

## Quarterly Compliance Report on Corporate Governance

Name of the Company : **Nestlé India Limited**  
 Quarter ended on : **31<sup>st</sup> December, 2013**

| Particulars   | Clause of Listing Agreement | Compliance Status (Yes/ No) | Remarks   |
|---|-----------------------------|-----------------------------|---|
| <b>I. Board of Directors</b>                            | 49 I                        |                             |   |
| (A) Composition of Board                                | 49(IA)                      | Yes                         | The structure of the Board of Directors of the Company comprises of three Executive Directors and five Non-Executive Directors, out of which four are Independent Directors. The Chairman of the Board is a Non-Executive Director.   |
| (B) Non-executive Directors' compensation & disclosures | 49(IB)                      | Yes                         |   |
| (C) Other provisions as to Board and Committees         | 49(IC)                      | Yes                         | During the quarter the Board of Directors met on 30 <sup>th</sup> October, 2013. In the third quarter the Board met on 26 <sup>th</sup> July, 2013 and the maximum time gap between any two Board Meetings was less than four months. The Board periodically reviews the compliance reports, as stipulated. |
| (D) Code of Conduct                                     | 49(ID)                      | Yes                         |   |
| <b>II. Audit Committee</b>                              | 49(II)                      |                             |   |
| (A) Qualified & Independent Audit Committee             | 49(IIA)                     | Yes                         | The Audit Committee comprises of three Non-Executive Independent Directors. All members of the Audit Committee are financially literate and two members of the Audit Committee have related financial management expertise. The Company Secretary acts as the Secretary to the Committee.                   |
| (B) Meeting of Audit Committee                          | 49(IIB)                     | Yes                         | During the quarter the Audit Committee met on 30 <sup>th</sup> October, 2013. In the third quarter the Audit Committee met on 26 <sup>th</sup> July, 2013 and the maximum time gap between any two Audit Committee Meetings was less than four months.  |

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| Particulars  | Clause of Listing Agreement | Compliance Status (Yes/ No) | Remarks  |
|--|-----------------------------|-----------------------------|--|
| (C) Powers of Audit Committee  | 49(IIC)                     | Yes                         | The powers of the Audit Committee cover all the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.        |
| (D) Role of Audit Committee  | 49(II D)                    | Yes                         | The role of the Audit Committee includes all requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.           |
| (E) Review of Information by Audit Committee                             | 49(IIE)                     | Yes                         | The Audit Committee reviews the relevant information as required under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. |
| <b>III. Subsidiary Companies</b>   | 49(III)                     | Not Applicable              | The Company does not have any subsidiary.  |
| <b>IV. Disclosures</b>   | 49(IV)                      |                             |  |
| (A) Basis of related party transactions                                  | 49(IV A)                    | Yes                         |  |
| (B) Disclosure of Accounting Treatment                                   | 49(IV B)                    | Yes                         |  |
| (C) Board Disclosures  | 49(IV C)                    | Yes                         |  |
| (D) Proceeds from public issues, rights issues, preferential issues, etc | 49(IV D)                    | Not Applicable              |  |
| (E) Remuneration of Directors  | 49(IV E)                    | Yes                         |  |
| (F) Management   | 49(IV F)                    | Yes                         |  |
| (G) Shareholders   | 49(IV G)                    | Yes                         |  |
| <b>V. CEO/CFO Certification</b>  | 49(V)                       | Yes                         |  |
| <b>VI. Report on Corporate Governance</b>                                | 49(VI)                      | Yes                         |  |
| <b>VII. Compliance</b>   | 49(VII)                     | Yes                         |  |

**Note: -**

The Compliance status indicated is for the quarter ended 31<sup>st</sup> December, 2013 or as on 31<sup>th</sup> December, 2013, as relevant.

Details of compliance have been mentioned in the "Remarks" column for clarity and it is requested that the same be read along with the compliance status indicated.

DATE: 09.01.2014



NESTLÉ INDIA LIMITED



B. MURLI

 SR. VICE PRESIDENT - LEGAL &  
 COMPANY SECRETARY