance evaluation of the Board, its Committees and the Directors, was undertaken which included the evaluation of the Board as a whole, Board Committees and peer evaluation of the Directors. The criteria for performance evaluation cover the areas relevant to the functioning of the Board and its Committees such as its composition and operations, Board as a whole and group dynamics, oversight and effectiveness, performance, skills and structure etc. The performance of individual directors was evaluated on the parameters such as preparation, participation, flow of information, conduct, independent judgement and effectiveness. The performance evaluation of Independent Directors was done by the entire Board and in the evaluation of the Directors, the Directors being evaluated had not participated. An independent global HR and Risk advisory firm conducted an online survey to capture inputs from the Directors, compiled and provided analysis of the results of the annual performance evaluation. As an outcome of the evaluation, it was noted that Board as a whole has a composition that is diverse in experience, skills, expertise, competence, gender balance, and fosters open and transparent discussions. The Board is provided relevant industry information to keep the members up to date with industry landscape. The presentations made from time to time, during the meeting of the Board and Committee by the Senior Management and their teams continue to provide insights about the specific segments. It was also noted that the Board Committees function professionally and smoothly and besides the Board Committee's terms of reference as mandated by law, important issues are brought up and discussed in the respective Board Committees.

The Board provided its inputs, *inter-alia*, on further strengthening the flow of information to the Directors, greater focus on right issues that influence the Company's performance and future success and enhance opportunity to focus on updates regarding changing consumer lifestyle and nutritional preferences. Additionally, the Board emphasized on increasing focus on key developments, industry trends, inherent risks, and uncertainties that may impact business performance and Company's strategy.

Remuneration of Directors

(₹ in million)

Name of the Director	Sitting fee	Salaries and allowance	Perquisites	Company's Contribution to PF	Commission and performance linked incentive	Total
Mr. Suresh Narayanan ¹	N.A.	137.97 [^]	55.19	5.05	36.52	234.73
Ms. Svetlana Boldina ¹	N.A.	51.48 [^]	23.33	1.50	9.67	85.98
Mr. Satish Srinivasan ¹	N.A.	13.25	15.23	1.09	9.22	38.79
Mr. R. V. Kanoria [*]	0.65	-	-	-	0.41 [@]	1.06
Mr. PR Ramesh	1.95	-	-	-	3.6 [@]	5.55
Ms. Anjali Bansal	1.90	-	-	-	3.6 [@]	5.50
Ms. Alpana Parida	1.95	-	-	-	3.6 [@]	5.55
Ms. Suneeta Reddy [#]	1.20	-	-	-	3.56 [@]	4.76
Mr. Sidharth Kumar Birla [#]	1.10	-	-	-	2.89 [@]	3.99

¹The Company enters into service contracts with all Executive Directors for a period of 5 years. The notice period is of three months and the severance fee is the sum equivalent to remuneration for the notice period or part thereof in case of a shorter notice.

[^]Includes cost recharge for Employer Pension Scheme.

[@]Represents Commission for the financial year ended 31st March 2025, which will be paid after adoption of the accounts by the members at the ensuing 66th Annual General Meeting, subject to deduction of applicable tax.

*Mr. R. V. Kanoria ceased to be an Independent Non-Executive Director of the Company with effect from the close of business hours on 12th May 2024 upon completion of his second term of five consecutive years.

[#]Ms. Suneeta Reddy and Mr. Sidharth Kumar Birla were appointed as Independent Non-Executive Directors of the Company with effect from 5th April 2024 and 12th June 2024, respectively.

Sitting fee indicated above also includes payment for Board-level Committee meetings.

The above remuneration of Executive Director(s) does not include payment of leave encashment, pension and gratuity, and provision for incremental liability on account of pension, gratuity, compensated absences and long service awards since actuarial valuation is done for the Company as a whole. The terms of employment of executive directors are governed by the applicable policies of the Company at the relevant point in time. Commission is subject to adequate profits being earned. A fair portion of the executive director's performance linked incentive is linked to the Company's performance. This creates alignment with the strategy and business priorities to enhance shareholder's value. The total reward package for executive directors is intended to be market competitive with strong linkage to performance in line with Company's Nomination and Remuneration Policy, which is available on the website of the Company at <https://www.nestle.in/investors/policies>.

The non-executive directors are paid remuneration based on their contribution and current trends. Sitting fee is paid for attending each meeting of the Board and Committees thereof. Additionally, the non-executive directors are entitled to remuneration upto an aggregate limit of one percent per annum of the net profits of the Company, provided that none of the non-executive directors shall receive individually a sum exceeding ₹1,00,00,000/- (Rupees one crore only) in a financial year, as approved by the members at the Annual General Meeting held on 12th April 2023. Within the aforesaid limit, the commission payable is determined by the Board and equal amount of commission is payable to Independent Non-Executive Directors. During the financial year ended 31st March 2025, remuneration of Independent Non-Executive Directors was approved by the Board with the interested Independent Non-Executive Directors, not participating and voting, as per the terms approved by the shareholders at the Annual General Meeting. Further, none of the Non-Executive Directors had any material pecuniary relationship or transaction *vis-a-vis* the Company during the financial year ended 31st March 2025, other than payment of sitting fee and commission, as mentioned in the table above.

The Company does not have any stock option scheme. The Company participates in the Performance Share Unit Plan/ Restricted Stock Unit Plan of Nestlé S.A., whereby selected employees are granted non-tradable Performance Share Units/ Restricted Stock Unit of Nestlé S.A. Perquisites of the Whole-time/ Managing Director include, *inter-alia*, Leave Travel and payments for the Restricted Stock Units/ Performance Stock Units of Nestlé S.A. vested during the financial year equal to the market value of the underlying shares on the date of vesting.

A brief profile and other particulars of the directors seeking appointment and re-appointment is given in the Notice of the 66th AGM.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The roles and responsibilities of the Stakeholders Relationship Committee (hereinafter referred as "SRC") are as prescribed under Section 178 of the Act and Regulation 20 of the Listing Regulations, as amended. The SRC oversees, *inter-alia*, adherence to the service standards adopted by the Company, investor-friendly initiatives taken by the Company, redressal of shareholder and investor grievances, transmission/ transposition of shares, non-receipt declared dividend or physical copy of annual report, issue of letter of confirmation in lieu of duplicate shares, reviewing dematerialization of shares and shares related matters.

During the financial year ended 31st March 2025, the SRC was re-constituted as Ms. Alpana Parida, Independent Non-Executive Director was appointed as Chairperson of the SRC with effect from 13th May 2024, in place of Mr. R. V. Kanoria, who ceased as Chairperson of the SRC upon completion of his tenure as an Independent Non-Executive Director of the Company with effect from the close of business hours on 12th May 2024. Also, Mr. Suresh Narayanan, Chairman and Managing Director and Mr. Sidharth Kumar Birla, Independent Non-Executive Director were appointed as Members of the SRC with effect from 5th April 2024 and 12th June 2024, respectively.

As on 31st March 2025, the SRC comprised of Ms. Alpana Parida as Chairperson, Mr. Suresh Narayanan, Mr. Sidharth Kumar Birla and Ms. Svetlana Boldina as Members. The Company Secretary of the Company acts as the Secretary and Compliance Officer to the SRC.

During the financial year ended 31st March 2025, the SRC met four times on 24th April 2024, 24th July 2024, 16th October 2024 and 30th January 2025. Members of the SRC participated in the aforesaid meetings either in-person or through VC/ OAVM facility. All Members attended all the meetings of the SRC. Mr. R. V. Kanoria attended SRC meeting held on 24th April 2024 and thereafter, he ceased as Member of the SRC.

During the financial year ended 31st March 2025, eighteen complaints were received from the shareholders. All the complaints have been resolved to the satisfaction of the complainants and no complaint was pending at the beginning or at the end of the financial year.

RISK MANAGEMENT AND SUSTAINABILITY INITIATIVES COMMITTEE

The roles and responsibilities of the Risk Management and Sustainability Initiatives Committee (hereinafter referred as "RMSI Committee") are as prescribed under Regulation 21 of the Listing Regulations and includes formulating and periodically reviewing the detailed Risk Management Policy, monitoring and reviewing of risk management plan and reporting the same to the Board periodically as it may deem fit, in addition to any other terms as may be referred by the Board from time to time. The terms of reference of the RMSI Committee include review of the Company's sustainability initiatives and how its long term strategy relates to its ability to create shared value. The RMSI Committee also oversees compliance of all the policies and disclosures requirements under the Listing Regulations for the purpose of Business Responsibility and Sustainability Report.

During the financial year ended 31st March 2025, the RMSI Committee was re-constituted as Ms. Suneeta Reddy, Independent Non-Executive Director, was appointed as Member of the RMSI Committee with effect from 5th April 2024.

As on 31st March 2025, RMSI Committee comprised of Mr. Suresh Narayanan as Chairman, Mr. PR Ramesh, Ms. Anjali Bansal, Ms. Suneeta Reddy and Ms. Svetlana Boldina as Members. The Company Secretary of the Company acts as the Secretary to the RMSI Committee. Further, Mr. Suresh Narayanan ceased to be the Chairman and Ms. Svetlana Boldina ceased as a Member of RMSI Committee with effect from the close of business hours on 31st March 2025. The Executive Director - Finance & Control and CFO is a permanent invitee to the meetings of the RMSI Committee.

During the financial year ended 31st March 2025, the RMSI Committee met four times on 24th April 2024, 24th July 2024, 16th October 2024 and 30th January 2025. All the Members attended these meetings either in person or through VC/ OAVM facility, except Ms. Anjali Bansal and Mr. PR Ramesh who were granted leave of absence for the meeting held on 24th July 2024. The maximum gap between any two meetings of the RMSI Committee was less than two hundred and ten days.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") Committee oversees, *inter-alia*, corporate social responsibility and other related matters as may be referred by the Board and discharges the roles as prescribed under Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, ("CSR Rules"), which includes formulating and recommending to the Board, a CSR Policy indicating the activities to be undertaken by the Company, as per Schedule VII to the Act; the amount of expenditure to be incurred; and monitoring the CSR Policy of the Company. The CSR Committee had formulated an Annual Action Plan for the financial year ended 31st March 2025 pursuant to the CSR Rules and the CSR Policy of the Company and recommended the amendments therein from time to time.

During the financial year ended 31st March 2025, the CSR Committee was re-constituted as Ms. Suneeta Reddy, Independent Non-Executive Director, was appointed as Member and Chairperson of the CSR Committee with effect from 5th April 2024 in place of Dr. Swati A. Piramal, who ceased to be the Chairperson of the CSR Committee upon completion of her term as Independent Non-Executive Director of the Company with effect from the close of business hours on 31st March 2024.

As on 31st March 2025, the CSR Committee comprised of Ms. Suneeta Reddy as Chairperson, Mr. Suresh Narayanan, Ms. Anjali Bansal and Ms. Svetlana Boldina as Members of the CSR Committee. The Company Secretary of the Company acts as the Secretary to the CSR Committee.

During the financial year ended 31st March 2025, the CSR Committee met four times on 24th April 2024, 24th July 2024, 16th October 2024 and 30th January 2025. All the Members attended these meetings either in-person or through VC/ OAVM facility, except Ms. Anjali Bansal who was granted leave of absence for the meeting held on 24th July 2024.

Particulars of executive directors and senior management of the Company as on 31st March 2025

Name	Functional Head/ Area of responsibility
Mr. Suresh Narayanan	Chairman and Managing Director (Key Managerial Personnel)
Ms. Svetlana Boldina	Executive Director - Finance & Control and CFO (Key Managerial Personnel)
Mr. Satish Srinivasan	Executive Director - Technical
Mr. Pramod Kumar Rai	Company Secretary and Compliance Officer (Key Managerial Personnel)
Mr. Anurag Patnaik	Human Resources
Mr. Chandan Mukherji	Strategy & Marketing Communication
Mr. Gopichandar Jagatheesan	Confectionery
Mr. Himmat Singh	Corporate Affairs
Ms. Krishna Guha Roy	IS/IT and Nestlé Business Excellence
Mr. Manav Sahni	Dairy
Ms. Pallavi Anand	Pet Food
Ms. Rupali Rattan	Foods
Mr. Saurabh Makhija	Nestlé Professional
Mr. Sunayan Mitra	Coffee & Beverages
Mr. Sushrut Nallulwar	Sales
Ms. Taruna Saxena	Sustainability & Societal Initiatives
Mr. TS Venkateswaran	Legal
Mr. Varun Gupta	Supply Chain
Mr. Varun Sethuraman	Cereals
Mr. Vasudevan Krishnan	Exports & Imports
Mr. Vineet Singh	Nutrition

During the financial year ended 31st March 2025, Mr. Arpindarjit Chadha, Ms. Mansi Khanna, Mr. Rajat Jain, Mr. Sandeep Sethi and Mr. Sanjay Khajuria ceased as senior management of the Company due to retirement and/or movement to other role within the other Nestlé group entities. During the financial year ended 31st March 2025, none of the directors or senior management personnel resigned from the Company. Mr. Manish Tiwary was appointed as Managing Director (Designate) w.e.f. 1st February 2025 and as Key Managerial Personnel w.e.f. 24th April 2025.

GENERAL BODY MEETINGS

Required details of last three Annual General Meetings (AGMs), are as below:

AGM	Date & Time	Venue	Special Resolution(s)
65 th	8 th July 2024 at 10:30 A.M. (IST)	Through Video Conferencing/ Other Audio-Visual Means [Deemed Venue for the meeting:]	<ul style="list-style-type: none"> Authorisation to borrow any sum of money by the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/ to be obtained, in the ordinary course of business, shall not be in excess of Rs. 2,000 Crores over and above the aggregate of the paid-up equity share capital, free reserves and securities premium of the Company. Appointment of Mr. Sidharth Kumar Birla (DIN: 00004213) as an Independent Non-Executive Director of the Company, with effect from 12th June 2024, to hold office for a term of five consecutive years i.e. upto 11th June 2029.
64 th	12 th April 2023 at 10:00 A.M. (IST)	Registered Office: 100/ 101, World Trade Centre, Barakhamba Lane, New Delhi-110001]	Payment of remuneration under Section 197 of the Companies Act, 2013 to the non-executive directors, a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, subject to the condition that none of the aforesaid directors shall receive individually a sum exceeding ₹1,00,00,000/- (Rupees one crore only) in a financial year, commencing from 1 st January 2023.
63 rd	12 th April 2022 at 10:00 A.M. (IST)		Appointment of Ms. Anjali Bansal (DIN: 00207746) as an Independent Non-Executive Director of the Company, with effect from 1 st May 2022, to hold office for a term of five consecutive years i.e., upto 30 th April 2027.

POSTAL BALLOT

During the financial year ended 31st March 2025, members of the Company vide special resolution passed through postal ballot on 17th May 2024 approved, with requisite majority, the appointment of Ms. Suneeta Reddy (DIN: 00001873) as an Independent Non-Executive Director of the Company with effect from 5th April 2024, to hold office for a term of five consecutive years i.e. upto 4th April 2029.

The details of the voting pattern are given below:	Particulars % of Voting
Votes in favour of the Resolution	98.59%
Votes against the Resolution	1.41%

In respect of the above Postal Ballot conducted by the Company during the financial year ended 31st March 2025, the Board had appointed Mr. Abhinav Khosla (Membership No. 087010) Partner, M/s. SCV & Co. LLP, Chartered Accountants (Firm Registration No. 000235N/N500089), as Scrutinizer to scrutinize the postal ballot voting process in a fair and transparent manner. The voting period for remote e-voting commenced on Thursday, 18th April 2024 at 9.00 A.M. (IST) and ended on Friday, 17th May 2024 at 5.00 P.M. (IST). The report on the result of the postal ballot through remote e-voting for approving the aforementioned resolution was provided by the Scrutinizer on Friday, 17th May 2024.

There is no special resolution proposed to be conducted through postal ballot.

Procedure for Postal Ballot

The aforesaid Postal Ballot was conducted by the Company as per the provisions of Section 110 and Section 108 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 8th April 2020, 17/2020 dated 13th April 2020, 9/2023 dated 25th September 2023 and other relevant circulars issued by the Ministry of Corporate Affairs, Government of India, Regulation 44 Listing Regulations, Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India, each as amended and pursuant to other applicable laws and regulations.

MEANS OF COMMUNICATION

Your Company follows various channels of communication with shareholders and other stakeholders for ensuring fair disclosure and comprehensive and transparent reporting of the Company's performance and activities to safeguard shareholder's and other stakeholder's interests.

The quarterly/ annual financial results of the Company were widely published in leading newspapers such as Financial Express and Jansatta and also displayed on the website of the Company at <https://www.nestle.in/investors/stockandfinancials/financialresults>. The quarterly/ annual financial results were also sent to the members of the Company, individually to their email address registered with the Company/ depository participant(s). All official press releases, presentations made to analysts and institutional investors and other general information about the Company are also available on the Investor's section of the website of the Company.

The presentations made to the analyst(s) and institutional investor(s), if any, were not communicated individually to the members of the Company. However, such presentations were uploaded in advance on the website of the Company at <https://www.nestle.in/investors/analystsmeeet> and were also submitted to Stock Exchanges for further dissemination.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Day, Date and Time	Thursday, 26 th June 2025 at 10:30 A.M. (IST)
Venue	Annual General Meeting through Video Conferencing/ Other Audio-Visual Means (VC/ OAVM) facility [Deemed Venue for the meeting: Registered Office: 100/ 101, World Trade Centre, Barakhamba Lane, New Delhi-110001]

Financial Calendar, 2025-26

The tentative dates of meeting of Board for consideration of financial results (standalone and consolidated) during the financial year 2025-26 are as follows:

First Quarter Results	24 th July 2025
Second Quarter Results	16 th October 2025
Third Quarter Results	30 th January 2026
Annual Results	Third/ Fourth week of April 2026 (tentative)

Dividend payments

Final Dividend of ₹10.00 per equity share of face value of ₹1.00 each has been recommended by the Board and subject to the approval of the members of the Company at the forthcoming 66th Annual General Meeting. The same is proposed to be paid on and from Thursday, 24th July 2025 ("Payment Date"), to the members of the Company as on Friday, 4th July 2025 ("Record Date" for the purpose of determining entitlement of the members to the Final Dividend for the financial year ended 31st March 2025)

During the financial year ended 31st March 2025, the first interim dividend of ₹2.75 per equity share and second interim dividend of ₹14.25 per equity share on the face value of ₹1.00 each, were paid on and from 8th August 2024 and 27th February 2025, respectively.

Shareholders' Rights

Your Company has "Investor Grievance and Redressal Policy" which provides mechanism for redressal of investor complaints/ grievances received by the Company/ RTA/ SEBI Complaints Redressal System (SCORES)/ Stock Exchanges. The status of receipt, redressal and pendency of all the investors complaints as recorded are placed before the Stakeholders Relationship Committee and the Board of the Company. The said Policy is available on the website of the Company at <https://www.nestle.in/investors/policies>.

Your Company has provided link to access the Online Dispute Resolution (ODR) Portal on the website of the Company at <https://www.nestle.in/investors/investorservices>. ODR portal is introduced by SEBI, which is in addition to the existing SCORES 2.0 platform and may be utilized by the investors and the Company for dispute resolution.

The rights of the shareholders are provided under the Articles of Association. Shareholder(s) representing at least one-tenth of the paid-up share capital of the Company of all the shareholders having a right to vote at general meetings may, request the Board to convene an extra-ordinary general meeting by requisition, by stating the general nature of the business to be dealt at a general meeting and depositing the signed requisition at the registered office of the Company for the attention of the Company Secretary in hard copy form, within the timelines as stipulated in law. A copy of Memorandum of Association and Articles of Association is available on the website of the Company at www.nestle.in.

Listing on the Stock Exchanges and Stock Code/Symbol

Shares of the Company are listed on the following stock exchanges:

- BSE Limited ("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001. The Company's Stock Code is 500790.
- National Stock Exchange of India Limited ("NSE"), Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051. The Company's Symbol is 'NESTLEIND'.

The ISIN of equity shares of the Company is INE239A01024.

The Company had paid Annual Listing Fees to both the Stock Exchanges for the financial year ended 31st March 2025.

Shareholding Pattern as on 31st March 2025

Category of Shareholder	Number of shares	% of total shares
Promoter and Promoter Group (A)	605,150,790	62.76
Public Shareholding		
Mutual Funds	42,643,640	4.42
Alternate Investment Fund	612,525	0.06
Foreign Portfolio Investor (Category I and II)	96,557,349	10.02
Financial Institutions/ Banks	6,332,770	0.66
Insurance Companies	59,430,646	6.16

Category of Shareholder	Number of shares	% of total shares
Central/ State Government(s)	16,788	0.00
Individuals	122,783,817	12.73
NBFCs	51,861	0.01
Bodies Corporate/ LLP	13,938,397	1.45
Foreign Nationals	9,050	0.00
Any Other		
- Overseas Corporate Body	5,000	0.00
- NRIs	11,099,922	1.15
- Trust	264,338	0.03
- Foreign Portfolio Investor (Category III)	3,010	0.00
- HUF	2,392,127	0.25
- Clearing Members	1,428,624	0.15
- Unclaimed or Suspense or Escrow Account	2,590	0.00
IEPF Authority	1,433,916	0.15
Total Public Shareholding (B)	359,006,370	37.24
Total Shareholding (A + B)	964,157,160	100.00

Distribution of shareholding as on 31st March 2025

Category (on the basis of shareholding)	Number of shareholders	Number of shares	% of total shares
1 - 500	530,648	19,093,125	1.98
501 - 1000	8,867	7,030,431	0.73
1001 - 2000	5,649	8,650,740	0.90
2001 - 3000	2,141	5,524,443	0.57
3001 - 4000	1,341	4,802,282	0.50
4001 - 5000	989	4,548,515	0.47
5001 - 10000	2,103	15,218,382	1.58
10001 - 20000	988	13,860,512	1.44
20001 and above	1,321	885,428,730	91.83
Total	554,047	964,157,160	100.00

Top 10 shareholders as on 31st March 2025

Name of the shareholder	Number of shares	% of total shares
Nestlé S.A.	330,513,990	34.28
Maggi Enterprises Ltd	274,636,800	28.48
Life Insurance Corporation of India	45,033,003	4.67
SBI NIFTY 50 ETF	12,377,747	1.28
UTI NIFTY 50 ETF	7,668,677	0.79
ICICI Prudential	74,54,534	0.77
Mira Pradeep Singh	6,321,000	0.65
NPS Trust	5,523,135	0.57
Vanguard Total International Stock Index Fund	5,100,626	0.52
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	4,599,593	0.48

Note: Consolidated shareholding based on Permanent Account Number (PAN) of the shareholders.

Registrar & Share Transfer Agent

Name: Alankit Assignments Limited
Address: 4E/2, Jhandewalan Extension, New Delhi-110055.
Email: rta@alankit.com
Telephone: + 91-11-4254 1234, + 91-11-2354 1234
Website: www.alankit.com

Share Transfer System

In terms of the Listing Regulations, transfer, transmission and transposition of equity shares of the Company shall be effected only in dematerialised form. Requests for dematerialisation of shares are processed, and confirmation thereof is given to the respective depositories i.e. NSDL and CDSL, within the statutory time limit from the date of receipt of share certificates/ letter of confirmation after due verification.

As per the notifications/ circulars/ guidelines issued by SEBI from time to time, the Company shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, exchange/ sub-division/ split/ consolidation of securities, transmission/ transposition etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholder fails to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat Account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat Account on submission of necessary documentation.

Details of shares transferred to/ released from Suspense Escrow Demat account during the financial year ended 31st March 2025 are as under:

Particulars	Number of shareholders	Number of shares
Shares lying as on 31 st March 2024	1	1,040
Shares transferred during the financial year ended 31 st March 2025	3	2,050
Shares claimed and released during the financial year ended 31 st March 2025	1	500
Shares lying as on 31 st March 2025	3	2,590

One shareholder approached the Company for transfer of 1,040 equity shares from Suspense Escrow Demat account during the year which was pending for verification as on 31st March 2025.

The voting rights on these shares shall remain frozen till the rightful owner of such shares claim the shares.

The Company has not transferred any equity shares to any other demat suspense account or unclaimed suspense account.

The Company Secretary of the Company is authorized by the Board to approve issuance of letter of confirmation in lieu of duplicate share certificates (LOCs). A summary of LOCs issued by the Company is placed at the subsequent Stakeholders Relationship Committee Meeting for review and record.

Dematerialisation of shares and liquidity

99.78% equity shares of the Company are in dematerialised form as on 31st March 2025. The Company's shares are liquid and actively traded on both the recognized stock exchanges in India i.e. BSE and NSE, Mumbai.

Outstanding ADRs/ GDRs/ Warrants or any convertible instruments, conversion date and likely impact on equity

No GDRs/ ADRs/ Warrants or any convertible instruments have been issued by the Company during the financial year ended 31st March 2025.

Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any exposure hedged through commodity derivatives. During the financial year ended 31st March 2025, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note no. 37 to the standalone financial statements for the financial year ended 31st March 2025.

Plant Locations

The Company's plants are located at Moga, Samalkha, Nanjangud, Choladi, Ponda, Bicholim, Panthnagar, Tahliwal and Sanand. The Company is in the process of setting up of tenth food processing unit at Mundaamba, Block - Jankia in the district of Khordha (Odisha).

Address for correspondence

Nestlé India Limited

Investor Relations Department

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

Telephone No.: 011-23418891

Designated e-mail address for Investor Services: investor@in.nestle.com

Designated Person for Investor Services: Ms. Priyansha Bajpai

Contact Number: +91-74280 85563

Email address for queries on IEPF related matters: nodal.officer@in.nestle.com

Website: www.nestle.in

All correspondence by members related to investor service request may be forwarded to Alankit Assignments Limited, the Registrar and Share Transfer Agent of the Company or to the Investor Relations Department at the Registered Office of the Company at the addresses mentioned above.

FAQs on important shareholder matters are available in the investor section on the website of the Company at <https://www.nestle.in/investors/faqs>.

SEBI toll-free helpline service for investors: 1800 22 7575 or 1800 266 7575 (available on all days from 9:00 A.M. to 6:00 P.M. excluding declared holidays)*.

SEBI investors' contact for feedback and assistance: Tel. No.: 022-26449000, e-mail address: sebi@sebi.gov.in*. For investors' contact and feedback and assistance, you may kindly submit your query/ suggestion at <https://www.sebi.gov.in/contact-us.html>.

*Source: www.sebi.gov.in

Credit Rating

Your Company has been given AAA credit rating for its bank credit facilities by CRISIL. It is the highest rating and indicates a stable outlook for your Company. The rating reflects that your Company has serviced its financial obligations on time. As regards the short-term facility provided by the bank, your Company has been given the credit rating of A1+. The rating reflects strong degree of safety and lowest credit risk. The details of the Credit Rating are available on the website of the Company at <https://www.nestle.in/investors/stockandfinancials/credit-rating>.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The global economic landscape in 2024 was fraught with challenges, including persistent geopolitical tensions, inflation, fluctuating foreign exchange rates, and elevated interest rates. Key events like the US Federal Reserve's rate cuts, China's stimulus measures, and uncertainties in US economic policies further exacerbated market volatility. Despite these global headwinds, India's economy showcased resilience, primarily driven by robust domestic consumption and significant government spending. The Fast-Moving Consumer Goods (FMCG) sector, a vital contributor of about 3% to India's GDP, faced its own set of difficulties in 2024, as inflation notably altered consumption patterns across the industry.

Strengths, Challenges, Opportunities and Threats:

Effective risk management plays a fundamental role in our capacity to innovate and gain competitive advantage. It is integral to our strategy and to the achievement of our long-term goals. Nestlé recognizes the importance of impartially assessing risks, taking calculated risks that align with our culture and strategy to effectively manage risks to mitigate potential downsides and create opportunities.

Our primary risks have remained unchanged this year. However, the impacts of plastic management, climate change and heightened vulnerability of systems and information have intensified the risks associated with these factors.

Strengths

- Financial Resilience: Delivering consistent growth and profitability reflecting strong financial health and operational efficiency.
- Diverse and Strong Brand Portfolio: Strong lineup of trusted brands including Maggi, Nescafé, KitKat, Munch.
- Innovation and R&D Capabilities: Your Company leverages its global R&D to introduce innovations tailored for the Indian market, enhancing product offerings and consumer satisfaction.

Challenges

- Intense Market Competition: Risk of substitution from regional low-cost players, highly competitive market with both domestic and international players.
- Raw Material availability and Price Volatility: Availability of raw materials of the required quality parameters always is a challenge. Fluctuations in the prices of key raw materials can impact production costs and profit margins.

Opportunities

- Rural Market Expansion: Increasing rural consumption offers potential for growth through tailored products and distribution strategies.

- Digital Transformation: Investing in digital technologies can enhance operational efficiency and customer engagement. AI-powered systems offer the potential to streamline operations, enhance customer experiences, and enable data-driven decision-making across various functions.
- Export potential: Huge potential to expand outside India.

Threats

- Supply Chain Disruptions: Global events and local challenges can impact the supply chain, affecting product availability and costs.
- Economic Fluctuations: Economic downturns can affect consumer spending patterns, impacting sales across various segments.
- Cyber security and governance around artificial intelligence: Risk of phishing, baiting attacks and malwares.

For more details on the Management Discussion and Analysis, please refer to page no. 73 and for more details on Risk and Opportunities, please refer to page no. 64 which forms an integral part of the Annual Report.

CEO/ CFO CERTIFICATION

The Chairman and Managing Director and the Executive Director- Finance & Control and CFO of the Company have certified to the Board, *inter-alia*, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the financial year ended 31st March 2025.

DISCLOSURES

During the financial year ended 31st March 2025, the Company had no materially significant related party transaction, which is considered to have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note no. 41 to the standalone financial statements for the financial year ended 31st March 2025. The Company has formulated a policy on materiality of Related Party Transactions ("RPT Policy") and also on dealing with Related Party Transactions. The updated RPT Policy is available on the website of the Company at <https://www.nestle.in/investors/policies>.

The equity shares of the Company are listed on BSE and NSE and the Company has complied with all the applicable Regulations of capital market. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

During the financial year ended 31st March 2025, equity shares of the Company were not suspended from trading.

The standard of behaviour of Nestlé India is governed by significant documents "The Nestlé Corporate Business Principles", "The Nestlé Management and Leadership Principles" and "The Nestlé India Code of Business Conduct". Employees can report to the Company Secretary, on a confidential basis, any practices or actions believed to be inappropriate or illegal under Nestlé India Code of Business Conduct ("the Code"). The Company has established vigil mechanism/ whistle blower policy ("Policy"), which is available on the website of the Company at <https://www.nestle.in/investors/policies>.

The Code/ Policy provides for adequate safeguards against victimization of director(s)/ employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. It is affirmed that no person has been denied access to the Audit Committee. Your Company provides an independent third party operated free phone, mobile application and web-based platform, namely, "SpeakUp", to all internal and external stakeholders including directors and employees with a dedicated communication channel for reporting potential instances of non-compliance with Nestlé Corporate Business Principles or for reporting, on a confidential basis, any practices or actions believed to be inappropriate or illegal under the Code. Link to access "SpeakUp" Platform is available on the website of the Company at <https://www.nestle.com/aboutus/businessprinciples/report-your-concerns>.

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

During the financial year ended 31st March 2025, your Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the Listing Regulations.

During the financial year ended 31st March 2025, your Company has obtained a certificate from M/s. S.N. Ananthasubramanian & Co., Practicing Company Secretary (Firm Registration No. P1991MH040400), Secretarial Auditors of the Company, confirming that none of the Directors on the Board of the Company have been

debarred or disqualified from being appointed or continuing as Directors of the Company by the SEBI/ MCA or any other Statutory Authority. The said Certificate is enclosed as "Annexure – II" and forms an integral part of this Report.

During the financial year ended 31st March 2025, total fees for all services has been paid by the Company to the Statutory Auditors, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, and all the entities forming part of the same network, aggregated to ₹22.9 million.

During the financial year ended 31st March 2025, the Board accepted all recommendations of the Committees of the Board, which were mandatorily required to be made.

As per the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH"), the Company has a policy which is available on the website of the Company at <https://www.nestle.in/investors/policies> and robust mechanism in place to redress complaints reported under it. The Company has complied with provisions relating to the constitution of Internal Committee under POSH. The Internal Committee is comprised of internal members and an external member who has extensive experience in the field. During the financial year ended 31st March 2025, the Company has received four complaints on sexual harassment, the said complaints were investigated and resolved as per the provisions of the POSH and as on 31st March 2025, no complaint was pending for investigation and resolution.

During the financial year ended 31st March 2025, the Company has not provided any loans and advances in the nature of loans to firms/companies in which directors are interested.

The Company does not have any subsidiary company. During the financial year ended 31st March 2025, the Company has made an investment for 49% stake in Dr. Reddy's and Nestlé Health Science Limited ("DRNHSL") for development of nutraceutical business. Pursuant to this, DRNHSL became an associate of the Company w.e.f. 24th July 2024.

The Company has *inter-alia* complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub - regulation (2) of Regulation 46 of the Listing Regulations.

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations.

The Corporate Governance Report of the Company for the financial year ended 31st March 2025 or as on 31st March 2025 is in compliance with all the applicable requirements of the Listing Regulations.

The status of adoption of the discretionary requirements as specified in sub - regulation 1 of Regulation 27 of the Listing Regulations are as follows:

(a) The Board: The Company has an Executive Chairman; (b) Shareholder Rights: Half-yearly and other quarterly financial results are published in newspapers, uploaded on the website of the Company at www.nestle.in and sent to the members individually through email to their email address registered with the Company/ depository participant(s); (c) Modified Opinion(s) in audit report: The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements; (d) Reporting of Internal Auditor: The Chief Internal Auditor of the Company administratively reports to the Executive Director - Finance & Control and CFO with functional independence and has direct access to the Audit Committee; (e) Independent Directors: during the financial year ended 31st March 2025, two separate meetings of the Independent Non-Executive Directors were held without the presence of other Directors and members of the Management. All Independent Non-Executive Directors attended the meetings.

On behalf of the Board of Directors

Date: 24th April 2025
Place: Nanjangud, Karnataka

Suresh Narayanan
Chairman and Managing Director

Declaration of compliance with Nestlé India Code of Business Conduct

I, Suresh Narayanan, Chairman and Managing Director of the Company do hereby confirm that all the Board Members and Senior Management Personnel of the Company have complied with the Nestlé India Code of Business Conduct during the financial year ended 31st March 2025.

This declaration is based on and is in pursuance of the individual affirmations received from the Board Members and the Senior Management Personnel of the Company.

Date: 24th April 2025

Place: Nanjangud, Karnataka

Suresh Narayanan

Chairman and Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) (i) of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of

Nestlé India Limited

CIN: L15202DL1959PLC003786

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

We have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents') as submitted by the Directors of **Nestlé India Limited** ('the Company') bearing **CIN: L15202DL1959PLC003786** and having its registered office at 100/101, World Trade Centre, Barakhamba Lane, New Delhi - 110001, to the Board of Directors of the Company ('the Board') for the Financial Year ended **31st March 2025** and Financial Year ending **31st March 2026** and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the Financial Year from **1st April 2024 to 31st March 2025**, have been debarred or disqualified from being appointed or continuing as Directors of Companies, by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment	Date of Cessation
1.	Mr. Suresh Narayanan	07246738	01-08-2015	-
2.	Ms. Svetlana Boldina	10044338	01-03-2023	-
3.	Mr. Satish Srinivasan	10173407	01-07-2023	-
4.	Mr. Rajya Vardhan Kanoria	00003792	13-05-2014	12-05-2024
5.	Mr. Prathivadibhayankara Rajagopalan Ramesh	01915274	01-07-2020	-
6.	Ms. Anjali Bansal	00207746	01-05-2022	-
7.	Ms. Alpna Parida	06796621	01-06-2022	-
8.	Ms. Suneeta Reddy	00001873	05-04-2024	-
9.	Mr. Sidharth Kumar Birla	00004213	12-06-2024	-

This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year from **1st April 2024 to 31st March 2025**.

For **S. N. ANANTHASUBRAMANIAN & CO.**

Company Secretaries

ICSI Unique Code P1991MH040400

Peer Review Cert. No.: 5218/2023

S. N. Ananthasubramanian

Founding Partner

FCS: 4206 I COP No. : 1774

ICSI UDIN: F004206G000182164

Date: 23rd April 2025

Place: Thane

CORPORATE GOVERNANCE CERTIFICATE

[Pursuant to Regulation 34(3) and Schedule V Para E of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
Nestlé India Limited
CIN: L15202DL1959PLC003786
100/101, World Trade Centre,
Barakhamba Lane,
New Delhi – 110001

1. Background

We have been approached by Nestlé India Limited ("the Company") to examine the compliance with the conditions of Corporate Governance by the Company, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), as amended from time to time, for the financial year from 1st April 2024 to 31st March 2025.

2. Management's Responsibility

The Compliance of conditions of Corporate Governance stipulated in the Listing Regulations is the responsibility of the management. The management shall devise adequate systems, internal controls and processes to monitor and ensure the same.

3. Our Responsibility

Our responsibility is limited to conducting an examination of the systems, internal controls and processes adopted by the Company and implementation thereof to monitor and ensure with the conditions of Corporate Governance and report thereon.

4. Methodology

- 4.1. In order to conduct our examination, we were provided with the relevant documents and information including explanations, wherever required.
- 4.2. Our examination was conducted in a manner which provided us with a reasonable basis for evaluating the systems, internal controls and processes adopted by the Company to monitor and ensure compliance with the conditions of Corporate Governance and to certify thereon.

5. Opinion

Based on our examination as aforesaid, the information, explanations and representations provided by the management, we certify that, the Company has complied with the conditions of the Corporate Governance stipulated in the Listing Regulations, for the financial year from 1st April 2024 to 31st March 2025.

6. Disclaimer

- 6.1. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 6.2. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs.

For **S. N. ANANTHASUBRAMANIAN & Co.**
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

S. N. Ananthasubramanian
Founding Partner

Date: 23rd April 2025
Place: Thane

FCS No. : 4206 | COP No. : 1774
UDIN: F004206G000182296

ANNEXURE - 2 TO THE BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

1. Brief outline on CSR Policy of the Company:

Driven by the purpose, 'We unlock the power of food to enhance quality of life for everyone, today and for generations to come', the Company is mindful of the needs of the communities and strives to make a positive difference and create maximum value for the society. The Company's initiatives in the society are focussed on three pivotal ambitions of enabling healthier and happier lives for individuals and families, on helping develop thriving and resilient communities, and on stewarding the planet's natural resources for future generations. It is firmly rooted in a robust set of principles and values based on respect.

Your Company believes that the biggest opportunity is partnerships. It continues to engage with stakeholders including communities, academia, civil society, expert organisations and takes up such CSR activities that are in line with the national priorities such as health, nutrition, education, livelihood, water and sanitation, environment, feeding programme etc.

Your Company's commitment to the society is sincere and longstanding. The CSR Policy of the Company is available on the website (www.nestle.in/investors/policies). While the focus of CSR efforts will be in the areas around Company operations, the Company also undertakes projects where societal needs are high or in special situations (such as in the case of natural calamities/ disasters etc.).

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the financial year 2024-25	Number of meetings of CSR Committee attended during the financial year 2024-25
1.	Ms. Suneeta Reddy*	Chairperson (Independent Non-Executive Director)	4	4
2.	Mr. Suresh Narayanan	Member (Chairman & Managing Director)	4	4
3.	Ms. Anjali Bansal	Member (Independent Non-Executive Director)	4	3
4.	Ms. Svetlana Boldina	Member (Executive Director – Finance & Control and CFO)	4	4

* Appointed as an Independent Non-Executive Director and Chairperson of CSR Committee w.e.f. 5th April 2024.

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Keeping with the intent of CSR Policy, the Company has a tradition of executing CSR projects that achieve demonstrable outcomes having a significant impact on society. The projects include nutrition, health and breastfeeding awareness programmes; plastic waste management awareness; creating access to hand-on science education; setting up libraries in schools to promote reading culture; providing access to clean drinking water and sanitation; enhancing the livelihood of street food vendors; feeding support programme and the initiative of village adoption for sustainable development. Building on these efforts, your Company joined hands with credible NGOs, implementing partners and authorities engaged in providing relief efforts in the communities across various states in India.

The web-links are as follows:

- Composition of CSR Committee: <https://www.nestle.in/about-us/our-leadership-team>
- CSR Policy and Projects: <https://www.nestle.in/investors/policies>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable

The Company in line with the provision of the Companies Act, 2013 ("the Act") sub rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, conducted impact assessment through an independent agency in the financial year 2024-25 for the applicable projects.

Your Company's societal initiatives Project Vriddhi and Project Hildaari were assessed for Impact Assessment. The impact assessment study was carried by an external agency KPMG Assurance & Consulting Services LLP.

Impact assessment for Project Hildaari was conducted for 4 locations – Munnar, Dalhousie, Mahabaleshwar and Ponda. Stakeholders identified and consulted in the select locations of Project Hildaari to assess the impact included waste workers, residents, commercial properties and local government officials. The sample size considered from 4 locations were 290 waste workers, 243 residential and commercial properties and 13 local government officials.

The impact assessment for Project Vriddhi was conducted in Rohira villages of Punhana block in Nuh, Haryana with 385 stakeholders as sample size. These stakeholders include members of the local community, women, men, youth & students, and Village Level Institution Members (Gram Panchayat, School Management Committees). The key performance indicators are:

Renovation and repair of school facilities, pond and water chamber, along with the construction of soak wells. Additionally, conducting awareness sessions on hygiene and sanitation, government programs and services, as well as sessions focused on digital literacy.

The complete Impact Assessment Report is available on the website of the Company at <https://www.nestle.in/csv>.

- 5. a) Average net profit of the Company as per sub-section (5) of section 135 of the Act:** ₹38,134.4 million
- b) Two percent of average net profit of the sub-section (5) of section 135 of the Act:** ₹762.8 million
- c) Surplus arising out of the CSR projects, programmes or activities of the previous financial years:** Nil
- d) Amount required to be set-off for the financial year, if any:** ₹88.2 million
- e) Total CSR obligation for the financial year [(b)+(c)-(d)]:** ₹674.6 million
- 6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹638.2 million
- b) Amount spent in Administrative Overheads:** ₹33.9 million
- c) Amount spent on Impact Assessment, if applicable:** ₹5.9 million
- d) Total amount spent for the financial year [(a)+(b)+(c)]:** ₹678.0 million
- e) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the financial year (₹ in million)	Amount Unspent (in ₹ million)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135 of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135 of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
678.0	Not Applicable				

f) Excess amount for set-off, if any:

Sr. No.	Particular	Amount (₹ in Million)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135 of the Act	762.8
(ii)	Total amount spent for the financial year	766.2*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.4
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any	Nil
(v)	Amount available for set off in succeeding financial year [(iii)-(iv)]	Nil

*As per the approval of the Board of Directors of the Company, excess amount of ₹88.2 million spent during the previous financial year (fifteen months financial year ended 31st March 2024), has been carried forward and set off with the CSR amount spent during the financial year ended 31st March 2025.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

Sr. No.	Preceding financial year(s)	Amount transferred to Unspent CSR Account under sub- section (6) of section 135 of the Act (₹ in million)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 of the Act (₹ in million)	Amount Spent in the Financial Year (₹ in million)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135 of the Act, if any		Amount remaining to be spent in succeeding financial year (₹ in million)	Deficiency, if any
					Amount (₹ in million)	Date of transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:

☐ Yes ☒ No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the property or asset(s)	Date of creation	Amount of CSR spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135 of the Act.

Not Applicable

On behalf of the Board of Directors

Date: 24th April 2025

Suneeta Reddy
Chairperson – Corporate Social
Responsibility Committee

Suresh Narayanan
Chairman and Managing Director

Business Responsibility and Sustainability Report



Section A

General Disclosures



Section B

Management and Process Disclosures



Section C

Principle wise Performance Disclosure



Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable

— Read more on page 243



Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe

— Read more on page 254



Principle 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

— Read more on page 258



Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders

— Read more on page 269



Principle 5

Businesses should respect and promote human rights

— Read more on page 273



Principle 6

Businesses should respect and make efforts to protect and restore the environment

— Read more on page 278



Principle 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

— Read more on page 286



Principle 8

Businesses should promote inclusive growth and equitable development

— Read more on page 287



Principle 9

Businesses should engage with and provide value to their consumers in a responsible manner

— Read more on page 292

Section A General Disclosures

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Company	L15202DL1959PLC003786
2.	Name of the Company	Nestlé India Limited
3.	Year of Incorporation	28 th March 1959
4.	Registered office address	100 / 101, World Trade Centre, Barakhamba Lane, New Delhi – 110001, India
5.	Corporate address	"Nestlé House", Jacaranda Marg, 'M' Block, DLF City, Phase - II, Gurugram - 122 002, Haryana, India
6.	E-mail id	investor@in.nestle.com
7.	Telephone	011-23418891
8.	Website	www.nestle.in
9.	Financial year for which reporting is being done	Financial year ended 31 st March 2025
10.	Name of the stock exchange where shares are listed	BSE Limited National Stock Exchange of India Limited
11.	Paid-up capital (In INR)	INR 964,157,160
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Dr. Taruna Saxena Head – Sustainability & Societal Initiatives Taruna.Saxena@in.nestle.com 011-23418891
13.	Reporting boundary	The disclosures made in this report are on a standalone basis for Nestlé India Limited
14.	Name of Assurance Provider (BRSR Core)	Grant Thornton Bharat LLP ("GTBLLP") LLP ID: AAA-7677 Name of the assurer: Abhishek Tripathi Date of signing: 24 th April 2025
15.	Type of Assurance Obtained	Reasonable Assurance for BRSR Core Indicators as per ISAE 3000 (Revised)

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1.	Food Processing Industry	Food Processing Industry	100%

17. Products/Services sold by the entity (accounting for 90% of the turnover):

S.No.	Product/Service	NIC Code	% of Total Turnover Contributed
1	Milk Products and Nutrition	10509	38.1%
2	Prepared dishes and cooking aids	10750	30.9%
3	Confectionery	10732 & 10733	16.6%
4	Powdered and Liquid Beverages	10792	14.4%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated.

Location	Number of Plants	Number of Offices	Total
National	9	4 Sales Branches, 1 Head Office, 1 Registered Office	15
International	Not Applicable	-	-

Your Company's **nine manufacturing facilities** are located at Moga (Punjab), Choladi (Tamil Nadu), Nanjangud (Karnataka), Samalkha (Haryana), Ponda (Goa), Bicholim (Goa), Pantnagar (Uttarakhand), Tahlawal (Himachal Pradesh) and Sanand (Gujarat). Your Company is in the process of setting up its **10th factory which would be the first in the eastern part of the country**, at Odisha. In its first phase, the factory is being set up with an initial investment of approximately INR 900 crore and is slated to manufacture products from the food portfolio (prepared dishes and cooking aids).

The Registered Office of your Company is located at New Delhi. Four Sales Branch offices located at Gurugram, Mumbai, Chennai and Kolkata help facilitate the sales and marketing activities of the Company. The Head Office is located at Gurugram, Haryana.

19. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	PAN India 36 (28 states and 8 UTs)
International (No. of Countries)	25*

* Your Company exported products to 25 countries during the financial year ended 31st March 2025

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Contribution of exports during FY 2024-25	3.9%
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c. A brief on type of customers

With a robust network of nine factories, a wide array of co-packers, co-manufacturers, and trade partners, your Company delivers quality products to consumers across India.

With the strategic focus to cater to diverse groups of consumers, your Company continuously refines its product portfolio, optimizing offerings to respond to the evolving consumer needs and preferences and strengthen market relevance.

Your Company serves its consumers through a strong distribution network encompassing a large number of Distributors, Traditional and Organized Trade, Retail Outlets, E-Commerce, Canteen Stores Departments (CSDs) and Pharmacies.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
EMPLOYEES						
1	Permanent (D)	3,607	2,745	76%	862	24%
2	Other than permanent (E)	312	255	82%	57	18%
3	Total employees (D+E)	3,919	3,000	77%	919	23%
WORKERS						
4	Permanent (F)	4,812	4,593	95%	219	5%
5	Other than permanent (G)	7,519	6,913	92%	606	8%
6	Total workers (F+G)	12,331	11,506	93%	825	7%

Note: Definition of employee and worker categorization is as under:

Permanent Employees include white collar employees • **Other than Permanent Employees** include Temporary, Contractual & Third-party employees. **Permanent Workers** include technicians, associates, staff, and collaborators • **Other than Permanent Workers** include Contractual Labour, Temporary Fixed Term Contractual.

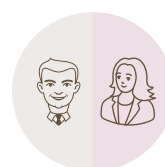
b. Differently abled Employees and Workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	9	8	89%	1	11%
2	Other than permanent (E)	4	4	100%	0	0%
3	Total differently abled employees (D+E)	13	12	93%	1	7%
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	25	22	88%	3	12%
5	Other than permanent (G)	3	3	100%	0	0%
6	Total differently abled workers (F+G)	28	25	90%	3	10%

21. Participation/Inclusion/Representation of Women:

Particulars	Total (A)	No. and percentage of Females	
		No. (C)	%(C/A)
Board of Directors	8	4	50%
Key Managerial Personnel (KMP)*	1	0	0%

*KMP other than members of the Board of Directors



A balanced perspective:
50%
women in Board of Directors

22. Turnover rate for permanent employees and workers (Trends for the past 3 years)

Particulars	FY 2024-25 Current Financial Year			15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024)			FY 2022 Jan 2022 to Dec 2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	4.4%	7.3%	5.1%	8.6%	15.0%	10.2%	13.2%	25.9%	16.5%
Permanent Workers	0.2%	3.2%	0.3%	1.0%	7.4%	1.6%	0.37%	8.7%	0.8%

V. Holding, Subsidiary and Associate Companies (including joint ventures):

23 (a) Names of holding/subsidiary/associate companies/joint ventures

S.No.	Name of the Holding/ Subsidiary/ Associate Companies/ Joint Ventures (A)	Indicate Whether Holding/ Subsidiary/ Associate/ Joint Venture	% of Shares Held by Listed Entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Nestlé SA	Holding	-	No
2	Maggi Enterprises Limited	Holding	-	No
3	Dr. Reddy's and Nestlé Health Science Limited	Associate (Joint Venture)	49.00	No

Note: Nestlé SA and Maggi Enterprises Limited holds 34.28% and 28.48%, respectively, in the share capital of the Company.

VI. CSR Details

24 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes, CSR provisions are applicable as per section 135 of the companies Act, 2013.

Turnover (in INR): 200,775.0 million

Net worth (in INR): 41,171.5 million

VII. Transparency and Disclosure:

25. Complaint/grievances on any of the principles (1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC):

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25 Current Financial Year			15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors (other than shareholders)	Yes	0	0	-	0	0	-
Shareholders	Yes	18	0	-	16	0	-
Employees and workers	Yes	69	14	Under investigation	17	5	-
Customers	Yes	14,064	0	-	8,376	0	-
Value Chain Partners	Yes	26	7	Under investigation	16	3	-

Your Company has a grievance redressal platform known as SpeakUp that allows all the stakeholders to raise any concerns or grievances. Refer: <https://www.nestle.com/about/how-we-do-business/report-compliance-concerns>

26. Overview of the entity's material responsible business conduct issues.

Material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Strengthening the materiality assessment process from the previous year, your Company has broadened its stakeholder engagement to better understand the evolving landscape of risks and opportunities. This expanded dialogue with both external and internal stakeholders has enabled your Company to refine the classification of material issues, ensuring that its sustainability strategy remains robust and responsive to the most pertinent challenges and opportunities.

S.No.	Material issue identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the Risk/Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or Negative implications)
1	Climate Change Resilience	R	Climate change poses risks to businesses, affecting operations across the value chain. Physical threats like droughts and floods disrupt raw material sourcing, while the shift to a low-carbon economy introduces transitional risks such as changing consumer demands, rising costs, and evolving regulations.	Your Company promotes climate-smart agriculture by supporting sustainable farming, including soil health management, water conservation, managed use of fertilizers etc. Through farmer partnerships, it enhances techniques and resilience, ensuring a stable supply chain with reduced environmental impact.	Climate change can drive up operational costs. While renewable energy and sustainable practices require upfront investment, they lead to long-term efficiency and resilience.
2	Energy and Emissions Management	R&O	Energy use, rising costs, and stricter emissions regulations. Managing both direct and supply chain emissions is crucial to protect brand reputation and ensure long-term sustainability.	Your Company aims to reduce environmental impact and costs by gradually shifting to renewable energy, improving efficiency, and innovating sustainable packaging, while partnering with suppliers and farmers to promote sustainable farming practices.	While renewable energy and sustainable packaging involve investments, they help in reducing long-term expenses, boost brand value, and reduce emissions. Collaborating with suppliers and farmers strengthens supply chain resilience and supports consistent quality.
3	Circular Economy and Waste Management	R&O	Regulatory pressures and rising consumer expectations can challenge operations and reputation. However, adopting circular practices can cut costs, boost brand value, and strengthen supply chain resilience, supporting long-term sustainability.	Your Company's commitment to invest in sustainable material, ensure full Extended Producer Responsibility (EPR) and educate consumers to environmental awareness is high.	While sustainable materials may require investments, they offer long-term gains through innovation in alternatives, meeting regulatory compliance, ensuring stronger brand value and increased consumer trust and sales.
4	Water Management	R	Since your Company operates in water-stressed regions, it may affect resource availability and production. Inadequate water management can impact local ecosystems and communities.	Mitigation efforts by your Company include adopting Zero Liquid Discharge at most sites (7 out of 9) to recycle wastewater, along with investments in water-saving technologies and process improvements to reduce usage.	While requiring upfront investments, these initiatives strategically position your Company for long-term gains through reduced water-related costs, enhanced operational efficiency, and Consent to Operate (CTO).

S.No.	Material issue identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the Risk/Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or Negative implications)
5	Employee Health and Safety	R	Inadequate safety measures and non-conformance to standards may increase the risk of workplace injuries and health concerns.	Your Company conducts regular risk assessments, provides safety training, and monitors practices, while promoting employee well-being through mental health programs.	Limited safety and well-being measures can lead to higher costs from medical claims, legal issues, and reduced productivity.
6	Human Rights	R	Your Company engages with various stakeholders, including employees, suppliers, customers, farmers, and communities. This may pose human rights risks across operations or partnerships.	Your Company promotes ethical labor and environmental standards across the supply chain, supported by grievance mechanisms to address potential violations effectively. Platforms like 'Speak Up' support open reporting for employees, workers, and external stakeholders, reinforcing a respectful and inclusive work culture.	Human rights violations can lead to significant financial impacts, including legal penalties, reputational damage, and loss of consumer trust, all of which can impact brand value.
7	Talent Attraction, Development and Retention	R	Lack of a strong talent strategy may impact employee engagement, efficiency, and retention.	Your Company fosters talent retention and performance through competitive rewards, inclusive culture, and robust development programs. Regular engagement surveys help align workforce motivation with business goals.	Inability to attract and retain skilled employees can result in higher operational costs and a potential loss of competitive edge in the market. This situation could also lead to increased expenses related to employee turnover and recruitment efforts.
8	Product Quality and Safety	O	Enhanced brand reputation, customer loyalty	Product safety and quality are key strengths for your Company, supported by internal controls from sourcing to distribution. Regular audits, staff training, regulatory collaboration, and consumer feedback ensure continuous improvement and compliance with evolving standards.	Initially, investing in robust quality control and safety measures can lead to fewer defects, returns, recalls, and legal issues in the long run, resulting in significant cost savings. Consumers would be willing to pay a premium for products they perceive as high quality and safe, leading to increased market share and profitability.
9	Sustainable Supply Chain	R&O	Your Company's reliance on diverse raw materials brings sustainability risks, making responsible sourcing vital for supply stability and long-term growth.	Your Company adheres to the <i>Nestlé's Responsible Sourcing Core Requirements</i> and partners with suppliers to promote ethical, sustainable practices. It also invests in traceability systems and supports certifications like Rainforest Alliance and Bonsucro.	Sustainable sourcing may involve initial costs due to investments in certification and supply chain traceability. However, it offers long-term financial benefits through ensuring supply chain resilience, and minimizing disruptions related to sustainability issues.

S.No.	Material issue identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the Risk/Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or Negative implications)
10	Corporate Governance and Business Ethics	R&O	Robust governance structures include establishing effective risk management frameworks, internal controls, and audit committees, which help identify, assess, and mitigate potential risks. Lapses can lead to legal penalties, regulatory scrutiny, and reputational damage.	Your Company has a strong governance structure in place with robust compliance monitoring, to strengthen internal control. Corporate governance risks are managed through strong oversight, guided by <i>Nestlé's Business Principles</i> and <i>Code of Conduct</i> . This includes board diversity, regular audits, stakeholder engagement, and ongoing training to ensure transparency and integrity.	Breaches in ethical practices may lead to significant financial consequences, including potential fines for regulatory non-compliance and legal expenses from ethical breaches. Poor governance may also result in investor mistrust impacting long term financial health of your Company.

Section B Management and Process Disclosures

The National Guidelines for Responsible Business Conduct (NGRBC) as brought out by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	Refer to Note 1 on Page 242								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

4.	Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<p>P1: ISAE 3000</p> <p>P2: FSSC 22000 Food Safety System Certification ISO 17025:2017: Testing and Calibration Laboratories Responsible Sourcing Certification: 4C and AAA for Coffee, Bonsucro for Sugar, Roundtable on Sustainable Palm Oil for Palm (RSPO) and UTZ and Rain Forest Alliance for Cocoa</p> <p>P3: ISO 45001: 2018, Occupational Health and Safety Management System</p> <p>P4: Materiality assessment and Stakeholder Engagement in line with GRI Standards and Accountability's AA1000 principles</p> <p>P5: United Nations Guiding Principles on Business and Human Rights, International Labour Organization Guidelines, Rain Forest Alliance, Bonsucro Certification</p> <p>P6: ISO 14001: 2015- Environmental Management System</p> <p>P9: ISO 27001- Information Security Management System ISO 9001- Quality Management System</p>
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>Nestlé, globally, has set ambitious climate goals and commitments, aiming to be Net Zero by 2050. Your Company, being one of the key markets of Nestlé Group is also committed to reducing its carbon emissions in line with the group-level commitment. It aims to reduce GHG emissions by 20% by 2025 and by 50% by 2030, using its 2018 emissions levels as a baseline.*</p> <p>Your Company's approach to net zero is designed to mitigate emissions across the value chain and help address impacts on natural ecosystems, communities and food systems.</p>
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<p>One of your Company's core strategic commitments is to achieve net-zero emissions by 2050. This ambition is aimed at driving business transformation to ensure long-term resilience and build a future-ready enterprise. To realize this commitment, your Company is executing a multi- faceted strategy that addresses emissions across the entire value chain.</p> <p>Your Company's sustainability actions are built around four core pillars:</p> <p>In Climate Action, your Company is addressing emissions across the supply chain, from agriculture and livestock, to support a more climate- resilient food system. Your Company achieved 100% renewable energy, including Renewable Energy Certificates (RECs). These efforts reflect our commitment to decarbonizing operations and transitioning to a low- emission future. Furthermore, ~89,000 Gigajoules annualized savings were realized from energy reduction projects.</p> <p>In Sustainable Packaging initiatives your Company aims to ensure no plastic ends up in landfills, with a focus on continuing to be 100% plastic neutral, reducing virgin plastic use, and using packaging that is designed for recycling.</p> <p>In Water Stewardship, we are improving water efficiency in operations and expanding access to clean drinking water in the communities we serve. Your Company has nine factories, and seven factories are zero liquid discharge (ZLD) factories, consuming all the treated effluent within factory for its need of process or land maintenance.</p> <p>Finally, in Responsible Sourcing, we are committed to sourcing key ingredients—such as coffee, cocoa, and palm oil where approximately 55% of our key ingredients were sustainably sourced, while prioritizing human rights and livelihoods throughout our supply chain.</p>
*Refer to Our Net Zero roadmap Nestlé Global for more details		
Governance, leadership and oversight		
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).	<p>Dear stakeholders,</p> <p>Your Company seeks to establish itself as a 'Leader in Sustainability' and a 'Solution Provider' in the eyes of consumers, employees, partners, society, and all other stakeholders. Your Company's commitment is to contribute to a sustainable future, grounded in transparency, accountability, and long-term value creation for all stakeholders. Recognizing the critical role your Company plays in a rapidly evolving global landscape, and is driven by the principles of Purpose, People, Planet, Partnerships, and Performance to balance business success with social equity and environmental stewardship.</p>

		<p>Sustainability is not just a goal for your Company; it is the very foundation of our operations and decision-making. Your Company is deeply committed to environmentally sustainable practices throughout our value chain, making thoughtful choices that safeguard our planet for future generations. Our purpose, <i>'We unlock the power of food to enhance quality of life for everyone, today and for generations to come,'</i> reflects our dedication to nurturing both people and the environment.</p> <p>Your Company has been steadfast in the sustainability journey and continued to focus on four critical areas: climate change, sustainable packaging, responsible sourcing, and water management. The approach encompasses the entire value chain, fostering collaboration with farmers, suppliers, employees, and consumers to raise awareness and promote responsible stewardship of our planet.</p> <p>Significant strides have been made in our efforts to reduce emissions and enhance sustainability. Your Company is committed to sourcing ingredients sustainably, particularly raw materials, by partnering with farmers to share knowledge and build sustainable practices. Your Company's manufacturing processes are evolving as we increase the use of renewable energy sources. Your Company is also optimizing water usage by implementing conservation measures and facilitating reuse. Furthermore, your Company is dedicated to creating sustainable packaging solutions that minimize the use of virgin plastics.</p> <p>Your Company's commitment extends to social responsibility, where your Company invests in the well-being and development of the communities. Your Company has touched ~16 million lives through community initiatives focused on nutrition awareness, water, sanitation, rural development, education, environment, livelihood and feeding support programme.</p> <p>Your Company provides value through quality, innovation, and nutrition, continuously improving our products using advanced technology.</p> <p>As it continues this journey, your Company pledges to remain open and transparent, and actively listening to the perspectives of our stakeholders. Together, we can pave the way toward a more sustainable future as we navigate the complexities of our time, striving towards a more resilient and healthier planet for generations to come.</p>
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	<p>At the highest level, the Board of Directors, led by the Chairman and Managing Director, exercise the responsibility for Company's Business Responsibility (BR) performance.</p> <p>The Board ensures the protection and enhancement of the Company's long-term value through robust oversight of its Business Responsibility and Sustainability agenda.</p> <p>The Risk Management and Sustainability Initiatives (RMSI) Committee of the Board, oversees Company's sustainability strategy and initiatives periodically.</p> <p>The RMSI Committee provides focused attention to key sustainability priorities, including climate change, water management, sustainable packaging, and responsible sourcing. The Committee also ensures compliance with all policies and disclosures mandated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, specifically concerning Business Responsibility and Sustainability Reporting requirements.</p>
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	<p>Yes, as stated in (8), the Board of Directors has entrusted RMSI Committee to oversee the sustainability initiatives of your Company.</p> <p>Your Company has also set up a Sustainability Governance Council to provide oversight, direction and support on sustainability initiatives, headed by the Chairman and Managing Director. The Council includes the key members of the management committee as well as leads of the taskforces that have been set up to drive and deliver key projects. The five (5) task forces are:</p> <ul style="list-style-type: none"> - Sustainable Sourcing - Sustainable Packaging - Sustainable Manufacturing, Logistics & Water Stewardship - Brands, Recipes & Portfolio - Advocacy & Communication <p>The Sustainability Governance Council has been set up to review progress of the sustainability projects undertaken by the taskforces. The Governance Council reports the progress to the RMSI Committee and the Board of Directors of the Company.</p>

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	C^	C^	C^	C^	C^	C^	C^	C^	C^	A*	A*	A*	A*	A*	A*	A*	Q#	A*
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	C^	C^	C^	C^	C^	C^	C^	C^	C^	A*	A*	A*	A*	A*	A*	A*	Q#	A*

A* - Annually, C^ - Committee of the Board: Q# -Quarterly

Note: There were no follow-up actions by the Committee of the Board.

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	N	N	N	N	N	N	N	N	N

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:.

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Note 1: Policies aligned to NGRBC Principles

Principle 1: Ethics, Transparency and Accountability: Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable.

- Nestlé Corporate Business Principles
- Nestlé India Code of Business Conduct

Principle 2: Product Life Cycle Sustainability: Businesses should provide goods and services in a manner that is sustainable and safe

- Nestlé Responsible Sourcing Core Requirements
- Nestlé Quality Policy
- Safety, Health & Environmental Sustainability Policy
- The Nestlé Policy on Environmental Sustainability

Principle 3: Employee Well Being: Businesses should respect and promote the well-being of all employees, including those in their value chains

- Safety, Health & Environmental Sustainability Policy
- Equal Opportunity Policy
- Whistle Blower Policy
- Nestlé Corporate Business Principles
- ISO 45001: 2018: Occupational Health and Safety Management System

Principle 4: Stakeholder Engagement: Businesses should respect the interests of and be responsive to all its stakeholders

- Nestlé Corporate Business Principles
- Nestlé Stakeholder Engagement Approach

Principle 5: Businesses should respect and promote human rights

- Nestlé Human Rights Policy
- Nestlé POSH Policy
- Nestlé Corporate Business Principles
- Nestlé Responsible Sourcing Core Requirements

Principle 6: Environment: Businesses should respect and make efforts to protect and restore the environment

- Safety, Health & Environmental Sustainability Policy
- The Nestlé Policy on Environmental Sustainability
- Nestlé Responsible Sourcing Core Requirements

Principle 7: Policy Advocacy: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

- Nestlé Corporate Business Principles
- Antitrust Law Policy
- Transparency on advocacy, lobbying and industry associations

Principle 8: Inclusive Growth: Businesses should promote inclusive growth and equitable development

- Nestlé Corporate Social Responsibility Policy

Principle 9: Customer/Consumer Value: Businesses should engage with and provide value to their consumers in a responsible manner

- Nestlé Marketing Communication to Children Policy
- Nestlé Consumer Communication Principles

Note: The policies have been derived and adopted from the Nestlé Global Policies and are aligned as per local requirements to safeguard the interests of all its stakeholders

Section C Principle wise Performance Disclosure

Principle 1

Ethics, Transparency and Accountability: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicator

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year.

Nestlé Corporate Business Principles outline the values and principles it is committed to globally. All directors and employees embody these values in their daily responsibilities, ensuring that your Company's reputation remains one of its most valuable assets. Your Company's *Code of Business Conduct* further reinforces these principles by establishing non-negotiable minimum standards of behavior in key areas. Additionally, your Company has adopted policies with guidelines to address key sustainability issues significant to its business and its stakeholders. Recognizing the importance of these guidelines and principles, your Company provides regular training to all its employees to ensure their effective implementation. These trainings cover the tenets of business ethics, regulatory compliance, health and safety, human rights, diversity and inclusion, information security, privacy protection and customer service excellence, ensuring awareness and consistent adherence to these commitments.

Segment	Total number of training and awareness programmes held	Topics/Principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	1	Ethics, transparency, human rights	100%
Key Managerial Personnel	1	Integrity, ethics, transparency	100%
Employees other than BoD and KMPs	3,036	All NGRBC Principles	80%
Workers	3,861	Integrity, ethics, transparency	85%

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by the directors/KMPs with regulators/law enforcement agencies/ judicial institutions) in the financial year in the following format:

During the reporting period ending 31st March 2025, no material fines/ penalties/ punishment/ award/ compounding fees/ settlement amount was paid in proceedings (by the entity or by its directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions.

During the reporting period ending 31st March 2025, following are the events disclosed to the stock exchanges, without any application of guidelines for materiality, under Regulation 30 read with Para A of Part A of Schedule III to the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Principle 1	Deputy Commissioner of Commercial Taxes (Audit)- 6.1, DGSTO-KIAD Building 3 rd Floor, 14 th Cross, 4 th Phase Peenya 2 nd Stage, Bangalore - 58	599,536.00	The Company received the Order for demand of: (i) tax IGST/CGST/ SGST Act, 2017, amounting to Rs. 59,95,346/-; (ii) applicable interest; and (iii) imposing penalty amounting to Rs. 5,99,536/-	Yes; Appeal to be filed before Tribunal Bangalore.

	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Principle 1	Additional Commissioner, Office of the Commissioner (Appeals), Central Excise, CGST & Customs, Jaipur - 302005	23,034.00	The Company received the Order-in-Appeal upholding partial demand confirmed in Order- in-Original passed by Superintendent, GST Range for the demand of: (i) interest under Section 50(3) of CGST Act, 2017 amounting to Rs. 12,84,255/- and (ii) imposing residual penalty amounting to Rs. 23,034/.	Yes; Rectification application filed.
Penalty/Fine	Principle 1	Additional Commissioner (Appeals), Office of the Commissioner (Appeals), Panchkula, Goods & Services Tax, GST Bhawan, Sector-25, Panchkula- 134116, Haryana	583,831.00	The Company received the Order-in Appeal upholding the demand confirmed in order-in- original passed by Superintendent, GST Range for the demand of: (i) transitional credit under Section 74 of CGST Act amounting to Rs. 5,83,831/- (ii) applicable interest thereon under Section 50(3) of CGST Act and (iii) imposing penalty amounting to Rs. 5,83,831/- under Section 122(2)(b) of CGST Act.	Yes; Appeal to be filed before Tribunal Haryana.
Penalty/Fine	Principle 1	Assistant Commissioner, Office of the Assistant Commissioner of Customs, Dinhata Customs Division, Kachari More, Sunity Road, Coochbehar-736101	137,991.00	The Company has received the Order-in-Original confirming demand of (i) Rs. 1,37,991/- as short payment of Customs duty on account of IGST on freight charge, insurance charge and landing charges in terms of Section 28(4) of Customs Act, 1962 (ii) applicable interest thereon under Section 28AA of Customs Act, 1962 and (iii) imposing penalty amounting to Rs. 1,37,991/- under Section 114A of Customs Act, 1962.	No.
Penalty/Fine	Principle 1	Deputy Commissioner of Commercial Taxes (Audit)- 6.1, DGSTO-KIAD Building 3 rd Floor, 14 th Cross, 4 th Phase Peenya 2 nd Stage, Bangalore-58.	598,438.00	The Company received the Order for demand of: (i) tax IGST/CGST/ SGST Act, 2017, amounting to Rs. 59,84,377/-; (ii) applicable interest; and (iii) imposing penalty amounting to Rs. 5,98,438/-.	Yes; Appeal to be filed before Tribunal Bangalore.

	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Principle 1	Assistant Commissioner of State Tax Ghatak 21 (ABD), Office of Assistant Commissioner of State Tax, Unit 21, 4 th Floor, Bachat Bhavan, Opp. Paththar Kuva Police Choki, Relief Road, Ahmedabad- 380001.	252,858.00	The Company received the Order for demand of: (i) tax IGST/CGST/ SGST Act, 2017, amounting to Rs. 25,28,578/-; (ii) applicable interest; and (iii) imposing penalty amounting to Rs. 2,52,858/-.	Yes; Appeal filed before Commissioner (Appeals) Gujarat.
Penalty/Fine	Principle 1	The Superintendent (Range-I) CGST Division Rudrapur, Office of the Superintendent, Range-I, Central Goods & Services Tax Division, Rudrapur.	23,491.00	The Company received the Order for demand of: (i) tax IGST/CGST/ SGST Act, 2017, amounting to Rs. 2,34,908/-; (ii) applicable interest; and (iii) imposing penalty amounting to Rs. 23,491/-	Yes; Appeal filed before Commissioner (Appeals) Rudrapur.
Penalty/Fine	Principle 1	The Assistant Commissioner of State Tax, Patliputra Circle, Commercial Taxes Department, Bihar	96,382.00	The Company received the Order for demand of: (i) tax IGST/CGST/ SGST Act, 2017, amounting to Rs. 2,90,250/-; (ii) applicable interest; and (iii) imposing penalty amounting to Rs. 96,382/-	No; Settled under amnesty scheme
Penalty/Fine	Principle 1	The Additional Commissioner of Customs, ICD-Import Tughlakabad, New Delhi-110020	187,000.00	The Company received the Order for demand of: (i) Customs Duty amounting to Rs. 18,74,370/-; (ii) applicable interest; and (iii) imposing penalty amounting to Rs. 1,87,000/-	Yes; Appeal filed before Commissioner (Appeals) Delhi.
Penalty/Fine	Principle 1	Assistant Commissioner of State Tax Ghatak 21 (Ahmedabad), Office of Assistant Commissioner of State Tax, Unit 21, 4 th Floor, Bachat Bhavan, Relief Road, Ahmedabad-380001	84,080.00	The Company received the Order for demand of: (i) Interest of Rs. 23,826/- and (ii) imposing penalty amounting to Rs. 84,080/-	No.
Penalty/Fine	Principle 1	Joint Commissioner of Commercial Taxes, [Appeals] – 6, TTMC Complex, Shanthinagara, Bangalore - 560027	599,536.00	The Company had filed an appeal against the Order issued by the Deputy Commissioner of Commercial Taxes, Audit 6.1. However, the appellate authority has upheld the Order in favor of the revenue, confirming the demand for: (i) tax under the IGST/CGST/SGST Act, 2017, amounting to Rs. 59,95,346/-; (ii) applicable interest; and (iii) a penalty of Rs. 5,99,536/-	Yes; Appeal to be filed before Tribunal Bangalore.

	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Principle 1	Commissioner of Customs, Nhava Sheva-I, Jawahar Lal Nehru, Customs House, Dist. Raigad, Maharashtra - 400707	43,481,452.00	The Company has received an Order confirming demand for: (i) Differential Customs duty amounting to ₹1,94,81,452/-; (ii) applicable interest; (iii) fine amounting to ₹2,40,00,000/-; and (iv) penalty of ₹1,94,81,452/-	Yes; Appeal filed before Mumbai CESTAT (Customs, Excise and Service tax Appellate tribunal).
Penalty/Fine	Principle 1	Office of the Assistant Commissioner, Central GST Division, Panipat, 1 st & 2 nd Floor, SCO 272- 274, Sector 13-17, Panipat - 132103	2,312,031.00	The Company has received an order confirming demand for tax, interest and penalty: (i) tax amounting to INR 23,12,031/- (ii) applicable interest thereon and (iii) penalty to the tune of INR 23,12,031/-	Yes; Appeal filed before Commissioner (Appeals) Haryana.
Penalty/Fine	Principle 1	Superintendent, Central GST Division, CP- 21,22,23, Road No 1D, VKI Area, Jaipur, Rajasthan	1,712,653.00	The Company has received an Order confirming demand for tax, Interest and Penalty: (i) Tax amounting to INR 16,87,653/- (ii) Applicable interest thereon and (iii) Penalty to the tune of INR 17,12,653/-	Yes; Appeal to be filed before Commissioner (Appeals), Rajasthan.
Penalty/Fine	Principle 1	The Superintendent of Central Tax, D.no. 17/91-6- 19, Rajiv Nagar, NVR layout, Madanapalle - 517325	999,733.00	Demand confirmed (i) Tax liability under the CGST Act, 2017, amounting to INR 9,99,733/-; (ii) A penalty of INR 9,99,733/-	Yes; Appeal to be filed before Commissioner (Appeals) Andhra Pradesh.
Penalty/Fine	Principle 1	Joint Commissioner of Commercial Taxes, [Appeals-6], Shantinagra, Bengaluru-27	524,868.00	The Company had filed an appeal challenging the order issued by the Deputy Commissioner of Commercial Taxes, Audit 6.4. However, the Appellate Authority has upheld the order in favor of the revenue, thereby confirming the demand for (i) Tax liability under the IGST/CGST/SGST Act, 2017, amounting to INR 52,48,681/- (ii) Applicable interest of INR 41,72,701/- (iii) Penalty of INR 5,24,868/-	Yes; To be filed before GST tribunal.
Penalty/Fine	Principle 1	Deputy Commissioner of State Tax, Guwahati, Assam	998,964.00	Demand confirmed (i) Tax liability under the CGST Act, 2017, amounting to INR 99,89,640/-; (ii) A penalty of INR 9,98,964/-.	Yes; Rectification application filed before adjudication Authority

	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Principle 1	Assistant Commissioner, Central GST Division – Rudarpur, Commissionerate – Dehradun, 16 Avastikas, Nainital Road, Rudarpur, Uttarakhand – 263153	165,285.00	Demand confirmed (i) Tax liability under the CGST Act, 2017, amounting to INR 16,52,844/-; (ii) A penalty of INR 1,65,285/-.	Yes; Commissioner (Appeals) Rudrapur.
Penalty/Fine	Principle 1	The Deputy Commissioner of Commercial Taxes (Audit)-6.9, DGSTO-6, KIADB Building, 3 rd Floor, 14 th Cross, 4 th Phase, Peenya 2 nd Stage, Bengaluru-560058	687,760.00	An order confirming the demand which comprises: (i) Tax liability of INR 68,77,597/- (ii) Interest amounting to INR 49,51,870/- (iii) Penalty of INR 6,87,760/-	Yes; Appeal to be filed before Commissioner (Appeals) Bangalore.
Penalty/Fine	Principle 1	OFFICE OF THE ASSISTANT COMMISSIONER OF STATE TAX, UNIT-21, Fourth Floor, Bachat Bhavan, Opp. Paththar Kuva Police Choki, Relief Road, Ahmedabad-380001	56,464.00	An order confirming the demand which comprises: (i) Tax liability of INR 4,53,386/- (ii) Interest amounting to INR 3,59,975/- (iii) Penalty of INR 56,464/-	No
Penalty/Fine	Principle 1	Adjudicating Officer cum Additional District Magistrate Mirzapur	100,000.00	Order for violation of Sec 26 (2) (ii) r.w Sec 51 of the FSS Act, 2006: As per the order, the Company's product has been held to be substandard.	Yes
Penalty/Fine	Principle 1	Adjudicating Officer cum Additional District Magistrate Panipat	500,000.00	Order for violation of Sec 26 (2) (ii) r.w Sec 51 of the FSS Act, 2006: As per the order, the Company's product has been held to be substandard.	Yes
Penalty/Fine	Principle 1	Adjudicating Officer cum Additional District Magistrate Panipat	500,000.00	Order for violation of Sec 26 (2) (ii) r.w Sec 51 of the FSS Act, 2006: As per the order, the Company's product has been held to be substandard.	Yes
Penalty/Fine	Principle 1	Adjudicating Officer cum Additional District Magistrate Panipat	450,000.00	Order for violation of Sec 26 (2) (ii) r.w Sec 51 of the FSS Act, 2006: As per the order the Company's product has been held to be substandard.	Yes
Penalty/Fine	Principle 1	Adjudicating Officer cum Additional District Magistrate Kota	350,000.00	Order for violation of Sec 26 (2) (ii) r.w Sec 51 of the FSS Act, 2006: As per the order, the Company's product has been held to be substandard.	Yes

	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Principle 1	Adjudicating Officer cum Additional District Magistrate Kota	350,000.00	Order for violation of Sec 26 (2) (ii) r.w Sec 51 of the FSS Act, 2006: As per the order, the Company's product has been held to be substandard.	Yes
Penalty/Fine	Principle 1	Adjudicating Officer cum Additional District Magistrate Kota	150,000.00	Order for violation of Sec 26 (2) (ii) r.w Sec 51 of the FSS Act, 2006: As per the order, the Company's product has been held to be substandard.	Yes
Penalty/Fine	Principle 1	Adjudicating Officer cum Additional District Magistrate Kota	200,000.00	Order for violation of Sec 26 (2) (ii) r.w Sec 51 of the FSS Act, 2006: As per the order, the Company's product has been held to be substandard.	Yes
Penalty/Fine	Principle 1	Adjudicating Officer cum Additional District Magistrate Kota	200,000.00	Order for violation of Sec 26 (2) (ii) r.w Sec 51 of the FSS Act, 2006: As per the order, the Company's product has been held to be substandard.	Yes
Penalty/Fine	Principle 1	Adjudicating Officer cum Additional District Magistrate Nadia, West Bengal	200,000.00	Order for violation of Sec 26 (2) (ii) r.w Sec 52 of the FSS Act, 2006: As per the order, the Company's product has been held to be Misbranded.	Yes
Penalty/Fine	Principle 1	Adjudicating Officer cum Additional District Magistrate Tehri Garhwal	100,000.00	Order for violation of Sec 26 (2) (ii) r.w Sec 51 of the FSS Act, 2006: As per the order, the Company's product has been held to be substandard.	Yes
Settlement	Not applicable	Not applicable	NIL	Not applicable	Not applicable
Compounding fee	Not applicable	Not applicable	NIL	Not applicable	Not applicable

Non- Monetary				
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	Not applicable	Not applicable	Not applicable	Not applicable

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
<p>FY 2018-19</p> <p>1) Difference between GSTR-3B and GSTR-2A to the extent of INR 3,66,832, and interest and penalty of INR 3,66,834.</p> <p>2) Reversal of ITC related to common goods/services accounted via exempted supplies for FY 2018-19 under Rule 42, amounting to INR 56,28,514, with interest and penalty of INR 56,28,514.</p>	Goods and Services Tax Appellate Tribunal (GSTAT) - Bangalore.
<p>FY 2019-20 -</p> <p>The reversal of Input Tax Credit related to common goods/ services accounted via exempted supplies for FY 2019-20 under Rule 42, amounting to INR 59,84,377, with interest and penalty of INR 53,56,017</p>	Goods and Services Tax Appellate Tribunal (GSTAT) - Bangalore.
<p>FY 2020-21 -</p> <p>The reversal of Input Tax Credit for the sale of exempted goods amounts to INR 10,07,420, while the blocked ITC stands at INR 58,70,177. The applicable interest in amounts is INR 49,51,870, with a penalty of INR 6,87,760.</p>	The Joint Commissioner of Commercial Taxes, (Appeals) - Bangalore.
<p>FY 2017-18</p> <p>Trnas-1 Wrong availed transitional credit (Tran-1) of INR 9,99,733 on goods procured at concessional duty rates under old Excise notifications (1/2011 and 16/2012). These were not eligible for credit under the CENVAT Credit Rules, 2004 and Section 140 of the CGST Act, 2017.</p>	Additional Commissioner (Appeals), Central Tax & Customs, D.No.3-30-15, Ring Road, Guntur – 522006.
<p>FY 2017-18 -</p> <p>Wrong credit availment of Rs. 639,853/-in Tran 1, Penalty of Rs. 1,284,255/-, Interest on Rs. 1,284,255/- Excess ITC claimed by the company. Inadmissible ITC of Rs. 23,034/-.</p>	Goods and Services Tax Appellate Tribunal (GSTAT) – Jaipur.
<p>FY 2017-18</p> <p>On the verification of Tran-1 return it was observed by the department that Nestle India Limited Haryana had wrongly availed the ITC of INR 584,831/ pertaining to transitional period (Tran-1) on the invoices under Table 7(b)</p>	Goods and Services Tax Appellate Tribunal (GSTAT) – Panchkula.
<p>FY 2019-20</p> <p>During Scrutiny of FY-2019-20, Central Tax has raised a Demand of Tax on IGST Credits availed in Import BOEs which has not been reflected in our GSTR-2A for the said period.</p>	Assistant Commissioner (Appeal), Rudrapur.
<p>FY 2017-22</p> <p>Order in Original received from Office of the Assistant Commissioner, Central GST Division, Panipat.1st& 2nd Floor, SCO 272-274, Sector 13-17, PANIPAT- 132103 confirming demand in relation to classification of white Chocolates demanding a sum of Tax Rs. 23,12,031/- and penalty of Rs. 23,12,031 to the tune of Rs. 46,24,062/-.</p>	Commissioner Appeal Panchkula.
<p>FY 2017-18</p> <p>The Company has received an Order confirming demand for tax, Interest and Penalty:</p> <p>(i) Tax amounting to INR 16,87,653/- (ii) Applicable interest thereon and (iii) Penalty to the tune of INR 17,12,653/-</p>	Commissioner Appeal, Jaipur.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
FY 2020-21 OIO received from Central GST Department confirming demand in relation to Eway bill reconciliation for the Financial Year 2020-2021 for a sum of Tax Rs. 16,52,844/- and penalty of Rs. 1,65,285 to the tune of Rs. 18,18,129/-.	Assistant Commissioner (Appeal), Rudrapur.
FY 2020-21 Under declaration of Output Tax- E-waybill turnover with GSTR-9. E-waybill turnover of outward supplies is greater than the GSTR-9 turnover.	Deputy Commissioner of State Tax, Guwahati.
FY 2019-20 Differential tax liability on B2C outward supply as per outward supply E-way bill data & GSTR-01. Excess ITC availed/utilized on B2B supplies (all other ITC) as per DRC-01 Short reversal of ITC under section 17(2) read with rule 4.	Deputy Commissioner of State Tax, Div-2, Appeal, C1 (Ahmedabad).
The Company has received an Order confirming demand for: (i) Differential Customs duty amounting to ₹1,94,81,452/-; (ii) applicable interest; (iii) fine amounting to ₹2,40,00,000/-; and (iv) penalty of ₹1,94,81,452/-	Customs, Excise & Service Tax Appellate Tribunal, Maharashtra.
The Company received the Order for demand of: (i) Customs Duty amounting to Rs. 18,74,370/-; (ii) applicable interest; and (iii) imposing penalty amounting to Rs. 1,87,000/-	Commissioner (Appeals) Tughlakabad.
Order passed by Adjudicating Officer cum Additional District Magistrate, Mirzapur holding the Company's product to be substandard and imposing a fine of Rs. 1,00,000/-	Food Safety Appellate Tribunal, Varanasi.
Order passed by Adjudicating Officer cum Additional District Magistrate, Panipat holding the Company's product to be substandard and imposing a fine of Rs. 5,00,000/-	Food Safety Appellate Tribunal, Ambala.
Order passed by Adjudicating Officer cum Additional District Magistrate, Panipat holding the Company's product to be substandard and imposing a fine of Rs. 5,00,000/-	Food Safety Appellate Tribunal, Ambala.
Order passed by Adjudicating Officer cum Additional District Magistrate, Panipat holding the Company's product to be substandard and imposing a fine of Rs. 4,50,000/-	Food Safety Appellate Tribunal, Ambala.
Order passed by Adjudicating Officer cum Additional District Magistrate, Kota holding the Company's product to be substandard and imposing a fine of Rs. 3,50,000/-	Food Safety Appellate Tribunal, Jaipur.
Order passed by Adjudicating Officer cum Additional District Magistrate, Kota holding the Company's product to be substandard and imposing a fine of Rs. 3,50,000/-	Food Safety Appellate Tribunal, Jaipur.
Order passed by Adjudicating Officer cum Additional District Magistrate, Kota holding the Company's product to be substandard and imposing a fine of Rs. 1,50,000/-	Food Safety Appellate Tribunal, Jaipur.
Order passed by Adjudicating Officer cum Additional District Magistrate, Kota holding the Company's product to be substandard and imposing a fine of Rs. 2,00,000/-	Food Safety Appellate Tribunal, Jaipur.
Order passed by Adjudicating Officer cum Additional District Magistrate, Nadia holding the Company's product to be Misbranded and imposing a fine of Rs. 2,00,000/-	Food Safety Appellate Tribunal, Kolkata.
Order passed by Adjudicating Officer cum Additional District Magistrate, Tehri Garhwal, holding the Company's product to be substandard and imposing a fine of Rs. 1,00,000/-	Food Safety Appellate Tribunal, Dehradun.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy

Yes. The Nestlé *Corporate Business Principles (NCBP)* establish the values and principles your Company is committed to, emphasizing the importance of integrity and ethical conduct. Additionally, documents like the *Nestlé Purpose and Values* and the *Nestlé Responsible Sourcing Core Requirements* further delineate the company's expected standards of behavior.

Nestlé's Code of Business Conduct supports the continuous implementation of the Corporate Business Principles by specifying expected behaviors in key areas, one of which is anti-corruption and bribery. The guidelines outlined in the Code state, 'Employees must never, directly or through intermediaries, offer or promise any personal or improper financial or other advantage in order to obtain or retain a business or other advantage from a third party, whether public or private. Nor must they accept any such advantage in return for any preferential treatment of a third party. Moreover, employees must refrain from any activity or behavior that could give rise to the appearance or suspicion of such conduct or the attempt thereof.'

Directors and employees can report concerns about any unethical behaviour, actual or suspected fraud or violation of the Code, on a confidential basis through the process outlined in your Company's Whistleblower Policy/Vigil Mechanism. Your Company prohibits retaliation against any employee or director for such reports made in good faith. Your Company also provides the option of Speak Up, an independent third-party operated phone and web-based facility, to whom such reports can be made by Directors and Employees.

For more details, refer policy [here](#).

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Segment	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)
Directors	None	None
KMPs	None	None
Employees	None	None
Workers	None	None

6. Details of complaints with regard to conflict of interest:

Category	FY 2024-25 Current Financial Year		15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	-	Not applicable	-	Not applicable
Number of complaints received in relation to issues of conflict of interest of the KMPs	-	Not applicable	-	Not applicable

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, or cases of corruption and conflicts of interest.

Not applicable

8. Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format:

Parameter	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year
Number of days of accounts payables	61	75

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	2%	15%
	b. Number of trading houses where purchases are made from	15	15
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	99.6%	96%
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	97.8%	100%
	b. Number of dealers / distributors to whom sales are made	2,212	2,122
	c. Sales to top 10 dealers /distributors as % of total sales to dealers/ distributors	16.1%	15%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	8.9%	2.4%
	b. Sales (Sales to related parties / Total Sales)	4.7%	2.4%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d. Investments (Investments in related parties/Total Investments made)	100%*	0

**Note: The Company has made an investment for 49% stake in Dr. Reddy's and Nestlé Health Science Limited ("Associate Company") for development of Nutraceutical business. Pursuant to this, the investee entity has become an associate of the Company with effect from 24th July 2024.*

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Your Company facilitates capacity building workshops and awareness sessions for its key value chain partners including farmers, suppliers/vendors, and distributors to educate and create awareness on promoting sustainable operations and responsible business conduct. This covers aspects such as environmental preservation, resource efficiency, water conservation, safety, quality, human rights, labour practices and biodiversity protection.

Value Chain Partner	Number of awareness sessions held	Topics/ Principles covered under training	% of value chain programme partners covered (by value of business done with such partners) under awareness programmes
Dairy Farmers	650	Environment Sustainability and Responsible Sourcing (Fresh Milk Quality, Food Safety, Animal Nutrition, Animal Health, Cow Comfort and Animal Welfare)	52%
Coffee Farmers	4,788	Sustainability, Good Agricultural Practices, Regenerative Agriculture	100%
Distribution Centers (DCs)	21,759	Health, Safety and Quality	100%
Sugar Farmers	2	Fertilizer management, water management	23%
Rice Farmers	3	Integrated water management, Integrated fertilizer management, residue management	60%
Wheat Farmers	3	Regenerative agriculture practices of wheat cultivation, Integrated crop Management, Residue Management	80%
Spice Farmers	45	Good agri practices, safe use of pesticides, post-harvest management practices	100%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. Your Company has adopted the '*The Nestlé India - Code of Business Conduct*' ('the Code'). *The Code of Business Conduct* requires Directors, senior management and employees to avoid situations in which their personal interests could conflict with the interests of the Company. The Code is available on the website of the Company at <https://www.nestle.in/investors/policies>, and is approved by the Board of Directors on an annual basis.

The Directors, Key Managerial Personnel (KMP) and the senior management of the Company are required to annually disclose to the Board, whether they, directly or indirectly or on behalf of third parties, have material interest in any transaction or matter affecting the Company. Further, in alignment with the *Nestlé Corporate Business Principles (NCBP)*, all employees must disclose any potential conflicts of interest, such as holding external positions, employment of relatives, or exchanging gifts.

Additionally, your Company has implemented a tool that requires employees, up to a certain grade, to annually disclose any existing or new conflicts of interest. Employee-reported conflicts of interest are reviewed by line managers, who are equipped with a ready reckoner to assess situations and develop mitigation plans. Any unresolved reports may further be escalated to the Compliance Officer.

Principle 2

Product Life Cycle Sustainability: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2024-25 Current Financial Year	15 Months FY ended 31st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)	Details of improvements in environmental and social impacts
R&D	Refer to note 1 below		
Capex*	5.10%	5.12%	Your Company's environmental sustainability investments are guided by the principles of Reduce, Rethink, and Replace. 'Reduce and Rethink' focus on optimizing energy and water use through process enhancements and lower-emission fuel alternatives. 'Replace' emphasizes the adoption of advanced technologies and green energy solutions to drive long-term impact.

Note 1: R&D

As part of the Nestlé group, your Company, under the General License Agreement(s) with Société des Produits Nestlé S.A., leverages global R&D resources, while also focusing on local testing and adaptation, ensuring product quality and efficient operations through innovation. Nestlé group dedicates significant resources and effort towards R&D in order to gain comprehensive industrial expertise, which allows your Company to customize products for local conditions, manufacture quality and safe products, improve yields, and adopt sustainable sourcing, packaging, and logistics. Access to Nestlé's R&D network also allows your company to use new technologies that lower emissions and develop lower-carbon recipes by substituting ingredients, while maintaining key product attributes.

This collaboration also helps to minimize food waste and nutrient loss while creating additional income opportunities for farmers.

Sustainable Packaging: The Nestlé Institute of Packaging Science of Nestlé group works alongside Nestlé R&D network to help the Nestlé group move towards paper packaging, increasing use of recycled, biodegradable content, simplifying packaging, piloting refillable and reusable systems and developing sustainable packaging solutions that are both cost-effective and environment friendly. For instance, the "MAGGI Cuppa" solution reduces plastic content in packaging through the use of Thermofoam cups.

*Note 2: Capex

During the review period, your Company's factories implemented key energy reduction projects, resulting in annual savings of ~89,000 Gigajoules. Key initiatives included flash steam heat recovery from condensate, automation of air heater and boiler burner, optimization of compressed air consumption through leakage arrest, steam usage optimization in coffee and noodle processes, and the use of Electronically Commutated (EC+) Blowers in Air Handling Units (AHUs). Your Company has installed biomass boilers in Moga, Nanjangud and Sanand to reduce its operational footprint and increasingly use renewable fuel in its operation. Another initiative taken to reduce GHG emissions was conversion of FO (Furnace Oil) to NG (Natural Gas) a cleaner fuel, in air heaters. Additionally, NG boiler efficiency improvement and NG usage optimization in coffee process (roasters) was done to further support reduction of emissions.



Your Company also directed investments towards water conservation measures that achieved significant water savings, totaling ~190,000 m³. Key initiatives included increased utilization of treated effluent through advanced Reverse Osmosis (RO) technology, enhanced reject recovery from RO, and improved condensate recovery.

Efforts across factory locations also involved:

- Biomass for steam generation
- Entering into a Solar Power Purchase Agreement (PPA)
- Establishing a second-stage RO plant for enhanced recovery
- Investing in plant efficiency improvements aimed at minimizing water use.

2 a. Does the entity have procedures in place for sustainable sourcing? Yes/No

Yes, there are guidelines and procedures in place to encourage sustainable sourcing. Your Company selects suppliers through strictly laid down procedures and engages with them according to the non-negotiable standards described in the *Nestlé Responsible Sourcing Core Requirements* including the requirements of Business Integrity, Human Rights (labour standards), Health and Safety and Sustainable Environmental Standards in their business activities, production processes, services provision, and their own purchasing procedures. Your Company also procures certain agricultural commodities from suppliers adhering to international sustainability standards including 4C and AAA for Coffee, Bonsucro for Sugar, Roundtable on Sustainable Palm Oil for Palm, and UTZ and Rainforest Alliance (RFA) for Cocoa.

Through initiatives like the NESCAFÉ Plan and MAGGI Spice Plan, the company collaborates with farmers on environmental sustainability programs aimed at improving livelihoods, increasing agricultural productivity, strengthening water security, and enhancing resilience to climate change. Dairy and coffee farmers are key stakeholders, constantly engaged to address sustainability challenges and develop resilient value chains. Your Company also works with rice, wheat, sugar and spice to promote good agricultural practices for the growth of safe, sustainable raw materials and the development of sustainable farms, ensuring continued alignment with the *Responsible Sourcing Core Requirements*.

b. If yes, what percentage of inputs were sourced sustainably?

An average of 55% of inputs were sustainably sourced from suppliers or service providers that adhere to either the *Nestlé Responsible Sourcing Core Requirements*, which upholds the spirit of fair treatment, human rights, good labour practices, environmental conservation, health and safety, outlined in the International Labour Organisation Guidelines and United Nations Guiding Principles on Business and Human Rights or are certified to be compliant with social and environmental standards.

Further, your Company focuses on engaging suppliers to enhance the sustainability of its supply chain and continue to source input material sustainably.



55%*
Sustainably sourced inputs

*This percentage for responsibly sourced inputs/ supplies varies from month to month and is the best estimate during the financial year

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Your Company is working towards a future where none of its packaging ends up in landfill or as litter in the environment. It is taking preventive measures by implementing the reduce-reuse-recycle model.

REDUCE: Your Company is committed to reducing virgin plastic by using best practices such as packaging optimization by source reduction and value engineering. Your Company achieved the same through some key projects like, size reduction for Masala-e-Magic sachets, coffee bags and polybags and introducing Thermofoam cups for MAGGI Cuppa.

RECYCLE: Your Company encourages the use of recycled material wherever applicable e.g.: 50% recycled PE in coffee secondary bags; 20% recycled PE in shrink film for ketchup; 100% recycled PET in coffee secondary containers 70% / 100% recycled PET in C&C secondary container.

RECOVER: Your Company achieved Plastic Neutrality in 2020 and continues to be plastic neutral in the reporting period through Central Pollution Control Board (CPCB) approved vendors and appropriate channels.

During the reporting period, your Company responsibly managed ~24,600 MT of plastic packaging. EPR target assigned by CPCB with help of various waste management agencies to collect and process equivalent amount of post-consumer plastic waste.

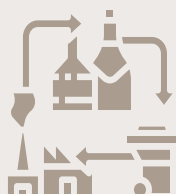
Your Company has a robust e-waste management standard operating procedure which ensures compliance to e-waste Management Rules 2016, including filing of requisite annual returns to State Pollution Control Boards (SPCB). Contracts for disposal of e-waste exist with authorized vendors and disposal is done within the stipulated time frames in a responsible manner. Similarly, disposal of hazardous waste, as laid down in the Hazardous Waste Management Rules, is done in line with the stipulated guidelines through authorized vendors and requisite Annual returns are filed with respective SPCBs.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Extended Producer Responsibility (EPR) is applicable. As a responsible manufacturer of food products, your Company is registered as a Brand Owner in the centralized portal operated by CPCB and has duly filed Annual Returns from time to time as prescribed.

Your Company through waste management agency has initiated collection and management of both pre-consumer and post-consumer plastic packaging while ensuring that the processing is done through CPCB registered Plastic Waste Processor. Our collection network spans across 35 States and Union Territories of India, and with our waste management partners.

Your Company has collected and processed 24,600 MT of plastic packaging i.e. EPR target assigned by CPCB.



~24,600 MT

Of post-consumer plastic
waste collected and processed

Leadership Indicators

- Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes No) If yes, provide the web-link
-	-	-	-	-	-

- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.

Name of Product/ Service taken	Description of the Risk /Concern	Action
-	-	-

- Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate Input Material	Recycled or used input material to total material	
	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year
rPET, rPE	1.5%	0.70%

- Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.

Product	FY 2024-25 Current Financial Year			15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (Including Packaging)	0	14,162	10,483	0	8,401	17,248
E-Waste	0	0	0	0	0	0
Hazardous Waste	0	0	0	0	0	0
Other Waste	0	0	0	0	0	0

- Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
-	Not applicable

Principle 3

Employee Wellbeing: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1 a. Details of measures for the well-being of employees:

Your Company is committed to the well-being of its workforce, implementing measures to ensure their health and safety. Your Company provides regular safety and skill-upgradation training, and offer programs focused on mental health, stress management, and physical wellness. Additionally, your Company strictly adheres to rigorous safety standards and certifications, thereby fostering a safe and supportive work environment. Recognizing the integral role that physical health plays in overall wellness, your Company ensures that employees have access to resources, programs, and facilities aimed at promoting a healthy lifestyle. Your Company conducts regular awareness sessions addressing overall well-being, alongside strengthening its policies to promote work-life balance and incorporate wellness and self-care days in leave policies, thus helping employees to prioritize personal health.

Additionally, your Company has also established a Mental Health First Aider Network and implemented inclusive policy changes, including the introduction of mental health benefits within its health insurance offerings. This year, your Company has undertaken proactive measures to elevate mental health awareness across its nine factory locations, encompassing over 1,200 employees. Your Company has organized informative sessions directed towards its shop floor staff and factory leadership teams, which underscore the critical importance of mental health and the support available through your Employee Assistance Program. Moreover, your Company has successfully trained a second cohort of 20 Mental Health First Aiders. These dedicated individuals join its existing advocates, thereby reinforcing your Company's dedication to prioritizing mental health at the workplace.

Category	% of Employee covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	2,745	2,745	100%	2,745	100%	-	-	2,745	100%	2,745	100%
Female	862	862	100%	862	100%	862	100%	-	-	862	100%
Total	3,607	3,607	100%	3,607	100%	862	23.90%	2,745	76.10%	3,607	100%
Other than Permanent Employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

Note: The well-being of other than permanent employees is managed through contractual terms and conditions including social security benefits and obligations.

b. Details of measures for the well-being of workers:

Your Company diligently complies with all pertinent national and local laws and regulations in every location where it maintains office spaces.

Category	% of Workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Workers											
Male	4,593	4,593	100%	4,593	100%	-	-	4,593	100%	4,593	100%
Female	219	219	100%	219	100%	219	100%	-	-	219	100%
Total	4,812	4,812	100%	4,812	100%	219	4.55%	4,593	94.45%	4,812	100%

Category	% of Workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Other than Permanent Workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

Note: The well-being of other than permanent workers is managed through contractual terms and conditions including social security benefits and obligations.

To know more, click [here](#).

- c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

Parameter	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company*	0.17%	0.13%

*Includes costs of accident insurance, health insurance, maternity leave benefit, paternity leave benefit, day- care facility cost and various other initiatives undertaken to promote physical and mental well-being

2. Details of retirement benefits, for Current FY and Previous FY.

Benefits	FY 2024-25 Current Financial Year			15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI*	-	0.52%	Y	-	6%	Y
Others- please specify	-	-	-	-	-	-

*As per the ESI regulation, 100% of the eligible employees and workers have been covered under the benefits.

Your Company offers comprehensive retirement benefits to ensure financial security and well-being for its employees post-retirement. These benefits include pension plans, provident fund contributions, and gratuity payments.

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, your Company's premises and offices are accessible to individuals with disabilities, in accordance with the requirements outlined in the Rights of Persons with Disabilities Act, 2016. Your Company is committed to continuously improving infrastructure to eliminate any barriers to accessibility and thereby promote a diverse workforce. An essential aspect of ensuring this 'inclusion by design' and hence, your Company embarked on this journey few years ago by instituting accessible restrooms and ramps.

Your Company's head office, in Gurugram, and the factory in Sanand have been designed in accordance with the principles of inclusion, ensuring accessibility for all employees and visitors. Additionally, comprehensive accessibility audits have been conducted across all factory locations to assess and address accessibility requirements. All manufacturing sites underwent external accessibility audits in 2022, to ensure adherence to the guidelines of the Rights of Persons with Disabilities Act, 2016.

To reinforce your Company's commitment to promoting diversity and accessibility, it has established a dedicated Accessibility Core Team responsible for driving improvements across all factory locations. Your Company has defined a clear roadmap for enhancing accessibility within its factories, ensuring that both current and future developments conform to inclusive design standards. Your Company has successfully achieved alignment among key stakeholders, integrating accessibility as a fundamental consideration in all upcoming projects and renovations.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-Link to the policy.

Yes, your Company has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016. The weblink of the 'Equal Opportunity Policy' is available at <https://www.nestle.in/jobs/equal-opportunity-policy>. With 'Respect for Diversity' being one of the core values, your Company is committed to being an equal opportunity employer.

Towards promoting an inclusive workplace, your Company respects and upholds the human rights of all individuals, including persons with disabilities. Your Company focuses on providing accessibility, reasonable accommodations, and the necessary support to allow persons with disability to thrive at the workplace. Additionally, it upholds a strict zero- tolerance policy against any form of discrimination, harassment, abuse, exploitation, or any other violations of their human rights.

5. Return to work and retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to Work Rate	Retention Rate	Return to Work Rate	Retention Rate
Male	100%	100%	100%	100%
Female	98.3%	100%	100%	100%
Total	99.2%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

Your Company has established a comprehensive Grievance Redressal Procedure accessible to all employees and workers, in line with its steadfast commitment to promoting an open, inclusive and respectful work culture, as encapsulated in the *Nestlé Corporate Business Principles*. Your Company has instituted the 'Speak Up' platform, which is available to all employees and workers as well as other stakeholders, such as suppliers, vendors, and external entities associated with your Company. This platform provides a secure channel for employees and workers to raise any concerns and grievances, while allowing anonymous reporting, and plays a crucial role in the investigation of reported grievances by ensuring thorough examination and responsive communication with the complainant. Additionally, issues can be reported directly to Human Resources department or through an individual's immediate manager, where they are evaluated and appropriately addressed. Your Company is committed to conducting impartial investigations while ensuring confidentiality and protection from retaliation.

Furthermore, any complaints regarding sexual harassment are covered under the POSH Act 2013 and your Company has established an Internal Committee to deal with any such cases. Your Company has zero tolerance for any forms of harassment and is committed to creating safe workplaces where all individuals can thrive without fear of harassment or discrimination. All such cases are handled with utmost care, ensuring a bias-free approach.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Your Company respects the right to freedom of association of all employees and workers, allowing them to freely associate and lawfully organize themselves into interest groups without management oversight. Your Company ensures that no employee faces discrimination for exercising this right in a lawful manner while maintaining alignment with the Company's core values. In doing so, your Company fosters an inclusive and equitable work environment that promotes trust, mutual respect and harmonious relations with employees and workers.

Category	FY 2024-25 Current Financial Year			15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year		
	Total Employees/ Workers in Respective Category (A)	No. of Employees/ Workers in Respective Category, who are part of Association(s) or Union (B)	%(B/A)	Total Employees/ Workers in Respective Category (C)	No. of Employees/ Workers in Respective Category, who are part of Association(s) or Union (D)	%(D/C)
Total Permanent Employees	3,607	0	0%	3,980	0	0%
Male	2,745	0	0%	2,971	0	0%
Female	862	0	0%	1,009	0	0%
Total Permanent Workers	4,812	4,730	98.3%	4,756	4,395	92%
Male	4,593	4,593	100%	4,530	4,236	94%
Female	219	137	62.6%	226	159	70%

8. Details of training given to employees and workers

Your company is committed to the continuous learning and development of workforce through a variety of initiatives. You encourage a growth mindset by fostering an environment where employees are motivated to pursue both personal and professional development, often facilitated by mentorship programs, functional expertise development programs and knowledge-sharing platforms. By creating an environment that values learning, you motivate the workforce to keep evolving and adapting to new challenges. This commitment to development helps employees stay engaged and contributes to your Company's overall success in a competitive market.

Your Company fosters a culture of operational excellence and continuous improvement by integrating Total Productive Maintenance (TPM) ways of working into your factory Operations and Shopfloor and through on-going initiatives like Digital Manufacturing Operations (DMO), empowering employees for agile decision-making in operations. This is supported by skilling initiatives imparting relevant technical and managerial skills to employees to develop a resilient, highly competent, and engaged workforce.

Further, your Company supported relationship-based development through launch of formal mentoring with a network of in-house subject matter experts to help groom strong talent for senior management roles or help perform better at existing roles. Mentees get a chance to interact in a structured format with key leadership and learn from their experiences.

In this financial year, your Company introduced the **Nestlé Impact Leaders Program** - a strategic initiative aimed at nurturing leaders who can navigate business challenges and drive continued success. It is designed to address three key business needs: developing a leadership pipeline aligned with the Company's market purpose, equipping leaders with a high digital quotient to respond to a dynamic environment, and fostering a workplace culture of psychological safety, innovation, and growth. This 9-month program provides leaders with the tools and insights through self-awareness, cohort learning, workshops, and real-world experiences.



For building future ready leaders, the **'Force for Great Leadership'** was launched, a seminal intervention with key leadership across the Company. Your Company continued supporting leadership transitions through structured learning interventions designed in-house using blended learning approach, backed by technology and data.

Category	FY 2024-25 Current Financial Year					15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	2,745	2,568	94%	2,745	100%	2,971	1,953	66%	2,225	75%
Female	862	794	92%	862	100%	1,009	636	63%	719	71%
Total	3,607	3,362	92%	3,607	100%	3,980	2,589	65%	2,944	74%
Workers										
Male	4,593	3,994	87%	4,068	89%	4,530	4,101	91%	2,976	66%
Female	219	184	84%	190	87%	226	223	99%	113	50%
Total	4,812	4,178	87%	4,258	88%	4,756	4,324	91%	3,089	65%

Women in Leadership (WIL) is an immersive program designed to foster growth and create opportunities for women leaders. The primary goal is to prepare them for senior-level roles and accelerate their leadership development.

The successful inaugural pilot edition featured a diverse cohort of **30 Key Talent Women Leaders** from various functions and locations.

The program was built upon three pillars:

- Self-Awareness
- Business Acumen
- Courageous Leadership.

Spanning a 6-month Blended Learning Journey, it included masterclasses, field experiences, and idea pitching to cultivate growth and build a supportive community.

Participants gained valuable insights from sponsors and a team of leaders, mentors, coaches, and industry experts. The program concluded with a heartfelt graduation ceremony, where participants were celebrated by key leaders, marking the achievement of this remarkable journey.

9. Details of performance and career development reviews of employees and workers.

Your Company has a 'People Development and Performance' procedure which allows sharing of feedback and periodic evaluation of performance for all employees. Employees are responsible to manage and drive their own development, supported by People Leaders and the HR department.

Category	FY 2024-25 Current Financial Year			15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	2,615	2,612	99.9%	2,971	2,970	100%
Female	812	806	99.3%	1,009	942	93%
Total	3,427	3,418	99.7%	3,980	3,912	98%
Workers						
Male	4,519	4,145	92%	4,530	4,330	96%
Female	226	221	98%	226	209	92%
Total	4,817	4,366	91%	4,756	4,539	95%

*Performance evaluation cycle is from January to December. Therefore, the total number of employees denotes the count of employees at Nestlé as on 31st December 2024.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, your Company has implemented ISO 45001:2018 Occupational Health and Safety Management System (OHSMS). It provides a robust framework for managing any occupational health and safety risks and opportunities, including prevention of work-related injuries and ill health and providing safe and healthy workplaces by eliminating hazards and taking effective preventive and protective measures. Your Company's sites (includes nine manufacturing locations, sales branch offices, registered office, and Head office Gurugram) are covered under the scope of the ISO 45001: 2018 certification, covering all employees and workers.

As such, your Company dedicates substantial time and resources to ensure the safety and well-being of its employees, contractors, and visitors across all its facilities. In recent years, your Company has broadened its Safety and Health (S&H) program beyond its operations division because your Company believes that the highest standards of care should be applied universally to every employee at your Company, irrespective of their role within the organization.

Your Company is committed to increasingly influencing the safety and health practices throughout its value chain, aiming to deliver widespread benefits both to its business and the communities in which it operates.



At Nestlé we say, **"one accident is one too many"** and hence our goal is to ensure Zero work-related injuries and illnesses.

b. What are the processes used to identify work related hazards and assess risks on a routine and non-routine basis by the entity?

Risk assessment is central to the Nestlé Health & Safety Health Management System, that is instrumental in identifying and managing any hazards, ensuring protection of individuals, and prioritizing safety improvements across operations. Your Company is dedicated to continuously improving health and safety by refining processes, work practices, and systems. Your Company recognizes that employee engagement is crucial in creating and sustaining a safe workplace, and adherence to safety principles is a fundamental. Employees are responsible for ensuring safe practices to prevent injuries and are encouraged to engage in initiatives to improve workplace health and safety.

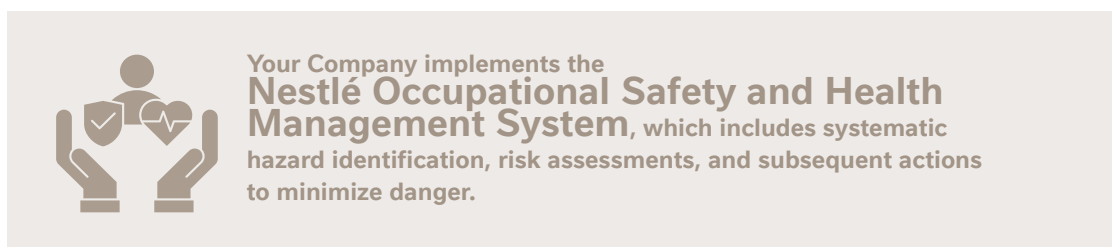
Your Company deploys several processes to identify work-related hazards and assess risks in a routine and non-routine manner, some of which are mentioned below:

- **HIRAO (Hazard identification and Risk Assessment Opportunity)** is an element of ISO 45001. This commitment is reinforced by conducting detailed risk assessments, including those focusing on machinery, specific tasks, material handling equipment, facility safety, noise levels, ergonomics, and more.
- **Permit to work management system:** Your Company prioritizes the effective management of critical risks that may result in injuries, through a comprehensive process designed to identify and mitigate risks associated with high hazard tasks, both routine and non-routine. The permit-to-work process is crucial to ensure safety during activities such as work at height and confined space entry, especially concerning contractor management and capital projects. This process includes a risk prediction tool to assess and mitigate risks before commencement of tasks.
- **Method statements:** This provides a detailed methodology for mitigating risks associated with critical non-routine activities, particularly for capital investment projects. It is especially useful for projects involving large-scale civil construction and installation of heavy equipment.
- **ATEX (Atmospheric Explosion prevention management tool):** A tool used to identify the process-related hazards associated with manufacturing of powders and establish risk mitigation measures.
- **PESIS (Preliminary Environmental & Workplace Safety Impact Study):** A tool used for new product development where new processes/equipment changes are evaluated for identification of any risks and hazards and implementing controls for their effective mitigation.
- **User Requirement specifications in Capital Investment Projects:** For machinery and process safety, safety measures are integrated into the User Requirement Specifications and are thoroughly validated through Factory Acceptance Tests and Site Acceptance Tests, among others.
- **Shift risk prediction tool:** Manufacturing lines have the concept of being risk assessed on shift basis using a concept of traffic light (Red, Amber & Green) so that people in the shift are aware of the level of risk associated with the shift.
- **S&H Tagging:** A tool for proactive identification and reporting of any workplace hazards.
- **Behavioral Feedback System (BFS):** Your Company views behavior as crucial to success, expecting managers, team leaders, and employees to embody Safety & Health (S&H) values in their daily operations.
- **Contractor Field Safety Audits:** A tool to facilitate joint inspections of project sites with contractors, allowing for the recognition of best practices and the identification of violations, which can then be proactively addressed to prevent potential harm.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, your Company's 'SpeakUp' platform allows all employees and workers to report any concerns including safety-related hazards. In addition, your Company has adopted various systems and processes that allow reporting of work-related hazards.

1. **GEMBA:** Gemba is the Japanese term “genchi genbutsu” that is interpreted as ‘management by walking around’. Your Company has systems in place for top management to conduct regular safety tours at the workplace. Primary focus of these tours is to identify any unsafe conditions. This provides an opportunity to the workers to engage with the management and provide feedback regarding any unsafe working conditions.
2. **Safety Committee Meetings:** The Safety Committee provides a forum for workers and management to collaborate for resolving any identified health and safety issues. The Safety Committee consists of fair representation from management and workers. These meetings also have representation from contractors at the sites to provide them with a forum for reporting any unsafe conditions.
3. **Safety campaigns:** Safety campaigns help promote awareness among employees and contractors, allow identification of hazards and also provide an opportunity to share any feedback for workplace safety improvements.
4. **Behavioral feedback Sessions (BFS):** Primary focus on identification of unsafe conditions, safe & unsafe behaviors, and one-to-one coaching sessions to improve behaviors. The BFS forms are available both in hard copy and digitally in most locations.
5. Through participation in **incident investigations;** and
6. Daily operations review/weekly operations **review meetings.**



d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, the employees/workers of your Company have access to non-occupational medical and healthcare services. They are insured under the Group Health Insurance Policy (GHIP). A digital medical assistance app is also provided to all eligible employees and their family members. Additionally, your Company has also established a Mental Health First Aider Network and implemented inclusive policy changes, including the introduction of mental health benefits within its health insurance offerings.

11. Details of safety related incidents.

Detailed investigations are carried out for all accidents to identify the root causes and undertake measures to prevent their recurrence. Learnings from all accidents are disseminated across the organisation.

Safety Incident/ No	Category*	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.10	0.17
	Workers	0.12	0.21
Total recordable work-related injuries	Employees	5	13
	Workers	22	21
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	3

*Including contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Your Company is committed to improving employee safety, health, and well-being by identifying, assessing, and mitigating all risks and hazards. Your Company believes that all accidents are preventable and advocate for a culture that views “one accident as one too many.” Your Company has emergency plans in place to manage residual risks, thereby protecting its employees and workers from harm.

Following are some of the measures and practices that are being followed by your Company for ensuring a safe and healthy workplace :

- Certifying all sites with ISO 45001:2018
- CARE certification (with elements of SA 8000 certification)
- Zurich Risk Assessment (Risk management by accredited third parties)
- Functional Compliance Assessment for safety management system
- Internal and market-level site assessments
- Ensuring safety in capital investment projects
- Management of high hazard tasks
- Contractor Management Programme
- Robust Machinery Safety Programme
- Total Performance Management
- Engagement and communication campaign
- Early management by ensuring optimum workplace design and ergonomic practices
- Task specific trainings and coaching

13. Number of complaints on the following made by employees and workers.

Your Company endeavors to provide a safe workplace to all its employees and contractors. Multiple avenues are available to the employees to lodge complaints on health and safety matters such as open access to internal email network, works committee, safety committee and townhalls conducted at regular intervals.

Parameter	FY 2024-25 Current Financial Year			15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	NIL	NIL	-	NIL	NIL	-
Health & Safety	NIL	NIL	-	NIL	NIL	-

14. Assessments for the year:

Your Company's manufacturing sites adhere to ISO standards for Occupational Health and Safety (ISO 45001:2018), Environmental Management (ISO 14001:2015), and Quality Management (ISO 9001:2015), ensuring compliance with safe working conditions as part of the Safety, Health, and Environment (SHE) system. Accredited third parties regularly assess these sites to validate ISO certification requirements.

Parameter	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

Presented below are examples illustrating corrective actions implemented to address safety-related incidents:

Significant Risk – Pedestrian-MHE (Material Handling Equipment) interface on site - Many areas have shared spaces where vehicles and pedestrians intersect, creating collision risks due to high movement of trucks, tankers, and forklifts.

Solution: Facility risk assessments are conducted to identify shared areas and implement requisite controls by following Hierarchy of Safety control as per OSHA e.g., Elimination, Substitution, Engineering, Administrative and PPEs. Furthermore, the defined actions are implemented as per the agreed timelines.

Significant Risk - Management of large capital investment projects.

Solution: Your Company implemented world-class ring lock system scaffolding for safe civil work, created method statements for high-risk tasks, and hired dedicated safety professionals to enforce strict Safety & Health protocols.

Significant Risk- Driving on roads for business purpose, since the employee must travel for the workplace using their own vehicles / public transports / by company provided vehicles.

Solution: Your Company ensures all vehicles meet your Company's safety standards, provides defensive driving and awareness training for sales employees, and has established clear road travel policies.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, in the unfortunate event of the death of an employee or worker, your Company extends financial support to family members of the employee. Under the Loss of Life Benefit, the next of kin of the employee is eligible to receive employee's two years' base / gross salary. Besides there is additional support extended in terms of compensatory package under the Group Accident Insurance Coverage and education and hospitalization support under Neshield Policy.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Your Company ensures that statutory dues as payable by service providers for their employees are deposited on time and in full, through a process of periodic audits and controls. Your Company has systems in place to ensure compliance to various statutory requirements. For its factories and branches, your Company has agreements in place specifying statutory compliance to be ensured by service providers. Similarly, for the distribution centers and co-manufacturers, statutory dues are specified in the agreements as per applicable statutes. Furthermore, as an additional measure, internal and third-party audits are conducted to ensure adherence to these practices.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

	Total no. of Affected Employees/ Workers		No. of Employees/Workers that are Rehabilitated and Placed in Suitable Employment or whose Family Members have been Placed in Suitable Employment	
	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year
Employees	0	0	0	0
Workers	0	3	0	0

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes, your Company provides transition assistance to facilitate continued employability in specific cases based on defined applicability criteria through an external service provider. The offering covers different aspects and provides access to resources such as coach/consultant/online tools.

5. Details on assessment of value chain partners on health and safety practices and Working Conditions

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	93%
Working Conditions	93%

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Your Company has a structured framework in place with clear procedures to monitor and close observations and actions as per the Responsible Sourcing (RS) audit conducted by external agencies/ third party service providers. As per recommendations from your Company's globally shortlisted audit agencies, the suppliers are strongly advised to close all observations in the assessments and take corrective actions as appropriate within a time bound manner, which is then monitored by your Company.

During the reporting period, no significant risks/concerns were identified from assessments of health and safety practices and working conditions of value chain partners.



Your Company conducts responsible sourcing audits to ensure suppliers comply with stringent ethical, environmental, and social standards.

These independent ethical audits follow **SMETA Best Practice Guidance**- based on 4 pillars of Labor Standards, Health and Safety, Environment & Business Ethics.

This rigorous process helps maintain high standards across the supply chain.

Principle **4**

Stakeholder Engagement: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Your Company identifies key stakeholders as those individuals or group of individuals that are impacted by its operations and those who have the potential to influence its activities. Recognizing the importance of these relationships, your Company provides open channels of communication to ensure stakeholder concerns are effectively addressed. To enhance dialogue and understanding of stakeholder views and opinions, your Company engages stakeholders through meetings, workshops, and events. This interaction encourages collective action, and fosters trust and mutual respect. The engagement strategy acknowledges that each stakeholder group is unique, with its own set of priorities. Insights and feedback from these engagements are invaluable for validating the Company's performance and providing new perspectives on challenges and opportunities.

2. List of stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of Engagement (Annually, Half yearly, Quarterly, Others- Please Specify)	Purpose and Scope of Engagement including key topics and concerns raised during such engagement
Consumers	No	Websites, Advertisements, Email	As and when required	Your Company engages with consumers for awareness about the products, recipes and nutrition information, ingredients and any other information relevant for consumers.
Farmers	Yes	Email, SMS, Meetings	As and when required	Your Company engages with dairy, coffee, spice and other farmers who form a part of the value chain directly or indirectly for training/awareness on good agricultural practices, helping them grow safe, high-quality raw materials, and develop resilient, sustainable farms.
Distributors & trade partners, Suppliers	No	Email, SMS, Meetings	As and when required	Your Company engages and receives co- operation and unstinted support from the distributors, retailers, stockist, suppliers and others associated with the Company and its trading partners.
Trade Unions	No	Email, SMS, Meetings	As and when required	Your Company engages with trade unions for collective bargaining to ensure smooth operations at the manufacturing facilities and cordial relations with workers.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of Engagement (Annually, Half yearly, Quarterly, Others- Please Specify)	Purpose and Scope of Engagement including key topics and concerns raised during such engagement
Government bodies	No	Email, SMS, Meetings	As and when required	Your Company engages with Food Authorities and other government authorities to establish science-based regulations and other operational efficiencies and commitments for protecting the health of consumers and development of other best practices in areas of food processing.
Industry associations	No	Email, SMS, Meetings	As and when required	Your Company engages with industry associations for promoting industry positions – that are aligned with Nestlé’s viewpoints / proposals with external stakeholders/ policy makers. Topics include Food Regulations, Environment, Plastic Packaging, Governance, Compliance, Corporate Laws, and other Societal activities.
Academia experts	No	Email, SMS, Meetings	As and when required	Your Company engages with academia experts that helps in getting specialist knowledge on various topics. Your Company also engages with stakeholders to incorporate their expert advice in societal initiatives for positive impact.
NGOs	No	Email, SMS, Meetings	As and when required	Your Company engages with NGOs to implement the CSR projects under the umbrella of Nutrition, WASH, education, enhancing livelihood, environment, feeding support programme and rural development, disaster management. Key focus includes on-ground implementation, deliverables of the projects, positive impact, budget utilization and adherence to the CSR policy and compliances, etc.
Employees	No	Email, SMS, Meetings	As and when required	Your Company engages with employees for employee satisfaction, diversity and equal opportunity, health and safety, skill upgradation, learning and development, and organizational effectiveness
Communities	Yes	Email, SMS, Meetings	As and when required	Your Company engages with communities for improve lives and livelihood and create positive impact.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of Engagement (Annually, Half yearly, Quarterly, Others- Please Specify)	Purpose and Scope of Engagement including key topics and concerns raised during such engagement
Media	No	Email, SMS, Meetings, Media Releases	As and when required	Your Company engages the media to communicate and inform them about its brand and corporate campaigns and other initiatives undertaken by various functions within the Company. Your Company engages with the media to address their queries across the spectrum.
Investors	No	Email, SMS, Community Meetings, website, Annual Report	Your Company addresses investors in the Annual General Meeting and Analyst and Institutional investors meet. Beyond this, it engages with investors as and when required	Your Company engages the investors to keep them updated on the business and financial performance of the Company, its strategies and all interventions which have a direct or indirect impact on the value of the Company's shares.

Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

Your Company firmly believes that stakeholder engagement is critical to deepen dialogue and develop our understanding of important business and societal issues. Your Company is part of various platforms where stakeholders engage on issues pertaining to the economic, environmental & social topics. The relevant information is shared with the Board of Directors of the Company.

The Board, through the CSR Committee and RMSI, reviews, monitors and provides strategic direction to the Company's social responsibility obligations and other societal and sustainability practices.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, your Company engages with relevant stakeholder platforms that are used to seek relevant expertise and support to address environment and social topics.

Engaging with stakeholders on key issues is central to your Company's approach. It actively participates in relevant platforms to access expertise and support for addressing environmental and social matters. Your Company has put in place systems and procedures to identify, prioritize and address the needs and concerns of its stakeholders across businesses in a continuous, consistent and systematic manner. It has implemented mechanisms to facilitate effective dialogue with all stakeholders across businesses, identify concerns and their resolution in an

equitable and transparent manner. Select examples of how stakeholder inputs have been incorporated into your Company's policies and activities are presented below:

- **Consumers:** Various tech-enabled avenues have been constructed to constantly receive feedback and ideas from these stakeholders.
- **Communities:** Your Company is enhancing access to sanitation facilities for girl students at schools near its factory locations, significantly improving school attendance. Recently, your Company expanded these projects to include facilities for disabled individuals in response to community requests.
- **Industry:** Your Company is dedicated to full compliance with EPR under the Plastic Waste Management (PWM) Rules 2016 and its amendments. In 2018, the Ministry of Environment, Forest and Climate Change (MoEFCC) banned non-recyclable multilayered packaging, posing challenges for product packaging. By collaborating with industry members, your Company demonstrated that properly collected multi-layer packaging can be used for energy recovery, supporting the EPR implementation framework.
- **Media:** Your Company engages the media to communicate and inform them about its sustainability initiatives undertaken by various functions within the Company. Your Company also engages the media reactively to address their queries across the spectrum.

As part of its proactive media engagement, the Company hosted a field visit for nine journalists to its NESCAFÉ Plan site. The visit showcased your Company's efforts in promoting sustainable coffee cultivation and advanced agronomic practices. Journalists had the opportunity to interact with farmers, observe on-ground initiatives, and understand how the Company is supporting climate-resilient agriculture and responsible sourcing. This initiative helped build awareness and transparency around Nestlé's sustainability commitments in the coffee value chain.

Additionally, your Company conducted materiality assessment exercise in the reporting year to identify and evaluate Environmental, Social and Governance (ESG) topics of significance to its business. As part of this exercise, your Company engaged with key internal and external stakeholders (employees, distributors, NGO Partners, suppliers, industry associations etc.) to understand their concerns and incorporate their views into materiality assessment, for prioritizing ESG topics. These topics are considered while defining ESG targets and initiatives of the Company.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Your Company is strongly committed to address the emerging needs of the community. For instance, our commitment to nutritious and safe food goes beyond the safety and quality of our own products. Project 'Serve Safe Food' continued to enhance livelihoods of street food vendors by providing them training on food safety and hygiene. As your Company engages regularly with its stakeholders of societal initiatives, inclusion of separate wiping cloth for carts, hand hygiene, and utensils was done in the hygiene kit after the request came from street food vendors at various locations.

Through our societal initiative of Project Jagriti, behaviour change communication such as street plays, counselling, group education, road shows, comic stories have been used to engage and educate marginalized communities at a large scale. The intervention by the people from their communities, in the language they speak and in the mode they are engaged most, makes the project relatable in the communities. Mental health well-being to improve their quality of life is helping address the concerns of vulnerable stakeholder groups. During the last financial year, included SADGUN initiative that focusses on the topic of SDGs, focusing on planetary health diet (Sustainable diet in the Indian context).

Through Nestlé Healthy Kids Programme and Project Vriddhi, your Company is promoting overall well-being for individuals and communities. These programmes are helping to embed personal hygiene as a crucial practice for maintaining personal and public health. Personal hygiene is a simple yet powerful measure that is helping to significantly reduce the risk of infections/diseases in these vulnerable communities.

In addition, your Company works closely with over 80,000 dairy farmers through its milk districts, providing training in animal health, feed management, and sustainable farming practices to improve productivity. Similarly, under the NESCAFÉ Plan, your Company supports coffee farmers with technical assistance, helping them build resilience. These initiatives reflect your Company's commitment to inclusive growth and value creation for marginalized agricultural communities.

Principle 5

Human Rights: Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25 Current Financial Year			15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	3,607	2,292	64%	3,980	2,608	66%
Other than permanent	312	170	54%	220	20	9%
Total Employees	3,919	2,462	63%	4,200	2,628	63%
Workers						
Permanent	4,812	3,618	75%	4,756	2,858	60%
Other than permanent	7,519	6,452	86%	11,449	5,062	44%
Total Workers	12,331	10,070	82%	16,205	7,920	49%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25 Current Financial Year					15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to MinimumWage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	2,745	-	-	2,745	100%	2,971	-	-	2,971	100%
Female	862	-	-	862	100%	1,009	-	-	1,009	100%
Other than Permanent										
Male	255	-	-	255	100%	152	-	-	152	100%
Female	57	-	-	57	100%	68	-	-	68	100%
Workers										
Permanent										
Male	4,593	-	-	4,593	100%	4,530	-	-	4,530	100%
Female	219	-	-	219	100%	226	-	-	226	100%
Other than Permanent										
Male	6,913	3,653	53%	3,260	47%	10,471	2,121	20%	8,350	80%
Female	606	284	47%	322	53%	978	161	16%	817	84%

3. Details of remuneration/salary/wages, in the following format:

a). Median remuneration/wages

Gender	Male		Female	
	Number	Median Remuneration/ Salary/ Wages of respective category (Amount in INR)	Number	Median Remuneration/ Salary/ Wages of respective category (Amount in INR)
Board of Directors (BoD)	2	75,601,145	1	30,720,615
Key Managerial Personnel (KMP)	1	18,955,404	-	-
Employees other than BoD and KMP	2,745	2,000,137	862	1,561,669
Workers	4,593	924,420	219	341,232

b). Gross wages paid to females as % of total wages paid by the entity, in the following format:

Parameter	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year
Gross wages paid to females as % of total wages	15%	15%

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/ No).

Yes, your Company has a focal point responsible for addressing human rights impacts or issues caused or contributed to by the business that may be raised by internal employees or contractors and caused or contributed to by the business. The Compliance Officer is the focal point responsible for addressing human rights concerns reported. Your Company's 'Speak Up' platform allows employees/ contractors to report any human rights issue by filing a report on web portal or by calling the hotline operated by an independent third party. This ensures a safe and confidential way for individuals to voice concerns without fear of retribution. *Nestlé Code of Business Conduct* prohibits retaliation against employees who make reports in good faith. Every complaint is investigated thoroughly, and remedial actions are taken if required.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

All human rights-related grievances received outside the formal 'Speak Up' system—whether via letter, email, or social media—are systematically recorded in the case management module within the 'Speak Up' platform. These concerns are addressed and reported in line with established protocols. This process extends to include the Company's suppliers, vendors, and other external stakeholders. A structured Grievance Redressal Protocol is in place to investigate such matters thoroughly, ensure appropriate responses to complainants, and document findings. Employees may also raise concerns directly with HR or their reporting managers, and such cases are handled with equal diligence. To reinforce awareness, all employees undergo training on *Nestlé's Corporate Business Principles*. Regular audits by CARE Auditors and the internal audit team ensure compliance with these standards.

Additionally, external auditors assess how these principles integrate into the Company's broader corporate governance framework. Significant observations and recommendations are communicated to the Audit Committee of the Board by the Compliance Officer. *Nestlé's Code of Business Conduct* strictly prohibits retaliation against individuals who report concerns in good faith. Every complaint is investigated with due seriousness, and corrective actions are implemented where necessary.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2024-25 Current Financial Year			15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment Discrimination at workplace	4	0	Completed within timelines	6	0	-
Child Labour	-	-	-			-
Forced Labour/ Involuntary Labour	-	-	-			-
Wages	-	-	-			-
Other human rights related issues	-	-	-			-

POSH is critically important to your Company, ensuring a safe and respectful workplace for all employees. The company strictly adheres to the Prevention of Sexual Harassment (POSH) Act, implementing comprehensive policies and procedures to prevent, address, and redress any instances of sexual harassment. Your Company takes stance on non-tolerance of sexual harassment and is committed to creating safe workplaces for everyone, where individuals can thrive without fear of harassment or discrimination. All inquiries of sexual harassment are handled with utmost care, ensuring a non-judgmental and bias-free approach. Your Company believes in treating all parties involved with respect and dignity. Your Company's commitment to creating safe workplaces extends beyond mere compliance with the law. Your Company strives to foster an inclusive and respectful environment where everyone feels valued, heard, and protected from any form of harassment or discrimination. This commitment reflects your Company's core values of respect, dignity, and integrity. To know more, click [here](#).

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Parameter	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	4	6
Complaints on POSH as a % of female employees / workers	0.2%	0.3%
Complaints on POSH upheld	4	6

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Your Company is committed to a workplace free of harassment, including sexual harassment at the workplace, and has zero tolerance for such unacceptable conduct. Your Company encourages reporting of any harassment concerns and is responsive to complaints about harassment or other unwelcome or offensive conduct. Internal Committee has been constituted across locations to enquire into complaints of sexual harassment and to recommend appropriate action, wherever required. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment case are part of Grievance Redressal Process and POSH Policy. The principles of the process ensure that there is no victimization.

All investigations are conducted impartially, and the Company prohibits retaliation against employees who file complaints in good faith, while also protecting the rights of the accused. Complaints can be made to the Head of Human Resources or, in certain cases, directly to the Managing Director. Interim relief measures are available to

prevent negative consequences for the complainant, including reassessment of work performance, changes in reporting hierarchy, leave, or other appropriate relief.

Regular awareness and training sessions are conducted to ensure that the employees are fully aware of the aspects of sexual harassment and of the redressal mechanism.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, human rights requirements form part of your Company's business agreements and contracts. As an enabler to the Human Rights at Nestlé, your Company has created an enabling pillar of Policies and Control Systems which are leveraged to ensure human rights are embedded throughout the organization. It is ensured that the human rights framework is actively communicated internally and externally through mandatory trainings for the employees/contractors internally and inclusion of human rights clauses in the supplier agreements and contracts. This is further substantiated by facilitating the use of 'Speak Up' platform where such issues can be raised by employees or contractors.

10. Assessments for the year:

Category	% of your Plants and Offices that were Assessed (by Entity or Statutory Authorities or Third Parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

Your Company follows the framework of the Nestlé CARE programme (Compliance Assessment of Human Resources, Occupational Health & Safety, Environment and Business Integrity) conducted every 3 years. Regular assessments help identify and address risks through comprehensive action plans, reviewed periodically at both unit and function levels. While no specific corrective actions were needed during the reporting period, preventive measures included awareness and training sessions on child labor, forced labor, sexual harassment, workplace discrimination, wage and work inequality, and reporting mechanisms.

Leadership Indicators

1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/ complaints.

Your Company has been continuously strengthening its grievance redressal mechanisms specially in response to human rights-related concerns by refining its business processes. A notable change includes the enhancement of the 'Speak Up' platform—an anonymous, independent third party operated Platform available to all internal and external stakeholders including its employees and directors to report concerns related to human rights, ethics, or misconduct and has been classified under a separate category of complaint. This platform is supported by a structured investigation process to ensure timely and fair resolution of complaints.

Additionally, your Company sends awareness emails to all stakeholders about the availability of the Speak Up Platform, and the link is provided on the main webpage of the Company's website: www.nestle.in.

Transparency is a core value in your Company's approach to governance and human rights. Your Company ensures open communication and accountability by regularly reviewing grievance trends and sharing outcomes with relevant stakeholders, while maintaining confidentiality. In addition, your Company has introduced targeted training programs for employees and suppliers to raise awareness of human rights standards and ethical conduct. These measures not only address grievances effectively but also foster a culture of trust, inclusivity, and continuous improvement across the value chain.

2. Details of the scope and coverage of any human rights due diligence conducted.

The Nestlé CARE programme verifies, through independent auditors, that your Company's operations comply with the globally defined *Nestlé Employee Relations Policy* and the social and environmental aspects of the *Nestlé Corporate Business Principles* and that of local legislations. There is a defined frequency to conduct CARE audit every 3 years and the entire spectrum of human rights is covered.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. Your Company is continuously working towards improving infrastructure for eliminating barriers to accessibility. Your Company has aligned the design of the renovated Head Office to ensure that the premises are accessible to everyone. All manufacturing locations have undergone accessibility audits in 2022 based on the guidelines of the Rights of Persons with Disabilities Act, 2016. Keeping in mind the accessibility assessment reports, work is in progress across all its factories for improving infrastructure for eliminating barriers to accessibility.

4. Details on assessment of value chain partners for Human Rights.

Your Company is committed to continuously raise awareness of supply chain members to comply with applicable laws and regulations related to labour and employment, including gender diversity, human rights, child labour, wages, working hours, bribery & corruption, occupational health, safety and environment. 93% of our supply base falling in the scope of review were audited by external agencies on parameters like Health and Safety practices, standards of labor (including working conditions, minimum wages, child labor, forced labor etc.), environmental performance and business ethics.

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	93%
Discrimination at workplace	93%
Child Labour	93%
Forced Labour/Involuntary Labour	93%
Wages	93%
Others – please specify	-

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Your Company employs a structured framework with a clear process to monitor and resolve observations and actions identified in Responsible Sourcing audits conducted by external agencies. As part of corrective actions, workers are interviewed on-site to identify concerns related to child labor and wage discrepancies, ensuring these issues are addressed promptly. Specific measures are undertaken to keep value chain partners informed of your Company's commitment to upholding human rights standards, thereby mitigating any significant risks or concerns.

Principle 6

Environment: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter (GJ)	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)
From renewable sources (GJ)		
Total electricity consumption (A)	853,569	955,852
Total fuel consumption (B)	988,884	724,991
Energy consumption through other sources (c)	-	-
Total energy consumed from renewable sources (A+B+C)	1,842,453	1,680,843
From non-renewable sources (GJ)		
Total electricity consumption (D)	-	-
Total fuel consumption (E)	2,113,814	3,129,350
Energy consumption through other sources (F)	-	-
Total energy consumed from non- renewable sources (D+E+F)	2,113,814	3,129,350
Total energy consumed (A+B+C+D+E+F)	3,956,267	4,810,193
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	19.70	19.82
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) (GJ/million USD)	40710*	0.24
Energy intensity in terms of physical output (GJ/Ton)	7	6
Energy intensity (optional) – the relevant metric may be selected by the entity		

* Calculation for revenue adjusted intensity for Purchase Power Parity is as per the BRSR Core Reporting Standard issued by the Industry Standards Forum in consultation with SEBI on December 20, 2024, with a normative reference to the BRSR Guidance note issued by SEBI for principle-specific guidance.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Grant Thornton Bharat LLP carried out reasonable assurance as per ISAE3000 for (BRSR Core).



100%

Electricity from renewable sources (Power Purchase Agreements (PPAs) and Renewable Electricity Certificates (RECs) purchased)

2. Does the entity have any sites/ facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable

3. Provide details of the following disclosures related to water, in the following format:

During the period under review, your Company's total water intake was **2.66 million kilo litres**.

Parameter (in Kilolitres)	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)
Water withdrawal by source [in kiloliters]		
(i) Surface water	751,913	850,320
(ii) Groundwater	1,685,577	2,208,244
(iii) Third party water	228,274	174,071
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2,665,764	3,232,635
Total volume of water consumption (in kilolitres)	2,665,764	3,232,635
Water intensity per rupee of turnover (Total water consumption / Revenue from operations in million INR)	13.27	13.32
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) (KL/million USD)	274.30*	0.16
Water intensity in terms of physical output (kilolitres/ton)	4.40	4.30
Water intensity (optional) – the relevant metric may be selected by the entity		

* Calculation for revenue adjusted intensity for Purchase Power Parity is as per the BRSR Core Reporting Standard issued by the Industry Standards Forum in consultation with SEBI on December 20, 2024, with a normative reference to the BRSR Guidance note issued by SEBI for principle-specific guidance.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Grant Thornton Bharat LLP carried out reasonable assurance as per ISAE3000 for (BRSR Core).

4. Provide the following details related to water discharged:

Parameter	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
-- No treatment	-	-
-- With treatment- please specify level of treatment	344,589	403,234
(ii) To Groundwater		
-- No treatment	-	-
-- With treatment- please specify level of treatment	-	-
(iii) To Seawater		
-- No treatment	-	-
-- With treatment- please specify level of treatment	-	-
(iv) Sent to third-parties		
-- No treatment	-	-
-- With treatment- please specify level of treatment	80,600	123,975
(v) Others		
-- No treatment	-	-
-- With treatment- please specify level of treatment	-	-
Total water discharged (in kilolitres)	425,189	527,209

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Grant Thornton Bharat LLP carried out reasonable assurance as per ISAE3000 for (BRSR Core).

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, Your Company has nine factories, and seven factories are zero liquid discharge (ZLD) factories, consuming all the treated effluent within factory for its need of process or land maintenance. All the factories are making efforts to recycle the treated process water to reduce the ground water withdrawal.

For the remaining two factories, water conservation principles has been implemented, and small quantities of water is discharged in compliance to the consent to operate (CTO) issued by Central Pollution Control Board.

6. Please provide details of air emissions (other than GHG emissions) by the entity.

Parameter	Please specify unit	Apr 24'-March 25' (Current FY)	Jan 23'- Mar 24' (Previous FY)
NOx	kgSOxe	211,911	383,882
SOx	kgSOxe	806,382	1,713,246
Particulate matter (PM)	NA	NA	NA
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify*	-	-	-

*Installation of biomass boilers and other GHG reduction initiatives contributing to reduction in NOx, Sox.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity in the following format

Parameter	Please Specify Unit	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric ton of CO ₂ Equivalent	147,573	231,324
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric ton of CO ₂ Equivalent	181,638*	Gross:151,936
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	kgCO ₂ e/ million INR	1,640	1,579
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO ₂ e/ million USD	33.87**	18.8
Total Scope 1 and Scope 2 emission intensity in terms of physical output	kgCO ₂ e/t	548	510
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	kgCO ₂ e/t		

*Reported under location-based mechanism. Whereas, under market-based mechanism, emissions are 7,343 which are only from Purchased Steam from Biomass Boilers.

**Calculation for revenue adjusted intensity for Purchase Power Parity is as per the BRSR Core Reporting Standard issued by the Industry Standards Forum in consultation with SEBI on December 20, 2024, with a normative reference to the BRSR Guidance note issued by SEBI for principle-specific guidance.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, your Company stresses upon measures for the conservation and optimal utilization of green- house gas emissions in all the areas of operations, including those for energy generation and effective usage of sources/ equipment used for generation. Within your Company's manufacturing locations, there are continuous efforts to improve operational efficiencies, minimizing consumption of natural resources and reducing energy & CO₂ emissions while maximizing production volumes.

Your Company has installed biomass boilers in Moga, Nanjangud and Sanand to reduce its operational footprint and increasingly use renewable fuel in its operation. Another initiative taken to reduce GHG emissions was conversion of FO (Furnace Oil) to NG (Natural Gas)- which is a cleaner fuel, in Air heaters. Additionally, NG boiler efficiency improvement and NG usage optimization in coffee process (roasters) was done to further support reduction of emissions.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	2,657	2,489
E-waste (B)	71	75
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	51	22
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	132	297
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	68,706*	76,335*
Total (A+B + C + D + E + F + G + H)	71,617	79,218
Waste intensity per rupee of turnover (Total waste generated in kgs / Revenue from operations in million INR)	357	326
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (MT/million USD)	7**	3.89
Waste intensity in terms of physical output (kg/ton)	119.40	105.48
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA
For each category of waste generated, total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)		
Category of Waste		
(i) Recycled	28,711	37,131
(ii) Re-used	3,249	4,419
(iii) Other recovery operations	39,657	37,668
Total	71,617	79,218
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

*This data is inclusive of EPR pre-consumer packaging data

**Calculation for revenue adjusted intensity for Purchase Power Parity is as per the BRSR Core Reporting Standard issued by the Industry Standards Forum in consultation with SEBI on December 20, 2024, with a normative reference to the BRSR Guidance note issued by SEBI for principle-specific guidance.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Grant Thornton Bharat LLP carried out reasonable assurance as per ISAE3000 for (BRSR Core).

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such waste.

Your Company manages and disposes all the waste and by products complying to Central/State Pollution Control Board requirements. During the period under review, approximately 71,600 MT of waste was generated across factories. There are continuous efforts to maximize recycling and reusing of waste. The waste generated is segregated at source and sent to common collection point from where it is sent for disposal. Following are the practices that your Company has adopted for disposal of waste:

- Bottom and fly ash from solid fuel boilers is used for brick manufacturing.
- Food waste, organic process waste (Noodles, Chocolate, Process Floor Sweep waste) is used as animal feed.
- Sludge generated from wastewater treatment is used to make manure or disposed as per Central and State Pollution Control Board guidelines.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable			

Your Company's existing operations/offices comply with applicable environmental regulations and operate as per Consent to Operate (CTO) conditions from the Central and State Pollution Control Boards.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable Laws, in the current financial year.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

13. Is the entity compliant with the applicable environmental Law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.

Your Company's existing operations/offices comply with applicable environmental regulations and operate as per Consent to Operate (CTO) conditions from the Central and State Pollution Control Board/s.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters).

For each facility / plant located in areas of water stress, provide the following information:

(i) **Name of the area-** Moga, Nanjangud, Sanand, Pantnagar

(ii) **Nature of operations-** Manufacturing

(iii) **Water withdrawal, consumption and discharge in the following format:**

Parameter	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024)Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	664,953	750,368
(ii) Groundwater	823,091	1,245,403
(iii) Third party water	228,274	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	1,716,318	1,995,771
Total volume of water consumption (in kilolitres)	1,716,318	1,995,771
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity (kilolitres/ton)	4.88	6
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
-- No treatment	344,589	403,234
-- With treatment- please specify level of treatment	0	0
(ii) Into Groundwater		
-- No treatment	0	0
-- With treatment- please specify level of treatment	0	0
(iii) Into Seawater		
-- No treatment	0	0
-- With treatment- please specify level of treatment	0	0
(iv) Sent to third-parties		
-- No treatment	0	0
-- With treatment- please specify level of treatment	80,525	0
(v) Others		
-- No treatment	0	0
-- With treatment- please specify level of treatment	0	0
Total water discharged (in kilolitres)	425,189	403,234

2. Please provide details of Scope 3 emissions and its' intensity, in the following format.

Parameter	Unit	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives.

Your Company has undertaken a number of initiatives and also deployed innovative technologies across its operations for improving resource efficiency and minimizing environmental impact.

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Biomass for boilers in Moga and Nanjangud replacing coal and furnace oil	Installation of biomass boilers initiated to reduce the usage for furnace oil to produce steam which reduces GHG emission by around ~50%.	Estimated reduction of the GHG emissions by ~50,000 tCO ₂ e in the Financial Year 2025-26
2	RO Polisher for ETP treated Water at Nanjangud	A polishing step is added after the ETP treated Water to enable the reuse of this water as cooling tower and boiler makeup.	Expected project savings of ~36,000 m ³ water in the Financial Year 2025-26
3	Expansion of Milk water recovery in Moga (Project Zer Eau')	Addition of new milk water RO to increase water recovery from evaporated milk.	Expected of project savings of ~15,000 m ³ in FY 2025-26
4	Steam usage optimization in coffee and noodle process	Recovery of flash steam and condensate to reduce steam consumption in coffee and noodle process.	Expected savings of ~20,000 Gigajoules in FY 2025-26

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Yes, your Company has Business Continuity and Crisis Management Plans to address potential disruptions. The Business Continuity Plan ensures systems and processes are adequate to prevent and recover from threats, maintaining product and service delivery at pre-defined levels after disruptions. These plans cover all operation aspects and are tested periodically.

A detailed Business Impact Analysis (BIA) addresses various risks, including IT threats, with periodic reviews of risk assessments and mitigation plans. Your Company implements a Business Continuity Plan (BCP) for critical operations to ensure smooth functioning and a Crisis Management Plan (CMP) to guide the Crisis Committee in managing crises. The CMP addresses four stages of issue and crisis management:

Prepare: Equip teams with personnel, resources, and tools to swiftly handle issues and crises.

Prevent: Continuously monitor, identify, and prioritize issues.

Manage: Provide steps to ensure stakeholders receive essential information and actions during a crisis for resolution.

Improve: Review crisis handling to identify improvements.

The Risk Management and Sustainability Initiatives (RMSI) Committee reviews Business Continuity and Crisis Management Plans for different business activities. Your Company regularly trains personnel in effective crisis management, including handling cyber-related issues.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Unsustainable agricultural practices lead to environmental degradation, such as soil erosion and deforestation, while increased carbon emissions from the value chain contribute to climate change. These issues highlight the need for continual improvement in reducing the ecological footprint, ensuring that Your Company not only upholds its principles but also fosters positive change across the industry.

Your Company has Nestlé Responsible Sourcing Core Requirement that enshrines the unwavering focus on fair treatment, human rights, good labour practices, environmental conservation, health and safety. It is shared and accepted by all supply chain partners and service providers.

Your Company, with its diverse and expanding portfolio of businesses, prioritizes embedding sustainability and building resilience in the supply chain as part of its sustainability vision. A robust process of evaluating the suppliers and service providers is followed before engaging with them, proactively making them aware of the expectations/ requirements, and seeking commitment for compliance through contractual agreements. Your Company reserves the right to verify compliance with this standard at any time through appropriate audit and assessment mechanisms.

Your Company closely collaborates with farmers, suppliers and partners to help create a more resilient food supply chain. Your Company continues working with farmers/suppliers for ingredients sourced through sustainable agriculture practices like regenerative agriculture, water management, pest management etc.

Your Company is also working towards sustainable manufacturing, packaging in the 9 factories, your Company is also working towards sustainable logistics. The focus was on reduction in wastage, through alternative mode of transportation such as railways, usage of alternate fuel and optimizing vehicle capacity utilization. It has increased usage of CNG to deliver its customers and also increased electric vehicles to strengthen sustainable logistics.

Your Company has introduced LNG vehicles and continued using railways for long haul movements. The usage of bigger size vehicles from 5.9% in 2019 to 12.75% during the reporting period, increased usage of railways from 0% in 2019 to 5% during the reporting period and increased vehicle payload utilization from 90.3% in 2019 to 93.5% during the reporting period are key measures taken by your Company to optimize your distribution value chain.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Your Company is guided by *Responsible Sourcing Core Requirements* and policy on Environmental Sustainability that outlines its commitment to high standards on environment and provides the necessary framework to address the direct environmental impacts of Company's own operations as well as progressively extend the efforts to its supply chain.

Your Company encourages key value chain partners, including third-party manufacturers, to adopt practices outlined in these guiding policies. Contract agreements ensure compliance with standards on environmental, human rights, and labor issues, with regular assessments for adherence. Recognizing that farmers are integral to the value chain, your Company has implemented large-scale programs to mitigate environmental impacts in its agricultural sectors. There is a strong commitment to increasing the responsible sourcing of ingredients like fresh milk, palm oil, cocoa, wheat, spices, rice, and green coffee.



93%

of supply base within the scope of review
were assessed for environmental impact.

Principle 7

Policy Advocacy: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

Your company engages with trade and industry organizations through strategic stakeholder meetings, workshops, and events. These engagements foster deeper dialogue and enhance understanding of critical environmental, regulatory, and societal issues.

Your Company's engagement with relevant authorities is anchored in the core values of commitment, integrity, and transparency, ensuring a balanced approach to the diverse interests of its stakeholders. Your Company actively collaborates with major industry chambers, associations, and professional bodies involved in policy advocacy and other key forums. Over the past year, your Company has maintained active affiliations with 7 prominent trade and industry organizations, reinforcing its commitment to strategic partnerships and industry leadership.

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/ Associations	Reach of trade and industry chambers/ associations (State/National)
1	The Associated Chambers of Commerce (ASSOCHAM)	National
2	All India Food Processors Association (AIFPA)	National
3	Confederation of Indian Industry (CII)	National
4	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
5	PHD Chamber of Commerce and Industry (PHDCCI)	National
6	Waste Efficient Collection and Recycling Efforts (WeCare)	National
7	The Institute of Company Secretaries of India (ICSI)	National

3. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
None	Not Applicable	Not applicable

Leadership Indicators

1. Details of public policy positions advocated by the entity.

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of review by Board (Annually / Half yearly/ Quarterly/ Others - please specify)	Web Link, if available
1	Your Company works on public health topics such as Front of Pack Labelling (FOPL) with government / regulatory authorities taking consumer interests into consideration	Your Company engaged with food authorities, industry associations for development of balanced regulations. The Company's engagement with relevant authorities is guided by the values of commitment, integrity, and transparency.	Yes	As and when required	https://fssai.gov.in/upload/uploadfiles/files/Draft_Notification_HFSS_20_09_2022.pdf
2	Your Company works on Plastic Waste Management agenda that includes compliance to the regulations PWMR, 2016, EPR implementation strategies and sustainable packaging	Your Company engaged with government authorities (MoEFCC, & CPCB) and industry associations for development of balanced regulations.	Yes	As and when required	https://moef.gov.in

Principle 8

Inclusive Growth: Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable Laws, in the current financial year

S. No.	Name and details of Project	SIA Notification No.	Date of Notification	Whether conducted by external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Weblink
-	-	-	-	-	-	-

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity

S. No.	Name of project for which R&R is ongoing	State	District	No. Of Project Affected Families (PAFs)	% age of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
-	-	-	-	-	-	-

3. Describe the mechanisms to receive and redress grievances of the community.

Creating Shared Value (CSV) is fundamental to how your Company does business. Your Company believes that it will be successful in the long term by creating value for both shareholders and for society. Value creation is only possible with a solid foundation of compliance and a culture of respect, as well as a firm commitment to environmental and social sustainability.

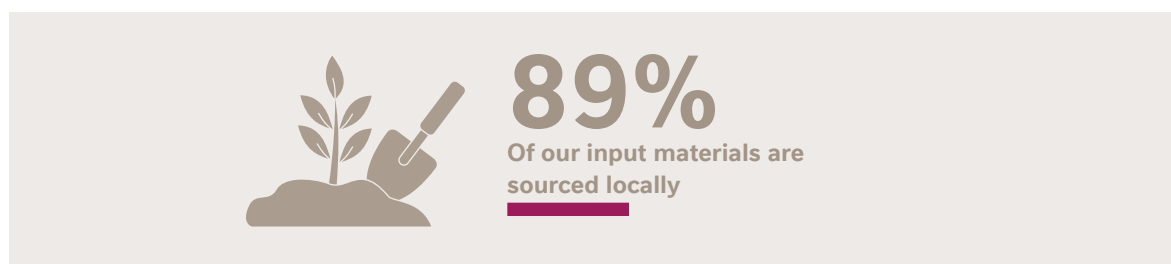
Your Company's societal initiatives are structured in a way to get feedback on the interventions and also understand if communities have any views, issues, complaints and grievances related to these interventions. Your Company's NGO partners/implementing partners for its societal initiatives also have a grievance redressal system in place through which the complaints/feedback from the communities is taken into consideration. The NGO partners and your Company actively engages with stakeholders, including local communities, through various channels such as community meetings, consultations, and dialogue sessions. These engagements provide an opportunity for community members to share their feedback and inputs.

During 2024-25, no grievances were brought to your Company's notice by the NGO partners/ implementing partners. Your Company has provided a Speak Up platform, an independent third party operated platform where any stakeholder can lodge their grievance. All grievances are recorded, investigated and reported under the Speak Up system. Detailed and structured community engagements are planned periodically to revisit the changing needs of the community and the emerging priorities feed into designing and re-designing of ongoing and new programmes.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

Your Company follows business practices that follow inclusive approach and enable the small farmers/local communities and vulnerable groups to be part of its sustainability journey. This is clearly visible in your Company's spend progression of last two years from micro/ medium enterprises and neighborhood communities.

	FY 2024-25 Current Financial Year	15 Months FY ended 31st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)
Directly sourced from MSMEs/ small producers	23%	29%
Directly from within India	89%	91%



5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

	FY 2024-25 Current Financial Year	15 Months FY ended 31st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)
Rural	1%	1%
Semi-urban	28%	27%
Urban	19%	19%
Metropolitan	52%	53%

(Places categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

State	Aspirational District	Amount spent (in INR)
Andhra Pradesh	Vishakhapatnam	The total amount spent is part of the Annual Action Plan for the year and the breakup is provided in the Annual Report on CSR activities of the Company provided under Annexure 2 of the Annual Report.
Assam	Barpeta	
Bihar	Jamui, Khagaria, Katihar, Purnia, Muzaffarpur, Gaya	
Chhattisgarh	Mahasamund, Raichur	
Jharkhand	Ranchi, Sahebganj, Khunti, East Singhbhum, Hazaribag	
Haryana	Nuh	
Himachal Pradesh	Chamba	
Karnataka	Raichur	
Kerala	Wayanad	
Madhya Pradesh	Rajgarh, Khandwa, Vidisha	
Maharashtra	Gadchiroli	
Odisha	Balangir, Kalahandi	
Punjab	Moga, Firozpur	
Rajasthan	Dholpur, Karauli	
Tamil Nadu	Ramanathapuram	
Telangana	Bhadradi-Kothagudem	
Uttarakhand	Sahebganj, Udham Singh Nagar	
Uttar Pradesh	Chitrakoot, Bahraich, Sonbhadra	

Your Company in line with the provision of the Companies Act, 2013 ("the Act") sub rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, conducted impact assessment through an independent agency in the financial year 2024-25 for the applicable projects.



Project Vriddhi (village adoption) and **Project Hildaari** (sustainable waste management) were assessed for impact. The impact assessment was carried by an independent external agency.

- 3 a. Do you have preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No):

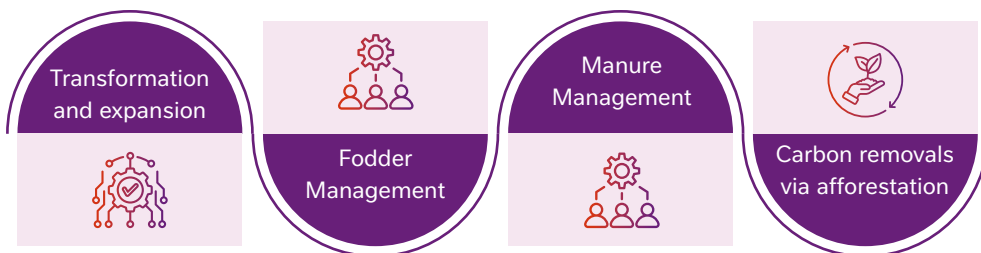
No, your Company does not have a preferential procurement policy, but it actively incorporates business practices that empower small farmers to participate in its sustainability initiatives.

Your Company maintains a strong partnership with farming communities to ensure long-term sustainable production, significantly enhancing the livelihoods of numerous farmers. By prioritizing local procurement of raw materials, it demonstrates a steadfast commitment to community development. Through the successful implementation of the Nestlé milk district model, the Company has secured stable livelihoods for local dairy farmers. Your Company also advocates for sustainable agricultural practices, fostering a resilient and prosperous agricultural sector.



Engaging with **~80,000** dairy farmers to enhance productivity and quality through technical assistance, veterinary services, and access to medicines.

The Sustainable Dairy Project is a holistic initiative aimed at tackling major challenges in dairy farming, including low productivity, scarce quality feed and fodder, insufficient farm infrastructure, high greenhouse gas emissions, lack of technical expertise, and restricted access to financial resources. Four (4) key enablers of the project are:



The NESCAFÉ Plan was initiated in 2012, as a tangible effort of how your Company's Create Shared Value (CSV) in the coffee sector for farmers, communities and its planet and its commitment to continuously support responsible sourcing and increasingly sustainable value chains. Through the NESCAFÉ Plan, your Company assists in ensuring long term supply of quality green coffee by making coffee farming a more attractive activity for the present and future generations as well as improving the environmental footprint. The program encompasses three (3) major pillars:

Farmer	Community	Planet
Improve the livelihood of coffee farmers/ their families/the workers.	Enable resilience and prosperity of farming communities across our value chain	The sustainable management of landscapes linked to our value chain.
Built on a strong foundation of collaborative action.		

Since the beginning, your Company has worked collaboratively with other institutions like Coffee Board of India, Research Institutes, Agricultural universities etc., to improve coffee farming, now engaging with 5,000+ farmers. The project has demonstrated increase in productivity, reduced water usage, increased soil health monitoring amongst farmers and decreased use of fertilizers in coffee growing.

As a part of The MAGGI Spice Plan, your Company sources 10 key spices from suppliers with 'Backward Integration Programs' (BIP) traceability and Integrated Pest Management (IPM) in place [farmer monitoring, focused on practices to ensure Maximum Residue Limit (MRL) compliance- food safety]. Supplier's BIP and traceability includes field extension support for Integrated Pest Management (IPM) programmes of participating farmers e.g., Suppliers' Agronomists' daily/ weekly visits to farmer fields and data gathering.



Engaging with **~2,500** spice farmers to ensure 100% traceability for 10 of our key spices

This provides a good foundation for implementation of Good Agricultural Practices (GAP). Your Company suppliers are key business partners in developing This provides a good foundation for implementation of GAP. Your Company's suppliers are key business partners in developing responsibly sourced supply chains of selected key spices. Your Company has a Agri Supplier Development team that works through the Nestlé – Business Partners - Project Farmers model to create sustainable local sourcing. The team's objectives include less reliance on imports, develop local and sustainable sourcing model with focus on compliance and creating shared value.

b. From which marginalized/vulnerable groups do you procure?

Your Company's *Responsible Sourcing Core Requirements* describes the requirements and ways of working that are applied together with the suppliers to ensure the sustainable long-term supply of materials and services to your Company. Your Company is committed to collaborate with farmers to make them more sustainable and help build their adaptive capacity and resilience to emerging risks like climate change and water stress and other extreme weather events. It is also working towards raising awareness and work with farmers on crop quality, safety, protection, integrity and traceability, as applicable.

Your Company is committed to increase responsibly sourced ingredients such as fresh milk, palm oil, cocoa, wheat, spices, rice and green coffee.

c. What percentage of total procurement (by value) does it constitute?

Your Company engages with small, medium, and micro suppliers under MSME category. About 23% by value is sourced from MSME.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project/Programme	Number of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	Nestlé Healthy Kids Programme	201,900 (adolescents and parents)	100%
2	Project Jagriti	2 mio (0.65 million direct and 1.35 million indirect)	100%
3	Water	182,000	100%
4	Sanitation	53,400	100%
5	Project Serve Safe Food	24,300	100%
6	Project Jigyasa	12,000	100%
7	Project Hilldaari	1,650	100%
8	Project Vriddhi	25,000	100%
9	Feeding Support Programme	50,000	100%

Your Company operates around the mantra of creating shared value and is mindful of the needs of the communities around it. It not only strives to be sustainable with the community but also works to make a positive difference and create maximum value for the society. Your Company collaborate with local stakeholders, support community projects, and contributes to the overall well-being of the communities in which Nestle operates.

Keeping with the intent of CSR Policy, your Company is implementing CSR projects that achieve demonstrable outcomes having a significant impact on society. The projects include nutrition awareness, health and breastfeeding awareness programmes; plastic waste management awareness; creating access to hand-on science education and setting up of libraries to promote reading culture, providing access to clean drinking water and sanitation facilities; enhancing the livelihood of street food vendors; feeding support programme and the initiative of village adoption for sustainable development. Building on these efforts, your Company joined hands with credible NGOs, implementing partners and authorities engaged in providing relief efforts in the communities across various states in India.

Principle 9

Customer/Consumer Value: Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Your Company has built a robust and well-established consumer care and response management system designed to support consumers with their queries, feedback, or concerns. The 24/7 consumer care setup ensures that your Company not only addresses consumer needs promptly but also fosters lasting, meaningful relationships through consistent and authentic engagement.

Recognizing that consumer needs can vary, your Company has established dedicated service desks staffed by trained specialists equipped to handle specific product- and service-related inquiries. Consumers can connect at any time through their preferred communication channels—phone, email, live chat, social media, WhatsApp, or the Company website.

To further enhance the consumer experience, your Company is actively exploring the integration of Generative and Conversational AI technologies. These innovations aim to make interactions more responsive, efficient, and tailored to individual needs.

In alignment with Nestlé's global consumer contact management policy, your Company is committed to delivering a consistent and high-quality consumer experience across all touchpoints and geographies. Emphasis is placed on adopting advanced technologies, seamless system integration, and process standardization to create a truly delightful consumer journey.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	56%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

**As a company, we have a large product base with different SKUs. The above figures are reported basis comprehensive review of the key products for the market.*

Your Company ensures information dissemination on food labels to help consumers make informed choices towards choosing good nutrition and health.

3. Number of consumer complaints in respect of the following:

	FY 2024-25 Current Financial Year			15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	No pending complaint for the reporting period	0	0	No such complaint received for the reporting period
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Others*	14,064	0		8,376	0	No pending complaint for the reporting period

The table above includes all consumer queries, product related information & complaints, and services, received through phone, emails, chats, social media or website or Speak Up platform. All complaints are processed as per the internal policies and procedures.

4. Details of instances of product recalls on account of safety issues:

Number of Voluntary recalls	Reason for Voluntary recall	Number of Forced recalls	Reason for Forced recall
Nil	Not Applicable	Nil	Not Applicable

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, Your Company has a 'Cyber Security Risk Framework' that provides a common set of cyber security threat areas to be utilized across the Nestlé group for information security. Your Company has implemented an ISO 27001:2022 certified Information Security Management System that helps identify, monitor and mitigate risks and controls in cyber space against cyber-attacks, threats and vulnerabilities.

Your Company respects the privacy of individuals and is committed to protect the personal data of its consumers, employees, clients, service providers and other stakeholders. As part of the global initiatives, Your Company also participates in the following activities:

- The Nestlé Privacy Program and maturity self-assessment;
- Privacy Impact Assessment as part of the privacy-by-design principle;
- Compulsory Data Privacy iLearn module for employees;
- Vendor Privacy Risk Assessment as part of the due diligence;
- Data Ethics as part of the Nestlé Responsible Sourcing Core Requirements;
- Regular internal and external audits.

Your Company's continuing commitment to ensuring information security, privacy and ethical use of data is reflected in the *Nestlé Data Ethics Framework*, outlined in the *Nestlé Corporate Business Principles*.

Your Company is also compliant as per applicable data protection and privacy laws in India, by way of collective actions and engagement with all relevant stakeholders to improve its standards. Your Company takes an active role in the development of the regulations, policies and programs needed to match global standards on Data Privacy and provides awareness and training sessions to the employees from regularly.

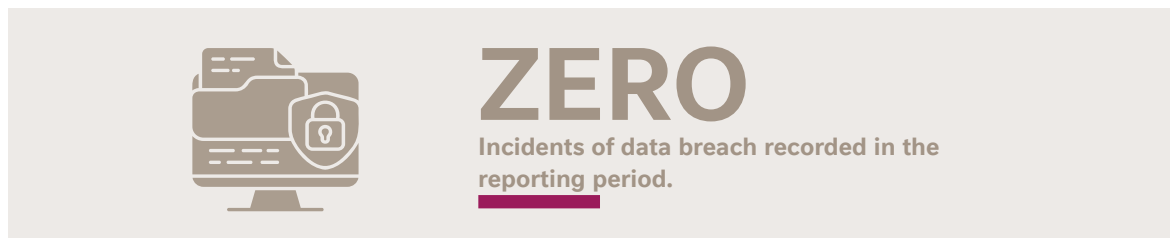
During the period under review, the Risk Management and Sustainability Initiatives (RMSI) Committee reviewed the Cyber Security Risk Framework of your Company including mitigation measures taken by your Company.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

No penalty or action taken by any authority on safety of products/services around issues relating to advertising, cybersecurity and data privacy.

Your Company follows global standards and industry best practices to deal with cyber security and data privacy and fully compliant with IT Act, Rules and guidelines thereof; data privacy governance basis existing case laws, guidelines and directions provided from time to time by varied authorities and committed to comply with the Digital Personal Data Protection Act, 2023.

Further, cyber incidents reporting as directed by CERT-IN are in place for the organization.



7. Provide the following information relating to data breaches:

- Number of instances of data breaches- **NIL**
- Percentage of data breaches involving personally identifiable information of customers- **NIL**
- Impact, if any, of the data breaches- **NIL**

Leadership Indicators

1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available).

Your Company has websites, e-retailers and on ground distribution channels (traditional & Modern trade). Active websites are listed in below table:

Products/Initiative	Link
Corporate Website	nestle.in
Brand Website	Nescafe.com/IN
Brand Website	mytoddler.in
Brand Website	nestleprofessional.in
Brand Website	purina.in
Brand Website	maggi.in
Brand Website	enescafe.in
Brand Website	milkmaid.in
Brand Website	nestlehealthscience.in
Corporate Website (Service)	Asknestle.in

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.

Your Company has a 24*7 consumer service helpline to help inform and educate its consumer on any query or feedback that they may have. All businesses of your Company comply with the regulations and relevant voluntary codes concerning marketing communications, including advertising and promotion. Your Company's communications are aimed at enabling consumers to make informed purchase decisions. Your Company also makes efforts to educate consumers on responsible usage of its products through food labels that help consumers make informed choices towards choosing good nutrition and health.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Your Company is not engaged in providing essential services, but it has established necessary mechanisms to notify consumers in the event of any significant disruption/discontinuation of its products and services through its website, stock exchange disclosures, publications and social media accounts.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products /services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Your Company prioritizes consumer education by providing detailed nutrient profiles and product information beyond legal requirements. Your Company focuses on consumer satisfaction and engagement, using tools like the Guideline Daily Amount (GDA) labelling system for informed choices and portion guidance for responsible consumption. Product packaging includes social responsibility messages, such as "Do not litter" and "Designed to be recyclable," promoting environmental awareness and responsible behavior.

Your Company continuously carries out consumer surveys to understand consumer feedback, product satisfaction, product preference, brand strength, usage & behavior around categories of interest across consumer segments while measuring their response and satisfaction regularly through the Company's continuous and periodic tracking studies, covering close to 110,000 consumers between the April 2024-March 2025 through a random sampling approach among target consumers.

ANNEXURE - 3B TO THE BOARD'S REPORT

Independent Practitioner's reasonable assurance report on Identified Sustainability Information in Nestlé India Limited's Business Responsibility and Sustainability Report (BRSR) for FY 2025

To the Board of Directors of Nestlé India Limited
Gurugram, Haryana, India

- We have been engaged to perform a reasonable assurance engagement for Nestle India Limited ('Nestle' or 'the Company') vide our engagement letter dated 28 February 2025, in respect of the agreed sustainability information listed below (the "Identified Sustainability Information") in accordance with the criteria stated below. This Identified Sustainability Information is included in the Business Responsibility and Sustainability Report (BRSR) of the Company for the financial year ended 31 March 2025. This engagement was conducted by a multidisciplinary team including assurance practitioners and engineers.

Identified Sustainability Information

- The Identified Sustainability Information for the financial year ended 31 March 2025 is summarised below:

Attribute	Principle	Key Performance Indicator
Energy footprint	Principle 6 – 1	<ul style="list-style-type: none"> Total energy consumption (in Joules or multiples) % of energy consumed from renewable sources Energy intensity
Water footprint	Principle 6 – 3	<ul style="list-style-type: none"> Total water consumption Water consumption intensity
	Principle 6 – 4	Water Discharge by destination and levels of Treatment
Greenhouse (GHG) footprint	Principle 6 – 7	<ul style="list-style-type: none"> Greenhouse gas emissions (Scope 1 and Scope 2 emissions) GHG Emission Intensity (Scope 1 + 2)
Embracing circularity - details related to waste management by the entity	Principle 6 – 9	<ul style="list-style-type: none"> Details related to waste generated by the entity (category wise) Waste intensity Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations For each category of waste generated, total waste disposed by nature of disposal method
Enhancing Employee Wellbeing and Safety	Principle 3 – 1(c)	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company
	Principle 3 – 11	Details of safety related incidents: <ul style="list-style-type: none"> Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) Total recordable work-related injuries No. of fatalities High consequence work-related injury or ill-health (excluding fatalities)
Enabling Gender Diversity in Business	Principle 5 – 3(b)	Gross wages paid to females as % of total wages paid by the entity
	Principle 5 – 7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Attribute	Principle	Key Performance Indicator
Enabling Inclusive Development	Principle 8 – 4	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India
	Principle 8 – 5	Job creation in smaller towns – Wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the locations, as % of total wage cost
Fairness in Engaging with Customers and Suppliers	Principle 1 – 8	Number of days of accounts payables
	Principle 9 – 7	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events
Open-ness of business	Principle 1 – 9	Details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties

3. Boundary of the report covers Nestle’s operations in India which includes the following sites selected for data review and verification:
 - (i) Corporate Office, Gurgaon
 - (ii) Branch Office at Delhi
 - (iii) Branch Office at Mumbai
 - (iv) Branch Office at Chennai
 - (v) Branch Office at Kolkata
 - (vi) Moga, Punjab
 - (vii) Choladi, Tamil Nadu
 - (viii) Nanjangud, Karnataka
 - (ix) Samalkha, Haryana
 - (x) Ponda, Goa
 - (xi) Bicholim, Goa
 - (xii) Pantnagar, Uttarakhand
 - (xiii) Tahlilwal, Himachal Pradesh
 - (xiv) Sananad, Gujarat
4. Our reasonable assurance engagement is with respect to the Identified Sustainability Information for the reporting boundary as mentioned in above for financial year ended 31 March 2025 only unless otherwise stated and we have not performed any procedures with respect to earlier periods or any other elements included in the BRSR and, therefore, do not express any opinion thereon.

Criteria

5. The criteria used by the Company to prepare the Identified Sustainability Information is summarised below (hereinafter referred to as ‘Criteria’):
 - a. Regulation 34(2)(f) of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘LODR Regulations’) as amended, read with SEBI Master circular SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11 November 2024 and SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42 dated 28 March 2025; and
 - b. SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated 20 December 2024 read with BRSR Core Reporting Standard formulated by Industry Standards Forum.

Management’s Responsibilities

6. The Company’s management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations, if any, related to reporting on

the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the BRSR and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

Inherent limitations

7. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Practitioner's Independence and Quality Control

8. We have complied with the independence and other ethical requirements of International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants ('IESBA'), which is founded on fundamental principles of integrity, objectivity, professional competence, and due care, confidentiality and professional behaviour.
9. Our firm applies International Standard on Quality Management (ISQM) 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibility

10. Our responsibility is to express a reasonable assurance in the form of an opinion on the Identified Sustainability Information based on the procedures we have performed and evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information is prepared, in all material respects, in accordance with the Criteria.
11. A reasonable assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Sustainability Information.
12. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.
13. Given the circumstances of the engagement, in performing the procedures listed above, we:
 - a. Performed walkthrough and discussion with individual data owners for understanding business processes and data management processes at manufacturing facilities at Bicholim and Ponda in Goa and Samalkha in Haryana
 - b. Visited the corporate office at Gurugram for data and document verification;
 - c. Interviewed senior executives to understand the reporting process, governance, systems and controls in place during the reporting period.
 - d. Reviewed the records and relevant documentation including information from audited financial statements or statutory reports submitted by the Company to support relevant performance disclosures within our scope.
 - e. Evaluated the suitability and application of the Criteria and that the Criteria have been applied appropriately to the subject matter.
 - f. Selected key parameters and representative sampling, based on statistical audit sampling tables and agreeing claims to source information to check accuracy and completeness of claims such as source data, meter data, etc.
 - g. Re-performed calculations to check accuracy of claims,

- h. Reviewed data from independent sources, wherever available,
 - i. Reviewed data, information about sustainability performance indicators and statements in the report.
 - j. Reviewed and verified information/ data as per the Criteria;
 - k. Reviewed accuracy, transparency and completeness of the information/ data provided;
14. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Exclusions

15. Our reasonable assurance engagement scope excludes the following and therefore we do not express an opinion on the same:
- a. Aspects of the BRSR and data/information (qualitative or quantitative) other than the Identified Sustainability Information
 - b. Operations of the Company other than those mentioned in Identified Sustainability Information section above
 - c. Data and information outside the defined reporting period
 - d. Data related to Company's financial performance, strategy and other related linkages expressed in Identified Sustainability Information.
 - e. The Company's statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Company and assertions related to Intellectual Property Rights and other competitive issues.
 - f. Mapping of the Identified Sustainability Information with reporting frameworks other than those mentioned in Criteria above.
 - g. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.
 - h. The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Opinion

16. Based on the procedures we have performed and the evidence we have obtained, the Identified Sustainability Information included in the BRSR for the year ended 31 March 2025, is prepared in all material respects, in accordance with the Criteria.

Restriction on use

17. Our reasonable assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely, to assist the Company in reporting on the Company's sustainability performance and activities. Accordingly, this report may not be suitable for any other purpose and should not be used by any other party other than the Board of Directors of the Company. Further, we do not accept or assume any duty of care or liability for any other purpose or to any other party to whom this report is shown or into whose hands it may come without our prior consent in writing.

Grant Thornton Bharat LLP

Abhishek Tripathi

Partner

Dated: 24th April 2025

Place: Grant Thornton Bharat LLP

Plot No. 19A, 2nd Floor, Sector – 16A,

Noida - 201301,

Uttar Pradesh, India

Annexure to the reasonable assurance report on BRSR Core

Principle 1

Ethics, Transparency and Accountability: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

8. Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format:

Segment	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year
Number of days of accounts payables	61	75

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	2%	15%
	b. Number of trading houses where purchases are made from	15	15
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	99.6%	96%
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	97.8%	100%
	b. Number of dealers / distributors to whom sales are made	2,212	2,122
	c. Sales to top 10 dealers /distributors as % of total sales to dealers/ distributors	16.1%	15%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	8.9%	2.4%
	b. Sales (Sales to related parties / Total Sales)	4.7%	2.4%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d. Investments (Investments in related parties/Total Investments made)	100%*	0

*Note: The Company has made an investment for 49% stake in Dr. Reddy's and Nestlé Health Science Limited ("Associate Company") for development of Nutraceutical business. Pursuant to this, the investee entity has become an associate of the Company with effect from 24th July 2024.

Principle 3

Employee Wellbeing: Businesses should respect and promote the well-being of all employees, including those in their value chains.

- c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

	FY 2024-25 Current Financial Year	15 Months FY ended 31st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company*	0.17%	0.13%

**Includes costs of accident insurance, health insurance, maternity leave benefit, paternity leave benefit, day-care facility cost and various other initiatives undertaken to promote physical and mental well-being*

11. Details of safety related incidents.

Detailed investigations are carried out for all accidents to identify the root causes and undertake measures to prevent their recurrence. Learnings from all accidents are disseminated across the organisation.

Safety Incident/ No	Category*	FY 2024-25 Current Financial Year	15 Months FY ended 31st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.10	0.17
	Workers	0.12	0.21
Total recordable work-related injuries	Employees	5	13
	Workers	22	21
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	3

**Including contract workforce*

Principle 5

Human Rights: Businesses should respect and promote human rights.

- 3 b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2024-25 Current Financial Year	15 Months FY ended 31st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year
Gross wages paid to females as % of total wages	15%	15%

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25 Current Financial Year	15 Months FY ended 31st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	4	6
Complaints on POSH as a % of female employees / workers	0.2%	0.3%
Complaints on POSH upheld	4	6

Principle 6

Environment: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter (GJ)	FY 2024-25 Current Financial Year	15 Months FY ended 31st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)
From renewable sources (GJ)		
Total electricity consumption (A)	853,569	955,852
Total fuel consumption (B)	988,884	724,991
Energy consumption through other sources (c)	-	-
Total energy consumed from renewable sources (A+B+C)	1,842,453	1,680,843
From non-renewable sources (GJ)		
Total electricity consumption (D)	-	-
Total fuel consumption (E)	2,113,814	3,129,350
Energy consumption through other sources (F)	-	-
Total energy consumed from non- renewable sources (D+E+F)	2,113,814	3,129,350
Total energy consumed (A+B+C+D+E+F)	3,956,267	4,810,193
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	19.70	19.82
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) (GJ/million USD)	407.10*	0.24
Energy intensity in terms of physical output (GJ/Ton)	7	6
Energy intensity (optional) – the relevant metric may be selected by the entity		

**Calculation for revenue adjusted intensity for Purchase Power Parity is as per the BRSR Core Reporting Standard issued by the Industry Standards Forum in consultation with SEBI on December 20, 2024, with a normative reference to the BRSR Guidance note issued by SEBI for principle-specific guidance.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Grant Thornton Bharat LLP carried out reasonable assurance as per ISAE3000 for (BRSR Core).

3. Provide details of the following disclosures related to water, in the following format:

During the period under review, your Company's total water intake was **2.66 million kilo litres**.

Parameter (in Kilolitres)	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)
Water withdrawal by source [in kiloliters]		
(i) Surface water	751,913	850,320
(ii) Groundwater	1,685,577	2,208,244
(iii) Third party water	228,274	174,071
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2,665,764	3,232,635
Total volume of water consumption (in kilolitres)	2,665,764	3,232,635
Water intensity per rupee of turnover (Total water consumption / Revenue from operations in million INR)	13.27	13.32
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) (kilolitres/million USD)	274.30*	0.16
Water intensity in terms of physical output (kilolitres/ton)	4.40	4.30
Water intensity (optional) – the relevant metric may be selected by the entity		

*Calculation for revenue adjusted intensity for Purchase Power Parity is as per the BRSR Core Reporting Standard issued by the Industry Standards Forum in consultation with SEBI on December 20, 2024, with a normative reference to the BRSR Guidance note issued by SEBI for principle-specific guidance.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Grant Thornton Bharat LLP carried out reasonable assurance as per ISAE3000 for (BRSR Core).

4. Provide the following details related to water discharged:

Parameter	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
-- No treatment	-	-
-- With treatment- please specify level of treatment	344,589	403,234
(ii) To Groundwater		
-- No treatment	-	-
-- With treatment- please specify level of treatment	-	-
(iii) To Seawater		
-- No treatment	-	-
-- With treatment- please specify level of treatment	-	-
(iv) Sent to third-parties		
-- No treatment	-	-
-- With treatment- please specify level of treatment	80,600	123,975
(v) Others		
-- No treatment	-	-
-- With treatment- please specify level of treatment	-	-
Total water discharged (in kilolitres)	425,189	527,209

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Grant Thornton Bharat LLP carried out reasonable assurance as per ISAE3000 for (BRSR Core).

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity in the following format

Parameter	Please Specify Unit	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 (Jan 2023 to Mar 2024) Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric ton of CO ₂ Equivalent	147,573	231,324
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric ton of CO ₂ Equivalent	181,638*	Gross:151,936
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	kgCO ₂ e/ million INR	1,640	1,579
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO ₂ e/ million USD	33.87**	18.8
Total Scope 1 and Scope 2 emission intensity in terms of physical output	kgCO ₂ e/t	548	510
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	kgCO ₂ e/t		

*Reported under location-based mechanism. Whereas, under market-based mechanism, emissions are 7,343 which are only from Purchased Steam from Biomass Boilers.

** Calculation for revenue adjusted intensity for Purchase Power Parity is as per the BRSR Core Reporting Standard issued by the Industry Standards Forum in consultation with SEBI on December 20, 2024, with a normative reference to the BRSR Guidance note issued by SEBI for principle-specific guidance.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	2,657	2,489
E-waste (B)	71	75
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	51	22
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	132	297
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	68,706*	76,335*
Total (A+B + C + D + E + F + G + H)	71,617	79,218

Parameter	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)
Waste intensity per rupee of turnover (Total waste generated in kgs / Revenue from operations in million INR)	357	326
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (MT/million USD)	7**	3.89
Waste intensity in terms of physical output (kg/ton)	119.40	105.48
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA
For each category of waste generated, total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)		
Category of Waste		
(i) Recycled	28,711	37,131
(ii) Re-used	3,249	4,419
(iii) Other recovery operations	39,657	37,668
Total	71,617	79,218
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

*This data is inclusive of EPR pre-consumer packaging data

**Calculation for revenue adjusted intensity for Purchase Power Parity is as per the BRSR Core Reporting Standard issued by the Industry Standards Forum in consultation with SEBI on December 20, 2024, with a normative reference to the BRSR Guidance note issued by SEBI for principle-specific guidance.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Grant Thornton Bharat LLP carried out reasonable assurance as per ISAE3000 for (BRSR Core).

Principle 8

Inclusive Growth: Businesses should promote inclusive growth and equitable development.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

Your Company follows business practices that follow inclusive approach and enable the small farmers/local communities and vulnerable groups to be part of its sustainability journey. This is clearly visible in your Company's spend progression of last two years from micro/ medium enterprises and neighborhood communities.

	FY 2024-25 Current Financial Year	15 Months FY ended 31 st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)
Directly sourced from MSMEs/ small producers	23%	29%
Directly from within India	89%	91%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

	FY 2024-25 Current Financial Year	15 Months FY ended 31st March 2024 Previous Financial Year (Jan 2023 to Mar 2024)
Rural	1%	1%
Semi-urban	28%	27%
Urban	19%	19%
Metropolitan	52%	53%

(Places categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Principle 9

Customer/Consumer Value: Businesses should engage with and provide value to their consumers in a responsible manner.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches- **NIL**
- Percentage of data breaches involving personally identifiable information of customers- **NIL**
- Impact, if any, of the data breaches- **NIL**

ANNEXURE - 4 TO THE BOARD'S REPORT

FORM NO. MR – 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Nestlé India Limited
CIN: L15202DL1959PLC003786
100/101, World Trade Centre,
Barakhamba Lane,
New Delhi -110001

We have conducted Secretarial Audit of compliance with the applicable statutory provisions and adherence to good corporate practices by **Nestlé India Limited** (hereinafter called 'the Company') for the **Financial Year ended 31st March 2025**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon. Based on our verification of the Company's books and papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended 31st March 2025** complied with statutory provisions listed hereunder and also, that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the **Financial Year ended 31st March 2025** according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **Not applicable to the extent of Overseas Direct Investment and External Commercial Borrowings as there were no reportable events during the financial year under review.**
- (v) The following Regulations and Guidelines prescribed under the **Securities and Exchange Board of India Act, 1992 ('SEBI Act')**:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable as the Company has not issued any shares during the financial year under review;**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 – **Not applicable as the Company has not issued any shares/ options to directors/ employees during the financial year under review;**
 - e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; – **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;**
 - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – **Not applicable as the Company has not delisted/ proposed to delist its equity shares during the financial year under review;**
 - g) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 – **Not applicable as the Company has not bought back/ proposed to buy-back any of its securities during the financial year under review; and**

- h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021- **Not Applicable as the Company has not issued and listed Non-convertible securities during the financial year under review.**
- (vi) The management has identified and confirmed the following laws as being specifically applicable to the Company:
- Food Safety and Standards Act, 2006, rules and regulations thereunder;
 - Legal Metrology Act, 2009, rules and regulations thereunder;
 - Infant Milk Substitutes, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Act, 1992 and rules thereunder (Local Infant Code); and
 - Bureau of Indian Standards (BIS) Act, 2016;

We have also examined compliance with the applicable clauses/ regulations of the following:

- Secretarial Standards with respect to Meetings of Board of Directors (**SS-1**) and General Meetings (**SS-2**) issued by the Institute of Company Secretaries of India;
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement entered into with the BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with provisions of the Act, Rules, applicable Regulations, Guidelines, Standards etc. mentioned above.

We report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including Women Directors. The changes in the composition of Board of Directors that took place during the financial year under review, were carried out in compliance with the provisions of the Act;
- Adequate notice is given to all Directors to schedule Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance before the meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting; and
- All the decisions of the Board and Committees thereof were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at its meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

We further report that during the financial year under audit, the following was the event which occurred, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

- Members of the Company at the Annual General Meeting held on 8th July 2024, passed a Special Resolution authorizing the Company to borrow 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 Rs. 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.

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

For **S. N. ANANTHASUBRAMANIAN & Co.**

Company Secretaries

ICSI Unique Code: P1991MH040400

Peer Review Cert. No.: 5218/2023

S. N. Ananthasubramanian

Founding Partner

FCS: 4206 | COP No.: 1774

ICSI UDIN: F004206G000182076

Date: 23rd April 2025

Place: Thane

To,
The Members,
Nestlé India Limited
CIN: L15202DL1959PLC003786
100/101, World Trade Centre,
Barakhamba Lane,
New Delhi -110001

Our Secretarial Audit Report for the financial year from **1st April 2024 to 31st March 2025** of even date is to be read along with this letter.

Management's Responsibility:

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility:

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or Records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.
6. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

7. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
8. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For **S. N. ANANTHASUBRAMANIAN & Co.**

Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

S. N. Ananthasubramanian

Founding Partner
FCS: 4206 | COP No.: 1774
ICSI UDIN: F004206G000182076

Date: 23rd April 2025
Place: Thane

ANNEXURE - 5 TO THE BOARD'S REPORT

Information as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 forming part of the Board's Report for the financial year ended 31st March 2025:

A. CONSERVATION OF ENERGY

(a) Steps taken or impact on conservation of energy:

Your Company continued to accelerate its sustainability efforts during the financial year ended 31st March 2025, even though it was challenging year. Keeping people safe and ensuring consumers have access to the Company's foods and beverages has remained central to your Company's activities across the country. As part of long-term sustainability, your Company ensures that the products, packaging and operations are safe for employees, consumers and the environment. Your Company ensures this with a focus on technologies, processes and improvements that matter for the environment. At Nestlé, sustainability inspires and guides everything your Company does. Moreover, your Company gives highest priority to ensure environmental friendly practices at all factories and offices. These include reduction in power consumption, optimal water consumption, switching to green energy, eliminating excess use of paper and using eco-friendly products.

As in the past, your Company continued to stress upon measures for the conservation and optimal utilisation of energy in all the areas of operations, including those for energy generation and effective usage of sources/ equipment used for generation. Within your Company, there are continuous efforts towards improving operational efficiencies, minimizing consumption of natural resources and reducing water, energy & CO₂ emissions while maximizing production volumes.

Your Company achieved 100% renewable electricity, including International Renewable Electricity Certificates (I-RECs). These efforts reflect your Company's commitment to decarbonizing operations and transitioning to a low emission future. Key initiatives included flash steam heat recovery from condensate, automation of boiler & air heater burners, optimization of compressed air consumption, steam usage optimization in coffee and noodle processes, and the use of Electronically Commutated (EC+) Blowers in Air Handling Units (AHUs).

Your Company has installed biomass boilers in Moga, Nanjangud and Sanand to reduce its operational footprint and increasingly use renewable fuel in its operation. Another initiative taken to reduce GHG emissions was conversion of FO (Furnace Oil) to NG (Natural Gas)- which is a cleaner fuel, in Air heaters. Additionally, NG boiler efficiency improvement and NG usage optimization in coffee process (roasters) was done to further support reduction of emissions. Your Company has also eliminated usage of coal from eight factories.

Your Company has taken a significant step towards water conservation projects across all factories reducing the water withdrawal intensity by ~31% vs 2018 baseline. Key initiatives included expansion of "Zer Eau" project, initiated in 2014 which focused on reducing water consumption in milk factories by utilizing water embedded in fresh milk, significantly reducing freshwater withdrawal. Nestlé Moga Factory, located in a water-scarce basin, processes large volumes of milk daily, generating high effluent. By reusing treated water, the factory aims to reduce groundwater dependence by approximately 25%. Other key water projects that have been executed are increase of treated effluent recovery by adding an MBR (Membrane Bio-reactor) & RO (Reverse Osmosis) in ETP (Effluent Treatment plant) to recycle & use the water in utilities & increase in recovery of condensate.

Your Company is harnessing technology and leveraging digital infrastructure to have strong governance on water consumption. Over the years, there has been a huge focus on the reuse and recycle of water within factory, for e.g. recycle of water extracted from milk evaporation has helped to reduce ground water consumption. Your Company has nine factories, and eight factories are zero liquid discharge (ZLD) factories, consuming all the treated effluent within factory for its need of process or land maintenance.

At the factories, there has been continuous efforts to minimize consumption of natural resources and water usage, reduction in energy and CO₂ emissions while maximizing production volumes. Over the last 6 years (~2018 - 2024) on an average, for every ton of production, your Company reduced the usage of energy by around 13%, water usage by around 31%, and specific direct Green House Gas emissions by 70.7%.

During the period under review, various energy reduction projects were undertaken by the factories of your Company which will result in substantial annualized savings of approximately 89,000 Gigajoules ("GJ") and expected to be realized in coming years. Some of the projects undertaken at different factory locations include flash steam heat recovery from condensate; automation of boiler & air heater burners; steam usage optimization in noodle steamers; use of Electronically Commutated (EC+) Blowers in Air Handling Units (AHUs), use of energy efficient fans for cooling towers, electricity consumption optimization; optimization of compressed air consumption through leakage arrest.

During the period under review, your Company continued to manage water resources by improving efficiencies and helping to restore natural resources by water reduction projects initiated in different factory locations. These initiatives resulted in reduction in water consumption and reuse of recycled water in a more efficient manner. One of the key initiatives contributing to water savings during the financial year ended 31st March 2025 was increasing the utilization of treated effluent after polishing through high technology Reverse Osmosis plant. Your Company will continue to work to achieve good water resources management throughout operations. Your Company is supporting regenerative farming that aims to improve soil health and soil fertility, as well as protecting water resources and diversity.

(b) Additional Investment:

Your Company has been making investments over last many years towards water conservation measure, that achieved significant water savings, totaling 190,000 m³. Some of the proposals, which are initiated for implementation during the financial year ended 31st March 2025 in different factory locations are as hereunder:

- Use of biomass fuel for steam generation;
- Investment in improving plant efficiencies for minimizing water use;
- Investment in the solar energy by entering into Solar Power Purchase Agreement (PPA); and
- Investment in second stage Reverse Osmosis plant to increase water recovery.

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

During the years, at the factories there have been continuous efforts to improve operational efficiencies, minimizing consumption of natural resources and reducing water, energy and CO₂ emissions while maximizing production volumes.

As a result, during the period under review, the specific GHG emission reduced from 696 Kg CO₂ eq per ton to 202 Kg CO₂ eq per ton (reduction of 70.7%) over 2018 baseline. These GHG emission intensity includes the benefit of purchase of international renewable certificates.

Your Company has installed biomass boilers in Moga, Nanjangud and Sanand factories to reduce its operational footprint and increasingly use renewable fuel in its operation. Another initiative taken to reduce GHG emissions was conversion of Furnace Oil to Natural Gas - which is a cleaner fuel, in Air heaters. Additionally, NG boiler efficiency improvement and NG usage optimization in coffee process (roasters) was done to further support reduction of emissions.

(d) Projects planned or initiated for further improvement in energy and water consumption are: Continuous Energy initiatives in different factory locations:

- Plant efficiency improvement for generation as well as usage; and
- Digital tools to optimize chilled water, compressed air, steam consumptions.

Continuous Water Initiatives in different factory locations:

- Investment in second stage Reverse Osmosis plant to increase recovery; and
- Increase recycling of Effluent Treatment after polishing through RO plant.

Continuous Initiatives to reduce GHG emissions in different factory locations:

- Use of biomass for steam generation.
- Replace furnace oil with natural gas for air heaters.
- Replace LPG with NG for boilers & ovens

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption are furnished below:

Research And Development (R&D):

1. *Specific areas in which R&D carried out by the Company*

Your Company, as a part of Nestlé Group and under the General Licence Agreements, has access to and advantage of drawing from the extensive central R&D efforts and activities of the Nestlé Group. This R&D network of Nestlé Group also powers the Company's innovation ecosystem and the Company takes benefit of the most advanced science and innovation network in the food and beverage industry which includes 4000 R&D experts across more than 23 facilities worldwide with Nestlé Group investing over CHF 1.7 billion every year as an engine for growth. This is supported by access to extensive infrastructure and state-of-the-art facilities along with broad and deep expertise in plant science, food science, nutrition, food safety, culinary matters, regulatory matters, manufacturing and packaging. The Company expects significant growth in the coming years from impactful innovations and renovations across all product categories of your Company.

Nestlé Group, therefore, provides an access to its unique ability to discover, develop, innovate and renovate products and solution that are produced with careful consideration for natural resources and social impacts, contributing towards advancing re-generative food systems at scale while ensuring quality and safety of products.

As a truly global company with very local insights, Nestlé Group understands consumer preferences. Whether bringing beloved local dishes to consumers in India or Thai food to consumers in Europe, our chefs in R&D can make it just right for local tastes. This advantage is helping the company bridge culinary cultures and bring sought-after cuisine to the consumers, wherever they live.

It has therefore been possible for your Company to focus its efforts on testing and modification of products for local conditions. Improving and maintaining the quality of certain key raw materials also continued to receive close attention.

2. *Benefits derived as a result of the above R&D*

The ability to leverage the R&D expertise and knowledge of Nestlé Group, has helped your Company to innovate and renovate, manufacture high quality and safe products, improve yields, input substitution and achieve more efficient operations. Consequently, the consumers perceive the products of your Company as a high value for their money.

One of innovations launched during the financial year was New Maggi Nutri-licious Chatpata Besan Noodles which are made with nutrient dense chickpeas, rich in both protein and fiber, offering Indian consumers a compelling dish that is both spicy and tangy.

3. *Future plan of action*

Steps are continuously being taken for innovation and renovation of products including new product development, faster introduction of new products in the market, improvement of packaging and enhancement of product quality/ profile, to offer better products at relatively affordable prices to the consumers.

4. *Expenditure on R&D*

Your Company benefits from the extensive centralised R&D activity and expenditure of the Nestlé Group, at an annual outlay of ~1.7 billion Swiss Francs. Expenditure incurred by the Company, in the nature of Research and Development are those incurred locally, primarily relating to testing and modifying of products for local conditions and are as under:

	(₹ in millions)
a) Capital	127.1
b) Recurring	326.4
c) Total	453.5
d) Total as a percentage of total turnover	0.23%

Your Company saves significant amount of R&D expenditure by having access to and advantage of drawing from the extensive central R&D efforts and activities of the Nestlé Group which comes as

part of the General Licence Agreements. The GLAs includes exclusive rights to continuous access and licence to manufacture and sell Nestlé products, trademarks, use bundle of proprietary Nestlé know-how (technical and non-technical), technology, patents and other related Intellectual Property Rights, assistance in implementation of know-how and training/ capability building of employees.

Technology absorption:

1. Efforts, in brief, made towards technology absorption

As a result of the Company's ongoing access to the global technology from Nestlé Group, Switzerland, your Company absorbs and adapts the technologies on a continuous basis to meet its specific needs from time to time.

2. Benefits derived as a result of the above efforts

Product innovation and renovation, improvement in yield, product quality, input substitution, cost effectiveness, energy conservation and product developed and produced with careful consideration for natural resources and social impacts, contributing towards advancing re-generative food systems at scale, are the some of the major benefits derived.

3. Imported Technology

All the food products manufactured and/ or sold by the Company are by virtue of the imported technology received on an ongoing basis from the Nestlé Group. Technology transfer has to be an ongoing process and not a one-time exercise, for the Company to remain competitive and offer high quality and value for money products to the consumers. This has been secured by your Company under the General Licence Agreements with Nestlé Group and provides access for licence to use the technology and improvements thereof, for the product categories, manufactured/ sold by the Company, on a continuous basis.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Activities relating to exports; initiatives taken to improve the exports; development of new export market for products and export plans:

Members are requested to refer page no. 72 which forms an integral part of this Report.

(b) Total foreign exchange used and earned:

During the year under review, your Company had earnings from exports of ₹ 7,848.3 million comprising foreign exchange earnings of ₹ 5,060.1 million and export to Nepal and Bhutan in Rupees amounting to ₹ 2,788.2 million.

Foreign exchange outgo of ₹ 37,350.1 million on account of imports, general licence fees, remittances made to non-resident shareholders on account of dividend etc.

On behalf of the Board of Directors

Date : 24th April 2025
Place : Nanjangud, Karnataka

Suresh Narayanan
Chairman and Managing Director

ANNEXURE - 6 TO THE BOARD'S REPORT

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i. The ratio of the remuneration of each director[#] to the median remuneration of the employees of the Company for the financial year ended 31st March 2025:

Name of Director	Designation	Ratio to median remuneration of the employees*
Mr. Suresh Narayanan	Chairman and Managing Director	121:1
Ms. Svetlana Boldina	Executive Director - Finance & Control and CFO	44:1
Mr. Satish Srinivasan	Executive Director - Technical	20:1

* Employees for the above purpose includes all employees excluding employees governed under collective bargaining.

[#] The details with regard to Independent Non-Executive Directors are not applicable as they have not received any remuneration except sitting fees for attending Board/ Committee meetings and commission.

- ii. The % increase in remuneration of each director[#], Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the financial year ended 31st March 2025:

Name of Director	Designation	% increase in remuneration
Mr. Suresh Narayanan	Chairman and Managing Director	5%
Ms. Svetlana Boldina	Executive Director - Finance & Control and CFO	5%
Mr. Satish Srinivasan	Executive Director - Technical	Not Comparable
Mr. Pramod Kumar Rai	Company Secretary and Compliance Officer	6%

[#] The details with regard to Independent Non-Executive Directors are not applicable as they have not received any remuneration except sitting fee for attending Board/ Committee meetings and commission.

- iii. The % increase in the median remuneration of employees in the financial year ended 31st March 2025: 4.9%.
- iv. The number of permanent employees on the rolls of the Company: 8,419.
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: The median percentage increase made in the salaries of employees other than the managerial personnel was 5.2% while the increase in the remuneration of managerial personnel was 3.5%. These increases are a function of the Company's market competitiveness within its comparator group as ascertained through the detailed salary benchmarking survey the Company undertakes annually and reflects the Company's reward philosophy.
- vi. The key parameters for any variable component of remuneration availed by the directors: Variable Component is a critical element of Total Rewards and delivers value for employees who deliver tangible results for the business, against agreed targets. Employees including key managerial personnel, annual short-term bonus is linked to both Company and Individual Performance.
- vii. It is hereby affirmed that the remuneration is as per the Nomination and Remuneration Policy of the Company.

On behalf of the Board of Directors

Date: 24th April 2025
Place: Nanjangud, Karnataka

Suresh Narayanan
Chairman and Managing Director

Notes

[illegible]

Notes

[illegible]

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[illegible]





Nestlé®

Good food, Good life